

Resilient.
Responsible.
Future-Ready.

Annual
Report
2025



MYCRON STEEL BERHAD

200301020399 (622819-D)



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200301020399 (622819-D)



Cover Rationale

The 2025 Annual Report cover encapsulates the spirit of Mycron Steel Berhad: strong in purpose, guided by responsibility, and prepared for the future.

The tri-theme “**Resilient. Responsible. Future-Ready.**” expresses the Group’s enduring commitment to excellence, sustainability, and progress.

- **Resilient** reflects our foundation of strength and adaptability through shifting market cycles.
- **Responsible** signifies our pledge to operate ethically, sustainably, and with accountability to the people and the planet.
- **Future-Ready** represents our drive to innovate, digitalise, and support Malaysia’s low-carbon transition.

With its simplicity and modern layout, the cover design conveys balance between strength and renewal, stability and progress, reflecting a company that continues to advance toward a sustainable tomorrow.

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Chairman's Message

DEAR VALUED
STAKEHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Mycron Steel Berhad and its group of Companies ("the Group" or "Mycron") for the financial year ended 30 June 2025 ("FY2025"). Despite facing intense global and domestic economic headwinds, Mycron navigated FY2025 with resilience.

REVENUE

RM722
million

FY2024: RM802 million



PRE-TAX LOSS

RM0.7
million

FY2024 Pre-tax Profit:
RM20.7 million



**TUNKU DATO'
YAACOB KHYRA**
Executive
Chairman

Chairman's Message

OUR BUSINESS AND OPERATIONS

Mycron Steel Berhad operates through two key manufacturing subsidiaries:



Mycron Steel CRC Sdn Bhd ("MCRC"),

which converts Hot Rolled Coil ("HRC") steel sheets into thinner gauge Cold Rolled Coil ("CRC") steel sheets.

Melewar Steel Tube Sdn Bhd ("MST"),

which manufactures steel tubes and pipes using HRC and CRC.

Additionally, the Group's trading arm, Silver Victory Sdn Bhd ("SV"), supports the distribution of steel-related products.

Together, these entities anchor the Group's position at the forefront of Malaysia's steel industry, serving both domestic and international markets.

FINANCIAL YEAR OVERVIEW

For FY2025, the Group recorded revenue of RM722 million compared to RM802 million in FY2024, with a pre-tax loss of RM0.7 million, down from a pre-tax profit of RM20.7 million the year before. This performance reflected compressed margins driven by weaker steel prices, heightened import competition, and increased financing costs.

For the first financial quarter, the Group recorded lower revenue of RM198 million, compared to RM238 million in the preceding quarter. Performance was adversely affected by the steepest and most prolonged steel price downtrend since the pandemic, with prices falling below USD490/tonne in September 2024. Competitive pressures intensified from both legal and illegal imports, particularly from China. Sales volume in the CRC division was impacted by a decline in exports, while the Steel Tube division faced softer domestic demand. Continued margin pressure from lower selling prices and higher financing costs resulted in a pre-tax loss of RM2.6 million for the quarter.

In the second financial quarter, revenue edged up by 3% to RM204 million, supported once again by the CRC division, which benefitted from steady export demand. The Steel Tube division, however, was affected by weaker domestic market conditions stemming from an influx of low-priced imports that continued to suppress margins. A net foreign exchange gain of RM1.3 million provided some relief to overall performance, enabling the Group to post a pre-tax profit of RM1.9 million for the quarter.

The third financial quarter was subdued, with revenue declining by 26% to RM152 million as both the CRC and Steel Tube divisions recorded lower sales volumes. Shorter trading periods due to the two major festive holidays (i.e., Chinese New Year and Hari Raya Aidilfitri) further dampened sales activity, while CRC exports sharply contracted and the Steel Tube division continued to face heightened competition from low-priced Chinese imports. Although steel prices stabilised during the quarter, external conditions deteriorated following a series of new U.S. trade measures, including expanded tariffs under Section 232 and levies on Chinese-linked vessels and North American imports. These developments disrupted regional trade flows, reducing the Group's export orders, margins, and deliveries to the U.S. and related markets. Consequently, the Group recorded a lower pre-tax profit of RM0.7 million for the quarter.

The fourth financial quarter closed with revenue of RM168 million, supported by higher sales volumes from both the CRC and Steel Tube divisions. However, both divisions continued to face margin compression due to the diversion of low-priced Chinese exports into regional markets and the impact of new U.S. tariff barriers. Consequently, the Group recorded a pre-tax loss of RM0.8 million for the quarter.



Chairman's Message

ECONOMIC LANDSCAPE

Global market conditions from July 2024 to June 2025 were highly volatile. Steel prices trended downward through the second half of 2024, reflecting subdued construction and manufacturing activity amid high interest rates.

China remained a decisive factor in global market dynamics. The prolonged weakness in its real estate sector, which has persisted for several years, continued to dampen domestic demand despite government efforts to stimulate growth through infrastructure spending, monetary easing, and fiscal support. Housing prices remained under pressure, consumer sentiment stayed weak, and construction activity stalled. Confronted with stagnant local demand, Chinese mills turned aggressively to exports. By the end of 2024, China's steel exports had surged to their highest levels since 2016, surpassing 110 million tonnes for the year. The momentum carried into early 2025, with monthly shipments exceeding 10 million tonnes in April, as exporters rushed to beat looming tariff changes in the United States. This unprecedented wave of exports pushed global and regional steel prices below marginal cost levels, distorting trade flows and creating severe price undercutting across Southeast Asia.

The prospects of higher tariffs, protectionist measures, and escalating trade disputes intensified in 2024, driven by policy shifts across major economies, none more polarising than those introduced by the new U.S. administration. During the

first half of 2025, uncertainty surrounding U.S. tariff policy created significant volatility across global trade and the steel industry. On 10 February 2025, the United States reinstated Section 232 tariffs at 25% on all steel imports, removing earlier country-specific exemptions. Less than four months later, on 4 June 2025, the U.S. doubled these tariffs to 50%, with the UK granted specific treatment.

Beyond product-based tariffs, the unpredictability surrounding the scope and timing of U.S. reciprocal tariff measures against its major trading partners further heightened market instability. This environment of elevated policy uncertainty weighed heavily on global steel demand, as businesses deferred investment and procurement decisions amid a "wait-and-see" stance. The compounded effect of these measures restricted access to the U.S. market and redirected surplus steel exports toward alternative destinations, particularly ASEAN. Malaysia, with its relatively open trade environment, became a key landing point for these diverted supplies, creating an uneven playing field and exposing domestic producers to intensified and often unfair competition from heavily discounted foreign steel.



Chairman's Message

In addition to these global and regional pressures, Malaysian producers also faced challenges in securing and maintaining export market access. Notably, in mid-2025, shipments to Mexico were disrupted following the removal of MCRC from the country's Avisos Automáticos (Automatic Import Notice) system, constraining our ability to serve the Mexican market. It is unfortunate as this is a blatant contravention of the CPTPP Free Trade Agreement. MCRC has officially filed a complaint to the Ministry of Investment, Trade, and Industry ("MITI") and MITI has escalated the matter to the Economic Ministry of Mexico.

Mycron's two operating subsidiaries are exposed to the effects of dumping and other unfair trade and pricing practices by foreign competitors. Furthermore, government subsidies to the steel industry remain widespread in certain countries, such as China. In periods of lower global demand for steel, there is an increased risk of additional volumes of unfairly traded steel exports into Malaysia. These imports often influence the pricing and demand of Mycron's products.

Domestically, the industry continued to grapple with steel smuggling and circumvention of duty exemptions. Steel smuggling has been brought to light through enforcement actions such as Ops Padu 1 and 2. The coordinated operations uncovered significant volumes of imported steel entering the country without valid Standard Compliance Certification

(PPS), as required by SIRIM and the Construction Industry Development Board (CIDB) for iron and metal products used in the construction sector. Several products, including finished and semi-finished steel items, were also found to have been imported illegally without appropriate import documentations. These findings confirmed longstanding concerns among domestic producers regarding substandard and irregular steel imports that distort market conditions and undermine fair competition. At the same time, large volumes of foreign steel entered the country under false declarations or by abusing exemptions originally intended to support genuine downstream industries such as automotive and high-end electrical and electronics (E&E).

Such inflows have placed further strain on compliant local mills, which must now compete not only against low-priced legal imports but also against illicitly channelled steel that bypasses duties, quality standards, and safeguards.

Together, these factors led to severe margin compression and intensified market pressures, forcing Malaysian producers such as Mycron to navigate an exceptionally volatile year. Against this backdrop of subdued economic conditions and weakened steel demand, the Group's performance for FY2025 was inevitably affected.

DOMESTIC CRC INDUSTRY STRUCTURE

Hot Rolled Coil ("HRC") steel sheets are the fundamental raw material used in producing Cold Rolled Coils ("CRC") steel sheets. In general, CRC manufacturers produce two types of CRC:

SCRAP-BASED CRC:

Produced from scrap-based HRC, typically used in sectors like steel tubing and furniture manufacturing that do not require high-grade CRC.

01

IRON ORE-BASED CRC:

Produced from iron ore-based HRC, used in higher quality applications such as steel drums for the palm oil and petroleum sectors, colour-coated and galvanised CRC for roofing, electrical appliances, and automotive components.

02

As one of the few fully operational Malaysian-owned and managed flat steel mills, Mycron is proud to contribute to the nation's industrial development. Mycron continues to engage with the government to advocate for measures that protect and ensure the survivability of the domestic steel industry.



Chairman's Message

OVERALL MOVEMENT OF FLAT STEEL IN MALAYSIA

Overall Movement of Flat Steel in Malaysia by Calendar Year

Malaysian Flat Steel 2024		Production (t/y)	Import (t/y)	Export (t/y)	Net Domestic Consumption		
Class	Description				2024 (t/y)	2023 (t/y)	Change
511 & 513	Cold Rolled Coil (CRC) Sheets & Strips	520,925	669,361	95,617	1,094,669	1,133,037	-3.39%
	CRC Related Products						
520	Cold-Rolled Electrical Sheets	-	50,398	34,231	N/A	N/A	N/A
611	Galvanized (Hot Dipped) Zinc Sheets	201,767	522,599	13,168	711,198	613,908	15.85%
612	Electro-Galvanized Iron (EG) Sheets	113,540	76,408	30,168	159,780	173,996	-8.17%
620	Tin Plated Sheets	103,739	86,903	34,392	156,250	162,240	-3.69%
692	Colour Coated Sheets	177,927	101,767	34,195	245,499	212,005	15.80%
693	Other Metallic Coated Sheets	-	92,869	11,836	81,033	73,236	10.65%
		596,973	930,944	157,990	1,353,760	1,235,385	9.58%
Total CRC & CRC Related Products		1,117,898	1,600,305	253,607	2,448,429	2,368,422	3.38%
512	CR Stainless Steel Sheets	34,090	188,912	118,496	104,506	47,646	119.34%
	HRC & Related Products						
481	Hot Rolled Coil (HRC) Sheets	-	2,358,589	9,283	2,349,306	1,917,113	22.54%
470	Plates	226,000	248,347	172,404	301,943	295,408	2.21%
720	Welded Pipes & Tubes	707,758	235,532	346,942	596,348	573,261	4.03%
		933,758	2,842,468	528,629	3,247,597	2,785,782	16.58%
Total CRC, Related Products & HRC		2,085,746	4,631,685	900,732	5,800,532	5,201,850	11.51%

(Source: Malaysia Iron and Steel Industry Federation, MISIF)

The table above provides a comprehensive summary of the overall movement of flat steel in Malaysia for the calendar year 2024, along with comparisons to 2023. In 2024, Malaysia consumed a total of 1.09 million tonnes of CRC sheets and strips, a 3.39% decline from 2023. Of this consumption, 0.67 million tonnes (approximately 61%) were imported, while 0.52 million tonnes (about 39%) were produced domestically.

Despite Malaysia's existing production capabilities, imports still account for the majority of consumption and remain the primary source of supply. This structural imbalance highlights the need to safeguard the domestic steel industry to ensure greater self-sufficiency and resilience. The prevailing market dynamic continues to expose local producers to unfair competition from lower-priced imports, particularly from China, which has eroded margins and weakened the competitiveness of domestic manufacturers.

Mycron remains actively engaged with the Malaysian Government and relevant agencies to address dumped, subsidised, and smuggled steel products. The Group continues to advocate for stronger trade remedies and more consistent enforcement to restore fair competition and create a level playing field for domestic steel producers.

Chairman's Message

OUR COMMITMENT TO

GOVERNANCE

The Board of Directors recognises that corporate governance principles are the foundation upon which stakeholder confidence is built. We acknowledge the importance of conducting business with integrity and in accordance with widely accepted corporate governance standards.

Our board members and senior executives are committed to upholding the highest standards of corporate governance and business ethics across all operations of the Group. Our governance model includes, among other elements, the Board Charter, Terms of Reference for Board Committees, Anti-Fraud/ Anti-Corruption Policy, Fit and Proper Policy, Communication Policy, Conflict of Interest Policy, and Corporate Disclosure Policies and Procedures.

SUSTAINABILITY

Operating sustainably is integral to Mycron's business strategy. We are committed to embedding sustainability principles across governance, environmental stewardship, social responsibility, and economic performance. Our sustainability agenda is championed by the Group Chief Executive Officer with active oversight from senior management through its Sustainability Oversight Committee, ensuring that sustainability considerations are integrated into core decision-making and operational practices.

The Group's sustainability objectives and targets are outlined in our Sustainability Report, which is prepared in alignment with globally recognised reporting standards, including the Global Reporting Initiative (GRI), Bursa Malaysia's Sustainability Reporting Guide, General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1), and Climate-related Disclosures (IFRS S2).

In support of the nation's long-term sustainability aspirations, we have aligned our priorities with the Malaysian Government's key policy blueprints: the National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030), and the Circular Economy (CE) Policy Framework.

Carbon Tax and CBAM Readiness

Looking ahead, we recognise the growing importance of climate-related regulations, particularly the Malaysian Government's planned introduction of a carbon tax in 2026 and the European Union's Carbon Border Adjustment Mechanism (CBAM), which is expected to expand its scope to include steel imports.

