THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the next course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular and valuation report (including the appended valuation certificate), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

MYCRON STEEL BERHAD

(Registration No. 200301020399 (622819-D))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED ACQUISITION BY MELEWAR STEEL TUBE SDN BHD ("MST" OR THE "PURCHASER"), A WHOLLY-OWNED SUBSIDIARY OF MYCRON STEEL BERHAD ("MYCRON" OR THE "COMPANY"), WHICH IN TURN IS A 74.13%-OWNED SUBSIDIARY OF MELEWAR INDUSTRIAL GROUP BERHAD ("MIGB" OR THE "VENDOR"), OF A PARCEL OF LEASEHOLD INDUSTRIAL LAND HELD UNDER PN 121387, LOT 10461 TOGETHER WITH THE BUILDINGS ERECTED THEREON, LOCATED IN SEKSYEN 15, TOWN OF SHAH ALAM, DISTRICT OF PETALING, STATE OF SELANGOR ("PROPERTY"), FROM MIGB FOR A CASH CONSIDERATION OF RM30.00 MILLION ("PROPOSED ACQUISITION")

PART B

INDEPENDENT ADVICE LETTER FROM MERCURY SECURITIES SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF MYCRON IN RELATION TO THE PROPOSED ACQUISITION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser	*Independent Adviser*
Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H)) (A Participating Organisation of Bursa Malaysia Securities Berhad)	**Mercury Securities Sdn Bhd** (Registration No. 198401000672 (113193-W)) (A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of the Company will be held at Dewan Berjaya, Main Club House, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof. The Notice of the EGM together with the Form of Proxy are enclosed.

You are entitled to attend, participate, speak and vote at the EGM or appoint a proxy or proxies to attend, participate, speak and vote on your behalf. If you wish to do so, the Form of Proxy duly completed must be deposited at the Company's registered office, c/o Trace Management Services Sdn Bhd at Suite 11.05, 11th Floor, No. 566 Jalan Ipoh, 51200 Kuala Lumpur not less than 48 hours before the time set for holding the EGM or at any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last day, date and time for lodging the Form of Proxy	:	Sunday, 6 September 2026 at 10.00 a.m.
Day, date and time of the EGM	:	Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof

This Circular is dated 24 August 2026

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act, 2016
Bank	:	The bank or other licensed financial institution to which the Purchaser may be applying for the loan
Board	:	Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to the Shareholders dated 24 August 2026 in relation to the Proposed Acquisition
Director(s)	:	A natural person who holds directorship in the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was a director or a chief executive of the listed issuers, its subsidiary or holding company within the preceding 6 months of the date on which the terms of the Proposed Acquisition were agreed upon
DPA	:	A deferred payment arrangement on terms mutually agreed between MST, MIGB and Mycron, which is repayable over a tenure of 64 months with the first monthly instalment due and payable one month from date of full release / disbursement of the Purchaser's loan to the Vendor
EGM	:	Extraordinary general meeting
EPS	:	Earnings per Share
FYE	:	Financial year ended / ending, as the case may be
IAL	:	Independent advice letter from the Independent Adviser to the non-interested Shareholders in relation to the Proposed Acquisition, as set out in Part B of this Circular
Interested Director(s)	:	Collectively, TDYK and Azlan bin Abdullah
Interested Major Shareholder(s)	:	Collectively, TDYK, MIGB, MKSB, MEBVI and KLB
Interested Parties	:	Collectively, the Interested Directors and the Interested Major Shareholders
Kenanga IB or the **Principal Adviser**	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H))
KLB	:	Khyra Legacy Berhad (Registration No. 200601021613 (741366-W))
LATAMI	:	Loss attributable to owners of the Company
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Lot 10462	:	The adjoining parcel of land to the Property, not forming part thereof
LPD	:	10 August 2026, being the latest practicable date prior to the printing of this Circular

Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the number of the aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act. Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Acquisition was agreed upon, such major shareholder of the Company or any other company which is a subsidiary or holding company of the Company
Maruichi	:	Maruichi Malaysia Steel Tube Berhad
MEBVI	:	Melewar Equities (BVI) Ltd (Registration No. 95686)
Mercury Securities or the **Independent Adviser**	:	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
MFRS	:	Malaysian Financial Reporting Standards
MIGB or the **Vendor**	:	Melewar Industrial Group Berhad (Registration No. 196901000102 (8444-W))
MIGB Group	:	Collectively, MIGB and its subsidiaries
MKSB	:	Melewar Khyra Sdn Bhd (Registration No. 197901005557 (49841-V))
MOT	:	Memorandum of transfer to be executed by the Vendor and the Purchaser for the purpose of effecting the transfer of legal title to the Property
MST or the **Purchaser**		Melewar Steel Tube Sdn Bhd (Registration No. 198301015667 (111059-D))
Mycron or **Company**	:	Mycron Steel Berhad (Registration No. 200301020399 (622819-D))
Mycron Group or **Group**	:	Collectively, Mycron and its subsidiaries
Mycron Share(s) or **Share(s)**	:	Ordinary share(s) in Mycron
NA	:	Net assets
PA International or the **Independent Valuer**	:	PA International Property Consultants (KL) Sdn Bhd (Registration No. 200601029159 (748916-W))

Property	:	A parcel of leasehold industrial land held under PN 121387, Lot 10461 together with the buildings erected thereon, located in Seksyen 15, Town of Shah Alam, District of Petaling, State of Selangor
Proposed Acquisition	:	The proposed acquisition by MST of the Property from MIGB for the Purchase Consideration, subject to the terms and conditions of the SPA
Purchase Consideration	:	The purchase consideration for the Proposed Acquisition of RM30.00 million, which will be satisfied entirely by cash
Purchaser's Existing Lenders' Approval	:	The consent of the Purchaser's existing lender(s) for the acquisition of the Property and the Purchaser's Loan
Purchaser's Loan	:	The bank borrowings to be obtained by the Purchaser amounting to approximately RM24.00 million, representing 80.00% of the Purchase Consideration
Purchaser's Solicitors	:	Messrs Sidek Teoh Wong & Dennis
RM and **sen**	:	Ringgit Malaysia and sen, respectively
Shared Use Facilities Arrangement Letter	:	The shared use facilities arrangement letter dated 24 February 2023 entered into between MIGB and Sumiputeh Steel Centre Sdn Bhd
Shareholder(s)	:	Shareholder(s) of Mycron
Shareholders' Approval	:	The approval of the non-interested Shareholders at the Company's forthcoming EGM
SPA	:	The conditional sale and purchase agreement dated 15 June 2026 entered into between MST and MIGB for the Proposed Acquisition
State Authority Consent	:	The approval of the state authority for the sale and transfer of the Property in favour of the Purchaser
TDYK	:	Tunku Dato' Yaacob Khyra
Tenancy Agreement	:	The tenancy agreement dated 1 June 2022 entered into between MST and MIGB for the Property in respect of the lease of the Property, at a monthly rental of RM175,000.00
Valuation Certificate	:	The valuation certificate in relation to the Property dated 15 June 2026 prepared by PA International
Valuation Report	:	The valuation report in relation to the Property dated 15 June 2026 prepared by PA International
Voluntarily Abstained Director(s)	:	Collectively, Kwo Shih Kang, Datin Seri Raihanah Begum binti Abdul Rahman and Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram

UNIT OF MEASUREMENT

sq ft	:	square feet
sqm	:	square metres

All references to "you" or "your" in this Circular are to the Shareholders.

All references to "we" in this Circular are to the Company, or where the context otherwise requires, shall include its subsidiaries.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any provisions of the statutes, rules, regulations, guidelines or rules of stock exchange shall (where the context admits) is a reference to provisions of such statutes, rules, regulations, guidelines or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment of the statutes, rules, regulations, guidelines or rules of stock exchange for the time being in force. Any reference to time and date in this Circular shall be a reference to Malaysian time and date, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company's and / or the Group's plans and objectives will be achieved.

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TABLE OF CONTENTS

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED ACQUISITION. SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THE WHOLE CIRCULAR (INCLUDING THE IAL AS SET OUT IN PART B OF THIS CIRCULAR) AND THE APPENDICES WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

Salient Information	Description	Reference to Part A of this Circular
Details of the Proposed Acquisition	The Proposed Acquisition entails the acquisition of the Property by MST from MIGB for a cash consideration of RM30.00 million, subject to the terms of the SPA.	Section 2
Basis and justification for the Purchase Consideration	The Purchase Consideration of RM30.00 million was arrived at on a "willing-buyer willing-seller" basis, after taking into consideration, amongst other, the following: (i) the market value of the Property of RM30.50 million as at the material date of valuation of 5 June 2026 as appraised by the Independent Valuer; (ii) the rationale and benefits of the Proposed Acquisition; and (iii) the prospects of the Property.	Section 2.4
Estimated total funding required and source of funding	The Purchase Consideration and the estimated expenses relating to the Proposed Acquisition will be funded via a combination of bank borrowings, deferred consideration in accordance with the DPA and internally generated funds.	Section 2.6
Liabilities to be assumed	Save for the payment of the Purchase Consideration and other customary payments, obligations and costs such as legal fees, stamp duty and registration fees set out in Clause 9.4 of the SPA, Clause 12 of the DPA and any other ancillary agreements, such as the Purchaser's Loan documentations, in relation to the Proposed Acquisition, there are no other liabilities (including contingent liabilities) and guarantees to be assumed by the Group following the completion of the Proposed Acquisition.	Section 2.7
Additional financial commitment	Save for the Purchase Consideration and the estimated expenses relating to the Proposed Acquisition, the Group does not expect to incur any additional financial commitment in relation to the Proposed Acquisition.	Section 2.8
Rationale and benefits of the Proposed Acquisition	The Board expects the Proposed Acquisition to bring the following benefits to the Group: (i) flexibility in driving future operations; (ii) savings on rental expenses; (iii) strategic location of the Property; (iv) prevention of disruption to the Group's operations; and (v) potential property value appreciation over time.	Section 3
Risk factors	The potential risk factors are as follows: (i) delay or non-completion of the Proposed Acquisition; (ii) financing risk; and (iii) compulsory acquisition.	Section 5

Salient Information	**Description**	**Reference to Part A of this Circular**
Approvals required and conditionality	The Proposed Acquisition is subject to approvals and / or consents being obtained from the following: (i) the Shareholders' Approval; (ii) the State Authority Consent; (iii) the approval of the state authority for the registration of charge over the Property in favour of the Bank; (iv) the Purchaser's Existing Lenders' Approval; and (v) where required, the approvals from the relevant regulatory authorities having jurisdiction over the acquisition of the Property. The Proposed Acquisition is not conditional upon any other proposal / scheme undertaken or to be undertaken by the Company.	Section 8
Interest of Directors, Major Shareholders, Chief Executive(s) of the Company and / or persons connected with them	Save as disclosed below, none of the Directors, Major Shareholders and chief executive(s) of the Company and / or persons connected with them has any interest, whether direct or indirect, in the Proposed Acquisition: **Interested Director and Interested Major Shareholder** (i) TDYK. **Interested Director** (i) Azlan bin Abdullah. **Interested Major Shareholders** (i) MIGB; (ii) MKSB; (iii) MEBVI; and (iv) KLB.	Section 9
Audit and Governance Committee's statement	The Audit and Governance Committee of the Company (comprising members of the Board who are not interested in the Proposed Acquisition), in arriving at their views, have sought the independent advice from the Independent Adviser for the Proposed Acquisition. After taking into consideration the evaluation of the Independent Adviser on the Proposed Acquisition, and having considered all relevant aspects of the Proposed Acquisition, including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of the Property to be acquired, the basis and justification for the Purchase Consideration, salient terms of the SPA, salient terms of the DPA and the effects of the Proposed Acquisition, the Audit and Governance Committee of the Company is of the opinion that the Proposed Acquisition is: (i) in the best interest of the Company; (ii) fair, reasonable and on normal commercial terms; and (iii) not detrimental to the interests of the non-interested Shareholders.	Section 13

Salient Information	Description	Reference to Part A of this Circular
Directors' statement and recommendation	The Board, save for the Interested Directors and the Voluntarily Abstained Directors, after taking into consideration the evaluation of the Independent Adviser on the Proposed Acquisition, and having considered all relevant aspects of the Proposed Acquisition, including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of the Property to be acquired, the basis and justification for the Purchase Consideration, salient terms of the SPA, salient terms of the DPA and the effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company. Accordingly, the Board (save for the Interested Directors and the Voluntarily Abstained Directors) recommends that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.	Section 14
Estimated timeframe for completion	Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Acquisition is expected to be completed in the fourth quarter of 2026. The tentative timetable for the implementation of the Proposed Acquisition is set out below: **Event** — **Tentative timing** EGM — 8 September 2026 Fulfilment of the conditions precedent in respect of the SPA and the DPA — September 2026 Completion of the Proposed Acquisition — November 2026	Section 15

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PART A

LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITION

MYCRON STEEL BERHAD
(Registration No. 200301020399 (622819-D))
(Incorporated in Malaysia)

Registered office

Suite 11.05, 11th Floor
No. 566 Jalan Ipoh
51200 Kuala Lumpur

24 August 2026

Board of Directors

Tunku Dato' Yaacob Khyra (Executive Chairman)
Roshan Mahendran bin Abdullah (Group Chief Executive Officer)
Azlan bin Abdullah (Non-Independent Non-Executive Director)
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah (Non-Independent Non-Executive Director)
Kwo Shih Kang (Senior Independent Non-Executive Director)
Datin Seri Raihanah Begum binti Abdul Rahman (Independent Non-Executive Director)
Dato' Mohd Zahir bin Zahur Hussain (Independent Non-Executive Director)
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Independent Non-Executive Director)

To: The Shareholders

Dear Sir / Madam,

PROPOSED ACQUISITION

1. INTRODUCTION

On 15 June 2026, Kenanga IB had, on behalf of the Board, announced that MST, a wholly-owned subsidiary of the Company, had on the same date entered into the SPA with MIGB for the Proposed Acquisition, subject to the terms and conditions of the SPA.

Further details of the Proposed Acquisition are set out in Section 2 of this Circular.

In view of the interests of the Interested Parties in respect of the Proposed Acquisition as disclosed in Part A, Section 9 of this Circular, the Proposed Acquisition is deemed as a related party transaction under Paragraph 10.08 of the Listing Requirements. Accordingly, Mercury Securities has been appointed as the Independent Adviser on 5 June 2026 to advise the non-interested Directors and non-interested Shareholders on the Proposed Acquisition. The IAL in relation to the Proposed Acquisition is set out in Part B of this Circular.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS WITH THE DETAILS OF THE PROPOSED ACQUISITION AND TO SEEK APPROVAL FROM SHAREHOLDERS FOR THE RESOLUTION IN RELATION TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR, INCLUDING THE IAL AND THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

As part of the Group's strategy to obtain operation cost savings and eliminate the risk of rental increases, MST intends to acquire the Property from MIGB.

MIGB is the owner of the Property, which is presently tenanted and operated by MST under its Tenancy Agreement.

On 15 June 2026, MST entered into the SPA with MIGB in relation to the Proposed Acquisition. The Proposed Acquisition involves the acquisition of the Property by MST, from MIGB for a cash consideration of RM30.00 million, subject to the terms and conditions of the SPA. The salient terms of the SPA are set out in Appendix I of this Circular.

The Purchase Consideration will be satisfied through a combination of bank borrowings and a deferred payment arrangement with MIGB. In particular, approximately RM24.00 million, representing 80.00% of the Purchase Consideration will be funded via bank borrowings, while the remaining RM6.00 million, representing 20.00% of the Purchase Consideration will be satisfied via the DPA. The salient terms of the DPA are set out in Appendix II of this Circular. This arrangement enables the Group to lower its overall financing costs and reduce reliance on additional bank borrowings.

Upon completion of the Proposed Acquisition, the Tenancy Agreement will be terminated. Following the completion of the Proposed Acquisition, MST will be the owner and operator of the Property. Further information relating to the Property is set out in Part A, Section 2.1 of this Circular.

2.1 Information on the Property

The Property is a parcel of industrial land improved upon with an industrial building comprising a single-storey detached factory with a single-storey office annexed and other ancillary buildings.

(Location map of the Property)

(Front view of the Property)

(Aerial view of the Property)

Further information on the Property, is as follows:

Registered proprietor	MIGB
Postal address	Lot 10, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan
Title details	Title No. PN 121387, Lot 10461 Seksyen 15, Town of Shah Alam, District of Petaling, State of Selangor
Tenure	Leasehold interest for 99 years expiring on 11th May 2085
Category of land use	"Industri"

Restriction in interest	"Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri"
Encumbrances	Nil
Endorsements	No. Perserahan 00SC55274/2024, Pindahmilik Tanah oleh Sumiputeh Steel Centre Sdn Bhd
Express condition	"Perusahaan Berat"
Land area	21,570 sqm
Gross floor area	13,044 sqm
Net lettable area	11,190 sqm
Occupancy	100%
Number of storeys	Single-storey
Rental details	Average yearly rental income for the past 3 years (2023-2025): RM2.10 million
Existing use / Proposed use	An industrial building
Age of buildings	Approximately 41 years
Audited carrying amount as at 30 June 2025 as per MIGB's annual report	RM33,100,000.00 based on the audited financial statement of MIGB
Market value	RM30,500,000.00
Date of valuation	5 June 2026
Independent valuer	PA International
Method of valuation	**Primary:** Cost approach **Secondary:** Income capitalisation approach via investment method

At present, access to the Property is derived via an existing entrance located within the adjoining parcel of land, being Lot 10462, which is subject to a shared access arrangement between the Property and Lot 10462.

Originally, the Property formed part of the parent title, PN 11949, Lot 95 Seksyen 15 (formerly HSD 21950, PT No. 59), Bandar Shah Alam, Daerah Petaling, Negeri Selangor. A portion of the land together with the subject building was sold by Sumiputeh Steel Centre Sdn Bhd to Maruichi (now known as MIGB) pursuant to a sale and purchase agreement dated 15 May 1990 and a supplemental agreement dated 1 June 1995. Hence, subdivision into two lots, known as Lot 10461 (being the Property) and Lot 10462.

Subsequently, on 24 February 2023, MIGB and Sumiputeh Steel Centre Sdn Bhd entered into a Shared Use Facilities Arrangement Letter, setting out their respective rights and obligations relating to the use, maintenance and enjoyment of certain shared facilities and infrastructure serving both properties. The arrangement does not have a fixed tenure and shall continue unless terminated in accordance with the terms of the Shared Use Facilities Arrangement Letter following the completion of the Proposed Acquisition.

The Property benefits from access from the main road via Lot 10462, shared roofing structures, and the use of the fire-fighting system located on Lot 10462. Conversely, Lot 10462 benefits from the use of the covered car park, the Tenaga National Berhad sub-station and the shared roofing structures located on the Property. This arrangement has persisted since 1990, and there is no impetus for change.

Nevertheless, in the unlikely scenario of any planned change in ownership, the Shared Use Facilities Arrangement Letter accords the other party the first-right-of-refusal to acquire ownership. In the event of termination of the Shared Use Facilities Agreement Letter, the Group's operation will not be affected as these shared facilities can be made independent without any undue stoppage to daily operations. In this regard, the Group already has a contingent rectification plan to separate these shared structures and facilities, and the costs of such rectification works (approximately RM2.96 million) has already been factored into the determination of the Property's market value by the Independent Valuer, and in the current acquisition price.

2.2 Original cost and date of investment

Property asset	Year of investment	Cost of investment (RM'000)
Property	Between 1990 and 1995	Approximately 7,400

(Source: MIGB)

2.3 Information on the Vendor

2.3.1 MIGB

MIGB was incorporated in Malaysia under the Companies Act, 1965 on 24 February 1969 as a private limited company under the name of Aurora Steel Tube Manufacturing Sdn Bhd. On 2 November 1972, Aurora Steel Tube Manufacturing Sdn Bhd changed its name to Maruichi. On 25 September 1975, Maruichi was converted into a public company and was listed on the Main Board of the Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) on 26 February 1986. MIGB assumed its present name on 5 December 2003.

