

**MYCRON STEEL BERHAD (“MSB” OR “THE COMPANY”)
TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
RELATED PARTY TRANSACTION**

1.0 INTRODUCTION

Pursuant to Rule 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of MSB wishes to announce that Mycron Steel CRC Sdn Bhd (“MCRC”), a wholly owned subsidiary of MSB has entered into the following Related Party Transaction (RPT) with MAA Group Berhad (“MAAG”).

2.0 NATURE AND DETAILS OF THE RELATED PARTY TRANSACTION

As the ultimate major shareholder of both Maax Factor Sdn Bhd (“Maax Factor”) and MCRC is Khyra Legacy Berhad (“KLB”), the said factoring facility granted by Maax Factor to MCRC is considered as a related party transaction (“RPT”).

Nature of Transaction	Related Party	Interested Related Party	Manner of relationship with the Related Party		Value of Transaction (RM)
			Director	Major Shareholder	
Factoring Facility provided by Maax Factor	MAAG	<p>Interested Director Tunku Dato’ Yaacob Khyra (“TY”)</p> <p>Interested Major Shareholders Melewar Equities (BVI) Ltd (“MEBVI”), Melewar Khyra Sdn Bhd (“MKSB”) and Khyra Legacy Berhad (“KLB”)</p>	<p>TY is a director of MAAG and MCRC.</p> <p>TY is deemed interested in MAAG and MCRC by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of Melewar Industrial Group Berhad (“MIG”).</p>	<p>KLB is the ultimate Major Shareholder of MAAG.</p> <p>MCRC is a wholly owned subsidiary of Mycron.</p> <p>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.</p>	8,148,034*

Note :

- (i) TY is deemed to have indirect interest by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB, who are the Major Shareholders of MIG which in turn is a Major Shareholder of Mycron.
- (ii) MEBVI and MKSB are deemed to have indirect interest by virtue of them being the Major Shareholders of MIG who is a Major Shareholder of Mycron.
- (iii) KLB is deemed to have indirect interest by virtue of it being the holding company of MEBVI and MKSB, who are the Major Shareholders of MIG, a Major Shareholder of Mycron.

** Main Terms of the Factoring Facility*

Details	RM
1. Factoring Facility Amount	8,000,000
2. Other Fee/Income	
(a) Administrative Fee	2,500
(b) Discount Charge – 8% per annum (8% x 83/365 days)	145,534
Total	8,148,034

3.0 BACKGROUND INFORMATION

3.1 Information on MCRC

MCRC was incorporated in Malaysia on 6 January 1989 as a private limited company under the name of Cold Rolling Industry (Malaysia) Sdn Bhd. As at the date of the announcement, MCRC has an issued share capital of RM60,000,000.00 comprising 60,000,000 Ordinary Shares.

The principal business activity of MCRC is manufacturing and trading of steel cold rolled coiled sheets.

3.2 Information on Maax Factor Sdn Bhd (“Maax Factor”)

Maax Factor was incorporated in Malaysia on 21 August 2013 as a private limited company under the name of Maaxclub Sdn Bhd. As at the date of the announcement, Maax Factor has an issued share capital of RM291,002 comprising 381,002 Ordinary Shares. Maax Factor is a wholly owned subsidiary of MAA Corporation Sdn Bhd, which in turn is a wholly owned subsidiary of MAA Group Berhad (“MAAG”),

The company is principally engaged in factoring business.

4.0 RATIONALE OF THE RRPT

The RPT is entered into in the ordinary course of business of MCRC and is carried at arm’s length on normal commercial terms and not more favourable than those generally available to the public and is not prejudicial to the interest of the shareholders of Mycron. It is necessary for the day-to-day operations of MCRC and is intended to meet the business needs of MCRC on the best possible terms and in the best interest of the Company.

5.0 RISKS IN RELATION TO THIS RPT

The Board of Directors of Mycron does not foresee any material risk in relation to this RPT apart from the risks factors in the Group’s current operations.

6.0 FINANCIAL EFFECTS OF THE RPT

The RPT is not expected to have any effect on the issued share capital and substantial shareholders’ shareholdings of Mycron and would not have any material effect on the net assets and earnings of MSB Group.

7.0 APPROVALS REQUIRED

The RPT is not subject to the approval of the shareholders of Mycron, or any regulatory authorities.

Pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities, the highest percentage ratio of the RPT is less than 5% based on the audited financial statements of MSB for the financial year ended 30 June 2019.

8.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed above, none of the Directors or substantial shareholders or persons connected to the directors or substantial shareholders have any interest, direct or indirect, in the said RPT.

9.0 STATEMENT BY AUDIT AND GOVERNANCE COMMITTEE (“AGC”)

The AGC is of the view that the RPT is in the best interest of the Company and is fair, reasonable and carried out on normal commercial terms, and is not detrimental to the interests of the minority shareholders of the Company.

10.0 STATEMENT BY THE BOARD

The Board of Directors, save and except for Tunku Dato' Yaacob Khyra, having considered all aspects of the RPT, is of the opinion that the RPT is in the best interest of the Company and is fair, reasonable and carried out on normal commercial terms, and is not detrimental to the interests of the minority shareholders of the Company.

This announcement is dated 18 March 2020.