These measures will fundamentally reshape global trade dynamics and competitiveness within the steel industry.

The introduction of carbon tax is a progressive step toward Malaysia's decarbonisation agenda. While we fully support the nation's sustainability aspirations, it is crucial that these policies take into account the unique challenges faced by the iron and steel industry to ensure a balanced approach between environmental objectives, economic goals, and industry competitiveness.

At a time when manufacturers are already grappling with manufacturing cost increases, Mycron calls for the establishment of clear and transparent regulatory mechanisms and a phased, soft-landing implementation of carbon pricing to allow businesses time to financially recover and transition. The Group remains committed to advancing decarbonisation economically. The challenges are undeniable, yet there is also great opportunity. Because, simply put, there can be no net-zero future without steel.

Our overarching goal is to ensure that Mycron not only complies with evolving regulatory requirements but also positions itself competitively in a future where carbon intensity becomes a defining criterion for global market access.



Chairman's Message

PROSPECTS AND OUTLOOK

The iron and steel industry is the foundation and pillar of the national economy, crucial for stable economic and industrial growth. While in many ways our industry has never been more complex and is confronting significant headwinds on the global, regional, and domestic levels, it is without a doubt that our future will be driven by steel, and this represents a great prospect for Mycron.

As we move into the new financial year, the outlook for the steel industry remains highly challenging. Global market conditions continue to be shaped by persistent oversupply. Following the U.S. decision in June 2025 to double its Section 232 tariffs to 50%, surplus Chinese steel has been increasingly diverted into Southeast Asia, with Malaysia emerging as a key export destination. The situation reaffirms China's enduring influence on global steel markets, as the outlook continues to depend on its demand dynamics, which have long shaped the industry through significant shifts in net steel exports.

Looking ahead, China's trajectory will hinge on three key factors: the pace and scale of its real estate recovery, the impact of heightened U.S. tariffs, and the extent of government-led stimulus. Persistent overcapacity and elevated export levels are expected to weigh heavily across industries. With much of China's infrastructure spending already front-loaded, domestic demand is expected to soften in the medium term. If this slowdown is not offset by renewed capacity reductions, Chinese exports are likely to remain at current elevated levels, prolonging downward pressure on the global market.

Within Malaysia, industry players face a dual challenge: unfairly priced legitimate imports and the continuing inflow of smuggled or mis-declared products that circumvent duties and distort fair competition.

The Ministry of Investment, Trade and Industry (MITI) launched the Steel Industry Roadmap 2035 in September 2025, setting out a long-term framework to reform the industry through phased strategies to reset capacity, tighten licensing, strengthen enforcement against illegal operators, and accelerate the transition to low-carbon steelmaking. While the ambition of the roadmap is commendable, its benefits will not be immediate or guaranteed. Effective implementation, regulatory clarity, funding availability, and consistent enforcement will be critical to its success. For Mycron, the roadmap represents a potentially stable and supportive environment, but one whose impact on the industry will be proven over time.



Chairman's Message

In the near term, the combination of global oversupply, subdued domestic demand, and persistent inflows of low-priced imports, is expected to weigh on profitability. Nevertheless, we remain confident in our ability to navigate these headwinds by enhancing operational efficiency, expanding export markets, and working closely with regulators and industry associations to strengthen trade remedies and enforcement, to ensure a level playing field for Malaysian companies.

While we acknowledge that market conditions are tough and we will have challenges to navigate in FY26, looking further ahead there are several reasons for optimism. The global transition toward sustainability is reshaping the competitive landscape. International measures such as the European Union's Carbon Border Adjustment Mechanism (CBAM) and Malaysia's forthcoming carbon tax in 2026 are set to make decarbonisation a decisive factor for market access and long-term business sustainability.

Mycron is preparing for this shift by further embedding sustainable practices across our operations. We continue to support the transition to a low-carbon economy through targeted investments in renewable energy, energy efficiency,

and process optimisation aimed at reducing our carbon footprint. This transition is being approached in a measured and pragmatic manner that enables us to reduce our carbon emissions while we await policy certainty and low-cost clean energy to support an accelerated transition.

Over the medium to long term, the sustainability transition, reinforced by frameworks such as the Steel Industry Roadmap 2035, New Industrial Master Plan 2030 (NIMP 2030), and the National Energy Transition Roadmap (NETR), provides a pathway for Malaysia's steel sector to reposition itself within a more competitive and environmentally conscious global marketplace. These frameworks can support an improvement in demand and competitiveness of steel manufacturing in Malaysia.

For Mycron, our goal remains clear: to preserve resilience in the short term while laying the foundation to become Malaysia's leading producer of low-carbon emission CRC and Steel Tubes in the years ahead. Our strategy is equally clear: we will continue to strengthen the quality and capability of our business by maintaining disciplined execution, driving operational excellence, and delivering consistent results.



> DIVIDEND

In view of the Group's financial position, the Board of Directors does not recommend the payment of any dividend for the financial year ended 30 June 2025.

> ACKNOWLEDGMENT AND APPRECIATION

On behalf of the Board, I extend my sincere appreciation to our management team and staff for their dedication and contributions. To our business associates, customers, and shareholders, thank you for your continued trust and support. Together, we will navigate the challenges ahead and work toward a sustainable future.

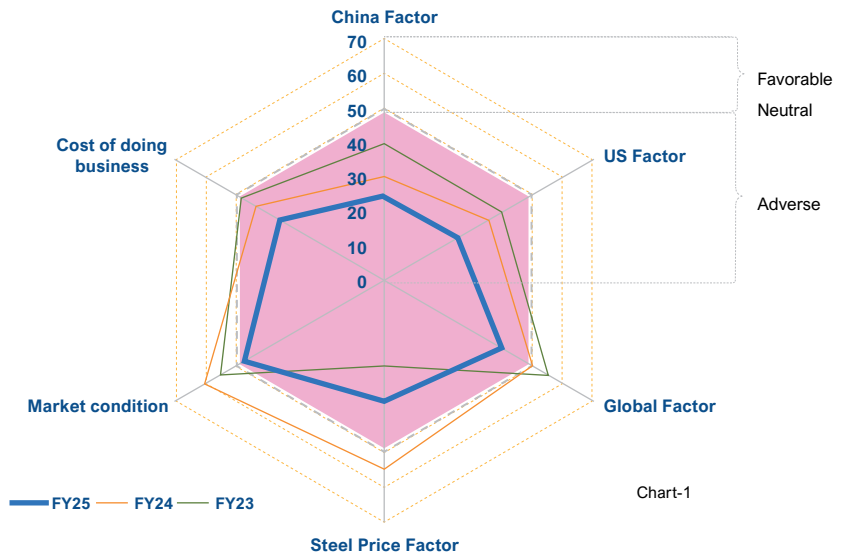
Management Discussion & Analysis Statement

This Statement provides the management’s analytical overview of the Group’s operations and financial performance for the financial year ended (FY) 30 June 2025 in supplement of other statements contained in this annual report such as the Chairman’s statement, the Statement on Risk Management and Internal Controls, and the audited Financial Statements. Analytical disclosures made herein are based on information sourced internally and externally which may not have been specifically audited; and these are made to the extent that they do not compromise competitively sensitive information nor violate antitrust or copy-right laws. Management’s discussion may include commentaries on sovereign states’ policies and their impact on the Group’s businesses, but would avoid any commentaries on the merits or demerits of such policies. This section may also contain opinions, judgement and forward-looking views; and as such, readers’ discretion is advised.

OVERVIEW

The Group achieved a net-loss of RM1.3 million for the current FY2025, from a net-profit position of RM16.9million in the preceding FY2024 and a net-loss of RM12.3million in the year before that in FY2023. The wide performance swing reflects the extremely volatile external environment caused by the manifestation of post-pandemic malaises in ways the world has never seen.

The Group’s FY2025 performance is in a trajectory consistent with the rest in the domestic steel industry which faced the same worsening conditions as summarized in Chart-1. These influencing-factors are mostly interrelated and each amplifies the adversity of the others.



China Factor

China’s exports of semi-finished and finished steel



Source: China Customs
Source: chinasteelmarket.com

Chart-2

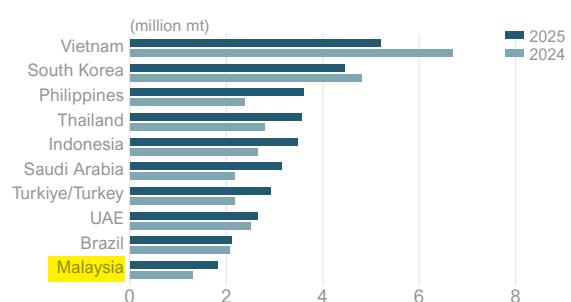
China, the steel behemoth with more than half of global capacity, continued to step-up its steel exports into 2025 (see Chart-2) as its domestic demand remained under structural downtrend with the burst of its property sector in 2021, sustained containment-efforts from US & its allies, and strategic shift to tech-sectors. China’s massive excess capacity fuels intensive price wars and exports: putting extreme pressure on other nations’ steel capacity utilization and margins.

A record number of trade-measure cases (i.e. in anti-dumping, countervailing duties & investigations) was initiated by major markets against Chinese steel in 2024.

The Group’s CRC segment saw significant portion of its domestic orders been chipped away since FY2023 and well into FY2025 to grey-imports (of misdeclared and/or smuggled coils) from mostly China and Vietnam.

However, our CRC segment was able to diversify some of its sales abroad in FY2024 and the 1st-half of FY2025, but that was hobbled in the 2nd-half of FY2025 by the tariff-war from across the pacific.

Top 10 importers of Chinese steel in Jan-Jul



Source: S&P Global Trade Analytics Suite

Chart-3

Management Discussion & Analysis Statement

OVERVIEW.....Cont'd

China Factor.....Cont'd

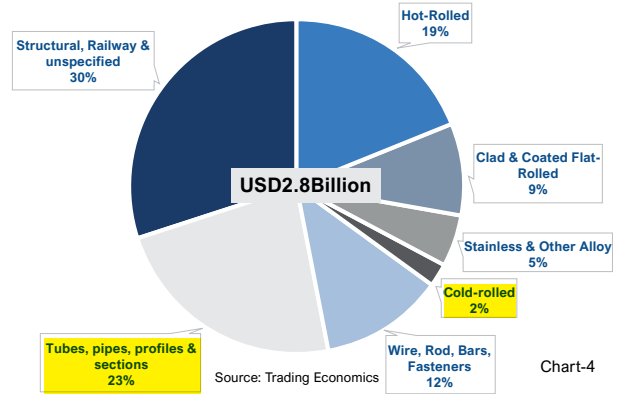
Similarly, the Group's Tube segment saw significant rise in Chinese pipe offers and market penetration in the domestic market as well as in Singapore (its key export-market) in FY2024 and more aggressively in FY2025. Despite prevailing tariffs, Chinese pipes imports have jumped significantly: severely injuring the Group's Tube segment's sales volume and margins in FY2025.

US Factor

Although the Group's sales to the US is next to nothing, its policies and huff create colossal waves that sway our performance. Over the 1st-half of FY2025, the USD dropped sharply by around 14% against the MYR in the months ahead of its first rate-cut in December 2024 (see Chart-5).



Malaysia's Steel Import from China (USD Value in %) in 2024



Similarly, the SGD (another of our trade-receivable currency) fell against the MYR by around 8% over the same period. Although the Group actively hedges its FOREX exposure, it keeps certain percentages uncovered and for natural-hedge; and, this has contributed to a net-FX loss of RM1.9 million in the current period (FY2024: net-FX gain RM1.8 million). Whilst a stronger MYR may augurs well for the economy in the long-term, its sharp rise has short-term negative impact on the Group's margins as its carrying inventory of imported raw materials and finished goods (converted at higher FX rates) would have to be sold at lower current market prices (at stronger MYR).

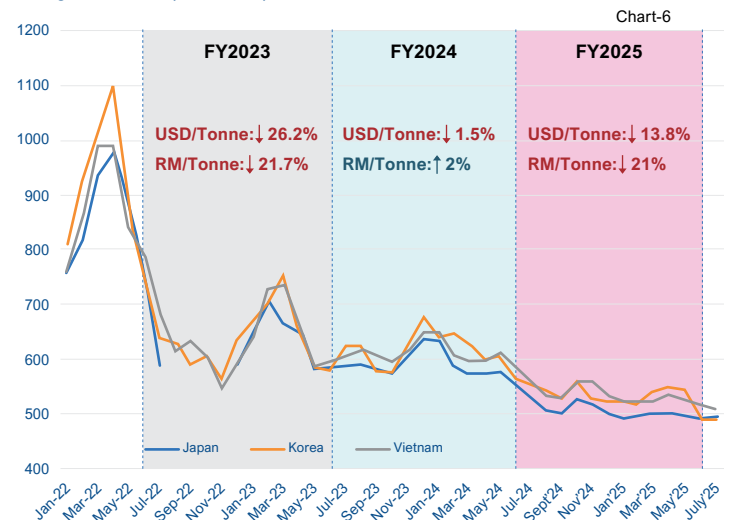
The 2nd-half of FY2025 was jolted by US' volley of trade-tariffs with the rest-of-the-world. In February, US announced a multi-million levy per-port call proposal on Chinese vessels (which handle most cargoes from Asia). In May 2025, Mexico (in an appeasement move amid US' accusation of Chinese trans-shipment circumvention) removed Malaysian mills from its list of previously approved steel importing countries. Besides its 19% reciprocal tariff on Malaysia, US also upped its Section 232 tariff on steel from 25% to 50% by June 2025. All these not only halted the Group's export to that region but incentivize other affected nations to dump steel into Malaysia.

Steel Price Factor

The two factors discussed above have negatively affected regional steel prices (as shown in Chart-6). The percentage of price decline (in MYR/Tonne) for hot-rolled-coil (being our primary raw-material) for current FY2025 is almost similar to that in FY2023 : where the Group suffered losses on both occasions.

The long conversion cycle (from raw-material procurement to finished goods to sales) could range between 3 to 6 months; and, this posts significant price-risk to the Group –particularly the Tube-segment which has a higher inventory-month-cover-ratio, and lower forward-sales cover. Declining price trend not only impinge on margins but also pushes customers' buying behavior towards minimum stock-holding.