As at the LPD, the share capital of MIGB is RM253,791,194.00 comprising 359,456,103 ordinary shares.

MIGB is principally involved in property investment and investment holding. Its subsidiaries are principally involved in the following:

(i) investment holding and the provision of management services to its subsidiaries;

(ii) manufacturing and trading of steel pipes and tubes;

(iii) manufacturing and trading of steel cold rolled coils;

(iv) export and import of other basic iron and steel products;

(v) steel tubes distribution, storage solutions and food retail in the United Kingdom;

(vi) trading of frozen meat and seafood;

(vii) bottling and distribution of palm olein edible oil;

(viii) food distribution and retail business;

(ix) the provision of scrap metals handling services to its related companies; and

(x) constructing and supplying of quick assembly homes.

As at the LPD, the directors of MIGB and their respective shareholdings in MIGB are as follows:

		Shareholding in MIGB			
		Direct		Indirect	
Name	**Nationality**	**No. of shares**	**(1) %**	**No. of shares**	**(1) %**
TDYK	Malaysian	-	-	(2) 168,572,764	46.90
Azlan bin Abdullah	Malaysian	133,333	0.04	-	-
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	Malaysian	-	-	-	-
Kwo Shih Kang	Malaysian	-	-	-	-
Datin Seri Raihanah Begum binti Abdul Rahman	Malaysian	-	-	-	-
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	Malaysian	-	-	-	-

Notes:

(1) Based on total number of 359,456,103 ordinary shares in MIGB as at the LPD.

(2) Deemed interested by virtue of TDYK being one of the beneficiaries of a trust known as KLB, being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, pursuant to Section 8(4) of the Act.

As at the LPD, the substantial shareholders of MIGB and their respective shareholdings in MIGB are as follows:

	Shareholding in MIGB			
	Direct		Indirect	
Name	**No. of shares**	**(1) %**	**No. of shares**	**(1) %**
MKSB	104,382,731	29.04	-	-
MEBVI	60,379,733	16.80	-	-
KLB	-	-	(2) 168,572,764	46.90
TDYK	-	-	(3) 168,572,764	46.90

Notes:

(1) Based on total number of 359,456,103 ordinary shares in MIGB as at the LPD.

(2) Deemed interested by virtue of KLB being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, pursuant to Section 8(4) of the Act.

(3) Deemed interested by virtue of TDYK being one of the beneficiaries of a trust known as KLB, being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, pursuant to Section 8(4) of the Act.

(Source: Record of Depositors of MIGB)

2.4 Basis and justification for the Purchase Consideration

The Purchase Consideration of RM30.00 million was arrived at on a "willing-buyer willing-seller" basis, after taking into consideration, amongst others, the following:

(i) the market value of the Property of RM30.50 million as at the material date of valuation of 5 June 2026 as appraised by the Independent Valuer as set out in the Valuation Certificate;

(ii) the rationale and benefits of the Proposed Acquisition as set out in Part A, Section 3 of this Circular; and

(iii) the prospects of the Property as set out in Part A, Section 4.4 of this Circular.

2.5 Detailed description of the methodologies adopted by PA International

The valuation approach adopted by PA International for the Proposed Acquisition is set out below:

Valuation approach	Methodology approach
Primary: Cost approach	In the cost approach, the value of the land is added to the replacement cost of the buildings and other site improvements. The value of the site is determined by comparison with similar lands that have been sold recently and those that are currently being offered for sale in the vicinity with appropriate adjustments made to reflect improvements and other dissimilarities and to arrive at the value of the subject land as an improved site. The replacement cost of the buildings is derived from estimation of reconstructing a building of same kind and design as when new based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes. The analysed adjusted values range from RM130.50 per sq ft to RM160.00 per sq ft. Comparable No. 4 at RM133.00 per sq ft was adopted. The base land rate was rounded to RM130.00 per sq ft and subsequently adjusted for reinstallation cost of new access and amenities to arrive at the subject property's land value. Please refer to the Valuation Certificate in Appendix III of this Circular for details of the comparable vacant industrial lands and the adjustments made in determining the land value.
Secondary: Income capitalisation approach	In the income capitalisation approach, PA International have adopted the investment method. It entails using the annual rental income expected to command over a period of time relating to the subject property is estimated and deducting therefrom the expenses or outgoings incidental to the ownership of the property to obtain the net annual rental value. This net annual income is then capitalised at an appropriate capitalisation rate or years purchase figure to arrive at the present capital value of the subject property. The relevant capitalisation rate is chosen based on the investment rate of return to be expected from the type of property concerned taking into consideration such factors as risk, capital appreciation, security of income, ease of sale and management of the subject property.

PA International have adopted the market value as derived via the cost approach, which is considered the most appropriate valuation methodology due to the subject building age, design characteristics and existing shared-use arrangements. The approach allows for appropriate consideration of depreciation, functional and economic obsolescence, as well as the costs and implications associated with establishing independent access and infrastructure. While the income capitalisation approach was also considered, its value indication is influenced by an existing related-party tenancy and shared-use arrangements, which may not fully reflect market conditions.

(Source: Valuation Certificate)

2.6 Estimated total funding required and source of funding

The estimated total funding required to undertake the Proposed Acquisition is set out below:

Purpose	**RM'000**
Purchase Consideration	30,000
Estimated expenses in relation to the Proposed Acquisition [(1)]	1,938
Total	**31,938**

Note:

(1) The breakdown of the estimated expenses in relation to the Proposed Acquisition comprise the following:

Purpose	***RM'000***
Stamp duty on MOT	*1,184*
Professional fees	*400*
Stamp duty on loan agreement	*120*
Legal fees on loan agreement and bank commission	*110*
Miscellaneous fees [(a)]	*70*
Legal fees on SPA and DPA	*54*
Total	***1,938***

Note:

(a) The estimated breakdown and major cost components of the miscellaneous fees are set out below:

Purpose	***RM'000***
Printing cost, fees payable to the relevant authorities, administrative fees, cost of convening the EGM and other incidental expenses relating to the Proposed Acquisition including sales and service tax	*60*
Out of pocket expenses on professional fees including sales and service tax	*5*
Contingencies	*5*
Total	***70***

The Purchase Consideration and the estimated expenses relating to the Proposed Acquisition will be funded via a combination of bank borrowings, deferred consideration in accordance with the DPA and internally generated funds. The breakdown is as follows:

Details	**Bank borrowings (RM'000)**	**Deferred consideration (RM'000)**	**Internally generated funds (RM'000)**
Purchase Consideration	24,000	[(1)] 6,000	-
Estimated expenses relating to the Proposed Acquisition	-	-	1,938
Total	**24,000**	**6,000**	**1,938**

Note:

(1) Comprises the balance of the Purchase Consideration and the real property gains tax retention sum. The settlement mechanism for the deferred consideration is set out in Appendix II of this Circular.

2.7 Liabilities to be assumed

Save for the payment of the Purchase Consideration and other customary payments, obligations and costs such as legal fees, stamp duty and registration fees set out in Clause 9.4 of the SPA, Clause 12 of the DPA and any other ancillary agreements, such as the Purchaser's Loan documentations, in relation to the Proposed Acquisition, there are no other liabilities (including contingent liabilities) and guarantees to be assumed by the Group following the completion of the Proposed Acquisition.

2.8 Additional financial commitment

Save for the Purchase Consideration and estimated expenses relating to the Proposed Acquisition, the Group does not expect to incur any additional financial commitment in relation to the Proposed Acquisition.

3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is expected to bring the following benefits to the Group:

3.1 Flexibility in driving future operations

Upon completion of the Proposed Acquisition, MST will become the legal owner of the Property and will be able to manage and utilise the premises without restriction. This will allow the Group greater flexibility to undertake future operational initiatives, including enhancement, upgrading or reconfiguration of the existing facilities to better suit its business needs and pursue its green energy goals.

3.2 Savings on rental expenses

The corporate office and factory of MST are currently located on the Property and are rented from MIGB at a monthly rental of RM175,000.00. The Proposed Acquisition will allow MST to occupy its own premises, resulting in operational cost savings arising from rental expenses amounting to approximately RM2,100,000.00 per annum. In addition, the Proposed Acquisition will eliminate the Group's exposure to potential rental increases upon expiry and renewal of the tenancy.

3.3 Strategic location of the Property

The Property is located in Seksyen 15, Shah Alam, a mature and well-established industrial area in the state of Selangor, with surrounding developments consisting primarily of industrial and logistics-related premises.

The presence of established industrial operators within the vicinity further supports the suitability of the Property for industrial use. In this regard, the Property's location within close proximity to the Group's two existing operational facilities in Seksyen 15, Shah Alam, enhances its strategic suitability in supporting the Group's ongoing operations.

3.4 Prevention of disruption to the Group's operations

The Property forms an important part of the Group's operation as it is currently used for its manufacturing activities and remains under tenancy by MST. By acquiring the Property, MST will have full control over the premise, thereby reducing the risk of operational disruption that may arise if the Vendor chooses not to continue the tenancy or were to sell the Property to another party who may not lease it to MST or may impose less favourable leasing terms. In such situations, the Group may be required to relocate its operations, and such relocation as well as any interruption to business activities may result in additional costs to the Group.

For information purposes only, the current tenancy for the Property will expire on 31 May 2028.

3.5 Potential property value appreciation over time

The Group stands to benefit from potential property value appreciation over time, which is expected to contribute to an increase in the Group's NA, assuming minimal increase in the total liabilities in the Group. This, in turn, would enhance the Group's NA per share, hence creating additional value for the Shareholders.

4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

Economic growth strengthened to 6% in the second quarter of 2026 (first quarter ("**1Q**") of 2026: 5.4%), driven by continued domestic demand and robust exports. Household spending was supported by steady income growth and ongoing policy support. Investment growth was underpinned by continued spending on structures and machinery & equipment. On the external front, exports accelerated, driven mainly by the continued strength in electrical & electronics ("**E&E**") products and sustained expansion in services, as well as the rebound in exports of liquefied natural gas and non-E&E manufacturing products. Gross imports expanded further amid robust growth in intermediate and consumer goods imports.

On the supply side, growth was underpinned by the expansion in services and manufacturing sectors. The higher growth in the services sector was supported by business-related subsectors, especially the information and communication technology subsector from the expanding operationalisation of data centres. The robust growth in the manufacturing sector was driven by export-oriented clusters, particularly in E&E following strong artificial intelligence-related demand. The mining and quarrying sector growth turned positive, reflecting stronger natural gas production. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 2.5% (1Q 2026: -0.03%).

(Source: Economic and Financial Developments in Malaysia in 2Q 2026, Bank Negara Malaysia)

4.2 Overview and outlook of the industrial property sector in Malaysia

Despite the challenging global economy uncertainty, Malaysia property market in 2025 remains resilient. Transaction values continued to expand despite a slight contraction in transaction volume. A total of 416,413 property transactions were recorded, representing a slight decline of 1%, while the total transaction value increased by 4.1% to RM241.87 billion compared to 2024.

<u>Industrial Property</u>

The industrial sub-sector continued to strengthen, driven by growth in market activity. A total of 8,910 transactions worth RM33.8 billion were recorded, reflecting an increase of 1.4% in volume and 21.3% in value compared to 2024. The transactions value witnessed a notable growth, driven by sustained demand in high value segments, indicating growing investor confidence in strategic industrial locations. Growth in the industrial property market is fully supported by the New Industrial Master Plan 2030 (NIMP 2030) and the Thirteenth Malaysia Plan.

By property type, demand remained focused on terraced or warehouse units, which made up 33.3% of the total transactions. Meanwhile, the vacant plot and semidetached factory also recorded higher transactions, accounting for 27.1% and 21.8%, respectively. Selangor contributed the most, dominating 35.7%, followed by Johor, which contributed 18.1%. This reflects selective transactions indicating sustained demand for logistics, manufacturing, and data-related facilities in selected locations.

(Source: Property Market Report 2025, Ministry of Finance Malaysia)

4.3 Overview and outlook of the manufacturing sector and steel industry in Malaysia

Economic activity continued to expand in 2025, supported by sustained strength in services and manufacturing sectors amid resilient domestic demand, positive labour market conditions and continued recovery in tourism activity ahead of Visit Malaysia 2026. The manufacturing sector expanded by 4.5% (2024: 4.2%), underpinned by steady growth in both export and domestic-oriented industries. Growth in the export-oriented segment was driven by strong E&E performance as demand for data centre and AI-related components continued to strengthen, alongside higher semiconductor investment. However, these gains were partly offset by moderation in the petrochemicals industry amid softer regional exports. Domestic-oriented industries also expanded, due to resilient household spending, stronger tourism-related demand for food and beverages as well as transportation segments, and higher output of construction-related materials in line with ongoing construction activity.

Most economic sectors are expected to grow in 2026, except for the agriculture and mining sectors. The services and manufacturing sectors are expected to continue to drive overall growth. The manufacturing sector will continue to grow, albeit at a more moderate pace at 4.3% (2025: 4.5%). The E&E industry will be supported by the ongoing strong demand related to artificial intelligence, while consumer-related industries are expected to benefit from resilient household spending. However, growth of primary-related industry would remain subdued. This reflects the stiff competition from lingering global excess capacity within the industry.

(Source: Economic and Monetary Review 2025, Bank Negara Malaysia)

Malaysia's iron and steel total trade value in April 2025 reduced by 25.0% to RM4.6 billion from RM6.1 billion reported in April 2024. Trade balance has improved to trade surplus of RM170.0 million from trade deficit of RM331.0 million for the same comparison period.

Malaysia's iron and steel export in April 2025 slipped by 17.8% to RM2.4 billion compared to RM2.9 billion in April 2024. Three main export destinations for April 2025 were Singapore, Hong Kong and Vietnam accounting for 17.6%, 6.0% and 5.9% of the total export value respectively.

Malaysia's iron and steel import in April 2025 fell by 31.4% from RM3.2 billion in April 2024 to RM2.2 billion in April 2025. Imports from China, Japan and Indonesia accounted for the top three (3) spots representing 45.8%, 12.5% and 12.1% of the total import value respectively.

From January to April 2025, the total trade value of the iron and steel products stood at RM18.0 billion in 2025 compared to RM25.0 billion in the same period in 2024, a reduction by 27.9%. Further, the trade balance improved from a trade deficit of RM1,090 million in 2024 to a trade surplus of RM502.0 million in 2025 during the same period of comparison.

(Source: The Steel Noticeboard April 2025, Malaysia Steel Institute)

The World Steel Association forecasts that global demand will grow by 0.3% in 2026 to reach 1,724 metric tonnes, followed by an accelerated growth of 2.2% in 2027 to reach 1,762 metric tonnes. Consequently, global steel demand excluding China is forecast to accelerate to a growth rate of 4.0% in 2027, a level that has rarely been seen in recent times. While this outlook reflects data available as of mid-March 2026, the escalating conflict in the Middle East presents a significant stress test.

(Source: Short Range Outlook April 2026, The World Steel Association)

4.4 Prospect of the Property

The outlook for the Property is supported by its location along Persiaran Selangor. The Property is situated within a short driving distance from the Group's existing factories in Shah Alam, providing operational proximity that facilitates supply-chain integration and distribution to major customers within Shah Alam and Klang areas. In addition, the Property is located within close proximity to Port Klang, which may facilitate the import of raw material coils and export of finished goods. Based on its location and surrounding industrial developments, the Property may have the potential for capital appreciation over the longer term.

(Source: Management of the Group)

4.5 Prospect of Mycron Group

Whilst Malaysia recorded a robust 5.4% year-over-year gross domestic product growth for the current quarter, its growth remains lopsided favouring sectors in E&E, transportation and logistics, information and communication technology and artificial intelligence, and tourism. Steel demand, adjusted for seasonal low in the current quarter, remains supported largely by the construction-sector which expanded by 7.7%. However, the manufacturing sector's contribution to steel demand is less sanguine, with many operators at tipping point due to elevated costs and suppressed margins. There has been an uptick in manufacturing closures in Malaysia, reportedly driven by global consolidation, cost-efficiency relocation, and regional geopolitical shocks. The outbreak of the Middle-East conflict in February 2026 adds to the already overwhelming cost-burden and inbound trade diversion from China – potentially, pushing more business closures in the near term.

For the first time since 2022, regional raw steel coil prices rebounded (up more than 10%) into the fourth financial quarter due to upstream steel supply chain disruption. Simultaneously, the Group's production and operation costs are also expected to rise at least 5% due to the conflict's impact on energy, logistics, and various supplies and services across the board. The rising steel price trend has prompted short covering and restocking during the initial periods. As such, we expect sales volume to rise together with unit selling price in the fourth quarter. With a cost price lagging effect on a rising price trend, the Group's price cost spread may improve at least momentarily in the coming months of the fourth quarter, provided the overflow of Chinese steel are flood-gated. Nevertheless, the risk of the Middle-East conflict prolonging with persistently high fuel prices which will result in either the pull-back of fuel subsidies or fiscal overstress, dragging down businesses and the economy remains significant.

Against these conditions, the outlook for the fourth and final financial quarter may offer some momentary respite amidst significant economic headwind from cost-push-inflation and geopolitical blows. The Group remains focused in navigating these challenges particularly inbound foreign steel dumping with the hope of delivering better results for the current financial year compared to the last.

(Source: Management of the Group)

5. RISK FACTORS

The following are some non-exhaustive risk factors that may be inherent to the Group in relation to the Proposed Acquisition:

5.1 Delay or non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is conditional upon the conditions precedent as set out in Appendix I of this Circular being fulfilled. The non-fulfilment of the conditions precedent may result in the SPA being terminated (as the case may be). In addition, there can be no assurance that the Proposed Acquisition can be completed within the time period permitted under the SPA. Nevertheless, the Company will take the necessary steps to facilitate the fulfilment of the conditions precedent which are within their control within the timeframe stipulated in the SPA. Upon termination of the SPA, the Company and the Vendor shall be discharged from respective obligations without any liability to each other, save for any antecedent breach under the SPA occurring prior to such termination.

5.2 Financing risk

The Proposed Acquisition will be funded through a combination of bank borrowings and deferred payment arrangements. Consequently, the Group's level of indebtedness will increase, and the Group will be subject to ongoing debt servicing obligations, including principal and interest payments.

The deferred payment arrangement further gives rise to contractual obligations to settle the outstanding consideration over the agreed period. The Group's ability to meet these obligations will depend on its future cash flows and financial performance.

In addition, the Group may be exposed to interest rate risk in relation to its bank borrowings, where any increase in interest rates may result in higher financing costs. The Group may also be subject to financial covenants imposed by its lenders, and any breach of such covenants may result in adverse consequences, including the borrowings becoming immediately repayable.

Accordingly, any adverse changes in the Group's financial performance or market conditions may affect its ability to meet its financing obligations as they fall due.

5.3 Compulsory acquisition

The Government of Malaysia has the power to acquire compulsorily any land in Malaysia pursuant to the provisions of applicable legislation including the Land Acquisition Act 1960 for certain purposes. In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws or regulations. If the Property is compulsorily acquired by the Government of Malaysia at a point in time when the market value of the Property has decreased, the level of compensation paid to Mycron may be less than the Purchase Consideration. Furthermore, the operations of the Group will be disrupted.

In the event of any compulsory acquisition, the management of Mycron will seek to minimise any potential losses from such transaction, including invoking the relevant provisions of the Land Acquisition Act 1960 in relation to its rights to submit an objection in respect of the compensation, where necessary.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as the Proposed Acquisition does not involve any issuance of new Shares.

6.2 NA and gearing

For illustration purposes only, based on the audited consolidated statement of financial position of the Group as at 30 June 2025 and assuming that the Proposed Acquisition had been effected on 30 June 2025, the pro forma effects of the Proposed Acquisition on the NA and gearing of the Group are as follows:

	Audited as at 30 June 2025 (RM'000)	**After the Proposed Acquisition (RM'000)**
Share capital	219,417	219,417
Asset revaluation reserve	62,269	62,269
Retained profits	235,803	(1) 235,696
NA	**517,489**	**517,382**
No. of Mycron Shares in issue, net of treasury shares ('000)	327,057	327,057
NA per Mycron Share (RM) (2)	1.58	1.58
Total borrowings (RM'000) (3)	79,415	(4) 103,185
Gearing ratio (times) (5)	0.15	0.20

Notes:

(1) Computed after considering the estimated expenses in relation to the Proposed Acquisition, estimated interest expenses in relation to the bank borrowings to finance the Purchase Consideration, annual depreciation of the Property and savings from annual rental expenses for the Property, as set out in Part A, Section 6.3 of this Circular.

(2) Computed based on NA divided by number of Mycron Shares in issue (excluding treasury shares, if any).

(3) Excluding lease liabilities.

(4) After taking up the bank borrowings of RM24.00 million to finance the Purchase Consideration.

(5) Gearing is calculated as total borrowings divided by NA.

6.3 Earnings and EPS

The Proposed Acquisition is not expected to have any effect on the Group's earnings and EPS for the FYE 30 June 2025 as the Proposed Acquisition are only expected to be completed in the fourth quarter of 2026. Moving forward, the Proposed Acquisition is expected to contribute positively to the Group's future earnings in the long term.

For illustration purposes only, based on the audited consolidated financial statement of the Group as at 30 June 2025 and assuming that the Proposed Acquisition had been effected on 1 July 2024, the pro forma effects of the Proposed Acquisition on the consolidated earnings and EPS of the Group are as follows:

	Audited for the FYE 30 June 2025 (RM'000)	**After the Proposed Acquisition (RM'000)**
Net LATAMI	(1,295)	[(1)] (1,295)
Less: Estimated expenses in relation to the Proposed Acquisition pertaining to professional fees, printing costs, fees payable to the relevant authorities, administrative fees, cost of convening the EGM and other incidental expenses including sales and service tax	-	[(2)] (470)
Less: Estimated interest expenses in relation to the bank borrowings to finance the Purchase Consideration	-	[(3)] (1,198)
Less: Annual depreciation of the Property	-	(539)
Add: Savings from annual rental expenses for the Property	-	2,100
Adjusted LATAMI	**(1,295)**	**(1,402)**
No. of Mycron Shares in issue ('000)	327,057	327,057
Loss per share (sen) [(4)]	(0.40)	(0.43)

Notes:

(1) The Property to be acquired is recognised individually at cost, being the Purchase Consideration directly attributable to their acquisition in accordance with MFRS116. As such, there will be no effect on the pro forma LATAMI.

(2) For information purpose only, out of the total estimated expenses in relation to the Proposed Acquisition of approximately RM1.94 million as set out in Part A, Section 2.6 of this Circular, only approximately RM0.47 million is expensed off. The balance of approximately RM1.46 million comprises stamp duty relating to the MOT amounting to approximately RM1.18 million and legal fees incidental to the SPA and DPA amounting to approximately RM0.05 million, which will be capitalised as part of the cost of investment, as well as stamp duty on loan agreement amounting to approximately RM0.12 million and the legal fees incidental to loan agreement and bank commission amounting to approximately RM0.11 million, which will be recognised as a deferred liability under MFRS 9. As such, there will be no effect on the pro forma LATAMI from these, except in their annual amortisation.

(3) Computed based on the assumed cost of debt of approximately 5.00% and the total borrowings of RM24.00 million.

(4) Computed based on the Adjusted LATAMI divided by the number of Shares in issue (excluding treasury shares).

6.4 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is subject to approvals and / or consents being obtained from the following:

(i) the Shareholders' Approval;

(ii) the State Authority Consent;

(iii) the approval of the state authority for the registration of charge over the Property in favour of the Bank;

(iv) the Purchaser's Existing Lenders' Approval; and

(v) where required, the approvals from the relevant regulatory authorities having jurisdiction over the acquisition of the Property.

Save as disclosed above and subject to conditions precedent set-out in the SPA, the Proposed Acquisition is not conditional upon any other proposal / scheme undertaken or to be undertaken by the Company.

8. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 5.80%, computed based on the Purchase Consideration compared with the latest audited consolidated NA of the Company as at 30 June 2025.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE(S) OF THE COMPANY AND / OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, Major Shareholders and chief executives of the Company and / or persons connected with them has any interest, direct or indirect in the Proposed Acquisition:

(i) TDYK is the Executive Chairman of Mycron and also the Executive Chairman of MIGB. TDYK is deemed interested in Mycron by virtue of him being one of the beneficiaries of a trust known as KLB, being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, which in turn is the Major Shareholder as at the LPD;

(ii) Azlan bin Abdullah is the Non-Independent Non-Executive Director of Mycron and is a Shareholder of Mycron holding 53,900 Shares in Mycron as at the LPD. He is also the Non-Independent Non-Executive Director of MIGB and is a shareholder of MIGB holding 133,333 shares in MIGB as at the LPD;

(iii) MIGB is the Major Shareholder by virtue of its 74.13% direct shareholdings in Mycron as at the LPD;

(iv) MKSB is deemed interested in Mycron by virtue of being a 29.04% major shareholder of MIGB, which in turn is the Major Shareholder as at the LPD;

(v) MEBVI is deemed interested in Mycron by virtue of being a 16.80% major shareholder of MIGB, which in turn is the Major Shareholder as at the LPD; and

(vi) KLB is deemed interested in Mycron by virtue of being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, which in turn is the Major Shareholder as at the LPD.

In view of the interests of the Interested Parties, the Proposed Acquisition is deemed as related party transaction under Paragraph 10.08 of the Listing Requirements.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting at all relevant board meeting(s) of the Company in respect of the Proposed Acquisition. The Interested Directors will also abstain from voting in respect of their direct and indirect shareholdings in the Company, on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM. Further, the Interested Directors will also undertake to ensure that all persons connected with them will abstain from voting in respect of their direct and / or indirect interest, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

The Interested Shareholders will abstain from voting in respect of their direct and / or indirect shareholdings in the Company on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM. The Interested Shareholders have also undertaken to ensure persons connected with them shall abstain from voting on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

Kwo Shih Kang, Datin Seri Raihanah Begum binti Abdul Rahman and Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram are the Independent Non-Executive Directors of the Company. They are also Independent Non-Executive Directors of MIGB. Accordingly, Kwo Shih Kang, Datin Seri Raihanah Begum binti Abdul Rahman and Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram have voluntarily abstained and will continue to abstain from deliberating and voting at all relevant board meeting(s) of the Company in respect of the Proposed Acquisition.

The direct and indirect shareholdings of the Interested Parties in the Company as at the LPD are as follows:

	Shareholding in Mycron			
	Direct		Indirect	
Name	**No. of Shares**	**[1] %**	**No. of Shares**	**[1] %**
<u>Interested Director and Interested Major Shareholder</u>				
TDYK	-	-	[2] 242,523,025	74.15
<u>Interested Director</u>				
Azlan bin Abdullah	53,900	0.02	-	-
<u>Interested Major Shareholders</u>				
MIGB	242,460,265	74.13	-	-
MKSB	-	-	[3] 242,460,265	74.13
MEBVI	-	-	[3] 242,460,265	74.13
KLB	-	-	[4] 242,460,265	74.13

Notes:

(1) Based on the total number of 327,057,599 Shares as at the LPD.

(2) Deemed interested by virtue of TDYK being one of the beneficiaries of a trust known as KLB, being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB and his major interests in Melewar Group Berhad who holds 0.02% in the total issued share capital of Mycron.

(3) *Deemed interested by virtue of them being the major shareholders of MIGB, which in turn is the Major Shareholder.*

(4) *Deemed interested by virtue of KLB being the holding company of MKSB and MEBVI, who are the major shareholders of MIGB, which in turn is the Major Shareholder.*

10. TRANSACTIONS WITH THE SAME RELATED PARTIES FOR THE PAST 12 MONTHS

Save for the Proposed Acquisition and as disclosed below, there are no other related party transactions (other than recurrent related party transactions pursuant to Paragraph 10.09 of the Listing Requirements), entered into between the Group and the Interested Parties during the past 12 months preceding the LPD:

No.	Details of transactions	RM'mil
1.	Rental charged by MIGB Group to Mycron Group	5.04
2.	Provision of management services charged by MIGB to Mycron Group	2.92
3.	Scrap disposal commission charged by MIGB Group to Mycron Group	1.17
	Total	**9.13**

11. AUDIT AND GOVERNANCE COMMITTEE'S STATEMENT

The Audit and Governance Committee of the Company (comprising members of the Board who are not interested in the Proposed Acquisition and who are not Voluntarily Abstained Directors), in arriving at his views, have sought the independent advice from the Independent Adviser for the Proposed Acquisition.

After taking into consideration the evaluation of the Independent Adviser on the Proposed Acquisition, and having considered all relevant aspects of the Proposed Acquisition, including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of the Property to be acquired, the basis and justification for the Purchase Consideration, salient terms of the SPA, salient terms of the DPA and the effects of the Proposed Acquisition, the Audit and Governance Committee of the Company is of the opinion that the Proposed Acquisition is:

(i) in the best interest of the Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interests of the non-interested Shareholders.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, save for the Interested Directors and the Voluntarily Abstained Directors, after taking into consideration the evaluation of the Independent Adviser on the Proposed Acquisition, and having considered all relevant aspects of the Proposed Acquisition, including but not limited to the rationale and benefits of the Proposed Acquisition, prospects of the Property to be acquired, the basis and justification for the Purchase Consideration, salient terms of the SPA, salient terms of the DPA and the effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

Accordingly, the Board (save for the Interested Directors and the Voluntarily Abstained Directors) recommends that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

13. ADVISERS

13.1 Principal Adviser

Kenanga IB has been appointed to act as Principal Adviser for the Proposed Acquisition.

13.2 Solicitors

Messrs Sidek Teoh Wong & Dennis has been appointed to act as solicitors for the Proposed Acquisition.

13.3 Independent Adviser

In view that the Proposed Acquisition constitute a related party transaction, Mercury Securities has been appointed to act as Independent Adviser to undertake the following:

(i) comment as to whether the Proposed Acquisition is:

(a) fair and reasonable so far as the non-interested Shareholders are concerned; and

(b) to the detriment of the non-interested Shareholders,

and set out the reasons for such opinion, the key assumptions made and the factors taken into consideration in forming that opinion;

(ii) advise the non-interested Shareholders whether they should vote in favour of the Proposed Acquisition; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in relation to items (i) and (ii) above.

14. OUTSTANDING CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

As at the LPD, save for the Proposed Acquisition, there are no other outstanding corporate proposals that have been announced by the Company but are pending completion.

The Proposed Acquisition is not conditional or inter-conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

15. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Acquisition is expected to be completed in the fourth quarter of 2026. The tentative timetable for the implementation of the Proposed Acquisition is set out below:

Event	Tentative timing
EGM	8 September 2026
Fulfilment of the conditions precedent in respect of the SPA and the DPA	September 2026
Completion of the Proposed Acquisition	November 2026

16. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Dewan Berjaya, Main Club House, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without modification, to give effect to the Proposed Acquisition.

If the Shareholder is unable to attend and vote in person at the EGM, the Shareholder may appoint a proxy or proxies to attend and vote on his / her behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the Company's registered office, c/o Trace Management Services Sdn Bhd at Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur not less than 48 hours before the time set for holding the EGM or at any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude the Shareholder from attending and voting in person at the EGM should the Shareholders subsequently wish to do so.

17. FURTHER INFORMATION

The Shareholders are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
MYCRON STEEL BERHAD

ROSHAN MAHENDRAN BIN ABDULLAH
Group Chief Executive Officer

PART B

INDEPENDENT ADVICE LETTER FROM MERCURY SECURITIES TO THE NON-INTERESTED SHAREHOLDERS OF MYCRON IN RELATION TO THE PROPOSED ACQUISITION

EXECUTIVE SUMMARY

Unless otherwise stated, all defined terms and abbreviations used in this Executive Summary shall carry the same meanings as those defined in the ‘Definitions’ section of the Circular. All references to “we”, “us” and “our” are to Mercury Securities and all references to “you” and “your” are to Mycron’s non-interested shareholders.

We have prepared this IAL to provide you with an independent evaluation of the Proposed Acquisition and to set out our recommendation thereon. This Executive Summary is only intended to be a summary of the IAL, highlighting the salient information and our evaluation on the Proposed Acquisition.

We advise you to read both this IAL and Part A of the Circular, including all accompanying appendices thereon, for all relevant information pertaining to the Proposed Acquisition. You are advised to carefully consider the recommendations contained in both this IAL and Part A of the Circular before voting on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM. If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1. INTRODUCTION

On 15 June 2026, Kenanga IB had, on behalf of the Board, announced that MST, a wholly-owned subsidiary of Mycron, had on even date entered into the SPA with the Vendor for the Proposed Acquisition. Pursuant to the SPA, the Purchase Consideration is to be satisfied by MST in the following manner:

Mode of settlement	RM’000	%
Release the Purchaser’s Loan to the Vendor within 3 months from the Unconditional Date of the SPA ("**Completion Period**”) with an extension of time of 1 month from the expiry of the Completion Period, or such other extended period as may be agreed by the Vendor in writing.	24,000	80.0
The remaining cash consideration shall be paid to the Vendor over a total of 64 consecutive monthly equal instalments of RM93,750 ("**Deferred Payment**”), whereby the 1st monthly instalment is due and payable 1 month from the date of full release of the Purchaser’s Loan to the Vendor. For clarity, the Deferred Payment is interest free.	6,000	20.0
Purchase Consideration	**30,000**	**100.0**

As the Deferred Payment is to be settled by MST on a deferred basis after the completion of the Proposed Acquisition, in conjunction with the Proposed Acquisition, MST, Mycron and the Vendor had on the same day entered into the DPA to regulate the terms of the Deferred Payment.

For clarity, the DPA is conditional upon the SPA. Hence, in the event the Proposed Acquisition does not proceed, the DPA will not apply. Please refer to **Appendices I and II** of the Circular for further details on the salient terms of the SPA and DPA.

In view of the interests of the Interested Directors and Interested Major Shareholders as set out in **Section 9 of Part A** of the Circular, the Proposed Acquisition is deemed as a related party transaction pursuant to paragraph 10.08 of the Listing Requirements.

Accordingly, the Board (save for the Interested Directors and the Voluntarily Abstained Directors) had on 5 June 2026 appointed Mercury Securities as the Independent Adviser to advise you and the non-interested Directors in respect of the Proposed Acquisition.

2. EVALUATION OF THE PROPOSED ACQUISITION

We have assessed and evaluated the fairness and reasonableness of the Proposed Acquisition in accordance with the relevant provisions set out in the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities. In rendering our independent evaluation, we have considered the following key factors:

Factors	Our evaluation
Rationale and benefits for the Proposed Acquisition	In evaluating the rationale and benefits for the Proposed Acquisition, we have considered the following key factors: **(i) Intended use for the Property** The Property is currently tenanted by MST from the Vendor for its manufacturing business use. Upon completion of the Proposed Acquisition, MST will become legal owner of the Property, thereby enabling MST to own and utilise the Property with certainty. The Property is well-sited for industrial use as it is located within an established industrial area in Shah Alam, Selangor. Further, the Property is accessible from several major highways such as the Federal Highway, KESAS Highway, LKSA Highway, and Guthrie Corridor Expressway. Given its strategic location, the Property is envisaged to be a suitable factory asset for MST's manufacturing business use moving forward. **(ii) Savings on rental expenses** Based on the SPA, the Tenancy Agreement between MST and the Vendor will be terminated upon completion of the Proposed Acquisition. Hence, the Proposed Acquisition will enable MST to achieve savings on rental expenses. Nevertheless, we wish to highlight that the Mycron Group will have to incur financing costs to undertake the Proposed Acquisition. To assess this, we have performed a comparative analysis between savings on rental expenses *vis-à-vis* the estimated costs of financing required for the Proposed Acquisition. Based on the estimated market value of the Property of RM30.5 million and the current annual rental expense incurred by MST for the Property of RM2.1 million, the rental expense implied a rental cost ratio of 6.9% p.a. over the Property's estimated market value. Based on our computation, the estimated costs of financing for the Proposed Acquisition is approximately 5.0%, which is relatively lower than the derived rental cost ratio of approximately 6.9% p.a. Thus, from a financial point of view, the Proposed Acquisition is viewed to result in costs savings to the Mycron Group. As such, the Mycron Group's proposal to achieve savings in rental expenses from the Proposed Acquisition is deemed as justified. In a nutshell, considering that the Mycron Group has a defined usage plan for the Property, instead of acquiring it as an investment asset, we are of the view that rationale for the Proposed Acquisition to be appropriate and justified.

Factors	**Our evaluation**
Basis and justification for the Purchase Consideration	The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the Property's estimated market value of RM30.5 million. We have reviewed and are satisfied with the reasonableness of the valuation methodologies as well as the key bases and assumptions used by the Independent Valuer in arriving at the estimated market value of the Property. In our view, the Purchase Consideration of RM30.0 million is fair and reasonable as it approximates to the estimated market value of the Property of RM30.5 million.
Salient terms of the SPA and DPA	Salient terms of the SPA and DPA are fair, reasonable and within normal commercial terms.
Effects of the Proposed Acquisition	Effects of the Proposed Acquisition are fair and reasonable as they mainly reflect the consequential effects of the Proposed Acquisition to the Mycron Group.
Prospects and industry overview	The Proposed Acquisition is expected to contribute positively to the long-term prospects of the Mycron Group, considering the Mycron Group's intended use of the Property.
Risk factors in relation to the Proposed Acquisition	In addition to the risk factors as set out in **Section 5 of Part A** of the Circular, you should also consider that the Proposed Acquisition would expose the Mycron Group to valuation risks, as the estimated market value of the Property was appraised by the Independent Valuer based on various key bases and assumptions, which may materially differ from the general market perception. In the event that the future market value of the Property declines significantly from its current market value, the Mycron Group may incur a loss on disposal should it subsequently disposes the Property at a price lower than its prevailing net book value. Nevertheless, considering the Proposed Acquisition is intended for MST to own the Property for its long-term manufacturing business use instead of acquiring it as an investment asset, we are of the view that this risk factor is deemed as acceptable.

Please refer to **Section 5** of the IAL for further details on our evaluation of the Proposed Acquisition.

3. CONCLUSION AND RECOMMENDATION

You are advised to carefully consider the merits and demerits of the Proposed Acquisition based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted by the Board in its letter to the shareholders as set out in **Part A** of the Circular, before voting on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM.

Premised on our overall evaluation of the Proposed Acquisition as set out in **Section 5** of this IAL and on the basis of the information available to us, we are of the view that the Proposed Acquisition is **fair and reasonable** and **not detrimental** to your interests. Accordingly, we recommend you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

Mercury Securities Sdn. Bhd. 198401000672 (113193-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Head Office
L-7-2, No. 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

24 August 2026

To: The Non-Interested Shareholders of Mycron Steel Berhad

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED ACQUISITION ("IAL")

This IAL has been prepared for inclusion in the Circular in relation to the Proposed Acquisition. Unless otherwise stated, all defined terms and abbreviations used in this IAL shall carry the same meanings as those defined in the 'Definitions' section of the Circular. All references to "we", "us" and "our" are to Mercury Securities and all references to "you" and "your" are to Mycron's non-interested shareholders.