Average HRC Prices (USD/Tonne)



Management Discussion & Analysis Statement

OVERVIEW.....Cont'd

Market Condition

Domestic demand for steel in FY2025 felt more brisk—and possibly in-line with Malaysia Iron & Steel Federation’s projection of around 4%+ growth for the calendar year 2025 (see Chart-7). Malaysia GDP growth contribution from the key sectors that drive steel-demand, i.e. the Manufacturing & Construction sectors (see Charts-8&9), supports the notion of stronger domestic steel demand in FY2025. Consistent with that, the Group did record a higher domestic sales volume of around 9% for FY2025 - but entirely from Cold-Rolled products in the 2nd-half after several successful raids by local authorities on smuggled and misdeclared coils and other steel products muted rogue imports. However, the Group’s domestic pipe sales volume was flat, as potential sales were lost to competitors including Chinese pipes. Overall, the Group’s sales volume recorded a minuscule 1.3% growth, as its export sales volume dropped by 16% in FY2025, largely due to the US tariff-war in the 2nd-half of the financial year.

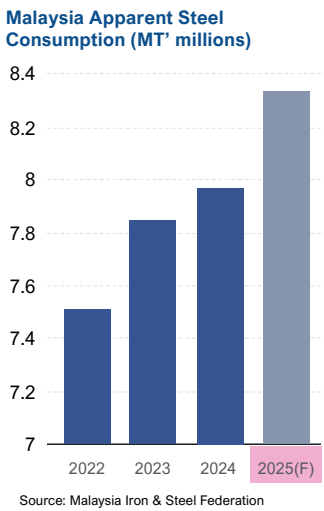


Chart-7

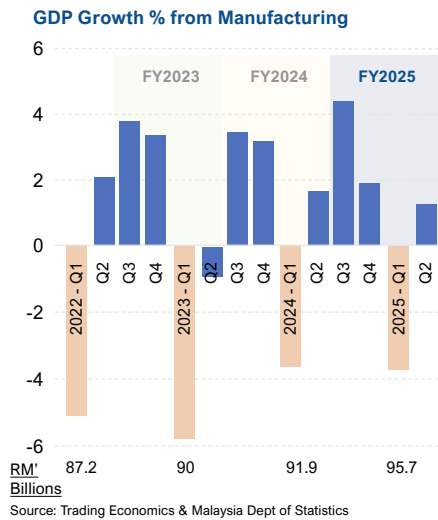


Chart-8

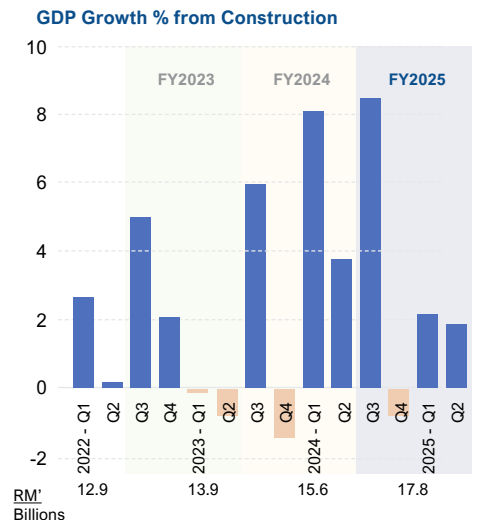


Chart-9

Cost Factor

Contrary to headline inflation of 1.8%-2%, the cost-of-doing-business for the Group has risen roughly 10-12% in FY2025, notably from electricity, diesel, minimum-wage, logistics’ service-tax, compliance cost (e-invoicing, XBRL-format filings) and almost everything else. Consistent with the trajectory of the Nation’s Consumer Price Index (CPI) trend (Chart-10), the Group’s cost-of-doing-business (as a business consumer) has been on a steep continuous rise

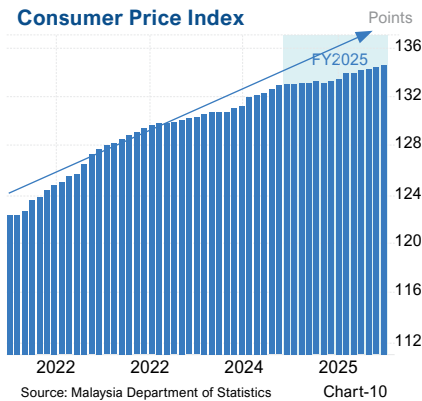


Chart-10

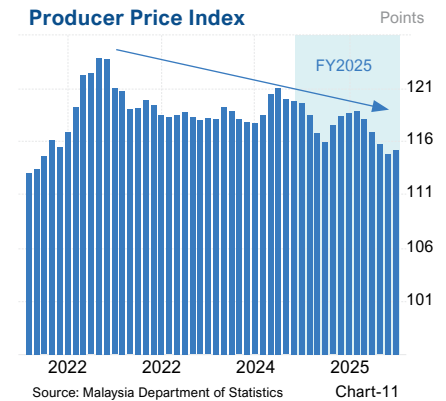


Chart-11

each year since 2022. Also consistent with the trajectory of the Nation’s Producer Price Index (PPI) trend (Chart-11), the Group’s unit selling prices were on a downward-trend due to declining raw material prices and suppressed finished-products’ selling prices. As a result, the Group, like many producers in Malaysia, faced severe margin squeeze due its limited ability to adequately pass risen-cost to consumers as prices are market driven and/or constrained by substitutable imports. The opposing trajectory of these two indices (with the CPI higher than the PPI) suggest crossing-points into operating-loss territory for Producers.

Management Discussion & Analysis Statement

OVERVIEW.....Cont'd

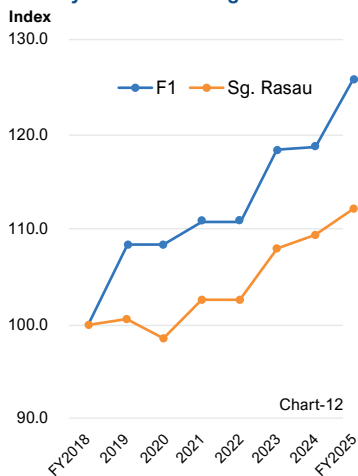
Overall Financial Position

With the net-loss performance in FY2025, the Group's profitability measures (see Table-1) took a dip in the current period. However, its liquidity and capital position remains strong with higher current-ratio and lower gearing-ratio due to its net-positive cash-flows from operation and lower tied-up work-capital.

Table-1

	FYE 2024	FYE 2025
Profitability		
a Operational Return on Average Capital Employed (EBIT/Ave Cap) in %	4.17	0.81
b Return on Equity (Net Comprehensive Earnings/Equity) in %	3.75	1.01
Liquidity		
c Current Ratio (Current Asset/Current Liabilities)	1.89	2.52
d Interest Cover Ratio (EBITDA/Net Interest Expense)	6.1	3.70
Capital		
e Weighted Average Cost of Capital in % (Cost of Equity assumed at 6.7%)	5.97	6.00
f Debt to Equity Ratio (includes all interest bearing debt)	0.34	0.15
Value		
g Net Asset per Share (RM/share)	1.57	1.58
h Total Comprehensive Income to Enterprise Value in %	7.54	4.28
i Price-to-Book Ratio (RM/RM1)	0.28	0.19

Factory Land & Building Valuation



Taking into consideration of the Group's other comprehensive income contribution from revaluation gain of its factories' land & buildings, the Group net-asset-per-share at the close of the current period is one-sen higher. The Group, like most property-owning-manufacturers in Malaysia, may at times achieve better returns from its factory land & buildings' valuation (see Chart-12) than from its operation.



Management Discussion & Analysis Statement

SEGMENTS' PERFORMANCE

Both segments' performances were negatively affected by those factors discussed in the overview section - but to varying degrees due to the inherent differences in the nature of the segments.

RM'million	CRC		Steel Tube	
	FYE 2024	FYE 2025	FYE 2024	FYE 2025
External Revenue				
Domestic	318.95	339.30	241.04	214.21
Foreign	199.00	137.60	42.81	30.77
	517.95	476.90	283.85	244.98
Net Profit/ (Loss)	8.51	4.66	8.14	-6.28

Referring to Table-2, the CRC-segment recorded a net-profit of around RM4.6 million in the current FY2025 (down 45% compared to FY2024) on the back of 8% lower revenue (due to lower unit selling prices) although sales volume was 3% higher (mostly from domestic, as

export sales halted in the 2nd-half). The Tube-segment performed badly with a net-loss of RM6.3 million (FY2024 net-profit RM8 million) on the back of 13.7% lower revenue (due to lower unit selling prices and 3% lower sales volume). At EBITDA level, the Tube-segment remains in negative, -RM0.6 million, for the first time in a decade.

CRC's EBITDA in RM'million

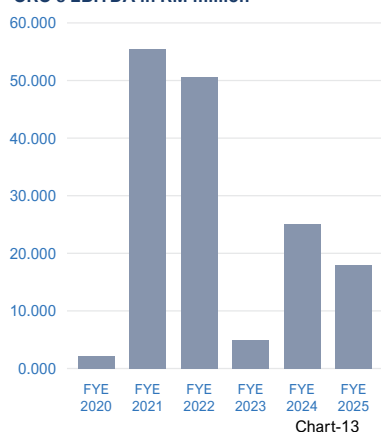


Chart-13

Steel Tube's EBITDA in RM'million

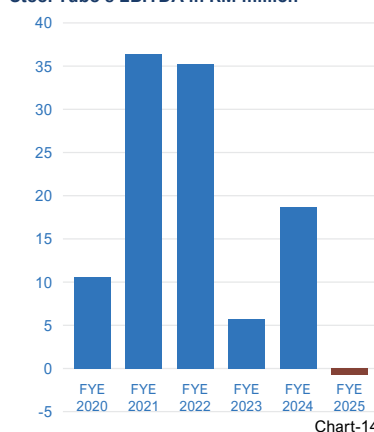


Chart-14

Whilst both segments faced similar harsh competitive landscape from cheap imports (diverted from protected markets) and suppressed-margins, the impact was much more severe on the Tube-segment. This is due to the fact that the Tube-segment had a higher price-risk exposure due its nature of business requiring larger inventory-month-cover ratios on wider inventory range. The Tube-segment's lower production capacity utilization in FY2025 also resulted in higher unit-production cost which further eroded margins.

In comparison, the CRC-segment had a better through-put from supplemented exports in the 1st-half and recovery in domestic demand in the 2nd-half, just as its export markets shuttered from the US's tariff chaos. Referring to China's HRC vs CRC prices (see Chart-15) as proxy for regional prices, margin-spread was narrow in the 1st-half but widen in the 2nd-half—favoring the CRC-segment's shifted geographic-market profile.

The raids carried out by the Malaysian 'multi-agency task force' against illegal importing, processing, and distribution of steel products in January 2025 (and again in July 2025) had a more positive impact on the CRC-segment's business compared to the Tube-segment. We believe the wide variety of tubes & pipes (i.e. types & sizes) coupled with non-standardized duties, better enable smugglers to evade taxes and trade-circumvention through false-declarations and/or transshipment fraud. We see a significant rise in Chinese pipe presence and market-penetration in FY2025; and inevitably, aggressive price under-cutting. Consequently, the segments' performance metrics (see Table-3) deteriorated in FY2025: more with the Tube-segment.

China HRC vs CRC Price (RM)

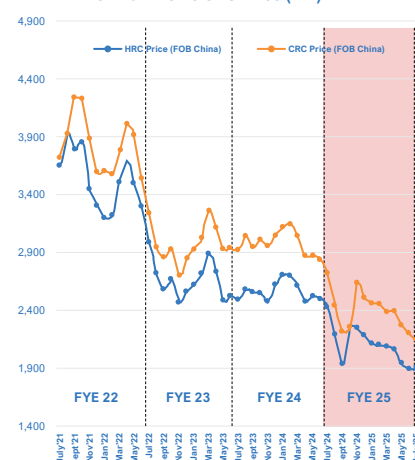


Chart-15

Table-3

	CRC		Steel Tube	
	FYE 2024	FYE 2025	FYE 2024	FYE 2025
Segment's Revenue / Assets Employed (Ringgit on Ringgit)	1.03	1.05	0.92	0.97
Segment's Net Earnings/Assets Employed (Sens on Ringgit)	1.69	1.02	2.65	-2.50
Segment's Assets/ Total Assets	61.8%	64.1%	37.7%	35.4%
Segment's Net Earnings/Total Earnings	50.2%	100.0%	47.9%	n.a.
Operational Return on Assets (EBIT/Average Assets)	2.3%	1.5%	4.3%	-1.5%

Management Discussion & Analysis Statement

OUTLOOK AHEAD

The Group’s performance outlook for FY2026 is tied to global and domestic developments that could impact steel demand & supply, and prices. In making this assessment, we have the benefit of hind-sight from 3 months of actual developments in July to September 2025.