1. INTRODUCTION

On 15 June 2026, Kenanga IB had, on behalf of the Board, announced that MST, a wholly-owned subsidiary of Mycron, had on even date entered into the SPA with the Vendor for the Proposed Acquisition. Pursuant to the SPA, the Purchase Consideration is to be satisfied by MST in the following manner:

Mode of settlement	RM'000	%
Release the Purchaser's Loan to the Vendor within 3 months from the unconditional date of the SPA ("**Completion Period**") with an extension of time of 1 month from the expiry of the Completion Period, or such other extended period as may be agreed by the Vendor in writing.	24,000	80.0
The remaining cash consideration shall be paid to the Vendor over a total of 64 consecutive monthly equal instalments of RM93,750 ("**Deferred Payment**"), whereby the 1st monthly instalment is due and payable 1 month from the date of release of the Purchaser's Loan to the Vendor. For clarity, the Deferred Payment is interest free.	6,000	20.0
Purchase Consideration	**30,000**	**100.0**

As the Deferred Payment is to be settled by MST on a deferred basis after the completion of the Proposed Acquisition, in conjunction with the Proposed Acquisition, MST, Mycron and the Vendor had on the same day entered into the DPA to regulate the terms of the Deferred Payment.

For clarity, the DPA is conditional upon the SPA. Hence, in the event the Proposed Acquisition does not proceed, the DPA will not apply. Please refer to **Appendices I and II** of the Circular for further details on the salient terms of the SPA and DPA.

In view of the interests of the Interested Directors and Interested Major Shareholders as set out in **Section 9 of Part A** of the Circular, the Proposed Acquisition is deemed as a related party transaction pursuant to paragraph 10.08 of the Listing Requirements.

Butterworth - 1, Jalan Todak 5, Seberang Jaya, 13700 Prai, Penang.
Tel: 04-3838990 / 03-6203 7227 Fax: 04-3866255 / 03-6203 7117 E-mail: mercury@mersec.com.my Website: www.mercurysecurities.com.my
Kuala Lumpur - L-7-2, No. 2, Jalan Solaris, Solaris Mont' Kiara 50480 Kuala Lumpur.
Tel: 03-62037227 Fax: 03-62037117 E-mail: mercurykl@mersec.com.my
Melaka - No. 81, Ground Floor, 81A & 81B, Jalan Merdeka, Taman Melaka Raya, 75000 Melaka. Tel: 06-2921898 Fax: 06-2926898
Penang - 2nd Floor, 2, Lebuh Pantai, 10300 Penang. Tel: 04-2639118 Fax: 04-2612118
Johor Bahru - Menara Pelangi, Suite 17.1, Level 17, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor. Tel: 07-3316992 Fax: 07-3322693

Accordingly, the Board (save for the Interested Directors and the Voluntarily Abstained Directors) had on 5 June 2026 appointed Mercury Securities as the Independent Adviser to advise you and the non-interested Directors in respect of the Proposed Acquisition. The terms of reference of our appointment are subject to the scope and limitations as set out in **Section 2** of this IAL.

The purpose of this IAL is to provide you with our independent evaluation on the fairness and reasonableness of the Proposed Acquisition, together with our recommendation thereon. Nevertheless, you should rely on your own evaluation of the merits and demerits of the Proposed Acquisition before making a decision on the course of action to be taken at the forthcoming EGM.

YOU ARE ADVISED TO READ AND UNDERSTAND BOTH THIS IAL AND PART A OF THE CIRCULAR, TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED THEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSED ACQUISITION

We were not involved in the formulation, deliberation and negotiation of the terms and conditions of the Proposed Acquisition. The terms of reference of our appointment as the Independent Adviser for the Proposed Acquisition are in accordance with the requirements relating to independent adviser as set out in paragraph 10.08 of the Listing Requirements.

Our scope as the Independent Adviser is limited to expressing an independent opinion on the Proposed Acquisition as to whether the Proposed Acquisition is fair and reasonable insofar you are concerned, whether the Proposed Acquisition is detrimental to you and whether you should vote in favour of the resolution pertaining to the Proposed Acquisition, based on information and documents that have been available to us, as follows:

(i) information contained in **Part A** of the Circular and the accompanying appendices;

(ii) the SPA and DPA;

(iii) the Valuation Report and Valuation Certificate;

(iv) audited consolidated financial statements of Mycron for the FYE 30 June 2025 and the unaudited consolidated financial statements of Mycron for the 9-month financial period ended ("**FPE**") 31 March 2026;

(v) relevant information, documents, confirmations and representations provided by the Board and the management of Mycron ("**Management**") that are relevant to our evaluation of the Proposed Acquisition; and

(vi) other publicly available information.

We have relied on the Board and Management to take due care to ensure that all information, documents, confirmations and representations provided to us to facilitate our evaluation of the Proposed Acquisition are accurate, valid, reasonable, free from material omission and complete in all material aspects. After making all reasonable enquiries, we believe that the information provided to us are free from material omission and we have no reason to believe the information provided to us are unreasonable, unreliable, misleading and/or inaccurate, which would affect our evaluation and opinion as set out in this IAL.

The Board's responsibility in respect of the expression of independent advice and opinion of Mercury Securities is limited to ensuring that accurate information relating to the Mycron Group and the Proposed Acquisition have been provided to us, and that all pertinent information relating to the Mycron Group and the Proposed Acquisition have been completely disclosed to us and there are no other facts, the omission of which would make any information provided to us false or misleading.

In rendering our advice, we have taken into consideration pertinent factors which we believe are of relevance and importance to you for a holistic assessment of the Proposed Acquisition and therefore, are of general concern to you. Notwithstanding the foregoing, we wish to highlight that:

(i) it is not within our terms of reference to express any opinion on the legal, accounting and taxation issues relating to the Proposed Acquisition; and

(ii) we have not taken into consideration any specific investment objectives, financial situation, risk profile or particular needs of any individual shareholder or any specific group of shareholders. We recommend that any of you who require specific advice in relation to the Proposed Acquisition in the context of your individual investment objectives, financial situation, risk profile or particular needs should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion set out in this IAL are based on, amongst others, equity capital market, economic industry, regulatory and other prevailing conditions, and the information/documents made available to us as at the LPD. Such conditions may change significantly over a short period of time.

The Board has seen, reviewed and accepted this IAL. The Board, after taking into consideration the briefing by Mercury Securities, collectively and individually, accepts full responsibility for the accuracy and completeness of the information contained herein (save for the evaluations, views and recommendation of Mercury Securities) and confirms that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein misleading.

We will notify you by way of an announcement if, after the issuance and despatch of this IAL, we become aware that:

(i) there has been a significant change in circumstances relating to the Mycron Group and/or the Proposed Acquisition which affect the information and/or disclosures in this IAL;

(ii) there is a good reason to believe that the statements in this IAL are misleading and/or deceptive; and/or

(iii) there is a material omission in this IAL.

If circumstances require, a supplementary IAL will be sent out to you.

3. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

Save for our current appointment as the Independent Adviser for the Proposed Acquisition, we have not advised Mycron in the capacity of principal adviser or independent adviser for any corporate exercise and we do not have any professional relationship with Mycron in the past 2 years. Accordingly, we confirm that we are not aware of any conflict of interest that exists or is likely to exist in relation to our role as the Independent Adviser for the Proposed Acquisition.

We are a holder of a Capital Markets Services Licence issued by the Securities Commission Malaysia ("**SC**") as a principal adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007. The corporate finance department of Mercury Securities supports clients in the areas of take-overs, mergers and acquisitions, initial public offerings, reverse takeovers, secondary equity issuance, capital market coverage as well as independent advisory services.

Our corporate finance team comprises experienced personnel with the requisite qualification and experience to provide, amongst others, independent advice and render opinion on fairness and reasonableness of transactions relating to acquisitions, disposals and take-over offers. Our recent credentials and experience as an Independent Adviser over the past 3 years comprise the following:

(i) independent adviser to Concrete Engineering Products Berhad ("**CEPCO**") pertaining to the unconditional mandatory take-over offer by YTL Cement Berhad ("**Offeror**") to acquire all the remaining ordinary shares in CEPCO not already owned by the Offeror and persons acting in concert with it for a cash consideration of RM2.60 per offer share. Our independent advice circular was issued on 4 May 2026;

(ii) independent adviser to Kuchai Development Berhad ("**KDB**") pertaining to the proposed voluntary withdrawal of KDB from the official list of the Main Market of Bursa Securities pursuant to Paragraph 16.06 of the Main Market Listing Requirements of Bursa Securities. Our independent advice letter was issued on 5 November 2025;

(iii) independent adviser to Magma Group Berhad ("**Magma**") pertaining to the proposed acquisition by Magma Kiara Sdn Bhd, a wholly-owned subsidiary of Magma, of a parcel of leasehold land from Skyload Express Sdn Bhd for a total purchase consideration of RM80.0 million. Our independent advice letter was issued on 24 February 2025;

(iv) independent adviser to PESTECH International Berhad ("**PESTECH**") in relation to the proposed exemption, under subparagraph 4.08(1)(B) of the Rules on Take-overs, Mergers and Compulsory Acquisitions, for Dhaya Maju Infrastructure (Asia) Sdn Berhad and its persons acting in concert from the obligation to undertake a mandatory take-over offer to acquire all the remaining ordinary shares in PESTECH and outstanding warrants of PESTECH that are not already owned by them. Our independent advice letter was issued on 25 November 2024;

(v) independent adviser to Sunsuria Berhad in relation to the proposed acquisition of 33% equity interest in Bangsar Hill Park Development Sdn Bhd ("**BHPD**") from Suez Capital Sdn Bhd and Dasar Temasek Sdn Bhd for a total cash consideration of RM71.4 million, and proposed provision of financial assistance of up to RM210.3 million to BHPD upon completion of the said acquisition exercise. Our independent advice letter was issued on 7 May 2024;

(vi) independent adviser to Signature International Berhad ("**Signature**") in relation to the unconditional mandatory take-over offer by Chin Hin Group Berhad for all the remaining ordinary shares in Signature that are not already owned by the offeror for a cash consideration of RM0.84 per offer share. Our independent advice circular was issued on 29 April 2024;

(vii) independent adviser to KDB in relation to the proposed disposal by KDB of substantially all its assets and liabilities to Sungei Bagan Rubber Company (Malaya) Berhad for a total consideration of RM275.5 million. Our independent advice letter was issued on 15 April 2024;

(viii) independent adviser to PESTECH in relation to the proposed exemption for IJM Corporation Berhad and its persons acting in concert from the obligation to undertake a mandatory take-over offer to acquire all the remaining ordinary shares in PESTECH and outstanding warrants of PESTECH that are not already owned by them. Our independent advice letter was issued on 12 October 2023; and

(ix) independent adviser to Oriental Holdings Berhad ("**OHB**") in relation to the proposed acquisition by OHB of the remaining equity interests it does not already own in 3 plantation companies, as well as the proposed acquisition by OHB of several plantation estates in Malaysia from related parties, for a total cash consideration of approximately RM1.2 billion, whereby our independent advice letter was issued on 15 August 2023.

4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER, CHIEF EXECUTIVE(S) OF MYCRON AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major Shareholders and/or chief executives of Mycron and/or persons connected with them have any interest, direct or indirect, in the Proposed Acquisition:

(i) Interested Directors

The Interested Directors are TDYK and Azlan Bin Abdullah. The Interested Directors have abstained and will continue to abstain from all deliberations and voting in respect of the Proposed Acquisition at all relevant board meeting(s) of Mycron.

The Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in Mycron on the resolution pertaining to the Proposed Acquisition to be tabled at Mycron's forthcoming EGM.

(ii) Interested Major Shareholders

The Interested Major Shareholders are TDYK, MIGB, MKSB, MEBVI and KLB. The Interested Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in Mycron, on the resolution pertaining to the Proposed Acquisition to be tabled at Mycron's forthcoming EGM.

The Interested Directors and Interested Major Shareholders have also undertaken to ensure that persons connected with them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in Mycron on the resolution pertaining to the Proposed Acquisition to be tabled at Mycron's forthcoming EGM.

Please refer to **Section 9 of Part A** of the Circular for further details of the interests of the Interested Directors and Interested Major Shareholders in the Proposed Acquisition.

5. EVALUATION OF THE PROPOSED ACQUISITION

We have assessed and evaluated the fairness and reasonableness of the Proposed Acquisition in accordance with the relevant provisions set out in the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities. In rendering our independent evaluation and recommendation, we have considered the following key factors:

Factors	Section
• Rationale and benefits for the Proposed Acquisition	5.1
• Basis and justification for the Purchase Consideration	5.2
• Salient terms of the SPA	5.3
• Salient terms of the DPA	5.4
• Effects of the Proposed Acquisition	5.5
• Prospects and industry overview	5.6
• Risk factors in relation to the Proposed Acquisition	5.7

5.1 Rationale and benefits for the Proposed Acquisition

We took cognisance of the rationale and benefits for the Proposed Acquisition as set out in **Section 3 of Part A** of the Circular.

<u>Our comments</u>

In evaluating the rationale and benefits for the Proposed Acquisition, we have evaluated the following key factors:

(i) Intended use for the Property

We note that the principal business activities of the Mycron Group are manufacturing and sale of cold rolled coils, steel pipes and tubes.

Set out below is a brief summary of the Mycron Group's segmental revenue and financial results for the past 2 FYEs and during the latest announced quarterly financial results for the 9-month FPE 31 March 2026:

	Audited		Unaudited
	FYE 30 June 2024	**FYE 30 June 2025**	**9-month FPE 31 March 2026**
	RM'000	**RM'000**	**RM'000**
Group's revenue			
- Manufacturing and sale of cold rolled coils	517,958	476,899	339,874
- Manufacturing and sale of steel pipes and tube	283,854	244,984	208,176
	801,812	**721,883**	**548,050**
Group's profit/(loss) after tax	**16,972**	**(1,295)**	**7,992**

(Source: Annual report 2025 of Mycron and the quarterly financial report of Mycron for the 9-month FPE 31 March 2026)

As at the LPD, the Group owns the following factories which are presently utilised for its own manufacturing business:

No.	Owned Factory	Land area	Tenure
(1)	**<u>Factory cum office building</u>** Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan	763,758 sq ft	Freehold
(2)	**<u>Factory cum office building</u>** Lot 53, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan	196,301 sq ft	Leasehold with lease term expiring on 22 May 2078

(Source: Annual report 2025 of Mycron)

In addition to the above owned factories, the Group leases, amongst others, the Property from the Vendor for the manufacturing business use of MST. As set out in **Section 2.1 of Part A** of the Circular, the Property comprised a single-storey detached factory with a single-storey office annexed and other ancillary buildings. The Property has total gross floor area of approximately 140,403 sq ft (or approximately 13,044 sqm).

Pursuant to the Proposed Acquisition, MST will be acquiring the Property from the Vendor on an "as it where is" basis free from all encumbrances, upon the terms and conditions of the SPA. After completion of the Proposed Acquisition, MST will become legal owner of the Property, thereby enabling itself to own and utilise the Property with certainty.

Having owned the Property instead of renting it from the Vendor would enable MST to eliminate risk of operational disruption in the event the Vendor chooses not to continue the tenancy in the future, or were to sell the Property to other party who may not subsequently lease it to MST or the new buyer imposes less favourable leasing term to MST. Hence, the Proposed Acquisition will provide MST with the benefits of having certainty of usage of the Property moving forward.

We further note from **Section 3.3 of Part A** of the Circular that the Property is located within an established industrial area in Selangor, with surrounding developments comprise primarily industrial and logistics-related premises. We have also taken note from the Valuation Report that the Property is accessible from several major highways such as the Federal Highway, KESAS Highway, LKSA Highway and Guthrie Corridor Expressway. Thus, given its strategic location, we note from the Valuation Report that the Property is well-sited for industrial use. Accordingly, based on these key attributes, we envisaged that the Property to be a suitable factory asset for the continuing manufacturing business use of MST.

In a nutshell, as the Mycron Group has a defined usage plan for the Property (i.e. continue utilising the Property for MST's on-going manufacturing business) instead of acquiring it as an investment asset, we are of the view that rationale for the Proposed Acquisition to be appropriate and justified.

(ii) Savings on rental expenses

We note from the SPA that the Tenancy Agreement between MST and the Vendor will be terminated upon completion of the Proposed Acquisition. Hence, the Proposed Acquisition will result in savings on rental expenses to the Mycron Group, the details of which are set out in **Section 3.2 of Part A** of the Circular.

Notwithstanding the above, we wish to highlight that the Mycron Group will have to incur financing costs to undertake the Proposed Acquisition. To assess this, we have performed a comparative analysis between savings on annual rental expenses *vis-à-vis* the estimated costs of financing for the Proposed Acquisition.

We note from **Section 2.6 of Part A** of the Circular that the Purchase Consideration is to be funded in the following manner:

Sources of funding	RM'000	%
- Purchaser's Loan	24,000	80.0
- Deferred Payment	6,000	20.0
Total	**30,000**	**100.0**

Based on the following key parameters, we derived that the estimated cost of financing for the Proposed Acquisition is approximately 5.0% as follows:

(a) Purchaser's Loan

As set out in **Section 6.3 of Part A** of the Circular, the assumed cost of debt for the Purchaser's Loan is approximately 5.0% p.a. Accordingly, we derived that the estimated after-tax cost of debt for the Purchaser's Loan is approximately 3.8% p.a., as follows:

Parameters	Note	Formula	
Cost of debt		(A)	5.0%
Tax shield rate	(1)	(B)	24.0%
After tax cost of debt		**(C)=(A)*(1-B)**	**3.8%**

Note:

(1) Being the statutory corporate tax rate in Malaysia of 24.0% (Source: Inland Revenue Board of Malaysia).

(b) Deferred Payment

We note from the Management that the Deferred Payment will be funded through MST's internally-generated funds. Based on the capital asset pricing model, we derived that the estimated cost of equity for the Deferred Payment is approximately 10.1%, as follows:

Parameters	Note	Formula	
Risk-free rate	(1)	(A)	3.6%
Beta	(2)	(B)	1.06
Market risk premium	(3)	(C)	6.1%
Cost of equity		**(D)=(A)+[(B)*(C)]**	**10.1%**

Notes:

(1) Calculated based on the last traded yield of the 10-year Malaysia Government Investment Issues (Islamic) of 3.6% as at 12 June 2026, being the latest practicable trading day prior the date of the SPA ("**LTD**"). (Source: Bank Negara Malaysia)

(2) Calculated based on 3 years weekly correlation between the ordinary shares of Mycron against the Kuala Lumpur Industrial Production Index (i.e. the listing sector of Mycron) up to the LTD of 1.03 (Source: Bloomberg) and subsequently, re-levered it based on the pro forma gearing ratio of the Mycron Group after the Proposed Acquisition of 0.2 times.

(3) Calculated based on the 10-year average historical rate of return of the FTSE Bursa Malaysia Top 100 Index up to the LTD of 9.7% and after deducting the risk-free rate of 3.6%. (Source: Bloomberg)

(c) Estimated cost of financing for the Proposed Acquisition

Based on the calculations in (a) and (b) above, we derived that the estimated cost of financing for the Proposed Acquisition as at the LTD is approximately 5.0%, as follows:

Parameters	**Note**	**Formula**	
Purchasers' Loan			
- Estimated after tax cost of debt		(A)	3.8%
- Weightage	(1)	(B)	81.6%
- Weighted average after tax cost of debt		(C) = (A)*(B)	3.1%
Deferred Payment			
- Estimated cost of equity		(D)	10.1%
- Weightage	(1)	(E)	18.4%
- Weighted average cost of equity		(F) = (D)*(E)	1.9%
Weighted average cost of capital ("WACC")		**(G) = (C)+(F)**	**5.0%**

Note:

(1) As the Deferred Payment is to be settled over a total 64 consecutive monthly instalments after the completion of the Proposed Acquisition, we derived that the estimated present value of the Deferred Payment, discounted at the risk-free rate of 3.6% p.a., is approximately RM5.4 million. The weightage of financing is thereby calculated as follows:

	RM'000	**%**
Purchaser's Loan	24,000	81.6
Present value of Deferred Payment	5,403	18.4
Total	**29,403**	**100.0**

Based on the estimated market value of the Property of RM30.5 million as appraised by the Independent Valuer and the current annual rental expense incurred by MST for the Property of RM2.1 million, the rental expense implied a rental cost ratio of 6.9% p.a. over the Property's estimated market value.