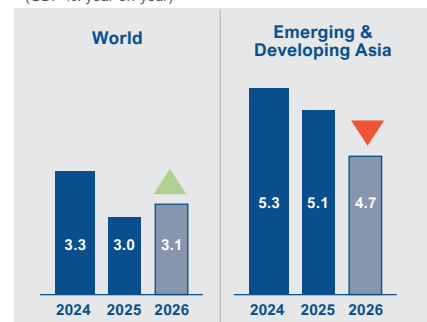
Globally

Convergence of Crises

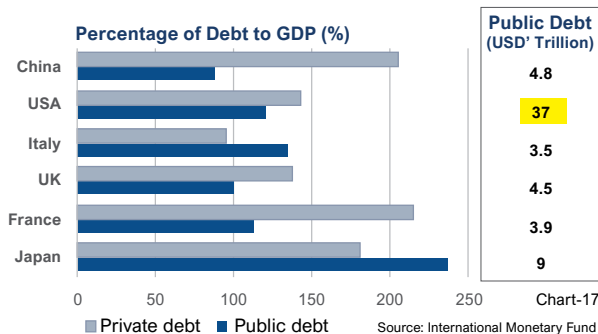
With the tariff-war unleashed onto the rest-of-the-world, IMF projects a lower global GDP growth for 2025 with a minuscules rise in 2026. Interestingly, 'Emerging & Developing Asia' economies' GDP growth is projected to slow in 2025 and slower still in 2026. (See Chart-16)

Many analysts have likened the current global situation to a slow motion train-wreck—with multiple economic, geo-political, and environmental crises converging and brewing over. IMF recently reported that global debt has reached USD330 trillion or 235% of world-GDP, with global fiscal deficit averaging 5% of GDP by the 2nd-half of 2025. With all the top nations (see Chart-17) at tipping-point on further debt-fueled growth, the long overdue downturn looks more imminent amidst trending tariff-war

IMF Growth Projections
(GDP %: year-on-year) Chart-16



Sources: IMF, World Economic Outlook Forecast updated as at July 2025



& deglobalization, credit bubble & frothy asset valuations, geo-political-rivalry & unresolvable multi-conflicts: reminiscent of early-1929. In hedging that, demand for gold has sky-rocketed pushing prices to stratosphere whilst moves to de-dollarized add downward pressure on the USD. The shrinking USD and rising gold favor the US in managing its fiscal-deficit and unsurmountable debt; and, its aptly named Genius-Act on stablecoins further serves to perpetuate that in kicking the

'can' further down the road. As such in FY2026, we will likely continue to see runaway valuations on equities, precious-metal, and spreading to other tangible-asset classes - on the back of more rate-cuts and ample speculative-liquidity.

Impact

Protectionism

Steel protectionist-measures will likely continue to dominate globally, and supply-chain narrowing to trade-blocs. Although we are effected by the steel-dynamics in ASEAN and trade-pacts under RCEP (Regional Comprehensive Economic Partnership) and CPTPP (Comprehensive Progressive Agreement for Transpacific Partnership), we will continue to face unfair steel products dumping from abroad. In this regard, our CRC-subsiary had filed for a sunset-review on anti-dumping duties for CRC imports, and have in June 2025 successfully extended the duties for another 5-more years on China and Japan. As for S.Korea and Vietnam which escaped, we have a Judicial Review hearing on 8 December 2025 to seek the reinstatement of anti-dumping duties. Our Tube-subsiary will continue to work on seeking anti-dumping protection against Chinese pipes in FY2026, although our initial effort was met with local statistics inadequacy and inconsistency with those of the exporting nation. For FY2026, we intend to step-up working with the authorities in pushing for trade and non-trade protective barriers that commensurate with Western standards and pace.

For FY2026, we also expect to see our exports restricted to trade-blocs where we are a member. In-addition to tougher export barriers, we also face pricing-competitiveness handicap due to incessant local taxation and cost-push policies over the current and recent years.



Management Discussion & Analysis Statement

OUTLOOK AHEAD.....Cont'd

Globally.....Cont'd

Impact

Prices

China's supply dynamics will likely continue to steer regional steel prices in FY2026. Current raw steel prices (in USD) seems to have stabilized range-bound at the bottom of the trough over the last six months. In MYR terms (see Chart-18, using China FOB HRC prices as proxy), prices have dropped further 7-8% in the last three months. For FY2026, we believe further downside risk on steel-price is low and limited to the possible further strengthening of the MYR. External reports alluded that up-stream steel millers in China are barely making money at current low-point prices. Recent news about the Chinese Government's 'anti-involution' programs; initiatives to curb excessive steel output (over 2025-26); and measures to rejuvenate the realty sector - all add to some pricing optimism in FY2026. Some analysts also postulate the possibility of a bull run on commodity prices (including iron and steel) as valuation run-up on major asset-classes spreads - driven by excessive speculative-liquidity, geopolitics-squeeze, climate change, energy transition, and cost-

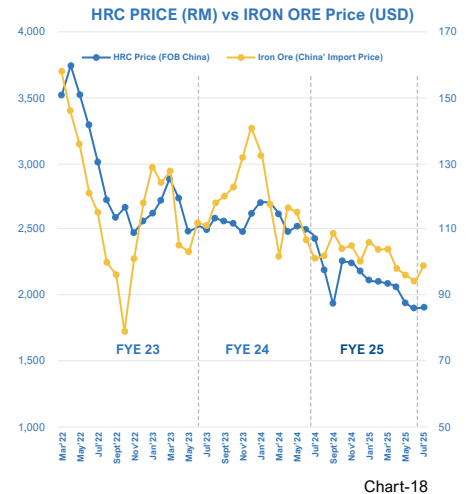


Chart-18

change, energy transition, and cost-

Locally

Key Factors

Demand & Supply Dynamics

We believe domestic steel demand may weaken in the 1st-half of FY2026 due to tariff-impact, slower global growth, consumption recalibration of the crippling expanded-SST, and rise in property overhang. The 2nd-half of FY2026 may see an up-bounce in spending on renewable energy and infrastructure projects (under its Industrial Master Plan and Energy Transition Plan) as the Government fiscal position improves from expanded taxation, and in-conjunction with the kick-start of its 13th-Malaysia Plan. In FY2026, we will likely have to procure more of our HRC needs from the sole local producer at higher prices.

Steel Industry Road-Map 2025-35 (SIRM)

The Government launched the SIRM in September 2025 with aims to reduce steel overproduction, strengthen the industry (through tighten rules, and crack down on non-compliance), shift to low-carbon practices to meet net zero goals, and boosting local raw materials, green financing, and industry partnerships. This represents a significant positive milestone for the domestic steel industry, and cements its role in the nation's development plans.

Cost Overburden

At the start of FY2026, we are greeted with the expanded-SST, rise in electricity-tariff, rise in sea-port storage & handling charges, rise in minimum wage, and compulsory EPF contribution for foreign workers (a few months later). The expanded-SST is especially crippling for businesses as it entails consumption-tax (non-deductible unlike VAT or GST) on rent, certain production input-raw materials, and even by-products. Malaysia is the only country in the world that levies service-tax on commercial rents, and this will put a significant strain on local start-ups, budding small businesses, and even large manufacturers on rented factories.

Ahead of the Curve

When the world's top economy rewrite rules on decarbonization, free trade, protectionism, reindustrialization, and subsidization— it is unwise for any developing nations to seek the idealist path and run ahead of that curve when most can ill-afford.

CONCLUSION

The Group's outlook for next FY2026 is highly challenging with significant external headwinds and higher domestic cost-pressure amidst possibly softer demand and curtailed export-markets. The consolation is the downside risk on further steel price decline is lower; and any upward trend may contribute positively to performance. Also, in our opinion, the Group's financial position in liquidity and gearing is better able to weather possible external shocks in these turbulent times.

Corporate Information

DOMICILE

Malaysia

LEGAL FORM & PLACE OF INCORPORATION

A public listed company incorporated in Malaysia under the Companies Act 1965 and limited by shares

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

Datin Seri Raihanah Begum binti Abdul Rahman
Independent Non-Executive Director

Kwo Shih Kang
Senior Independent Non-Executive Director

Dato' Mohd Zahir bin Zahir Hussain
Independent Non-Executive Director

Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram
Independent Non-Executive Director

SECRETARY

Kenneth Goh Kwan Weng
(BC/G/88)
(CCM PC No. 202408000226)

AUDIT AND GOVERNANCE COMMITTEE

Kwo Shih Kang
Chairman

Datin Seri Raihanah Begum binti Abdul Rahman
Member

Dato' Mohd Zahir bin Zahir Hussain
Member

Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram
Member

REGISTRAR & TRANSFER OFFICE

Trace Management Services Sdn Bhd
Reg. No. 197901004366 (48646-M)
Suite 11.05, 11th Floor,
No. 566 Jalan Ipoh,
51200 Kuala Lumpur.
Tel. No. : 03-6252 8880
Fax No. : 03-6252 8080
lily@crestcorp.com.my
prabu@crestcorp.com.my

REGISTERED OFFICE

Suite 11.05, 11th Floor,
No. 566 Jalan Ipoh,
51200 Kuala Lumpur.
Tel. No. : 03-6252 8880
Fax No. : 03-6252 8080
kwgoh@crestcorp.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 717 Jalan Sungai Rasau,
Seksyen 16,
40200 Shah Alam,
Selangor Darul Ehsan.
Tel. No. : 03-5510 6608
Fax No. : 03-5510 3720

SOLICITORS

Lee Hishammuddin Allen & Gledhill
Level 6, Menara 1 Dutamas,
Solaris Dutamas,
No. 1 Jalan Dutamas 1,
50480 Kuala Lumpur.
Tel. No. : 03-6208 5888
Fax No. : 03-6201 0122

AUDITORS

Messrs KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower,
8, First Avenue, Bandar Utama,
47800 Petaling Jaya, Selangor
Tel. No. : 03-7721 3388
Fax No. : 03-7721 3399

PRINCIPAL BANKERS

- AmBank (M) Berhad
- Bangkok Bank Berhad
- CIMB Islamic Bank Berhad
- HSBC Bank Malaysia Berhad
- Malayan Banking Berhad
- Maybank Islamic Berhad
- OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
("Bursa Securities")
Stock Code 5087

WEBSITE

www.mycronsteel.com

E-MAIL

enquiry@mycronsteel.com



Quality Recognition

Mycron Steel Berhad, through its key operating subsidiaries, Mycron Steel CRC Sdn Bhd (“MCRC”) and Melewar Steel Tube Sdn Bhd (“MST”), is steadfast in its commitment to operational excellence and exceeding customer expectations. This dedication is evident in the Group’s continuous efforts to enhance quality across all facets of its operations.

MCRC achieved its first ISO 9001 certification from SIRIM and IQ Net in 1996, followed by MST in 1997. Over the years, both MCRC and MST have built a robust and efficient Quality Management System, evolving to meet the latest global standards and industry challenges.



In September 2016, MCRC attained product certification from SIRIM, validating the compliance of its products with the Malaysian Standard (MS 2651 : 2015) and Japanese Industrial Standard (JIS G3141 : 2011). These certifications confirm that MCRC’s products meet stringent quality parameters, providing customers with confidence in both the reliability and performance of the products. The certifications are not only advantageous for MCRC, but also beneficial to the industry, reinforcing the company’s mission to be the leading manufacturer of high-quality Cold Rolled Steel Sheets in Malaysia.



Quality Recognition

On the environmental front, both MCRC and MST are proactive in enhancing their environmental performance, embedding sustainable practices throughout their operations. MCRC first achieved ISO 14001 : 2004 Environmental Management System certification in June 2014, followed by the updated ISO 14001 : 2015 certification in June 2017. In 2020, MCRC was further recognised with the SIRIM Eco-Label Licence, and since February 2021, has proudly held the right to display the MyHIJAU Mark on its products. Similarly, MST earned the SIRIM Eco-Label Licence for its three manufacturing plants in August 2022, followed by the MyHijau Mark in September 2022, as well as the ISO 14001:2015 Environmental Management System Certification in December 2023. Adding to its environmental accolades, MCRC also obtained the ISO 50001 : 2018 Energy Management System certification from SIRIM and IQ NET, underscoring its commitment to energy efficiency and sustainability.



Quality Recognition



MST continues to elevate the quality of its products and processes, holding various prestigious certifications including the UK Factory Production Control Certification, EC Factory Production Control Certification and CE Marking from LRQA. MST's products comply with a wide range of international standards, reinforcing its commitment to quality. It also holds the Perakuan Pematuhan Standard (Bahan Binaan) from CIDB Malaysia and the EMAL certification from Cawangan Kejuruteraan Elektrik, Jabatan Kerja Raya Malaysia. These certifications, alongside periodic internal and external audits, ensure that MST's products conform to the highest standards. In 2019, MST received the MALAYSIAN MADE certification from the Ministry of Domestic Trade and Consumer Affairs for its AURORA Conduits and cold rolled products, which has been reclassified in April 2025 as MALAYSIAN PRODUCT.

INTERNATIONAL STANDARDS

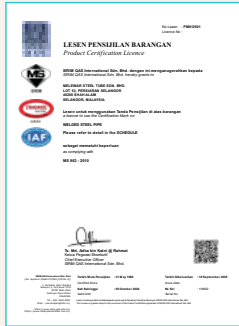
							
British Standard BS EN 10255 : 2004 for Welded Steel Tube	British Standard BS 31 : 1940 for Steel Conduit for Electrical Wiring	British Standard BS 39 : 2001 for Loose Steel Tubes for Tube and Coupler Scaffolds	American Standard ASTM A 500/A 500M : 2013 for Cold Formed Welded Carbon Steel Structural Tubing in Round and Shape	Japanese Standard JIS G 3350 : 2009 for Light Gauge Steel for General Structure	Japanese Standard JIS G 3444 : 2015 for Carbon Steel Tube for General Structure	Japanese Standard JIS G 3445 : 1988 for Carbon Steel Tube for Machine Structural Purpose	Japanese Standard JIS G 3452 : 2010 for Carbon Steel Pipe for Ordinary Piping

Quality Recognition

MALYSIAN STANDARDS



**MS 61386-21 : 2010
for Rigid Steel
Conduit for Cable
Management**



**MS 863 : 2010 for
Welded Steel Pipe**



**SPAN TS 21827 :
PART 2: 2013 for
Non Alloy Steel
Tube for Water and
Sewerage**



**MS EN 10219-1 : 2015
for Cold Formed
Welded Structural
Hollow Sections of
Non-alloys Steel**



**MS 1462-2-1 : 2010
for Steel Tubes for
Tubular Scaffolding**

OTHER CERTIFICATIONS



CIDB Registered Products
• Light Gauge Steel For General Purpose



CIDB Registered Products
• Cold Formed
Welded Structural
Hollow Sections



CIDB Registered Products
• Rigid Steel Conduit for Cable Management
• Steel Conduit for Electrical Wiring
• Steel Pipes for Water and Sewerage
• Steel Tube for Metal Scaffolding
• Welded Steel Pipes



Ministry of Domestic Trade and Consumer Affairs LOGO BARANGAN MALAYSIA Certificate for AURORA Conduits and Cold Rolled products



Ministry of Domestic Trade and Consumer Affairs LOGO BARANGAN MALAYSIA Certificate for AURORA Conduits and Cold Rolled products



UK Factory Production Certificate EN 10219-1:2006 for Cold Formed Welded Structural Hollow Sections of Non-Alloy Steels



EC Factory Production Certificate EN 10219-1:2006 for Cold Formed Welded Structural Hollow Sections of Non-Alloy Steels



BC1: 2023 Factory Production Control Certificate
• EN 10219-1:2006 for Cold Formed Welded Structural Hollow Sections of Non-Alloy Sheets
• JIS G 3350 :2021 for Light Gauge Steel For General Purpose



Profile of Directors

Nationality:
Malaysian

Age:
65

Gender:
Male

Date of Appointment(s)

- 30 March 2004
(Non-Independent Non-Executive Director)
- 2 January 2015
(Redesignated as Executive Chairman)

Membership of Board Committees

- Nil

TUNKU DATO' YAACOB KHYRA

Executive Chairman



Tunku Dato' Yaacob currently holds the position of Executive Chairman of MAA Group Berhad ("MAAG") and Melewar Industrial Group Berhad ("MIG") and Non-Executive Chairman of KNM Group Berhad ("KNM").



Tunku Dato' Yaacob graduated with a Bachelor of Science (Hons) Degree in Economics and Accounting from City University, London. An accountant by training, he is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

Tunku Dato' Yaacob started his career as an Auditor with Price Waterhouse in London from 1982 to 1985 and subsequently, employed by the same firm in Kuala Lumpur from 1986 to 1987. Tunku Dato' Yaacob joined Malaysian Assurance Alliance Berhad (now known as Zurich Life Insurance Malaysia Berhad) in 1987 until October 2006.

Currently, Tunku Dato' Yaacob is a Board Member of MAAG, MIG, KNM, Melewar Group Berhad, Khyra Legacy Berhad ("KLB"), Yayasan Khyra, MAA Bancwell Trustee Berhad, Ithmaar Holding B.S.C. (listed in Bahrain), Ithmaar Bank B.S.C. (Closed), Altech Batteries Limited (listed in Australia) and several other private limited companies.

Tunku Dato' Yaacob is the Chairman of the Board of Trustees of Yayasan Amal Maaedicare, The Budimas Charitable Foundation and Registered Trustees of the Joseph William Yee Eu Foundation.

Tunku Dato' Yaacob is deemed interested in Mycron by virtue of him being a beneficiary of a trust known as KLB, being the holding company of Melewar Equities (BVI) Ltd and Melewar Khyra Sdn Bhd, who are the major shareholders of MIG, a major shareholder of Mycron.

Profile of Directors



Nationality:
Malaysian

Age:
43

Gender:
Male

Date of Appointment(s)

- 18 September 2017 (Non-Independent Executive Director)
- 2 April 2018 (Group Chief Executive Officer)

Membership of Board Committees

- Nil

ROSHAN MAHENDRAN BIN ABDULLAH

Group Chief Executive Officer



En Roshan completed his primary and secondary education in Terengganu and Selangor, Malaysia. En Roshan's tertiary education placed emphasis on maritime and he also obtained a professional certificate from the Australia Maritime Safety Authority. En Roshan also holds a Diploma of Applied Science from Australia Maritime College (University of Tasmania).

En Roshan started his career in 1999 as a Deck Cadet for NSSPL, American President Lines, sailing worldwide on container carriers. He was a 2nd Mate/DPO for Allied Marine Equipment Sdn Bhd from 2004 to 2006. In 2006, En Roshan was on the commissioning team for Offshore Subseaworks Sdn Bhd and subsequently served as 1st Officer/Senior DPO cum Project Manager. In 2009, En Roshan became the General Manager of Jas Marine Ltd and Jas Marine Sdn Bhd. During his tenure from 2004 until 2009, En Roshan held multiple senior positions both onshore and offshore in the Upstream Oil and Gas Sector covering Transport & Installation, Subsea Construction Inspection, Repair & Maintenance, as well as Deepwater Subsea Construction.

In July 2010, En Roshan joined Melewar Industrial Group Berhad as Vice President of Business Development and was re-designated in January 2011 to Vice President cum Deputy Head, Group Commercial Department of Mycron Steel CRC Sdn Bhd ("MSCRC"). In May 2011, En Roshan became the Chief Operating Officer of MSCRC and Business Development divisions respectively. Subsequently, he became the Group Chief Operating Officer of Mycron Steel Berhad in September 2016 and Chief Executive Officer of both MSCRC and Melewar Steel Tube Sdn Bhd ("MST"). En Roshan is responsible for the operations of both MSCRC and MST.

On 30 July 2024, En Roshan was elected President of the Malaysian Iron and Steel Industry Federation (MISIF). Prior to this appointment, he served as Deputy President I from 1 December 2021, and has been a dedicated Council Member since November 2018. En Roshan also sits on the Board of the Malaysia Steel Institute (MSI).



Profile of Directors

Nationality:
Malaysian

Age:
67

Gender:
Male

Date of Appointment(s)

- 30 March 2004
(Executive Director/
Group Chief
Executive Officer)
- 2 April 2018
(Redesignated as
Managing Director)
- 11 August 2018
(Redesignated as
Non-Independent
Non-Executive
Director)

**Membership of Board
Committees**

- Nil

AZLAN BIN ABDULLAH

Non-Independent
Non-Executive Director



En Azlan currently sits on the Boards of Melewar Industrial Group Berhad, MIDF Amanah Investment Bank Berhad, Langkawi Yacht City Berhad and several other private limited companies.



En Azlan holds a Bachelor of Science Degree in Business Administration from Trinity University, San Antonio, Texas, USA and a Masters Degree in Business Administration from Morehead State University, Kentucky, USA.

He started his career in 1983 with Citibank N A and in 1987, he joined United Asian Bank ("UAB") where he started and headed the Treasury Marketing Unit. After UAB merged with Bank of Commerce, he was subsequently promoted to Head of Priority Banking Division and Branch Manager of the KL Main Branch in 1992. In 1994, he rejoined Citibank Berhad as Vice President and Head of Public Sector Division. En Azlan was the Deputy President of the Malaysia Iron and Steel Industry Federation ("MISIF") from 2008 until October 2018 and was one of MISIF's representatives on the Asean Iron and Steel Council from 2012 until May 2018.

Profile of Directors



Tengku Datuk Seri Ahmad Shah completed his Diploma in Business Administration from Universiti Teknologi MARA in 1974. He started his career in Charles Bradburne (1930) Sdn Bhd as a stock broker from 1974 to 1981. He was a Director of TTDI Development Sdn Bhd from 1978 to 2000 and a Director of Sime UEP Berhad from 1983 to 1987 and Tractors Malaysia Holdings Berhad from 1987 to 2007.

Nationality:
Malaysian

Age:
70

Gender:
Male

Date of Appointment(s)

- 2 January 2015
(Independent Non-Executive Director)
- 7 January 2025
(Redesignated as Non-Independent Non-Executive Director)

Membership of Board Committees

- Member of the Nomination & Remuneration Committee

TENGGU DATUK SERI AHMAD SHAH IBNI ALMARHUM SULTAN SALAHUDDIN ABDUL AZIZ SHAH

Non-Independent
Non-Executive Director



Tengku Datuk Seri Ahmad Shah currently sits on the Boards of Sime Darby Property Berhad, Tuju Setia Berhad and several other private limited companies involved in property development.



Profile of Directors

Nationality:
Malaysian

Age:
63

Gender:
Female

Date of Appointment(s)

- 8 April 2019
(Independent Non-Executive Director)

Membership of Board Committees

- Chairman of the Risk & Sustainability Committee
- Member of the Audit & Governance Committee
- Member of the Nomination & Remuneration Committee

DATIN SERI RAIHANAH BEGUM BINTI ABDUL RAHMAN

Independent
Non-Executive Director



Datin Seri Raihanah currently sits on the Boards of MAA Group Berhad, Melewar Industrial Group Berhad, Tuju Setia Berhad and several other private limited companies.



Datin Seri Raihanah is an Associate of the Chartered Insurance Institute (UK) and the Malaysian Insurance Institute. As a scholar of American Malaysian Insurance Sdn Bhd (later known as CIMB Bank Insurance) she started her insurance career with the company immediately after successfully completing her course in 1984 and has held various positions in the Underwriting and Marketing Departments before leaving in 1988 to join Malene Insurance Brokers Sdn Bhd ("Malene").

During her 10-year service at Malene, she was exposed to various aspects of the oil and gas industry and was involved in the insurance programmes for Petronas, Shell, Exxon-Mobil and various other oil and gas related companies such as Gas Malaysia Sdn Bhd and MISC Berhad. Her experience also included an attachment with a London-based Lloyds broker.

She left Malene in 1997 when she was the Acting Chief Executive Officer, to dedicate more time in bringing up her three young children. To ensure that she was in touch with the insurance industry and coupled with her experience and knowledge in insurance underwriting

and broking, she made time, from 1998 to 1999, while being a homemaker, to be a part-time lecturer with the Malaysian Insurance Institute for insurance industry practitioners to obtain a more in-depth knowledge of the business.

In August 2005, Datin Seri Raihanah was appointed as a Non-Executive Director to the board of a public listed fibre-based manufacturing company called Wang Zheng Berhad ("Wang Zheng"). She served as an active board member at Wang Zheng for 8 years.

She was also appointed as a member of the Board of Trustees for the Malaysian Medical Association ("MMA") Foundation for a three-year term from 2007. MMA Foundation is a non-profit organisation which provides financial assistance for undergraduate medical students, continuing professional development, public health education and donations to charities.

Profile of Directors

Nationality:
Malaysian

Age:
65

Gender:
Male

Date of Appointment(s)

- 23 August 2019
(Independent Non-Executive Director)

Membership of Board Committees

- Chairman of the Audit & Governance Committee
- Chairman of the Nomination & Remuneration Committee
- Member of the Risk & Sustainability Committee

KWO SHIH KANG

Senior Independent
Non-Executive Director



Mr Kwo Shih Kang currently sits on the Boards of Melewar Industrial Group Berhad and several other private limited companies.



Mr Kwo is a qualified actuary with more than 30 years of experience in the insurance industry which include stints in various South East Asian countries, in positions such as Chief Executive Officer, Appointed Actuary and Chief Financial Officer in a number of multinational insurers, such as AXA Affin Life Insurance Berhad, Allianz Life Insurance Malaysia Berhad, Aetna Universal Insurance Berhad, Gibraltar BSN Life Berhad and American International Assurance Berhad. Mr Kwo was also the Chief Operating Officer of Malaysian Assurance Alliance Berhad.

Mr Kwo was the President of the Life Insurance Association of Malaysia (LIAM) from 2012 to 2015. He was also the President of the Malaysian Financial Planning Council (MFPC) and was the President of the Actuarial Society of Malaysia.

Mr Kwo holds a Bachelor's degree in Actuarial Science from City University London and a Master of Business Administration, majoring in Finance, from CASS Business School, London. He is a Fellow of the Society of Actuaries, USA, and is also a Registered Financial Planner (RFP).



Profile of Directors

Nationality:
Malaysian

Age:
50

Gender:
Male

Date of Appointment(s)

- 30 June 2022
(Independent Non-Executive Director)

Membership of Board Committees

- Member of the Audit & Governance Committee
- Member of the Risk & Sustainability Committee

DATO' MOHD ZAHIR BIN ZAHUR HUSSAIN

Independent

Non-Executive Director



Dato' Mohd Zahir currently sits on the Boards of Olympia Industries Berhad, Pharmaniaga Berhad and several other private limited companies. He is also an Independent Non-Executive Director of Universiti Malaya Medical Centre and Universiti Malaya.



Dato' Mohd Zahir has over 27 years of experience in accounting, finance and asset management. He established his career as an auditor with various accounting firms including PricewaterhouseCoopers and Deloitte & Touche in both of its Malaysia and overseas offices. He was the Chief Financial Officer of Tracoma Holdings Berhad, a company focusing on the manufacturing of automotive components before appointed as the Audit Director for Baker Tilly Monteiro Heng.

Dato' Mohd Zahir subsequently held the position of Head of Operations of Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad).

Dato' Mohd Zahir then joined Prasarana Malaysia Berhad (Prasarana) as the Group Chief Financial Officer and was promoted to Chief Executive Officer of Prasarana Integrated Development (PRIDE), a wholly owned subsidiary of Prasarana. Dato' Mohd Zahir subsequently became the Managing Director of Zahir Irkaz Advisory PLT and then appointed as Managing Director and Group Chief Executive Officer of Destini Berhad.

Dato' Mohd Zahir graduated with a Bachelor of Commerce (Accounting) degree from the University of New South Wales, Australia. He attended Oxford Global CEO Programme at Saïd Business School, Oxford University, England. He is a Certified Financial Planner, a fellow of the Chartered Accountants Australia & New Zealand and a member of Malaysian Institute of Accountants.

Profile of Directors

Nationality:
Malaysian

Age:
70

Gender:
Male

Date of Appointment(s)

- 15 January 2025
(Independent Non-Executive Director)

Membership of Board Committees

- Member of the Audit & Governance Committee
- Member of the Risk & Sustainability Committee

DATO' DR. KILI GHANDHI RAJ A/L K R SOMASUNDRAM

Independent Non-Executive Director



Dato' Dr. Gandhi currently sits on the Boards of MAA Group Berhad, Melewar Industrial Group Berhad and several other private limited companies.



Dato' Dr. Gandhi is currently a Senior Consultant Cardiothoracic Surgeon for Prince Court Medical Centre and Head of Department of Cardiothoracic Surgery of Gleneagles Hospital Kuala Lumpur. He is also a recognised member of the Society of Thoracic Surgeons of U.S.A., European Association for Cardiothoracic Surgery, Association of Thoracic and Cardiovascular Surgeons of Asia and the Malaysian Association for Thoracic and Cardiovascular Surgery.

Dato' Dr. Gandhi is the Chairman of Medical Advisory Committee of MAA Medicare Cardiac Diagnostic Centre at Kuala Lumpur. He is also a member of the Board of Trustees of Yayasan Amal Maaedicare and a member of the Malaysian Alliance of Corporate Directors.