As the estimated costs of financing for the Proposed Acquisition of approximately 5.0% is relatively lower than the implied rental cost ratio of approximately 6.9% p.a., from a financial point of view, the Proposed Acquisition is viewed to result in costs savings to the Mycron Group. Hence, the Mycron Group's proposal to achieve savings in rental expenses from the Proposed Acquisition is deemed as justified.

Having considered the above evaluation, on an overall basis, we view rationale and benefits for the Proposed Acquisition to be fair and reasonable.

5.2 Basis and justification for the Purchase Consideration

As set out in **Section 2.4 of Part A** of the Circular, the Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the Property's estimated market value of RM30.5 million appraised by the Independent Valuer.

<u>Our comments</u>

In evaluating the Purchase Consideration, we have considered the estimated market value of the Property as appraised by the Independent Valuer. You are advised to read our commentaries herein, and refer to the Valuation Certificate as set out in **Appendix III** of the Circular for further information on the Property's market value.

We wish to highlight the following:

(i) Basis of valuation

The basis of valuation adopted by the Independent Valuer is "Market Value" which is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The basis of valuation adopted is within arm's length principle and therefore, fair and reasonable.

(ii) Valuation standards

The Valuation Report and Valuation Certificate has been made in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. The valuation standards adopted are commonly used valuation standards and therefore, fair and reasonable.

(iii) Valuation Date

The Valuation Date adopted is 5 June 2026. The valuation date adopted is fair and reasonable as it is a recent date and not more than 6 months from the date of the SPA.

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The following valuation methodologies were adopted by the Independent Valuer in arriving at the estimated market value of the Property, and our evaluation thereon are as follows:

<table>
<tr><th>Valuation methodology</th><th>Our comments</th></tr>
<tr><td><u>Primary method</u>
Cost approach</td><td>Under this valuation methodology, the Property's land and buildings are separately valued, as follows:

<table>
<tr><td>Land</td><td>➢ The Independent Valuer had adopted the comparison method to arrive at the estimated market value of the Property's land.

➢ Under this valuation methodology, market value of the Property's land is estimated based on selling prices of comparable lands that have been recently sold within the similar locality of the Property, and after adjusting for the key differences between the Property's land vis-à-vis the identified comparable such as time, location, tenure, land area, land shape and terrain.</td></tr>
<tr><td>Buildings</td><td>➢ The Independent Valuer had adopted the replacement cost method to arrive at the estimated market value of the Property's building.

➢ Under this valuation methodology, market value of the Property's building is estimated with reference to the estimated current costs required to reconstruct similar building as when new, and after adjusting for key factors such as age and condition of the subject building.</td></tr>
</table>
Thereafter, the Property's market value is arrived at based on the total market value of its land and buildings.

We are of the view that this valuation methodology is fair and reasonable as it is a commonly used valuation methodology to assess the market value of industrial factory property.</td></tr>
<tr><td><u>Secondary method</u>
Income capitalisation approach via investment method</td><td>Under this valuation methodology, the Property's market value is estimated based on its estimated annual net rental income and capitalised at a selected capitalisation rate.

In estimating the Property's annual gross rental income, the Independent Valuer had considered the Property's current rental rate, as well as current market rental rate for the reversionary term period. In arriving at the estimated net rental income, the Independent Valuer had deducted the necessary expenses to be incurred from the gross rental income such as outgoings and void allowances. The derived net annual rental income is then capitalised at a selected capitalisation rate, whereupon the estimated market value of the Property will be arrived at.

In our view, considering the Proposed Acquisition is intended for MST to own the Property for its on-going manufacturing business use instead of holding it as an investment asset, the use of income capitalisation approach via investment method, which values the Property from an investment income perspective, as the secondary method is acceptable as it mainly serves as a cross-check to the primary valuation method.</td></tr>
</table>

5.2.1 Primary Method - Cost Approach

The key bases and assumptions used by the Independent Valuer in arriving at the market value of the Property's land under the cost approach, and our evaluation thereon are as follows:

(i) Land

As elaborated earlier, the Independent Valuer had adopted the comparison approach to arrive at the market value of the Property's land. The identified comparable are as follows:

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Type of property	[(a)]A parcel of industrial land improved with industrial premises	Three parcels of adjoining industrial lands	Two parcels of adjoining industrial lands	[(a)]A parcel of industrial land improved with industrial premises
Address / locality	PT 59358 (now known as Lot 62610), Jalan Waja, Bukit Raja Industrial Park, Klang, Selangor Darul Ehsan	Lots 371 to 373 (inclusive), situated along Jalan Dividen 23/6, Seksyen 23, Shah Alam, Selangor Darul Ehsan	PT 101875 & Lot 62048, situated along Jalan Mandolin 33/5, Seksyen 33, Shah Alam Premier Industrial Park, Selangor Darul Ehsan	No. 15 (Lot 60), situated sandwiched between Jalan Utas 15/7 and Persiaran Selangor, Seksyen 15, Shah Alam, Selangor Darul Ehsan
Plot size	310,410 sq ft	177,325 sq ft	119,587 sq ft	261,351 sq ft
Tenure	Leasehold interest for 99 years expiring on 22 October 2088	Leasehold interest for 99 years expiring on 9 March 2107	Leasehold interest for 99 years expiring on 24 March 2103 for Lot 62048 and 26 March 2103 for PT 101875	Leasehold Interest for 99 years expiring on 19 April 2075
Date of transaction	22 April 2024	23 June 2023	5 August 2021	2 December 2020
Consideration	RM38.8 million (or RM125.00 per sq ft)	RM35.5 million (or RM200.00 per sq ft)	RM17.3 million (or RM145.00 per sq ft)	RM36.6 million (or RM140.00 per sq ft)

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Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Adjustment factors	• Location / accessibility (10.0%) • Land shape (-5.0%) • Terrain efficiency (-5.0%) • Negative factor (5.0%)	• Tenure (-10.0%) • Land shape (-5.0%) • Terrain efficiency (-5.0%)	• Location / accessibility (10.0%) • Tenure (-10.0%) • Land area (-5.0%) • Land shape (-5.0%) • Terrain efficiency (-5.0%) • Negative factor (5.0%)	• Time lapse (5.0%) • Land shape (-5.0%) • Terrain efficiency (-5.0%)
Total adjustments	5.0%	-20.0%	-10.0%	-5.0%
Adjusted market rate	**RM131.25 per sq ft**	**RM160.00 per sq ft**	**RM130.50 per sq ft**	**RM133.00 per sq ft**

Note:

(a) On redevelopment basis, disregarding the buildings/structures erected thereupon.

(Source: Valuation Report and Valuation Certificate)

The Independent Valuer adopted Comparable 4 as the best comparable as it is one of the comparable with the least adjustments and it is located within the same scheme with the Property, as well as carried similar characteristics. Accordingly, the Independent Valuer adopted an adjusted market rate of RM130.00 per sq ft to arrive at the market value of the land as follows:

Parameters	Formula	
Land area	(A)	232,178 sq ft
Valuation	(B)	RM130.00 per sq ft
Gross market value	**(C) = (A) * (B)**	**RM30.2 million**
Less: Reinstallation costs	(D)	[(a)]RM3.0 million
Estimated market value of the land	(E) = (C) – (D)	**RM27.2 million**

Note:

(a) The reinstallation costs are in respect of the estimated expenses that are required to be incurred by MST to enhance the structure of the Property should the Share Use Facilities Arrangement Letter be terminated in the future. Please refer to **Section 2.1 of Part A** of the Circular for further details. For clarity, these costs were estimated by the Independent Valuer based on quotations received from the contractors.

(ii) Building

As elaborated earlier, the Independent Valuer adopted the replacement cost approach to arrive at the market value of the Property's building. The bases and assumptions adopted by the Independent Valuer and our evaluation thereon are as follows:

(a) Estimated construction costs

In estimating the current construction costs required to reconstruct a similar building *vis-à-vis* the Property's building as when new, the Independent Valuer had considered the construction costs statistics as set out in the JUBM & Arcadis Construction Cost Handbook Malaysia 2025, whereby the construction cost for industrial premises ranged between RM141.68 per sq ft and RM237.37 per sq ft.

Based on our discussion with the Independent Valuer, as the subject property is an open-sided building, the Independent Valuer views that the estimated construction costs are expected to be lower than that of a fully enclosed industrial building as open-sided building generally requires fewer construction materials and has a simpler structure design. Hence, the Independent Valuer had adopted a lower construction cost of RM110.00 per sq ft for the single-storey factory and RM100.00 per sq ft for the ancillary buildings.

(b) Depreciation rate

The Property's building is approximately 41 years old and in view of its age and condition, the Independent Valuer had applied a 75% depreciation rate to reflect its physical, economic and functional obsolescence.

Estimated market value under cost approach

Based on the above, the Independent Valuer derived that the estimated market value of the Property derived under the primary method is approximately RM30.5 million, as follows:

Components	Valuation methodology	RM'000	%
Land value	Comparison approach	27,223	89.1
Building value	Replacement cost method	3,332	10.9
Total		**30,555**	**100.0**
Estimated market value appraised by the Independent Valuer		**30,500**	

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5.2.2 Secondary Method – Income Capitalisation Approach via Investment Method

The Income Capitalisation Approach via Investment Method entails appraising the Property's market value based on its estimated annual net rental income and the capitalisation rate. Our comments on the key bases and assumptions adopted by the Independent Valuer under this method of valuation are as follows:

<table>
<tr><th>No.</th><th>Summary of key basis and assumption</th><th>Our assessment</th></tr>
<tr><td>(1)</td><td><u>Monthly rental rate</u>

The Valuer had adopted the following monthly rental rate to arrive at the estimated gross rental income of the Property:

<table><tr><td>Current</td><td>RM1.45 per sq ft</td></tr><tr><td>Reversionary</td><td>RM1.80 per sq ft</td></tr></table></td><td><u>Current term</u>
The rental rate adopted during the term period is based on current rental rate of the Property with reference to the Tenancy Agreement and hence, reasonable.

<u>Reversionary term</u>
The rental rate adopted during the reversionary period is an estimation, which was arrived at by the Independent Valuer after due consideration of the range of current passing/ asking rental for industrial premises in Shah Alam of between [(a)]RM1.45 per sq ft to [(a)]RM2.30 sq ft.

This basis of assumption is accepted in our view, as it was arrived at by the Independent Valuer based on a benchmarking analysis, which has taken into consideration the prevailing market rental rate for industrial premises within the locality of the Property (i.e. in Shah Alam, Selangor). In addition, the adopted rental rate is within the range of current passing/asking rental rate for the comparable considered.</td></tr>
<tr><td>(2)</td><td><u>Outgoings</u>

The Valuer had adopted the following outgoings rate to arrive at the estimated outgoing costs of the Property during the current and reversionary term periods:

<table><tr><td>Current</td><td>7.1% of gross revenue</td></tr><tr><td>Reversionary</td><td>10.0% of gross revenue</td></tr></table></td><td><u>Current term</u>
Outgoings of 7.1% during the term period was arrived at based on actual outgoing costs incurred during the term period and hence, reasonable.

<u>Reversionary term</u>
Outgoings of 10.0% during the reversionary period was arrived at based on outgoing costs incurred during the term period plus an additional 5.0% allowance for operating, repair and maintenance costs that may be incurred by MST during the reversionary period.

This basis of assumption is reasonable in our view, as it was arrived at based on current outgoings costs incurred during the term period and that the additional 5.0% allowance made is a prudent measure to account for possible additional costs that MST may be required to incur for operating, repair and maintenance purposes during the reversionary period.</td></tr>
<tr><td>(3)</td><td><u>Void allowance</u>

The Valuer had adopted 5% void allowance for both current and reversionary terms.</td><td>The allowance for void of 5.0% is within the range of generally adopted allowance for void of between 5.0% to 10.0%. Hence, this basis of assumption is acceptable.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Summary of key basis and assumption</th><th>Our assessment</th></tr>
<tr><td>(4)</td><td>Capitalisation rate

The Valuer had adopted the following the following capitalisation rate for the current and reversionary periods:

<table><tr><td>Current</td><td>6.0%</td></tr><tr><td>Reversionary</td><td>6.5%</td></tr></table></td><td>Capitalisation rate refers to the estimated investment rate of return of the subject property. The capitalisation rate used was arrived at based on the yield analysis as set out in the Valuation Certificate.

As a check, we have compared the capitalisation rate adopted against the WACC of listed real investment trust funds ("REIT") in Malaysia that mainly invests in industrial properties as follows:

<table><tr><th>REIT</th><th>WACC</th></tr><tr><td>AME REIT</td><td>6.6%</td></tr><tr><td>AXIS REIT</td><td>5.8%</td></tr><tr><td>Atrium REIT</td><td>5.4%</td></tr><tr><td>High</td><td>6.6%</td></tr><tr><td>Low</td><td>5.4%</td></tr><tr><td>Simple average</td><td>5.9%</td></tr></table>
(Source: Bloomberg)

Based on the above, we are of the view that the capitalisation rate adopted is acceptable as it is within the range of the required rate of return or WACC of the abovenamed REIT in Malaysia that mainly invests in industrial properties.</td></tr>
</table>

Note:

(a) In estimating the rental rate during reversionary period, the Independent Valuer had considered the following passing/ asking rentals for industrial properties in Shah Alam, Selangor:

<u>Passing rental</u>

No.	Locality	Floor area	Monthly rental
1.	No. 2, Jalan Halba 16/16, Seksyen 16, Shah Alam, Selangor Darul Ehsan	120,177 sq ft	RM210,477 (or RM1.75 sq ft)
2.	Lot 16, Jalan Pengapit 15/19, Seksyen 15, Shah Alam, Selangor Darul Ehsan	41,061 sq ft	RM70,000 (or RM1.70 sq ft)
3.	Kawasan Perindustrian Hicom	75,700 sq ft	RM132,475 (or RM1.75 sq ft)
4.	Seksyen 22, Shah Alam	311,736 sq ft	RM529,951 (or RM1.70 sq ft)

(Source: Valuation Report)

Asking rental

No.	Locality	Floor area	Monthly rental
1.	Seksyen 15, Shah Alam	41,133 sq ft	RM78,000 (or RM1.90 sq ft)
		132,000 sq ft	RM264,000 (or RM2.00 sq ft)
2.	Seksyen 16, Shah Alam	58,800 sq ft	RM122,800 (or RM2.09 sq ft)
		57,741 sq ft	RM84,000 (or RM1.45 sq ft)
3.	Seksyen 23, Shah Alam	100,000 sq ft	RM230,000 (or RM2.30 sq ft)
4.	Seksyen 28, Shah Alam	100,000 sq ft	RM190,000 (or RM1.90 sq ft)

(Source: Valuation Report)

Based on the above, the Independent Valuer derived that the estimated market value of the Property derived under the secondary method is approximately RM30.0 million.

5.2.3 Summary of our evaluation of the Purchase Consideration

We have reviewed the Valuation Report and Valuation Certificate. Based on our evaluation as set out above, we are satisfied with the reasonableness of the valuation methodologies as well as the key bases and assumptions adopted by the Independent Valuer in arriving at the estimated market value of the Property. Accordingly, we have relied on the valuation performed by the Independent Valuer in evaluating the Purchase Consideration.

In our view, the Purchase Consideration of RM30.0 million is fair and reasonable as it approximates to the estimated market value of the Property of RM30.5 million.

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5.3 Salient terms of the SPA

The SPA sets out the terms and conditions for the Proposed Acquisition. Our comments on the salient terms of the SPA are as follows:

No.	Salient terms of the SPA	Our comments
(1)	**<u>Basis of sale and purchase of the Property</u>** (Please refer to **Section 1 of Appendix I** of the Circular for the salient term)	This term is reasonable as it stipulates that the Property is to be acquired by MST from the Vendor on an "as is where is" basis and free from all encumbrances. As such, upon completion of the Proposed Acquisition, MST will obtain control and legal ownership of the Property, thereby allowing itself to utilise the Property without restrictions.
(2)	**<u>Mode of settlement of the Purchase Consideration</u>** (Please refer to **Section 2 of Appendix I** of the Circular for the salient term)	This term is reasonable as it stipulates the manner of settlement of the Purchase Consideration. In our view: (i) use of Purchaser's Loan to fund 80% of the Purchase Consideration is acceptable as bank financing allows MST to reduce its immediate cash outlays for the Proposed Acquisition, thereby enable the Mycron Group to conserve its existing financial resources for its on-going business use; and (ii) use of Deferred Payment to fund the remaining 20% of the Purchase Consideration is acceptable as: (a) the Deferred Payment is payable over a spread of 64 equal monthly instalments and interest free as mentioned in **Section 1** of this IAL; and (b) the salient terms of the DPA are fair and reasonable as set out in **Section 5.4** of this IAL.
(3)	**<u>Conditional SPA</u>** (Please refer to **Section 3 of Appendix I** of the Circular for the salient term)	This term is reasonable as it stipulates that the Proposed Acquisition is subject to: (i) the requisite approvals and consents being obtained for Proposed Acquisition; (ii) the DPA being entered into to regulate the terms of the Deferred Payment; and (iii) MST having secured the Purchaser's Loan to part finance the Purchase Consideration. We further note that the Conditions Precedent shall be fulfilled within the Conditional Period, failing which the SPA will be terminated. In the event the SPA is terminated pursuant to this clause, we note from the SPA that the Vendor shall, within 14 days from the date of termination, refund to MST all monies paid towards the Purchase Consideration without interest. As there is a refund mechanism for all monies paid by MST towards the Purchase Consideration, we are of the view that termination event pursuant to this clause is fair and not detrimental to the interest of the Mycron Group.

<table>
<tr><th>No.</th><th>Salient terms of the SPA</th><th>Our comments</th></tr>
<tr><td>(4)</td><td><u>Unconditional date</u>

(Please refer to Section 4 of Appendix I of the Circular for the salient term)</td><td>This term is reasonable as it stipulates that the Unconditional Date shall fall on the day when the last of the Conditions Precedent is fulfilled, which is within normal commercial term.</td></tr>
<tr><td>(5)</td><td><u>Completion Period</u>

(Please refer to Section 5 of Appendix I of the Circular for the salient term)</td><td>This term is reasonable as it stipulates that the Purchaser's Loan shall be released to the Vendor within 3 months from the Unconditional Date, or such other extended period as may be mutually agreed between the parties to the SPA.

The stipulated timeline of 3 months to complete the Proposed Acquisition from the Unconditional Date is reasonable in our view, as it provides necessary time that may be required by MST to perform all the requisite administrative procedures to release the Purchaser's Loan to the Vendor.</td></tr>
<tr><td>(6)</td><td><u>Default by Purchaser</u>

(Please refer to Section 6 of Appendix I of the Circular for the salient term)</td><td rowspan="2">In the event there being default by a party to the SPA and such default is not remedied within the stipulated timeline and manner as set out in the SPA, the other party to the SPA is entitled to terminate the SPA. If the SPA is being terminated pursuant to this clause, we note that:

(i) MST shall:

(a) immediately remove all encumbrances and caveat, if any, on the Property attributable to the Purchaser; and

(b) return to the Vendor all documents previously delivered by the Vendor to MST; and

(ii) the Vendor shall refund to MST all monies paid towards the Purchase Consideration without interest.