Dato' Dr. Gandhi holds a MBBS degree from Mysore University, India. Addition he was trained and accredited in Cardiothoracic surgery in the United Kingdom. He was also trained in the University of Vienna, Austria and had received a Diploma in

Cardiovascular Surgery. He has worked as a Consultant Cardiothoracic Surgeon in the UK before returning to Malaysia. Dato' Dr. Gandhi also holds a Primary Fellowship from the Royal College of Surgeons of Edinburgh and a Diploma of Fellowship from the Royal College of Surgeons of Glasgow. In addition to his credentials, he holds a Certificate of Achievement in Improving Global Health awarded by Harvard University, and also holds a Certificate of Specialist Training in Cardiothoracic Surgery (U.K.).

In the past he has served as Chairman of the Medical and Dental Advisory Committee of Gleneagles Hospital and as the Clinical Director at Prince Court Medical Centre, Kuala Lumpur to establish the cardiac services.

He has also served in the past as a Committee member of the Editorial Board of the Asian Cardiovascular and Thoracic Annals and continues to be an active reviewer of manuscript publications in the reputed peer-reviewed journal.

Notes to Directors' profile:

- Family Relationships**
Save for Tunku Dato' Yaacob Khyra, none of the Directors have any family relationships with any Director and/or major shareholders of the Company.
- Conflict of Interest**
Save for Tunku Dato' Yaacob, none of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business or any business arrangement involving the Company and the Group.
- Conviction of Offences**
None of the Directors have any conviction for offences other than traffic offences (if any) within the past 5 years. There is no sanction or penalty imposed on the Directors by relevant regulatory bodies during the financial year end.
- Attendances at Board Meetings**
The details of the Directors' attendance at Board Meetings are set out on page 49 of this Annual Report.
- Shareholdings**
The details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

Key Senior Management Profile



Nationality:	Age:	Gender:
Malaysian	65	Male

➤ **TUNKU DATO' YAACOB KHYRA**
Executive Chairman

Tunku Dato' Yaacob Khyra was appointed to the Board of Directors of the Company on 30 March 2004 as a Non-Independent Non-Executive Director. Subsequently, he was re-designated to Non-Independent Non-Executive Chairman of the Company on 2 May 2008. On 2 January 2015, Tunku Dato' Yaacob was re-designated to Executive Chairman of the Company. His personal profile is listed in the Profile of Directors on page 22 of this annual report.



Nationality:	Age:	Gender:
Malaysian	43	Male

➤ **ROSHAN MAHENDRAN BIN ABDULLAH**
Group Chief Executive Officer

Mr. Roshan M. Abdullah was appointed to the Board of Directors of the Company on 18 September 2017 as a Non-Independent Executive Director and was appointed as the Group CEO of Mycron Steel Berhad on 2 April 2018. His personal profile is listed in the Profile of Directors on page 23 of this annual report.

Key Senior Management Profile



Nationality: Malaysian
Age: 60
Gender: Male

► CHOO KAH YEAN Group Chief Financial Officer

Mr. Choo Kah Yean has been serving as the Chief Financial Officer of the Group since 1 November 2012.

With over 37 years of work experience in the finance sector, Mr. Choo has built a robust career starting in 1987 at Touche Ross, a public accounting firm which subsequently evolved into Arthur Anderson & Co. During his initial nine years in professional services, he gained extensive experience across various finance functions, including audit, corporate finance, recovery services, and business consulting, working with clients from diverse industries.

Transitioning to the commercial sector, Mr. Choo joined IOI Group, where he played a pivotal role in the company's corporate planning and finance functions. He was instrumental in steering the group's growth across its plantation, property, and downstream edible oil businesses during their formative years. Following this, Mr. Choo took on the role of Finance Director at KNM Group, where he led the finance functions for the company's domestic and global operations, focusing on process equipment manufacturing and engineering construction contracts.

Mr. Choo holds a Bachelor of Business Administration in Finance from Iowa State University, USA, and a Master of Business Administration in Finance from the University of Hull, UK. He is a Chartered Management Accountant with the Institute of Certified Management Accountants (ICMA) and a Chartered Accountant member of the Malaysian Institute of Accountants (MIA).

Mr. Choo has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Mr. Choo does not have any personal interest in any business arrangements involving the Company.

Mr. Choo does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences if any, and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Nationality: Malaysian
Age: 60
Gender: Male

► IR. CHIN SHYI HER Chief Operating Officer, Tube Operations

Ir. Chin Shyi Her joined the Group on 5 June 1989. With over 35 years of experience in the steel pipe industry, Ir. Chin began his career as a Technical Trainee in the Company shortly after graduating in June 1989. Demonstrating strong leadership and technical skills, he was promoted in 1995 to head the Company's project development, where he played a key role in the enhancement and upgrade of the plant and machinery. In 2004, Ir. Chin was elevated to the position of Assistant Vice President, overseeing the entire manufacturing division. In May 2011, he was appointed to his current position, where he continues to contribute significantly to the Company's operations.

Ir. Chin Shyi Her holds a Bachelor of Engineering Degree in Mechanical Engineering (Marine Technology) from the University Technology of Malaysia. He is a registered Professional Engineer with the Board of Engineers Malaysia and a member of the Institute of Engineers, Malaysia, showcasing his commitment to maintaining high professional standards in engineering.

Ir. Chin Shyi Her has no family ties with any of the Directors and/ or major shareholders of the Company nor any shareholding in the Company.

Ir. Chin Shyi Her does not have any personal interest in any business arrangements involving the Company.

Ir. Chin Shyi Her does not have any conflict of interest with the Company and has had no conviction for any offences within the past five (5) years, other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Key Senior Management Profile



Nationality: Malaysian
Age: 47
Gender: Female

➤ **DR. FANNY TAN BOON SIM**
Chief Operations Officer, CRC Operations

Dr. Fanny rejoined the Group as Chief Operations Officer of the Cold Rolled Coil division on 11 June 2018, after initially serving the Company from September 2011 until her resignation in April 2017. Prior to her return, she held the position of General Manager at Kossan Group, further enhancing her extensive experience in the industry.

Dr. Fanny began her career at Amsteel Mills Sdn Bhd, later transitioning to BlueScope Steel (M) Sdn Bhd, where she worked from 2005 to 2011. With over 20 years of experience in the iron and steel industry, she has acquired comprehensive knowledge of upstream, midstream, and downstream processes, particularly in Quality Management and Manufacturing functions. Dr. Fanny is highly skilled in driving operational excellence, focusing on the development and evolution of people, processes, and equipment.

Dr. Fanny holds a Bachelor of Science in Materials and Manufacturing Engineering from Sheffield Hallam University, UK. She furthered her education by earning a Master of Business Administration (MBA) with high distinction from Victoria University, Australia. In addition, she achieved a Doctorate in Business Administration (DBA) with distinction from Pôle Paris Alternance (PPA) Business School, France. Dr. Fanny is also certified Lean Six Sigma Black Belt by the International Association for Six Sigma Certification (IASSC), underscoring her dedication to continuous improvement and operational efficiency.

Dr. Fanny has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Dr. Fanny does not have any personal interest in any business arrangements involving the Company.

Dr. Fanny does not have any conflict of interest with the Company and she has had no conviction for any offences within the past 5 (five) years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Nationality: Malaysian
Age: 35
Gender: Female

➤ **TRACY ELENA GOONTING**
Chief People & Culture Officer

Ms. Tracy Elena Goonting has served as the Chief People & Culture Officer of the Group since February 2024, leading the Group's people strategy, culture agenda and organisational development across subsidiaries. She previously held the role of Senior Manager, Group Human Resource & Communications from February 2019 to January 2024.

She began her career in 2008 as a Human Resource Assistant at Sunway City Berhad before pursuing further studies. She subsequently broadened her experience in public relations and coffee-table book publishing at a boutique firm. Ms. Tracy joined MAA Group Berhad in February 2013 as Assistant Manager, Group Communications and, following the merger of the Human Resource and Communications functions, was appointed Manager, Group Human Resource & Communications in January 2015. In 2019, she was transferred to Mycron Steel Berhad, where she continued to advance her career in human resources and communications, culminating in her current leadership role.

She holds a Master of Human Resource Management (Distinction) from Sunway University, a CIPD-accredited programme mapped to the CIPD Level 7 Diploma in Human Resources, and a Bachelor of Political Science (Hons) from Open University Malaysia.

Ms. Tracy has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Ms. Tracy does not have any personal interest in any business arrangements involving the Company.

Ms. Tracy does not have any conflict of interest with the Company and she has had no conviction for any offences within the past 5 (five) years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Group Financial Highlights & Financial Indicators

	2021	2022	2023	2024	2025
1 Financial highlights of Statements of Comprehensive Income					
Revenue (RM mil)	736.7	745.9	540.0	801.8	721.9
EBITDA (RM mil)	90.3	86.3	13.0	42.9	19.4
Profit/(loss) before tax (RM mil)	68.3	64.5	(13.8)	20.7	(0.7)
Profit/(loss) after tax (RM mil)	53.8	52.7	(12.3)	17.0	(1.3)
2 Financial highlights of Statements of Financial Position					
Total assets (RM mil)	737.0	851.6	706.1	817.9	714.5
Total borrowings (RM mil) *	87.4	116.4	129.2	173.6	79.4
Shareholders equity (RM mil)	447.7	494.7	493.4	512.3	517.5
3 Financial indicators					
Return on equity (%)	12.0	10.7	(2.5)	3.3	(0.3)
Return on total assets (%)	7.3	6.2	(1.7)	2.1	(0.2)
Gearing ratio (Times)	0.20	0.24	0.26	0.34	0.15
Net earnings/(loss) per share (sen)	16.5	16.1	(3.8)	5.2	(0.4)
Net asset per share (RM)	1.37	1.51	1.51	1.57	1.58
Dividend per share (sen)	-	3.0	-	-	-
PE ratio	3.5	2.8	(8.8)	8.6	(75.5)
Share price as at FYE (RM)	0.570	0.455	0.330	0.445	0.300

* Includes interest bearing trade payables



Analysis of Shareholdings

As at 30 September 2025

Total Number of Issued Shares	- 327,057,599
Class of Shares	- Ordinary Shares
No. of Shareholders	- 4,669
Voting Rights	- One (1) vote per ordinary share

No. of Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	709	15.1853	23,414	0.0072
100 - 1,000	1,587	33.9901	792,618	0.2423
1,001 - 10,000	1,542	33.0263	7,611,023	2.3271
10,001 - 100,000	733	15.6993	23,478,289	7.1786
100,001 and below 5% of issued shares	97	2.0775	52,691,990	16.1109
5% and above of issued shares	1	0.0214	242,460,265	74.1338
Total	4,669	100.00	327,057,599	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2025

Name	Number of Shares Held			
	Direct	% ⁽¹⁾	Indirect	% ^(a)
Tunku Dato' Yaacob Khyra ("TY")	-	-	242,523,025	74.15 ⁽¹⁾
Melewar Industrial Group Berhad ("MIG")	242,460,265	74.13	-	-
Melewar Equities (BVI) Ltd ("MEBVI")	-	-	242,460,265	74.13 ⁽²⁾
Melewar Khyra Sdn Bhd ("MKSB")	-	-	242,460,265	74.13 ⁽²⁾
Khyra Legacy Berhad ("KLB")	-	-	242,460,265	74.13 ⁽³⁾

DIRECTOR SHAREHOLDINGS

As at 30 September 2025

Name	Number of Shares Held			
	Direct	% ⁽¹⁾	Indirect	% ^(a)
TY	-	-	242,523,025	74.15 ⁽¹⁾
Azlan bin Abdullah	53,900	0.02	-	-

Notes:

- (a) The percentages of substantial shareholders and Directors' shareholdings are calculated by dividing the shares held by the respective substantial shareholders and Directors with the total number of issued shares.
- (1) Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB, who are the Major Shareholders of MIG, a Major Shareholder of Mycron and his major interests in Melewar Group Berhad who holds 0.02% in the total issued share capital of Mycron.
- (2) Deemed indirect interest by virtue of it being the Major Shareholder of MIG who is a Major Shareholder of Mycron.
- (3) Deemed 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.

Analysis of Shareholdings

As at 30 September 2025

THIRTY LARGEST SHAREHOLDERS

As at 30 September 2025

No.	Name	No. of Shares Held	^(a) % of Shares
1.	Melewar Industrial Group Berhad	242,460,265	74.13
2.	Lim Chee Meng	7,686,400	2.4
3.	PM Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kong Kok Choy)	5,450,000	1.7
4.	Cartaban Nominees (Asing) Sdn Bhd (Exempt An for Daiwa Capital Markets Singapore Limited)	5,370,000	1.64
5.	Tan Cheng Chai	4,379,000	1.33
6.	Cartaban Nominees (Asing) Sdn Bhd (Marubeni-Itochu Steel Inc.)	3,580,000	1.09
7.	Teh Bee Gaik	2,475,700	0.76
8.	Ooi Chin Hock	2,258,000	0.70
9.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Yee Wai Chow)	1,142,800	0.35
10.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Yong Choong Hing)	837,300	0.25
11.	Kenanga Nominees (Asing) Sdn Bhd (Pledged Securities Account for Wu Teng Siong)	670,000	0.20
12.	Lim Sei Chei	600,400	0.18
13.	Lee Chee Beng	537,700	0.16
14.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tay Chor Teck)	518,000	0.16
15.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kong Kok Choy)	490,000	0.15
16.	Wu Teng Siong	470,000	0.14
17.	Chee See Giap @ Sin Chien	433,440	0.13
18.	Phuah Hock Seng	431,500	0.13
19.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kong Kok Choy)	410,000	0.13
20.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Fam Choon Wai)	403,000	0.12
21.	Wong Chung Hua	400,000	0.12
22.	Tan Ah Sim @ Tan Siew Wah	400,000	0.12
23.	Kong Kok Choy	399,200	0.12
24.	Ng Teng Song	386,900	0.12
25.	Maybank Securities Nominees (Asing) Sdn Bhd (Maybank Securities Pte Ltd for Divyesh Nagindas Doshi)	385,200	0.12
26.	Cheah Joo Hock	336,400	0.10
27.	Lim Kian Wat	333,000	0.10
28.	Lu Yew Kong	328,000	0.10
29.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd (Pledged Securities Account for Khor Kim Hock)	317,700	0.09
30.	Leo Lee Hsia	300,000	0.09
	Total	284,189,905	86.89

Note :

(a) The percentages of thirty largest shareholders are calculated by dividing the shares held by the respective shareholders with the total number of issued shares.



Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Mycron Steel Berhad (“MSB” or “the Company”) recognises and acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance. The Board is fully committed to maintaining high standards of corporate governance practices throughout the Company and its subsidiaries (“the Group”) to sustain the performance and protect and enhance long-term shareholders’ value and stakeholders’ interest.

This Corporate Governance Overview Statement (“CG Overview Statement”) describes how the Group has adopted and applied the principles and best practices as set out in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Companies Act 2016 (“CA”), and the Malaysian Code on Corporate Governance 2021 (“MCCG”) for the financial year ended 30 June 2025.

This CG Overview Statement is also prepared in compliance with Paragraph 15.25(1) of the MMLR of Bursa Securities and should be read together with the Corporate Governance Report (“CG Report”) of the Company which is published on the Company’s website at <https://www.mycronsteel.com/corporate-governance.php> as well as on Bursa Securities website. It should also be read in conjunction with other statements in this Annual Report such as the Statement on Risk Management and Internal Control and the Audit and Governance Committee Report.

The overview of the CG practices, which made reference to the three (3) key CG principles as set out in the MCCG throughout the financial year 2025 (“FY2025”) are as follows:

▶ Principle A

Board leadership and effectiveness

- Board responsibilities
- Board composition
- Remuneration

▶ Principle B

Effective audit and risk management

- Audit and Governance Committee
- Risk management and internal control

▶ Principle C

Integrity in corporate reporting and meaningful relationships with stakeholders

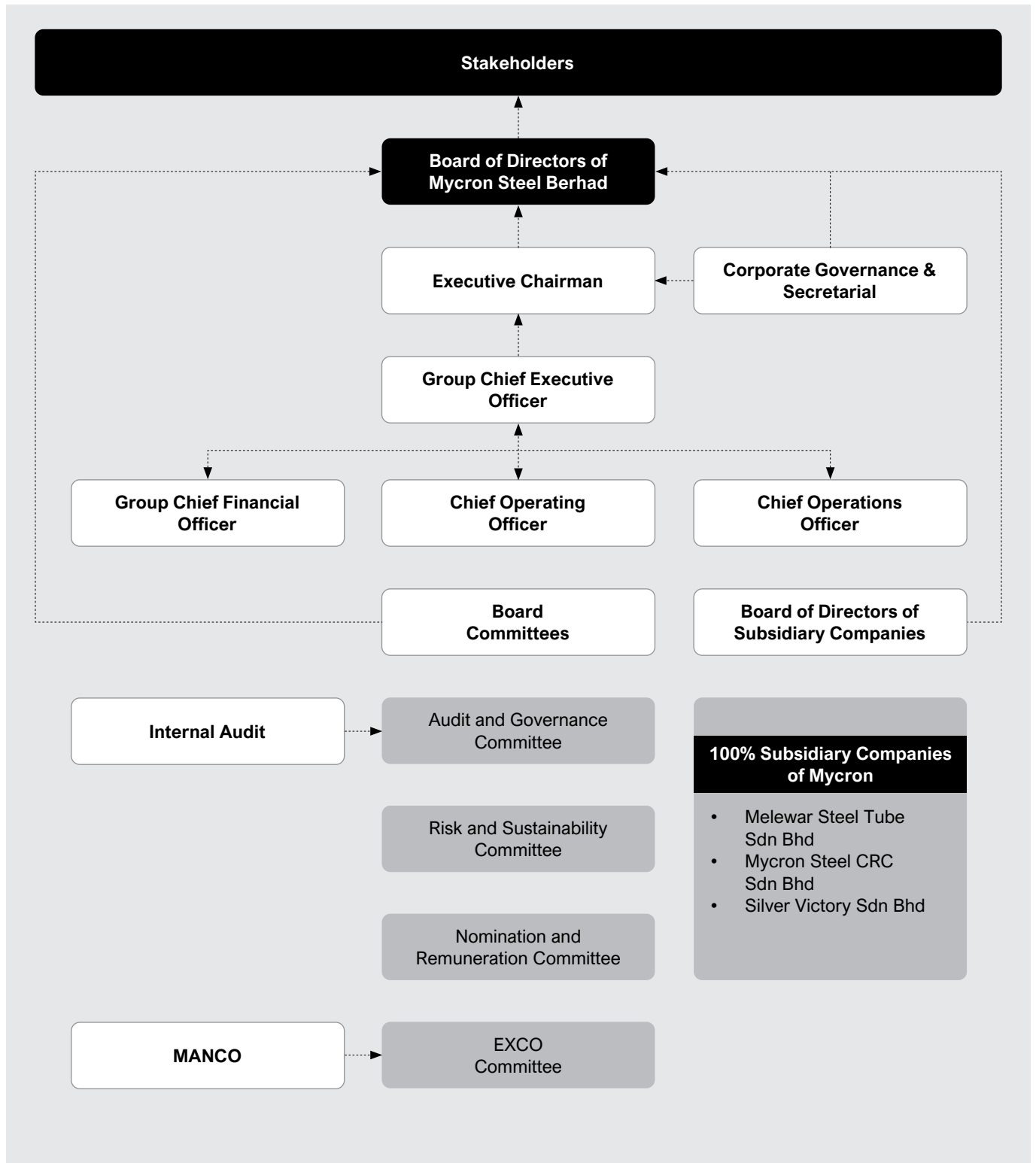
- Engagement with stakeholders
- Conduct of general meetings

The Board has assessed that the Group has complied with the provisions and applied the main principles of MCCG except for Practice 8.2 where the Board made the decision to disclose on a unnamed basis the top 4 senior management’s remuneration in bands of RM50,000 with the reasons explained in the CG Report.

Corporate Governance Overview Statement

MSB's Group Corporate Governance Framework

The Group Corporate Governance Framework as outlined below covers from the Stakeholders to the operating subsidiaries of the Company:





Corporate Governance Overview Statement

▶ Principle A

Board leadership and effectiveness

PART 1 - BOARD RESPONSIBILITIES

1.1 Effective Board Leadership and Oversight

The Board is responsible for governing, guiding and overseeing the overall management of the Group and retains full and effective control over the affairs of the Group. It reviews the Group's policies and strategies, enforces standards of accountability, actively oversees the conduct, management and business affairs of MSB and monitors the Senior Management's performance.

The Board ensures the effective discharge of its fiduciary and leadership functions, as well as sustains long-term shareholder value while safeguarding the interests of all its stakeholders. It works closely with the Senior Management to ensure that the operations of MSB are conducted prudently within the relevant laws and regulations.

All members of the Board are aware of their responsibility to take decisions objectively to promote the success of the Group and to create long-term value for shareholders and other stakeholders. In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, Board Committees and Board meeting procedures including division of responsibilities between the Board, the Board Committees, the Executive Chairman and the Group Chief Executive Officer ("GCEO"). The key elements of governance principles embedded in the Board Charter regulate the Board's conduct and guide the strategic initiatives of the Group.

Management's role is to implement and execute the strategies adopted by the Board and has delegated authority to manage the business on a day to day basis. The limits of Management's authority are embedded in the Internal Control Procedure ("ICP") document, known as the Transaction Authority Limits ("TAL") which sets out the delegation of authority to the senior leadership, generally covering approvals for operational and capital expenditure, execution of contracts, procurement and investments up to a certain monetary threshold. Any commitments outside the TAL will require the prior approval of the Board and any changes to the TAL is also subject to Board's approval.

To provide effective oversight and leadership and to facilitate the discharge of the Board's responsibility and oversight role, the Board is assisted by various Board Committees namely:

- Audit and Governance Committee ("AGC");
- Risk and Sustainability Committee ("RSC"); and
- Nomination and Remuneration Committee ("NRC").

The respective Board Committees operate within clearly defined Terms of Reference ("TOR") setting out their duties and responsibilities. All deliberations, recommendations and decisions of the Board Committees are recorded and minuted and subsequently confirmed by the Board Committees at the next Board Committee meetings. During Board meetings, the Chairman of the various Board Committees provides reports of the decisions and recommendations made at the Committee meetings and highlights to the Board any issue that requires further deliberation at Board level. The ultimate responsibility for decision making, however, lies with the Board.

These Board Committees are chaired by Independent Non-Executive Directors.

The Board will review the TOR of Board Committees from time to time to ensure that they are relevant and updated in line with the new policies or regulatory requirements.

Corporate Governance Overview Statement

1.1 Effective Board Leadership and Oversight (continued)

The Board recognises the importance of identifying and retaining talent as key factor to the Group's continued growth and success. The Succession Planning Policy adopted by the Group is intended to provide a general method to help the Group develop and implement its own succession planning process. The Succession Planning Policy is also to ensure continuity of key management positions that exert critical influence on organisational activities, either operationally, strategically or both. There is a formal organisation structure for the Group with delineated lines of authority, responsibility and accountability. It fosters and promotes the continual development of key employees and ensures that key positions maintain some measure of continuity, thus enabling the Group to ensure that it is able to achieve its business objectives. The succession planning of the Group is enhanced by the policies and standard operating procedures as well as job descriptions established for key business processes within the Group.

1.2 Separation of Roles and Responsibilities of the Chairman and the GCEO

(i) Chairman and GCEO

The Board had adopted the recommended practice of the MCCG whereby the positions of the Chairman and the GCEO are held by different individuals. As such, there is a clear and separate division of responsibility in the roles and duties of the Chairman and GCEO.

The roles and responsibilities of both the Executive Chairman and the GCEO are more particularly set out in the Board Charter which is available on the Company's website.

(ii) Chairman

The Chairman of the Board is not an Independent Director and he holds an executive position. The Board has elected Tunku Dato' Yaacob Khyra as the Company's Chairman whose main role is to provide leadership and guidance to the Board as well as to achieve the Group's strategic vision and also lead the Board in its collective oversight of Management. He is to also ensure effectiveness of the Board by encouraging active participation of all Board members and allowing dissenting views to be freely expressed.

Given that the Chairman, Tunku Dato' Yaacob Khyra who has a wealth of experience in the business operations of the Group, the history of the Group, its structure, business environment and the territories globally in which the Group operates, he also assumes the position of an Executive Chairman for continuing leadership.

(iii) GCEO

En Roshan Mahendran bin Abdullah, an executive member of the Board, is the GCEO and he focuses on the business and day-to-day management of the Company and of the Group. He is primarily responsible for the implementation of the Board's policies and decisions, overseeing the Group's operations and developing the Group's business strategies.

(iv) Chairman of the Board in Board Committees

The Company has adopted Practice 1.4 of the MCCG as Tunku Dato' Yaacob Khyra is not a member of any of the Board Committees.

(v) Suitably Qualified and Competent Company Secretary

The Company Secretary, Mr Kenneth Goh Kwan Weng is a person qualified to act as a Company Secretary under Section 235(2) of the Companies Act 2016. Mr Kenneth is also an Advocate and Solicitor of the High Court of Malaya and he holds a Practising Certificate from the Companies Commission of Malaysia.



Corporate Governance Overview Statement

1.2 Separation of Roles and Responsibilities of the Chairman and the GCEO (continued)

(v) Suitably Qualified and Competent Company Secretary (continued)

All Directors have access to the advice and services of the Company Secretary. The Company Secretary consistently participate in the relevant training programs, conferences, or seminars organised by authorities and professional bodies to keep himself abreast with the latest developments in corporate governance developments and changes in regulatory requirements that are relevant to his role and enable him to provide valuable advisory services to the Board.

During the FYE 2025, all Board and Board Committees meetings were properly convened. Proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretary who is assisted by the company secretarial team.

1.3 Access to Information and Meeting Materials

To facilitate the Directors' planning, an annual meeting calendar is prepared in advance of each new year by the company secretarial team. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). All Board and Board Committees are also provided with the agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least 5 days prior to the meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to the meeting to expedite decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.

The Directors, whether as full Board collectively or in their personal capacity, may seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Company's expense. The Company has in place internal procedures for the application and appointment process for the services of independent professional parties in the Board Charter.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committees review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter. All the records of proceedings and resolutions passed are kept at the registered office of the Company. For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.4 Group Corporate Governance Framework ("CG Framework")

To ensure prudent and effective control of the operations in the Group, the Board adheres to the Group's CG Framework and works to ensure that the Group's CG Framework continues to remain appropriate and is reviewed when necessary.

The CG Framework of the Group sets out the manner in which the Company manages the Group's businesses to achieve its objectives. It also explains how the organisational structure facilitates the roles and functions at each level, with two-way interaction between the Board, the Board Committees, the Executive Chairman and the GCEO, down to the management and operational level. The actions, execution of plans, reporting and accountability will flow back to the Board for further evaluation and decision.

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1.4 Group Corporate Governance Framework (“CG Framework”) (continued)

The CG Framework further sets out various fundamental corporate governance principles, values and standards that shall guide the Board and Management teams within the Group and to describe the governance arrangements in place between MSB and its subsidiary companies so as to deliver efficiency, effectiveness, prudent governance and alignment across the Group which are based on the evolving corporate governance requirements instituted by the authorities. This is in line with the best practices laid out in the MCCG.

The CG Framework also acts as a source of reference and primary induction literature to Board members and Senior Management as it contains the Group CG Framework, the Board Charter, the TOR of the various Committees and the other Policies adopted by the Company.

This CG Framework will be reviewed and updated in accordance with the needs of the Company and/or if required by any new regulations. Any amendments to the CG Framework shall be approved by the Board.

- **Board Charter**

The Board Charter sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors and Senior Management with regard to the respective roles and responsibilities of the Board, Board Committees, Executive Chairman and Group Managing Director/GCEO as well as issues and decisions reserved for the Board, the Board’s governance structure and Board’s authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

The Board Charter will be reviewed as and when need arises to reflect changes to the Company’s policies, procedures as well as to comply with the latest regulations and legislations. The Board Charter and TOR of the Board Committees can be viewed on the Company’s website at www.mycronsteel.com.