Thereafter, the SPA will terminate and cease to be of any further effect.

As there is a refund mechanism for all monies paid by MST towards the Purchase Consideration, we are of the view that termination event pursuant to this clause is fair and not detrimental to the interest of the Mycron Group.</td></tr>
<tr><td>(7)</td><td><u>Default by Vendor</u>

(Please refer to Section 7 of Appendix I of the Circular for the salient term)</td></tr>
</table>

<table>
<tr><th>No.</th><th>Salient terms of the SPA</th><th>Our comments</th></tr>
<tr><td>(8)</td><td><u>Completion of the SPA</u>

(Please refer to Section 8 of Appendix I of the Circular for the salient term)</td><td rowspan="2">These terms are reasonable as it stipulates that completion shall take place upon release of the Purchaser’s Loan to the Vendor. We further note from the SPA that, upon completion of the SPA:

(i) the Vendor shall deliver legal possession of the Property to MST, thereby allowing MST to own and operate the Property moving forward; and

(ii) the Tenancy Agreement will be terminated as it is no longer applicable after MST having acquired the Property. Thus, MST will no longer be required to make rental payment to the Vendor after the completion of the Proposed Acquisition, thereby enabling itself to achieve the envisaged savings on rental expenses as elaborated in Section 3.2 of Part A of the Circular.</td></tr>
<tr><td>(9)</td><td><u>Legal possession</u>

(Please refer to Section 9 of Appendix I of the Circular for the salient term)</td></tr>
<tr><td>(10)</td><td><u>Vendor’s undertakings</u>

(Please refer to Section 10 of Appendix I of the Circular for the salient term)</td><td>This term is within normal commercial term and not detrimental to the interests of Mycron as it stipulates that the Vendor shall, until completion of the Proposed Acquisition:

(i) maintain the Property on an “as is where is” basis for acquisition by MST pursuant to the Proposed Acquisition; and

(ii) enable MST to continue utilising the Property under the Tenancy Agreement without interruption.</td></tr>
</table>

On an overall basis, we are of the view that salient terms of the SPA are fair, reasonable and within normal commercial terms.

5.4 Salient terms of the DPA

The DPA sets out the terms and conditions for the Deferred Payment. Our comments and evaluations on the salient terms of the DPA are as follows:

<table>
<tr><th>No.</th><th>Salient terms of the DPA</th><th>Our comments</th></tr>
<tr><td>(1)</td><td><u>Deferred Sum</u>

(Please refer to Section 1 of Appendix II of the Circular for the salient term)</td><td rowspan="2">These terms stipulate that the remaining 20% of the Purchase Consideration shall be settled by MST over a total of 64 consecutive monthly equal instalments of RM93,750.

We are of the view that these terms are fair and favourable to Mycron as it allows MST to settle the Deferred Payment on a deferred basis after the completion of the Proposed Acquisition. Thus, the Deferred Payment would essentially allow MST to reduce its immediate cash outlays for the Proposed Acquisition.</td></tr>
<tr><td>(2)</td><td><u>Deferred Payment Plan</u>

(Please refer to Section 2 of Appendix II of the Circular for the salient term)</td></tr>
<tr><td>(3)</td><td><u>Commencement of date of the Deferred Payment Plan</u>

(Please refer to Section 3 of Appendix II of the Circular for the salient term)</td><td>This term is reasonable as it stipulates that the Deferred Payment shall only commence after the completion of the Proposed Acquisition.

Thus, in the event the Proposed Acquisition does not proceed, the Deferred Payment will not apply.</td></tr>
</table>

No.	Salient terms of the DPA	Our comments
(4)	**<u>Deductions and set-off</u>** (Please refer to **Section 4 of Appendix II** of the Circular for the salient term)	This term is favourable to the Mycron Group as it allows MST to deduct any outstanding amount owing by the Vendor to MST in the future, which in turn allows MST to recover or offset any future outstanding debts owing by the Vendor to MST.
(5)	**<u>Conditions Precedent</u>** (Please refer to **Section 5 of Appendix II** of the Circular for the salient term)	This term is reasonable as it states that the DPA is subject to: (i) the SPA becoming unconditional. This term is reasonable as the Deferred Payment would not be applicable in the event the Proposed Acquisition does not proceed; (ii) the execution of the DPA by Mycron, MST and the Vendor, who are parties to the DPA; and (iii) requisite approvals and authorisation needed by Mycron, MST and the Vendor to enter into the DPA. This term is reasonable as it stipulates that parties to the DPA shall obtain the requisite approvals and authorisation to enter into the DPA.
(6)	**<u>Corporate Guarantee</u>** (Please refer to **Section 6 of Appendix II** of the Circular for the salient term)	Pursuant to this clause, Mycron is required to provide corporate guarantee to the Vendor for the following: (i) all monies payable by MST under the DPA will be punctually made; and (ii) MST will observe its performance and obligations under the DPA. This term is reasonable and fair given that MST is a wholly-owned subsidiary of Mycron and therefore, Mycron is able to exercise close monitoring and full control over MST to ensure that MST has prudent financial and business planning observe its obligations under the DPA as well as to make good of the Deferred Payment on a timely manner.
(7)	**<u>Termination</u>** (Please refer to **Section 7 of Appendix II** of the Circular for the salient term)	This term stipulates that the DPA will be terminated in event the SPA is being terminated. This term is reasonable as the Deferred Payment would not be applicable in the event the Proposed Acquisition does not proceed.
(8)	**<u>Independence from SPA</u>** (Please refer to **Section 8 of Appendix II** of the Circular for the salient term)	This term stipulates that the SPA and DPA are 2 separate agreements whereby the SPA governs the terms of the Proposed Acquisition whilst the DPA governs the terms of the Deferred Payment. We are of the view that this term is reasonable.

On an overall basis, we are of the view that salient terms of the DPA are fair, reasonable and within normal commercial terms.

5.5 Effects of the Proposed Acquisition

We took note of the effects of the Proposed Acquisition as set out in **Section 6 of Part A** of the Circular and our comments thereon are as follows:

Effects	Our comments
➢ **Issued share capital** ➢ **Substantial shareholders' shareholding**	The Proposed Acquisition will not have any effect on Mycron's issued share capital as well as the substantial shareholders' shareholding in Mycron, as the Purchase Consideration is to be fully satisfied in cash.
➢ **NA and NA per Share** ➢ **Gearing**	**(i) NA** We note that the Proposed Acquisition will result in a marginal decrease in the Mycron Group's NA by RM0.1 million, from RM517.5 million as at 30 June 2025 to RM517.4 million after the Proposed Acquisition. The resultant marginal decrease in the Mycron Group's NA is mainly due to effects of the estimated expenses to be incurred by the Mycron Group for the Proposed Acquisition. **(ii) NA per Share** As the Proposed Acquisition will only result in a marginal decrease in the Mycron Group's NA, on a pro forma basis, we note that the Proposed Acquisition will not result in a material decrease in the Mycron Group's audited NA per Share of RM1.58 as at 30 June 2025. **(iii) Gearing ratio** The Proposed Acquisition will result in an increase in the Mycron Group's gearing ratio from 0.15 times as at 30 June 2025 to 0.20 times after the Proposed Acquisition. We are of the view that the resultant increase in the Mycron Group's gearing ratio is reasonable, as it arose from the Mycron Group's intention to finance 80% of the Purchase Consideration through the Purchaser's Loan.

Effects	Our comments
Earnings and EPS	Barring unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the Mycron Group's future earnings and EPS, premised on the following key factors: (i) as evaluated under **Section 5.1(ii)** of this IAL, the Proposed Acquisition will allow the Mycron Group to achieve savings in rental expenses and to have certainty of usage of the Property moving forward; and (ii) as evaluated under **Section 5.6** of this IAL, the Property is well-sited for industrial use. Given the strategic location of the Property, the Proposed Acquisition is expected to contribute positively to MST's future manufacturing business. However, you should note that the potential benefits arising from the Proposed Acquisition are subject to the risk factors as disclosed in **Section 5 of Part A** of the Circular.
Convertible securities	As at the LPD, Mycron does not have any outstanding convertible securities in issue.

Premised on the above, we view effects of the Proposed Acquisition to be fair and reasonable as they mainly reflect the consequential effects of the Proposed Acquisition to the Mycron Group.

5.6 Prospects and industry overview

In evaluating prospects of the Property, we have taken into account the following key factors:

(i) Strategic location of the Property

We note that the Property is strategically located within an established industrial area in Shah Alam, Selangor, with surrounding developments comprise primarily industrial and logistics-related premises. In addition, the Property is accessible from several major highways such as the Federal Highway, KESAS Highway, LKSA Highway and Guthrie Corridor Expressway. Given its strategic location, the Property is well-sited for industrial use. In this regard, the Property is envisaged to be a suitable factory property for the on-going manufacturing business use of MST.

(ii) Prospect and outlook of the manufacturing sector and steel industry in Malaysia

We note the following:

(a) the Industrial Production Index increased by 8.4% in May 2026, following a growth of 8.2% in April 2026. The expansion was primarily driven by the manufacturing sector, which grew by 6.6% (April 2026: 8.3%). In addition, sales in manufacturing sector grew by 8.9% year-on-year, reaching a total of RM172.7 billion sales in May 2026, easing from 9.1% in April 2026.

(Source: Malaysia Economic Statistics Review Volume 7/2026, Ministry of Economy, Department of Statistics Malaysia, published on 31 July 2026)

(b) the Malaysian steel industry faces sustained economic pressure due to structural overcapacity across global, regional and domestic markets, particularly in upstream long products. Many producers are operating below break-even levels, with market dynamics further strained by non-compliant production. Corrective measures are required to mitigate and address these conditions that have constrained the sector's ability to invest in plant upgrades, technology modernisation, and workforce capabilities.

In 2023, Ministry of Investment, Trade, and Industry ("**MITI**") implemented a two-year moratorium on the expansion and diversification of manufacturing activities in the iron and steel industry. The moratorium applies to new manufacturing licence applications, licence transfers, regularisation, and expansions across most iron and steel products under Harmonized System codes 72 and 73. This policy intervention provided a necessary window to recalibrate the direction of the sector and to realign industry development with Malaysia's long-term goals on decarbonisation, investment quality, and national competitiveness. MITI acknowledges industry feedback that a more adaptive and differentiated approach is required across value chain segments, and for alignment with national industrial strategies such as the New Industrial Master Plan 2030.

(Source: Steel Industry Roadmap 2035, MITI, 2025)

(c) global steel demand is projected to rise by 0.4% to 1.8 billion metric tonnes in 2026, following an estimated 2.6% contraction in 2025, with the recovery expected to remain uneven and geographically concentrated. On a regional basis, Asia as the world's largest regional steel market, is expected to rise slightly in 2026, following a sharp decline in 2025. By 2030, global demand could increase by just 0.9% per year, driven by growth in Asia and Africa.

(Source: Organisation for Economic Co-operation and Development ("**OECD**") Steel Outlook, OECD, 2026)

We note that from **Section 4.4 of Part A** of the Circular that the Property is sited within a short distance from the Mycron Group's other existing factories in Shah Alam. Hence, due to its close proximity to other factories of the Mycron Group, the Property is expected to offer synergistic value to the Group as it allows the Group to achieve economies of scales through amongst others supply-chain integration and distribution to major customers within Shah Alam and Klang Valley. Whilst the macroeconomic outlook remains challenging, the anticipated increase in global steel demand is viewed to be a positive market development moving forward.

Further, considering that MST is presently renting the Property from the Vendor for its on-going manufacturing business use, the Proposed Acquisition would allow MST to own and operate the Property moving forward, thereby reduces risks of business disruptions in the event the Vendor chooses not to continue the tenancy, or were to sell the Property to other party who may not subsequently lease it to MST or the new buyer imposes less favourable leasing term to MST.

We further note from **Section 2.8 of Part A** of the Circular that, save for the Purchase Consideration and estimated expenses relating to the Proposed Acquisition, the Mycron Group does not expect to incur any additional material financial commitment for the Proposed Acquisition. Hence, we envisaged that there will not be any further material capital expenditures to be incurred by the Mycron Group in order to put the Property on stream for MST's on-going manufacturing business use.

Hence, in summary, we are of the view that the Proposed Acquisition is expected to contribute positively to the Mycron Group's future business operations and prospects.

5.7 Risk Factors in relation to the Proposed Acquisition

We took cognisance of the risk factors relating to the Proposed Acquisition as set out in **Section 5 of Part A** of the Circular. In addition to the risk factors set out therein, you should also consider the following additional risk factor:

- **Valuation risk**

  The estimated market value of the Property was appraised by the Independent Valuer based on various key bases and assumptions, which may materially differ from the general market perception. Hence, it is pertinent to note that the current appraised market value of the Property does not serve as a guarantee of its current or future value. In the event that the future market value of the Property declines significantly from its current market value, the Mycron Group may incur a loss on disposal should it subsequently disposes the Property at a price lower than its prevailing net book value.

  In our view, considering the Proposed Acquisition is mainly intended for MST to own the Property for its on-going manufacturing business use instead of acquiring it as an investment asset, this risk factor is deemed as acceptable. Further, given that the Property is strategically located within an established industrial area in Shah Alam, Selangor and it is accessible from several major highways in the Klang Valley, its strategic location is expected to augur well to its future value.

On an overall basis, considering that the Proposed Acquisition is intended for MST to own the Property for its on-going manufacturing business instead of acquiring it as an investment asset, we are of the view that the Proposed Acquisition is not expected to expose the Mycron Group to any significant new risks that is not within its current business activities.

Notwithstanding the foregoing, you should note that although appropriate measures have been put in place to manage the risks associated with the Proposed Acquisition, there is no certainty that such risk factors are adequately mitigated and therefore, will not give rise to a material and adverse impact on the Mycron Group’s future financial performances and/or prospects.

6. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation in respect of the Proposed Acquisition, we have assessed and evaluated the fairness and reasonableness of the Proposed Acquisition based on the pertinent factors as set out in **Section 5** of this IAL.

You are advised to carefully consider the merits and demerits of the Proposed Acquisition based on all relevant and pertinent factors including those set out in this IAL as well as those highlighted by the Board in its letter to the shareholders as set out in **Part A** of the Circular, before voting on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM.

Premised on our overall evaluation of the Proposed Acquisition as set out in **Section 5** of this IAL, we are of the view that, on the basis of the information available to us, the Proposed Acquisition is **fair and reasonable** and **not detrimental** to your interests. Accordingly, we recommend you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

Yours faithfully
For and on behalf of
MERCURY SECURITIES SDN BHD

CHEW SING GUAN
Managing Director

YIP KAH WENG, CFA
Head/Director, Corporate Finance

APPENDIX I – SALIENT TERM OF THE SPA

The salient terms of the SPA are set out below:

1. Basis of Sale and Purchase of Property

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Property on an "as is where is" basis free from legal encumbrances, encroachment, other beneficial interest, unauthorised occupiers, caveats, prohibitory orders, injunctions and other similar orders, any actual or intended acquisition proceedings and proceedings and trusts and caveats and with legal possession, subject to all conditions of title (express or implied), restrictions in interest and upon the terms and conditions contained in the SPA.

2. Mode of Settlement of the Purchase Consideration

The Purchase Consideration of RM30.00 million shall be paid by the Purchaser to the Vendor in the following manner:

(i) by way of the Purchaser's Loan; and

(ii) pursuant to the deferred payment plan as agreed and set out in the DPA representing 20.00% of the Purchase Consideration, amounting to RM6.00 million.

3. Conditional SPA

3.1 Conditions Precedent

3.1.1 The SPA is conditional upon and subject to the following conditions precedent:

(i) the Purchaser being able to secure the Purchaser's Loan to part finance the purchase of the Property;

(ii) the DPA has been duly executed and stamped;

(iii) the Purchaser's Existing Lenders' Approval;

(iv) the Shareholders' Approval shall have been obtained;

(v) the State Authority Consent shall have been obtained;

(vi) the approval of the state authority for the registration of charge over the Property in favour of the Bank; and

(vii) where required, the approvals from the relevant regulatory authorities having jurisdiction over the acquisition of the Property shall have been obtained.

(Collectively, the above conditions precedents are to be referred to as "**Conditions Precedent**")

3.1.2 In the event the Conditions Precedent or any of them is not obtained within four (4) months from the date of the SPA ("**Conditional Period**"), the Vendor and the Purchaser may mutually agree in writing to such extended period or periods ("**Extended Conditional Period**") to fulfil the Conditions Precedent.

3.1.3 In the event any of the Conditions Precedent is not fulfilled or waived within the Conditional Period or by the expiration of the Extended Conditional Period, as the case may be, the SPA will terminate and thereafter be null and void.

4. Unconditional date

The SPA will become unconditional when the last of the Conditions Precedent is fulfilled or waived and upon Purchaser's Solicitors receipt of documentary evidence confirming such fulfilment or, where applicable, a written waiver letter from the Vendor and the Purchaser ("**Unconditional Date**").

5. Completion Period

The Purchaser's Loan shall be released to the Vendor within three (3) months from the Unconditional Date of the SPA ("**Completion Period**"), with an extension of time of one (1) month from the expiry of the Completion Period, or such other extended period as may be agreed by the Vendor in writing ("**Extended Completion Period**").

6. Default by Purchaser

6.1 In the event that:

(i) the Purchaser fails to observe or perform or otherwise be in breach of any of the terms, conditions or covenants of the SPA;

(ii) any warranties and representations of the Purchaser is incorrect or inaccurate or misleading in any respect; or

(iii) a valid and registrable instrument of transfer in respect of the Property duly executed by the Vendor in favour of the Purchaser ("**Instrument of Transfer**"), cannot be registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Purchaser,

and such failure or breach or reason for non-registration (other than an obligation of the type referred to in clause 6.1(i) above), is not remedied by the Purchaser within fourteen (14) days after the Vendor has given written notice to the Purchaser to remedy such failure or breach, the Vendor will be entitled, at the cost and expense of the Purchaser, and at the Vendor's sole discretion to terminate the SPA at any time by giving a written notice to the Purchaser.

6.2 Upon termination, the Purchaser must, at the Purchaser's own cost and expense, within fourteen (14) days from the date of receiving the termination notice from the Vendor:

(i) immediately remove all encumbrance and caveat, if any, on the Property attributable to the Purchaser; and

(ii) return to the Vendor all documents delivered by the Vendor to the Purchaser and / or the Purchaser's Solicitors and / or the Bank's solicitors under the provisions of SPA with the Vendor's interest in the Property remaining intact;

in exchange for the refund by the Vendor to the Purchaser and / or the Bank of all moneys paid towards account of the Purchase Consideration without any interest being payable whereupon SPA will terminate and cease to be of any further effect and thereafter the Vendor shall be entitled to sell or otherwise deal with the Property in such manner as the Vendor deems fit. For the avoidance of doubt, the Vendor and Purchaser (collectively referred to as the "**Parties**" and individually referred to as a "**Party**") shall take all necessary steps to notify the Director-General of Inland Revenue of the termination of SPA and to claim a refund of the retention sum of Ringgit Malaysia Nine Hundred Thousand (RM900,000.00) payable to the Purchaser's Solicitors ("**Retention Sum**"), together with any chargeable tax payable by the Vendor (if any).

6.3 For avoidance of doubt, the provisions of clause 6.2 shall not prejudice any other remedies that the Vendor may have at law or in equity in respect of the default of the Purchaser.

7. Default by Vendor

7.1 In the event that:

(i) the Vendor fails to observe or perform or otherwise be in breach of any of the terms, conditions or covenants of this SPA;

(ii) any warranties and representations of the Vendor is incorrect or inaccurate or misleading in any respect; or

(iii) the Instrument of Transfer cannot be registered for any reason whatsoever due to the default, wilful neglect, omission or blameworthy conduct on the part of the Vendor,

and such failure or breach or reason for non-registration is not remedied by the Vendor within fourteen (14) days after the Purchaser has given written notice to the Vendor to remedy such failure or breach, the Purchaser will be entitled, at the cost and expense of the Vendor, and at the Purchaser's sole discretion to the following remedies:

(i) to the remedy of specific performance of SPA against the Vendor; or

(ii) to terminate SPA at any time by giving a written notice to the Vendor and upon such termination, the Vendor must within fourteen (14) days from the date of receiving the termination notice refund or caused to be refunded to the Purchaser all moneys paid towards account of the Purchase Consideration without any interest being payable in exchange for:

(a) the immediate removal of all encumbrance and caveat, if any, on the Property attributable to the Purchaser; and

(b) the return to the Vendor of all documents delivered by the Vendor to the Purchaser and / or the Purchaser's Solicitors and / or the Bank's solicitors under the provisions of SPA with the Vendor's interest in the Property remaining intact;

whereupon SPA will terminate and cease to be of any further effect and thereafter the Vendor shall be entitled to sell or otherwise deal with the Property in such manner as the Vendor deems fit. For the avoidance of doubt, the Parties shall take all necessary steps to notify the Director-General of Inland Revenue of the termination of SPA and to claim a refund of the Retention Sum, together with any chargeable tax payable by the Vendor (if any).

7.2 For avoidance of doubt, the provisions of this clause 7.1 shall not prejudice any other remedies that the Purchaser may have at law or in equity in respect of the default of the Vendor.

8. Completion of the SPA

The Purchase Consideration shall be deemed fully settled upon receipt of the Purchaser's Loan by the Vendor and the beneficial ownership of the Property shall be deemed to have passed to the Purchaser upon receipt of the Purchaser's Loan by the Vendor ("**SPA Completion**").

9. Legal possession

The Property is currently tenanted to the Purchaser under a tenancy agreement dated 1 June 2022 between the Vendor and the Purchaser, which was subsequently renewed by way of a renewal letter dated 14 March 2025 for a further term of three (3) years commencing on 1 June 2025 and expiring on 31 May 2028, on the same terms and conditions (the "**Tenancy**"). Legal possession of the Property shall be delivered to the Purchaser upon SPA Completion, at which time the Tenancy shall automatically terminate.

10. Vendor's Undertakings

The Vendor covenants and undertakes with the Purchaser that:

(i) it will not deal with or encumber the Property in any way or do or suffer to be done or commit any act or thing which may render the Property or any part of the Property liable to forfeiture or attachment or which will contravene provisions of any existing legislation or requirement up to the SPA Completion;

(ii) it shall, ensure that the Purchaser may continue to occupy and enjoy the Property in the ordinary course without interruption; and

(iii) it will not make any claims or caveat on the Property post SPA Completion on any grounds tied to the performance of the DPA.

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APPENDIX II – SALIENT TERM OF THE DPA

The salient terms of the DPA are set out below:

1. Deferred Sum

   The Vendor has agreed to allow deferred payment on part of the Purchase Consideration equivalent to twenty percent (20%) thereof amounting to RM6.00 million only (Ringgit Malaysia Six Million) ("**Deferred Sum**") subject to the terms and conditions herein contained in the DPA.

2. Deferred payment plan

   The Purchaser shall repay the Deferred Sum by sixty-four (64) consecutive monthly equal instalments of RM93,750.00 (Ringgit Malaysia Ninety-Three Thousand Seven Hundred Fifty only) each into such bank account as designated by the Vendor) subject to the terms and conditions herein contained in the DPA ("**Deferred Payment Plan**").

3. Commencement of Date of the Deferred Payment Plan

   The first monthly instalment payable shall be due and payable one (1) month from date of full release / disbursement of the Purchaser's Loan to the Vendor pursuant to the SPA and thereafter on the corresponding day of each succeeding month.

4. Deductions and set-off

   Deductions and set-off of valid outstanding debts owing by the Vendor to the Purchaser against instalment(s) due are permitted with mutual consent from the Vendor. Specifically, the Purchaser's payment of Retention Sum (amounting to 3% of the Purchase Consideration) under the SPA for obligatory remittance to the Inland Revenue Department with regards to the Vendor's liability to real property gains tax, shall treated as a credit to the Deferred Sum for set-off against instalments as when due.

5. Conditions Precedent

   The Parties' obligations under the DPA shall be conditional upon and subject to the following conditions precedent:

   (i) the SPA becoming unconditional;

   (ii) execution and delivery of the DPA by Vendor, Purchaser and the Company (hereinafter referred to as the "**Guarantor**"); and

   (iii) receipt of all corporate authorisations and board resolutions deemed necessary by the Vendor, Purchaser and the Guarantor.

6. Corporate Guarantee

   In consideration of the Vendor entering into DPA, the Guarantor irrevocably and unconditionally guarantees to the Vendor:

   (i) the due and punctual payment by the Purchaser of all monies payable under the DPA; and

   (ii) the due observance and performance by the Purchaser of all obligations herein.

7. Termination

If the SPA is terminated for any reason, the DPA shall automatically terminate without further action by either party.

8. Independence from SPA

This DPA is a separate, standalone contract that governs only the Deferred Sum payment mechanism, without altering or interfering with the SPA's rights, obligations, or completion and shall not affect, delay, or prejudice the SPA Completion. For the avoidance of doubt, any default or dispute arising under the DPA shall not be deemed a default under the SPA, nor shall it entitle the Vendor to withhold the SPA Completion.

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40TH 1980 • 2020 ANNIVERSARY

Our Ref. : KL/VAL260851

15th June 2026

Messrs. Melewar Steel Tube Sdn Bhd,
a wholly owned subsidiary of Mycron Steel Berhad
Lot 53, Persiaran Selangor
40200 Shah Alam,
SELANGOR DARUL EHSAN

Dear Sirs,

RE : CERTIFICATE OF VALUATION FOR TITLE NO. PN 121387, LOT 10461 SEKSYEN 15, TOWN OF SHAH ALAM, DISTRICT OF PETALING, STATE OF SELANGOR [LOT 10, PERSIARAN SELANGOR, SEKSYEN 15, 40200 SHAH ALAM, SELANGOR DARUL EHSAN]

Instructions

We have been instructed by Melewar Steel Tube Sdn Bhd, a wholly owned subsidiary of Mycron Steel Berhad to ascertain the Market Value of the remaining leasehold interest in the above-mentioned property (hereinafter referred to as the "**subject property**") for the purpose of submission to Bursa Malaysia Securities Berhad ("**Bursa Securities**") in relation to the proposed acquisition of the subject property by Melewar Steel Tube Sdn Bhd, a wholly owned subsidiary of Mycron Steel Berhad from Melewar Industrial Group Berhad ("**MIGB**") ("**Proposed Acquisition**").

We are pleased to certify that we have prepared a formal valuation report and valued the legal interest in the subject property as at the Date of Valuation on **5th June 2026**.

Valuation

The valuation report has been prepared based on the Asset Valuations Guidelines issued by the Securities Commission Malaysia and professional standards prescribed by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia. The basis of valuation for the purpose of the valuation report is **MARKET VALUE,** which as defined in the **MALAYSIAN VALUATION STANDARDS** is as follows:-

"**Market Value**" is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The necessary title search has been conducted at the Selangor Registry of Land Titles in Shah Alam, Selangor Darul Ehsan. The valuation report has been prepared with reference to all the relevant records of other relevant information as provided by Messrs. Melewar Steel Tube Sdn Bhd. All data and information thus obtained from the said sources are deemed correct for the purpose of this valuation.

This Certificate of Valuation is to be read in conjunction with the full Valuation Report.

Terms of Reference

Instructions to us are to ascertain the Market Value of the remaining leasehold interest in the subject property for the purpose of submission to Bursa Securities in relation to the Proposed Acquisition.

The subject property formed part of the parent title, PN 11949, Lot 95 Seksyen 15 (*formerly HSD 21950, PT 59*), situated within Bandar Shah Alam, Daerah Petaling, Negeri Selangor, prior to its subdivision into Lot 10461 and Lot 10462 in the year 2020.

Lot 10461 constitutes the subject property under valuation, whilst Lot 10462 forms the adjoining neighbouring lot.

The industrial buildings erected on the site were constructed in the year 1985, well before the subdivision exercise. At the time of construction, the entire development functioned as a single integrated industrial complex with shared facilities, including common access roads, infrastructure connections and other ancillary amenities.

On 15th May 1990, the portion identified as "Lot A" (*now known as Lot 10461*), with a land area of approximately 5.059 acres together with the subject building, was sold by Sumiputeh Steel Centre Sdn Bhd to Maruichi Malaysia Steel Tube Berhad (*now known as Melewar Industrial Group Berhad*). Subsequently, an additional land area of approximately 0.273 acres was incorporated into Lot A vide a supplemental Agreement dated 1st June 1995.

Following the subdivision, Lot A became Lot 10461 and Lot B became Lot 10462.

On 24th February 2023, Sumiputeh Steel Centre Sdn Bhd and MIGB entered into a Shared Use Facilities Arrangement Letter, setting out their respective rights and obligations relating to the use, maintenance and enjoyment of certain shared facilities and infrastructure serving both properties.

Pursuant to the letter, Lot 10461 enjoys, among others, access from the main road via Lot 10462, the benefit of shared roofing structures, and the use of the fire-fighting system located on Lot 10462. Conversely, Lot 10462 benefits from the use of the covered car park, the TNB sub-station and the shared roofing structures located on Lot 10461.

Whilst the Shared Use Facilities Arrangement Letter dated 24th February 2023 provides a contractual framework governing the shared use of common amenities and infrastructure and is expressed to be binding upon successive owners, such arrangement should be regarded as a commercial accommodation between neighbouring landowners rather than evidence that the subject property possesses all the attributes of a physically independent industrial holding.

The arrangement does not appear to create any proprietary rights or easements endorsed on the title. As such, the continued use of the shared facilities remains dependent on the underlying arrangements rather than rights appurtenant to the land.

Accordingly, the subject property remains functionally interconnected with the adjoining property through shared access, infrastructure and common facilities. The existence of the Shared Use Facilities Arrangement Letter does not negate the fact that additional works, costs and time would be required for the subject property to achieve complete physical and operational independence. These considerations have been reflected in our valuation assessment.

Subject Property

The subject property is a parcel of industrial land improved upon with an industrial building comprising a single-storey detached factory with a single-storey office annexed and other ancillary buildings.

It bears a postal address address, Lot 10, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan.

Salient details of the subject property are as follows:-

Particulars of Subject Property	**<u>Title Particulars</u>**		
	Title No.	:	PN 121387
	Lot No.	:	Lot 10461 Seksyen 15
	Bandar / Pekan /Mukim	:	Bandar Shah Alam
	District	:	Petaling
	State	:	Selangor
	Titled Land Area	:	2.157 hectares
	Tenure	:	Leasehold interest for 99 years expiring on 11th May 2085
	Quit Rent	:	RM58,929.00
	Category of Land Use	:	Industri

	Express Condition : Perusahaan Berat Restrictions In-Interest : #1 Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri. Registered Proprietor : #2 Melewar Industrial Group Berhad Encumbrances : Tiada Other Endorsements : #3 No. Perserahan 00SC55274/2024, Pindahmilik Tanah oleh Sumiputeh Steel Centre Sdn Bhd **The above particulars are deemed correct as at the date of Valuation.** **Note(s) :-** #1 ***FOR THE PURPOSE OF THIS VALUATION, WE HAVE ASSUMED THAT SUCH CONSENT WILL NOT BE UNREASONABLY WITHHELD BY THE STATE AUTHORTY.*** #2 *We understand, as at the date of this Certificate of Valuation - 15th June 2026, the subject property was sold to Melewar Steel Tube Sdn Bhd (the Purchaser) for a consideration of RM30,000,000/-, (after the date of this Valuation). We observed no significant terms in the said Sale and Purchase Agreement that could materially affect the market value determined in this valuation exercise.* #3 *The above sale was reflected via Sale and Purchase Agreement & Supplemental Agreement dated 15th May 1990 and 1st June 1995, respectively. The said transaction, it was only endorsed on the title in year 2024.*
General Description	**<u>Location</u>** The subject property bears direct frontage onto Persiaran Selangor, within Seksyen 15, Shah Alam, Selangor. The latter is situated about 16 kilometres to the south-west of the Petaling Jaya town centre and about 4.5 kilometres to the south-east of Shah Alam town centre. **<u>Accessibility</u>** The subject property is easily available from the Federal Highway via a slip road leading to Persiaran Selangor which is the metalled frontage road of the subject property. An alternative access to the subject property from Shah Alam Expressway (KESAS Expressway) is via Hicom/Puchong exit, onto Persiaran Kuala Selangor, Persiaran Tengku Ampuan, Bulatan Sejahtera, and thence onto the said metalled frontage road. At the time of our inspection, access to the subject property is currently provided via the existing entrance located within Lot 10462, which serves as the shared access arrangement for both Lot 10462 and the subject property. This arrangement facilitates ingress and egress to the site. The subject site is a corner lot with high visibility from Persiaran Tengku Ampuan and Bulatan Sejahtera. **<u>Site</u>** The subject site is a plot of corner industrial land, irregular in shape and contains a titled land area of 2.157 hectares (about 232,178 square feet or 5.33 acres). It has a wide frontage width of approximately 69.875 metres onto Persiaran Selangor with a splayed corner of approximately 96.207 metres and a return approximately 313.138 metres onto Persiaran Tengku Ampuan and depth of up to about 325.229 metres. The boundaries are generally demarcated with metal railings surmounted onto low plastered brick walls, except the eastern side, which is not demarcated with any forms of fencing. The land generally slopes downward towards the northern portion and the site is overgrown with wild vegetation and trees. At the time of our inspection, access to the subject property is currently provided via the existing entrance located within Lot 10462, which serves as the shared access arrangement for both Lot 10462 and the subject property. This arrangement facilitates ingress and egress to the site. The main entrance into Lot 10462 is secured with a pair of automatic sliding metal gates and further secured with one (1) guard house. There is also another guard house at the entrance of the subject property.

Building

Erected upon the subject site is an industrial premises comprising of a single-storey detached factory with a single-storey office annexed and other ancillary buildings. The subject building was erected some 41 years ago. We have been provided with a copy of Certificate of Fitness for Occupation (CFO) bearing Reference No. 0038 dated 30th July 1985. Based on the CFO provided we noted that there is an Approved Building Plan by Majlis Perbandaran Shah Alam (*now knowns as Majlis Bandaraya Shah Alam* ("**MBSA**")). However, we are unable to obtain the copy of the above-mentioned Approved Building Plan from the client or MBSA as the buildings are more than 40 years old.

However, we were provided by the client with incomplete As-Built Drawing plans bearing Job No. 07-100 dated 23rd March 2007, prepared by Akitek Supra. The drawings are not endorsed by the architect and have yet to be approved by MBSA. We were also provided with incomplete Fire Protection Services plans bearing Drawing No. PLC/S2020/07/FP dated February 2007, prepared by Akitek Supra and endorsed by Professional Mechanical Engineer Ir. Lim Kim Teng.

Based on our site inspection and the above-mentioned plans provided, we are of the opinion that the existing buildings erected generally are in line with the Jabatan Perancang Bandar dan Desa Negeri Selangor and MBSA planning guidelines. Hence, we have relied on the said plans and our site inspection building measurements in our valuation.

The building measurements were derived based on 'Uniform Method of Measurement of Building' issued by the Royal Institute of Surveyors Malaysia (RISM).

The subject site is improved with the following buildings / structures: -

Buildings / structures	Approximate Gross Floor Area	
	square metres	square feet
A single-storey detached factory	11,890.20	127,985
A single-storey office annex	71.54	770
Two (2) guard house	35.58	383
Workshop & panel room	204.39	2,200
Panel room, Surau, CNC room & water closets	178.37	1,920
Switch room	55.74	600
TNB substation	62.71	675
Three (3) car / motor parking sheds	545.34	5,870
Total	**13,043.87**	**140,403**

The subject property is in an overall fair state of repair and maintenance.

Shared Use Facilities Arrangement Letter

The subject property has been sold to Maruichi Malaysia Steel Tube Berhad (*now known as MIGB*) on 15th May 1990 and supplemental Agreement dated 1st June 1995. Following the subdivision, Lot A became Lot 10461 and Lot B became Lot 10462.

Subsequently, on 24th February 2023, Sumiputeh Steel Centre Sdn Bhd and MIGB entered into a Shared Use Facilities Arrangement Letter, setting out their respective rights and obligations relating to the use, maintenance and enjoyment of certain shared facilities and infrastructure serving both properties.

The shared facilities and infrastructure as stipulated in the above arrangement, subject to the conditions precedent are as follows:

Lot 10461 (subject property) shared facilities with Lot 10462 (neighbour lot): -

a) The car park area,

b) The TNB substation,

c) The joint roofing area; and

d) The firefighting equipment and system

	Lot 10462 (neighbour lot) shared facilities with Lot 10461 (subject property): - a) The entrance and shall include the access road from the said entrance to entrance Lot 10461 (subject property); and b) The firefighting equipment and system. To facilitate future direct access to the subject property, the existing car park shed, guard house, and part of the perimeter fencing will be removed to enable the construction of a new entrance. In addition, the existing co-joined roofing structure will be dismantled and removed. The proposed relocation and reconstruction of the facilities and service infrastructure include the construction of a heavy-duty driveway bridge across the existing drainage reserve, reinstallation of the affected perimeter fencing, and the construction of a new guard house together with a sliding entrance gate. In addition, the existing facilities / services infrastructure comprising the electricity supply, water meter, and firefighting installations (including the water tank foundation, pump house, and related firefighting systems) will be reinstalled within the subject site.
Planning Control	The subject property is located within an approved scheme and is designated for industrial use as expressly stipulated in the title document.
Occupancy	The subject property is presently tenanted to Melewar Steel Tube Sdn Bhd, a wholly owned subsidiary of Mycron Steel Berhad from Melewar Industrial Group Berhad, at a monthly rental of RM175,000/- with the Net Floor Area of 120,446 sq. ft. The tenancy commenced on 1st June 2022 and expired on 30th May 2025. A renewal of the tenancy agreement has been mutually agreed for a further term of three (3) years, from 1st June 2025 to 31st May 2028, on the same terms and conditions. We note that the tenant and landlord are related parties, as Melewar Industrial Group Berhad holds a 74.13% equity interest in Mycron Steel Berhad.

Valuation Approaches

We have adopted the following two valuation approaches in this valuation:-

a) Cost Approach
b) Income Capitalisation Approach via Investment Method

In the **Cost Approach**, the value of the land is added to the replacement cost of the building and other site improvements.

The value of the site is determined by comparison with similar lands that have been sold recently and those that are currently being offered for sale in the vicinity with appropriate adjustments made to reflect improvements and other dissimilarities and to arrive at the value of the subject land as an improved site.

The replacement cost of the building is derived from the estimation of reconstructing a building of same kind and design as when new based on current market prices for materials, labour and present construction techniques and deducting there from the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.

In the **Income Capitalisation Approach,** we have adopted the **Investment Method**. It entails using the annual rental income expected to command over a period of time relating to the subject property is estimated and deducting therefrom the expenses or outgoings incidental to the ownership of the property to obtain the net annual rental value. This net annual income is then capitalised at an appropriate capitalisation rate or years purchase figure to arrive at the present capital value of the subject property.

The relevant capitalisation rate is chosen based on the investment rate of return to be expected from the type of property concerned taking into consideration such factors as risk, capital appreciation, security of income, ease of sale and management of the subject property.

For the purpose of this valuation, we have adopted the Cost Approach as the main approach and Income Capitalisation Approach via Investment Method as cross-check method.

a) Cost Approach

In adopting the cost approach, we have considered the following transactions of vacant industrial lands within the same locality and surrounding areas for the valuation: -

Land Value

Comparable No.	1	2	3	4
Type of Property	A parcel of industrial land improved with industrial premises *(on redevelopment basis, disregarding the buildings/structures erected thereupon)*	Three (3) parcels of adjoining industrial lands	Two (2) parcels of adjoining industrial lands	A parcel of industrial land improved with industrial premises *(on redevelopment basis, disregarding the buildings/structures erected thereupon)*
Address / Locality	PT 59358 (*now known as Lot 62610*), Jalan Waja, Bukit Raja Industrial Park, Klang, Selangor Darul Ehsan	Lot(s) 371 to 373 (inclusive), situated along Jalan Dividen 23/6, Seksyen 23, Shah Alam, Selangor Darul Ehsan	PT 101875 & Lot 62048, situated along Jalan Mandolin 33/5, Seksyen 33, Shah Alam Premier Industrial Park, Selangor Darul Ehsan	No. 15 (Lot 60), situated sandwiched between Jalan Utas 15/7 and Persiaran Selangor, Seksyen 15, Shah Alam, Selangor Darul Ehsan
Title Particulars	Title No. HSD 119721, PT 59358, 559, Lot 2188, Mukim of Kapar, District of Klang, State of Selangor	Title No. PN 110153 for Lot 371, PN 110154 for Lot 372 & PN 110155 for Lot 373, all within Seksyen 23, Town of Shah Alam, District of Petaling, State of Selangor	Title No. HSD 90964, PT 101875, Mukim & District Klang, & PM 2932, Lot 62048, Pekan Hicom, District of Petaling, both within State of Selangor	Title No. HSD 174653, PT -, Town of Shah Alam, District of Petaling, State of Selangor
Plot Size	310,410 sq. ft.	177,325 sq. ft.	119,587 sq. ft.	261,351 sq. ft.
Tenure	Leasehold interest for 99 years expiring on 22/10/2088	Leasehold interest for 99 years expiring on 09/03/2107	Leasehold interest for 99 years expiring on 24/03/2103 for Lot 62048 & 26/03/2103 for PT 101875	Leasehold Interest for 99 years expiring on 19/04/2075
Consideration	RM38,800,000/-	RM35,465,000/-	RM17,340,115/-	RM36,590,400/-
Vendor (s)	Amsteel Mills Sdn Bhd *(a 99%-owned subsidiary of Lion Industries Corporation Bhd)*	RGP Warehouse Solutions Sdn Bhd	Eight Development (M) Sdn Bhd	Naza Bikes Sdn Bhd
Purchaser (s)	RHB Trustees Berhad *(the trustee for AXIS - REIT)*	Bidfood Holdings Malaysia Sdn Bhd	GF Equipment Rental Sdn Bhd	Dexion Asia Sdn Bhd
Date of Transaction	22/04/2024	23/06/2023	05/08/2021	02/12/2020
Analysed Value	RM125.00 per sq. ft.	RM200.00 per sq. ft.	RM145.00 per sq. ft.	RM140.00 per sq. ft.
Sources	Jabatan Penilaian dan Perkhidmatan Harta (JPPH), Bursa Malaysia Annoucement / circular to shareholders and Form 14(A) search			
Adjustment Factors	Upwards Location / accessibility (marco) & negative factor Downwards Land shape and terrain efficiency	Downwards Tenure, land shape and terrain efficiency	Upwards Location / accessibility (marco) & negative factor Downwards Tenure, land area, land shape and terrain efficiency	Upwards Time / covid factors Downwards Land shape and terrain efficiency
Adjusted Market Rate	**RM131.25 per sq. ft.**	**RM160.00 per sq. ft.**	**RM130.50 per sq. ft.**	**RM133.00 per sq. ft.**

It can be summarised from the above that the analysed adjusted values fall within the region of RM130.50 per square foot. to RM160.00 per square foot.

We opined Comparable No. 4, analysed at RM133.00 per square foot, as the best comparable as it is one of the least adjusted comparable located within the same scheme with the subject property and sharing similar characteristics to the subject property.

The adjusted base land rate rounded to RM130.00 per square foot, was then discounted further for reinstallation cost of new access and utilities to arrive at the Land Value of the subject property, shown as follows: -

Land Value **LESS** **Total Estimated Reinstallation Cost**	**232,178 sq. dt. @ RM130.00 per sq. ft.**	**RM30,183,140.00** **(-) RM2,960,364.36**
Land Value		**RM27,222,775.64** **or RM117.25 per sq. ft.**

Building Value

Based on JUBM & Arcadis Construction Cost Handbook Malaysia 2025, the construction cost for industrial is ranging from RM141.68 per square foot to RM237.37 per square foot. We have adopted RM110.00 per square foot for the single-storey factory as the subject building is open-sided and RM100.00 per square foot for the ancillary buildings.

In addition, 50% discount has been allocated for its terrace and car / motorcycle parking shed.

The subject building is approximately 41 years old. As the building is of considerable age and condition, we have applied a depreciation of 75% to reflect its physical, economic, and functional obsolescence. The total building value after depreciation is **RM3,333,250.00**.

Value Derived from Cost Approach

Having considered all the above factors, we have arrived at the Market Value of the subject property using Cost Approach at **RM30,500,000/-**.

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b) Income Capitalisation Approach via Investment Method

The parameters adopted in this method are described as follows:-

Parameters	Justification
Rental Rate	Current Term Based on the tenancy agreement dated 1st June 2022 and the renewal tenancy agreement dated 14th March 2025 (which is expiring on 31st May 2028), the subject property is currently rented out to Melewar Steel Tube Sdn Bhd, a wholly owned subsidiary of Mycron Steel Berhad at a monthly rental of RM175,000/- or about RM1.45 per sq. ft. Reversionary Term From the reversionary period, gross rental income is determines based on passing/asking rental for industrial premises ranges from RM1.45 per sq. ft. to RM2.30 per sq. ft. In this valuation, We have adopted RM1.80 per sq. ft. for the reversionary term, which in our opinion is fair and reasonable.
Outgoings	We have adopted approximately 7.08% of the gross annual rental for outgoings in the current term based on the actual (include assessment, quit rent & fire insurance premium & excluded upkeep and maintenance charges are borne by the tenant). In addition, an allowance of 5.00% has been made for operating, repair and maintenance costs for the reversionary term, resulting in an overall allowance of 10.00% of gross annual rental for the reversion.
Capitalisation Rate (Yield)	In determining the yield factor for the purpose of this valuation, we have had analysed several industrial developments located within Shah Alam and Klang areas as basis for comparison and computation: -

Yield Analysis

	1	2	3	4
Property Address	No. 2, Jalan Halba 16/16, Seksyen 16, Shah Alam, Selangor Darul Ehsan	Lot 1, Solok Waja 2, Kawasan Industri Bukit Raja, Klang, Selangor Darul Ehsan	Lot 6119, Jalan Haji Salleh/KU8, Batu 51/2, Pekan Meru, Klang, Selangor Darul Ehsan	Lot 16, Jalan Pengapit 15/19, Seksyen 15, Shah Alam, Selangor Darul Ehsan
Property Type	A single storey detached factory integrated with a double-storey office block and a four-storey factory/store block, together with ancillary buildings	An Industrial Complex	An industrial premise comprising 2 warehouses and a 3-storey annexed office building	A single-storey detached warehouse building and other ancillary buildings
Net Lettable Area	120,177 sq. ft.	199,500 sq. ft.	193,015 sq. ft.	41,061 sq. ft.
Tenure	Leasehold interest for 99 years, expiring on 20-07-2094 (remaining about 68 years as at the date of transaction)	Leasehold interest for 99 years, expiring on 22-10-2088 (remaining about 64 years as at the date of transaction)	Freehold	Leasehold interest for 99 years, expiring on 08-04-2078 (remaining about 58 years as at the date of transaction)
Transacted Price (RM)	38,000,000/-	49,000,000/-	41,000,000/-	11,870,000/-
Transacted Date	13/05/2026	23/02/2024	23/09/2022	03/09/2020
Gross Annual Income (RM)	2,525,721.00	3,429,999.96	2,650,000.00	840,000.00
Outgoing say 10% of Gross Annual Rental (RM)	252,572.10	343,000.00	265,000.00	84,000.00
Net Yield	**5.98%**	**6.30%**	**5.82%**	**6.37%**

(Sources: Bursa Malaysia Announcement, Circular to Shareholders)

From the table above, the analysed yield band shows a range of 5.82% to 6.37%.

For the purpose of capitalising the income of the subject property, we have adopted yields of 6.00% and 6.50% for the current and reversionary terms respectively, which in our opinion are fair and reasonable, taking into consideration the age and condition of the building.

Allowance for Void	We have considered a 5% allowance for void element being reasonable and fair considering the unique design of the building which is suitable for single tenant and the establish and mature location of the subject property which lead to easier marketability.

Value Derived from Investment Method

Having considered all the above factors, we have arrived at the Capital Value of **RM32,738,048.95**.

We have deducted the total estimated reinstallation cost for access and utilities of RM2,960,364.36 as stated under Page 7 of this Certificate of Valuation from the value derived from Investment Method (RM32,738,049.95)

Accordingly, we have arrived at the Market Value of **RM29,777,684.59**, which is rounded to at **RM30,000,000/-**

Reconciliation of Values

From our deliberations, the Market Values for the subject property using both Comparison and Income Capitalisation Approaches are summarised as follows:-

Cost Approach	-	RM30,500,000/-
Income Capitalisation Approach via Investment Method	-	RM30,000,000/-

We have adopted the Market Value as derived via the Cost Approach as, in our opinion, it is the most appropriate valuation approach for the subject property for the following reasons:-

(i) The subject building is of an older design and construction, having been developed in 1985. In the context of current market requirements and highest and best use considerations, the building exhibits certain functional and economic limitations. The Cost Approach enables appropriate allowance to be made for the various forms of depreciation and obsolescence attributable to the age, design and utility of the improvements, thereby providing a realistic reflection of the property's market value in its existing condition; and

(ii) The Cost Approach is also capable of recognising and quantifying the impact arising from the property's existing Shared Use Facilities Arrangement Letter. In particular, due consideration can be given to the costs associated with establishing independent access and infrastructure connections, including the removal, relocation and reconstruction of shared structures and facilities where necessary, together with the attendant time and cost implications. This allows the subject property to be assessed on a standalone basis and reflects its market value in its existing state.

(iii) Whilst the Income Capitalisation Approach provides a useful secondary indication of value, the adopted rental is derived from an existing related-party tenancy agreement and is influenced by the prevailing Shared Use Facilities Arrangement Letter and its associated contractual covenants. As such, the passing rental may not fully reflect market rent achievable by an independent owner in an open market transaction. Consequently, the value indication derived from the Income Capitalisation Approach is affected by factors specific to the existing ownership and occupancy arrangements rather than the intrinsic market value of the subject property.

Conclusion

Having carried out all necessary investigations and consideration of all relevant factors, we are of the opinion that the present Market Value of the freehold interest in the subject property, held under Title No. PN 121387, Lot 10461 Seksyen 15, Town of Shah Alam, District of Petaling, State of Selangor, together with the buildings thereon, bearing postal address, Lot 10, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan, ***subject to the Terms of Reference herein***, free from all encumbrances and with vacant possession, as at **5th June 2026**, is **RM30,500,000/- (RINGGIT MALAYSIA: THIRTY MILLION AND FIVE HUNDRED THOUSAND ONLY).**

Yours faithfully
for and on behalf of
PA INTERNATIONAL PROPERTY CONSULTANTS (KL) SDN. BHD.

International Property Consultants (KL) Sdn Bhd
KUALA LUMPUR

Sr SUBRAMANIAM A/L ARUMUGAM, FRISM, MRICS, FPEPS, FMIPFM
Chartered Valuation Surveyor
& Registered Valuer (V-450)

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

All information relating to the Vendor and the Property have been obtained from publicly available documents (where available) and other information / documents provided by the Vendor and the directors / management of the respective parties. Therefore, the sole responsibility of the Board is restricted to ensure that such information is accurately reproduced in this Circular.

2. CONSENT AND CONFLICT OF INTEREST

2.1 Kenanga IB

Kenanga IB, being the Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Kenanga IB confirmed that it is not aware of any conflict of interest situations which exists or is likely to exist in its capacity as the Principal Adviser for the Proposed Acquisition.

2.2 Messrs Sidek Teoh Wong & Dennis

Messrs Sidek Teoh Wong & Dennis, being the solicitors for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Messrs Sidek Teoh Wong & Dennis confirmed that it is not aware of any conflict of interest situations which exists or is likely to exist in its capacity as the solicitors for the Proposed Acquisition.

2.3 Mercury Securities

Mercury Securities, being the Independent Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IAL and all references thereto in the form and context in which they appear in this Circular.

Mercury Securities confirmed that it is not aware of any conflict of interest situations which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisition.

2.4 PA International

PA International, being the Independent Valuer for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Valuation Certificate and the Valuation Report and all references thereto in the form and context in which they appear in this Circular.

PA International confirmed that it is not aware of any conflict of interest situations which exists or is likely to exist in its capacity as the Independent Valuer for the Property for the Proposed Acquisition.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Material commitments

As at the LPD, there are no material commitments incurred or known to be incurred by the Group which may have a material impact on the financial position or financial performance of the Group.

Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

4. MATERIAL LITIGATION

As at the LPD, the Vendor confirmed that there are no material litigations, claims and / or arbitration involving the Property, and there are no proceeding, pending or threatened, involving the Property.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office, c/o Trace Management Services Sdn Bhd at Suite 11.05, 11th Floor, No. 566 Jalan Ipoh, 51200 Kuala Lumpur, Malaysia during normal business hours from Monday to Friday (except public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

(i) the Constitution of the Company;

(ii) the audited consolidated financial statements of the Company for the FYE 30 June 2024 and FYE 30 June 2025 as well as the latest unaudited consolidated financial statements of the Company for the 9-month financial period ended 31 March 2026;

(iii) the SPA;

(iv) the DPA;

(v) the Tenancy Agreement;

(vi) the Valuation Report together with the Valuation Certificate in relation to the Property; and

(vii) the letter of consent and conflict of interests referred to in Section 2 of this Appendix IV.

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MYCRON STEEL BERHAD
Reg. No. 200301020399 (622819-D)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an **Extraordinary General Meeting ("EGM")** of Mycron Steel Berhad **("Mycron" or "Company"**) will be held at **Dewan Berjaya, Main Club House, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur ("Main Venue") on Tuesday, 8 September 2026 at 10.00 a.m.** or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications the following ordinary resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITION BY MELEWAR STEEL TUBE SDN BHD ("MST" OR THE "PURCHASER"), A WHOLLY-OWNED SUBSIDIARY OF MYCRON, WHICH IN TURN IS A 74.13%-OWNED SUBSIDIARY OF MELEWAR INDUSTRIAL GROUP BERHAD ("MIGB" OR THE "VENDOR"), OF A PARCEL OF LEASEHOLD INDUSTRIAL LAND HELD UNDER PN 121387, LOT 10461 TOGETHER WITH THE BUILDINGS ERECTED THEREON, LOCATED IN SEKSYEN 15, TOWN OF SHAH ALAM, DISTRICT OF PETALING, STATE OF SELANGOR ("PROPERTY"), FROM MIGB FOR A CASH CONSIDERATION OF RM30.00 MILLION ("PROPOSED ACQUISITION")

"THAT, subject to the fulfilment of all conditions precedent stipulated in the SPA (as defined hereinafter) including all relevant approvals being obtained from the relevant authorities or parties, approval be and is hereby given to MST, a wholly-owned subsidiary of Mycron, to acquire the Property, for a total consideration of RM30.00 million in accordance with the terms and conditions as set out in the sale and purchase agreement dated 15 June 2026 between MIGB and MST ("**SPA**") in relation to the Proposed Acquisition.

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign and deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitation, the affixing of the Company's common seal) as may be necessary or expedient or appropriate in order to implement, finalise, give effect and/or complete the Proposed Acquisition and with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors may deemed necessary or expedient in the best interest of the Company."

By Order of the Board

LILY YIN KAM MAY
MAICSA 0878038
Company Secretary

Kuala Lumpur
24 August 2026

NOTES:

1. The EGM of the Company will be held physically whereby shareholders/proxies/corporate representatives will have to be physically present at the Main Venue and there will be no option for shareholders to participate virtually.

2. Applicable to shares held through a nominee account.

3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.

4. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

5. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.

7. The instrument appointing a proxy must be deposited at the Company’s registered office, c/o Trace Management Services Sdn Bhd at Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

8. Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

9. Any alteration in the Form of Proxy must be initialled.

10. Form of Proxy sent through facsimile transmission shall not be accepted.

11. For the purpose of determining a member who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 2 September 2026. Only a depositor whose name appears on the Record of Depositors as at 2 September 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

No. of shares held	CDS Account No.

FORM OF PROXY

(please refer to the notes behind)

MYCRON STEEL BERHAD
Reg. No.: 200301020399 (622819-D)
(Incorporated in Malaysia)

I/We ____

(Full Name as per NRIC/Passport/Certificate of Incorporation in capital letters)

NRIC No./Passport No./Registration No. ______________________ Tel. No. ______________

Of ____

____

(Full address)

being a member of **MYCRON STEEL BERHAD** hereby appoint:

<table>
<tr><td rowspan="3">Full name of proxy in capital letters</td><td rowspan="3">NRIC No./Passport No. of proxy

Contact No. of proxy

Email address of proxy</td><td colspan="2">Proportion of shareholdings to be represented</td></tr>
<tr><td>No. of shares</td><td>%</td></tr>
<tr><td></td><td></td></tr>
</table>

and (if more than one (1) proxy)

<table>
<tr><td rowspan="3">Full name of proxy in capital letters</td><td rowspan="3">NRIC No./Passport No. of proxy

Contact No. of proxy

Email address of proxy</td><td colspan="2">Proportion of shareholdings to be represented</td></tr>
<tr><td>No. of shares</td><td>%</td></tr>
<tr><td></td><td></td></tr>
</table>

or failing *him/her, the Chairman of the meeting as *my/our Proxy to vote for *me/our behalf at the Extraordinary General Meeting of Mycron Steel Berhad to be held at Dewan Berjaya, Main Club House, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur (“Main Venue”) on Tuesday, 8 September 2026 at 10.00 a.m. or at any adjournment thereof. My/our proxy is to vote as indicated below: -

<table>
<tr><th rowspan="2">ORDINARY RESOLUTION</th><th colspan="2">FIRST PROXY</th><th colspan="2">SECOND PROXY</th></tr>
<tr><th>FOR</th><th>AGAINST</th><th>FOR</th><th>AGAINST</th></tr>
<tr><td>Proposed Acquisition</td><td></td><td></td><td></td><td></td></tr>
</table>

(Please indicate with a “√” or “x” in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.)

Dated this ______________ day of ____________ 2026.

____
Signature of Shareholder(s)/Common Seal

NOTES:

1. *The EGM of the Company will be held physically whereby shareholders/proxies/corporate representatives will have to be physically present at the Main Venue and there will be no option for shareholders to participate virtually.*
2. *Applicable to shares held through a nominee account.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*
4. *Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*
5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.*
7. *The instrument appointing a proxy must be deposited at the Company's registered office, c/o Trace Management Services Sdn Bhd at Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
8. *Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*
9. *Any alteration in the Form of Proxy must be initialled.*
10. *Form of Proxy sent through facsimile transmission shall not be accepted.*
11. *For the purpose of determining a member who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 2 September 2026. Only a depositor whose name appears on the Record of Depositors as at 2 September 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*

****   Please strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he/she thinks fit)***

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STAMP

The Company Secretary
MYCRON STEEL BERHAD
c/o Trace Management Services Sdn Bhd
Suite 11.05, 11th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur

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NOTICE
There will be no distribution of door gift