- **Code of Conduct and Ethics**

The Board recognises the importance of having in place a Code of Conduct and Ethics (“Code”), setting out the standards of conduct expected from Directors, management and employees of the Group, to cultivate and promote good corporate behaviour. Through its Code, the Board strives to adhere to the highest ethical standards in discharging its responsibilities and continues to promote integrity and ethical conduct among its members, employees and third parties in all aspects of the Company’s business operations, including confidentiality of information, conflicts of interest, insider trading as well as establishing whistleblowing policy among others. The Company’s Code of Conduct is available on the Company’s website.

- **Whistleblowing Policy**

The Board has in place a Whistleblowing Policy and Procedures which provides an avenue for employees, public, contractors, suppliers and other business associates to raise concerns and to disclose allegations, suspicions, wrongdoings or improper conducts on a confidential basis, without fear of any form of victimization, harassment or retaliation. Any enquiries and complaints can be made through the following channels via email or letter as set out below:

Level of Disclosure	Designated Recipient	Appointed Officer
1	Disclosure against mid-level management and below	Anti-Corruption Managing Committee
	Email: acmc@melewar-mig.com	
2	Disclosure against senior management and above	Audit & Governance Committee
	Appointed by the Designated Recipient (as the case may be)	
	Email: agc@melewar-mig.com	

For financial year 2025, the Company did not receive any report or complaint of misconduct from employees, Management, public or stakeholders.



Corporate Governance Overview Statement

1.4 Group Corporate Governance Framework (“CG Framework”) (continued)

- **Conflict of Interest and Related Party Transactions**

A well established process is in place whereby the Board, through the AGC, at each quarterly meeting reviews and monitors conflicts of interest or potential conflicts of interest, including interests in any competing businesses. Directors holding significant commitments outside of Mycron Group are required to disclose them prior to appointment and on an ongoing basis whenever changes occur. Actual and potential conflicts of interest (if any) are documented in a register, which is maintained by the Company Secretary.

The Group has also established related party transactions (“RPT”) and recurrent related party transactions (“RRPT”) Policy to provide clear guidance on the identification, disclosure and reporting of RPT and/or RRPT. This policy applies to all Directors and Employees of the Group to ensure that such transactions are conducted fairly, at arm’s length and in compliance with the MMLR and good CG practices.

The Company Secretary notifies Directors and principal officers of the open and closed periods for dealings per Chapter 14 of MMLR on a quarterly basis. During FY2025, there were no dealings in the shares of our Company by any Director and principal officer during closed periods.

- **Anti-Fraud/Corruption Policy**

The Board had established an Anti-Fraud/Corruption Policy that sets out the Group’s principles and stance and adequate procedures against corruption and/or bribery activities in the conduct of its businesses. The Anti-Fraud/Corruption Policy applies to all individuals working at all levels and grades, including Directors, Senior Management, Managers, employees (whether full-time, part-time, contract or temporary), consultants, contractors, trainees, interns, suppliers, customers, any third parties and any other person associated with the Group.

This Anti-Fraud/Corruption Policy is to outline the responsibilities of the Group and its employees and to provide guidance in observing and upholding the Group’s position on bribery and corruption. The Anti-Fraud/Corruption Policy will be reviewed periodically in alignment with the Group’s needs.

The details of the Group Anti-Fraud/Corruption Policy are available on the Company’s website at www.mycronsteel.com.

For financial year 2025, there was no incident of bribery and corruption that were reported to the Group.

1.5 Strategic Management of Sustainability Matters

The Board has oversight responsibility to deliver sustainable value to stakeholders through the principles, policies, objectives and strategies of the Group. The Company has adopted a Sustainability Framework & Policy as the Board is mindful and aware of the importance of business sustainability, and takes into consideration the impact on the environmental, social and governance (“ESG”) aspects in conducting the Group’s businesses. The Group also embraces sustainability in its operations.

To reinforce accountability, the Group has embedded ESG-related Key Performance Indicators (KPIs) into the performance management system for senior management. This ensures that sustainability commitments are directly tied to leadership performance and business outcomes.

For continuous oversight, Management provides quarterly updates on sustainability matters, including performance against established ESG indicators and targets, to both the RSC and the Board. These updates support data-driven decision-making and enable timely recalibration of sustainability strategies.

Corporate Governance Overview Statement

1.5 Strategic Management of Sustainability Matters (continued)

To strengthen governance, the Board has established a Sustainability Oversight Committee (“SOC”), chaired by the GCEO and comprising senior representatives from key business units and Group functions. The SOC is mandated to:

- Provide oversight and strategic direction on the Group’s sustainability agenda and priorities;
- Review performance against ESG KPIs, targets, and regulatory requirements;
- Endorse and recommend sustainability policies, frameworks, and initiatives for Board and RSC consideration;
- Ensure cross-functional coordination and alignment of sustainability efforts across the Group; and
- Escalate material ESG matters and emerging risks to the Board for deliberation.

In addition to SOC deliberations, the Senior ESG Officer also tables sustainability matters at the monthly Executive Committee (“EXCO”) meetings, ensuring that ESG considerations are integrated into day-to-day executive decision-making.

Complementing the SOC, the Sustainability Working Committee (“SWC”), comprising members from key business units and functions, acts as the operational platform for sustainability. The SWC is responsible for:

- Deliberating on ESG matters in detail;
- Identifying, evaluating, and progressing sustainability initiatives; and
- Providing updates and recommendations to the SOC through the Senior ESG Officer.

This dual structure ensures that ESG matters are addressed at both the strategic oversight level (SOC) and the operational implementation level (SWC), with clear reporting and escalation pathways.

As Chairman of the SOC, the GCEO provides dedicated leadership in integrating ESG considerations into the Group’s strategy and operations, reinforcing the Board’s commitment to sustainability at the highest level of governance. Complementing this, the Group Chief Financial Officer ensures the robustness of sustainability reporting and disclosures, alignment with benchmarks and best practices, and the incorporation of financial inputs, measurements, and controls into the Group’s sustainability management.

The Management Committee (“MANCO”), which comprises heads of the Company’s business units and divisions, will oversee all aspects of operational and sustainability risks with the initiation and identification of the risk issues. MANCO will then raise these issues to the Executive Committee who meets on a monthly basis to ensure that the matters are discussed in depth for the next course of actions. These issues will then be encapsulated in the Risk Report and reported to the RSC.

In order to ensure the Board is kept abreast with sustainability issues and have sufficient understanding in sustainability matters relevant to the Group and its businesses, Directors are expected to attend sustainability related programmes including conferences, seminars and trainings. This is to enable the Board to stay abreast and understand the sustainability issues, including climate-related risks and opportunities.

The details of the Group’s sustainability strategies, priorities and performance against targets are set out separately in the Sustainability Report of this Annual Report.



Corporate Governance Overview Statement

PART 2 - BOARD COMPOSITION

2.1 Composition

The NRC oversees and reviews the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NRC on an annual basis.

The Company's Constitution stipulates that the minimum and maximum number of Directors on the Board shall not be less than two (2) nor more than twelve (12).

As at the date of this CG Overview Statement, the Board, consists of eight (8) members as follows:

- one (1) Executive Chairman;
- one (1) Executive Director;
- two (2) Non-Independent Non-Executive Directors; and
- four (4) Independent Non-Executive Directors.

The Board is therefore, in compliance with Paragraph 15.02 of the MMLR of Bursa Securities, which requires that at least two (2) directors or one-third (1/3) of the board of directors of a listed issuer, whichever is the higher, are independent directors and is also in compliance with Practice 5.2 of the MCCG which recommended at least half the Board to comprise independent directors. A brief profile of the Board members is set out on pages 22 to 29 of this Annual Report.

The current composition of the Board is as set out below:

Directors	Designation
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 <i>(Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 7 January 2025)</i>	Non-Independent Non-Executive Director
Datin Seri Raihanah Begum binti Abdul Rahman	Independent Non-Executive Director
Kwo Shih Kang	Senior Independent Non-Executive Director
Dato' Mohd Zahir bin Zahur Hussain	Independent Non-Executive Director
Dato' Dr Kili Ghandhi Raj A/L K R Somasundram <i>(Appointed on 15 January 2025)</i>	Independent Non-Executive Director

The Board comprising of Executive Directors and Non-Executive Directors brings valuable perspectives and expertise from various sectors. The Independent Non-Executive Directors of the Company are independent of Management and free from any business relationship which could materially interfere with the exercise of their judgement. They provide guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that the highest probable standards of conduct and integrity are maintained by the Group.

All Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group in order to uphold their objectivity and fulfil their responsibility to provide check and balance to the Board.

Overall, the Board is satisfied with the current number and composition of its members and is of the view that the members represent a diverse set of academic background, skills, knowledge and experience that are necessary to support the Group's growth and success.

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2.2 Tenure of Independent Director

The Board recognises the importance of maintaining a moderate tenure of service for its Independent Directors. In this regard, the Board has adopted a policy to limit the tenure of its Independent Directors to nine (9) years. Upon completion of the nine (9) years, the Independent Director will have to resign unless he is retained by the Board as a Non-Independent Director.

There is an Independent Non-Executive Director of the Company, namely Tengku Datuk Seri Ahmad Shah, who had served as an Independent Non-Executive Director since 2 January 2015.

Following an assessment by the NRC and the Board, the Board had agreed to retain Tengku Datuk Seri Ahmad Shah as a Non-Independent Non-Executive Director. His vast experience, knowledge and skills in the business allow him to participate actively and contribute during the deliberations or discussions at the Board and Committee meetings.

2.3 Appointment of Board and Senior Management

Appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Profile of Directors and the Senior Management Team are set out in this Annual Report.

2.4 Fit and Proper Policy

The Company has in place a Fit and Proper Policy (“the Policy”) for Directors and key senior management to ensure a formal and transparent process for the appointment and re-election of Directors and key senior management of the Group.

This Policy is to ensure that the Directors possess the character, integrity, relevant range of skill, knowledge, competence, experience and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

The Fit and Proper Policy for Directors and key senior management is available on the Company’s website.

2.5 Utilisation of Various Sources in Identification of Potential Candidates

The Group has in place a formal and transparent procedure for the appointment of new directors to the Board. The NRC is responsible for identifying, assessing and recommending to the Board suitably qualified candidates for directorship on the Board as well as members of the Board Committees.

In making its recommendation, the NRC will undertake an evaluation and assessment of the candidates in accordance with the criteria as set out in the Directors’ Fit and Proper Policy adopted by the Group. The NRC shall ensure that the Board has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities in keeping with the highest standards of governance.

The NRC acknowledges that the selection and recommendation of suitable candidates to be appointed to the Board may also be from referrals from external independent sources available, such as Director’s registry or independent search firms when necessary.



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2.6 NRC

The Board merged the Nomination Committee and Remuneration Committee and renamed the Committee as the Nomination and Remuneration Committee since 28 August 2013.

The NRC comprises three (3) members, all of whom are non-executive with the majority being Independent Directors, which complies with the requirements of the MMLR of Bursa Securities.

As of the date of this report, the composition of the NRC is as follows:

Chairman : Kwo Shih Kang
– Senior Independent Non-Executive Director

Members : Datin Seri Raihanah Begum binti Abdul Rahman
– Independent Non-Executive Director

Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
– Non-Independent Non-Executive Director

Following the redesignation of Tengku Datuk Seri Ahmad Shah as Non-Independent Non-Executive Director on 7 January 2025, he relinquished his position as chairman of the NRC and remained as a member.

The Board, upon the recommendation of the NRC, approved the appointment of Mr Kwo Shih Kang as the Chairman of the NRC who is also the Senior Independent Non-Executive Director of the Company, therefore adhering to Practice 5.8 of MCCG that the nominating committee should be chaired by an Independent Non-Executive Director or the Senior Independent Non-Executive Director.

The NRC is governed by its terms of reference which is available on the Company's website at www.mycronsteel.com.

2.7 Diversity Policy

The Board has established a Diversity Policy, which also forms part of the Board Charter to strictly adhere to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members and senior management.

Currently, Datin Seri Raihanah Begum binti Abdul Rahman is the only female Director on the Board. Her presence complies with the MMLR which mandates presence of at least one (1) female Director on board.

The Board, through the NRC, will continue to observe the female participation in the Board and the Board will strive to meet the objective of the recommendation of the MCCG.

The Diversity Policy can be found on the Company's website at www.mycronsteel.com.

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2.8 Annual Evaluation of the Directors, Board as a whole and Board Committees

The Board recognises the importance of assessing the effectiveness of individual Directors and the Board on an annual basis. During the NRC meeting held during the financial year, an evaluation was carried out through a set of questionnaires, and self-assessment with the results collated, summarised and reported to the Board by the Chairman of the NRC. The Board, through the recent review and assessment of the NRC, confidently believes that the size and composition of the Board is appropriate, with a good mix of skills, experiences and expertise as well as possess appropriate competency to discharge their duties effectively.

In the case of Independent Directors, they had provided the NRC with written confirmation on their independence during the annual assessment exercise conducted for the financial year ended 30 June 2025. The Board was satisfied with the level of independence demonstrated by the Independent Directors and believed that the Independent Directors will continue to bring independent and objective judgment to Board deliberations.

In addition, the Directors are also being evaluated on their personal development and identified their strength and weaknesses in discharging their duties and responsibility as a member of the Board as well as continuously improving themselves to keep themselves updated to counter with the ever-changing environment. There were no major concerns from the results of the assessments.

In accordance with the Company's Constitution, newly appointed Directors shall hold office until the next following AGM. They shall then be eligible for re-election which would be put to a vote by shareholders in the next AGM subsequent to their appointment. The Constitution also provides that one-third (1/3) of the Board are required to retire at every AGM and be subjected to re-election by shareholders and all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The board evaluation questionnaire has included the evaluation on Environmental, Social and Governance ("ESG") or Sustainability in the annual assessment.

Summary of Activities Undertaken by the NRC in respect of Financial Year ended 30 June 2025

The NRC undertook, inter alia, the following matters in respect of financial year ended 30 June 2025:

- (a) Conducted annual assessment on the effectiveness of the individual directors, the Board and Committees covering areas such as Board structure and operation, Management relationship with the Board, Board's role and responsibilities, the required mix of skills and experience of the Directors, time commitments, characters, experiences, integrity and competencies to effectively discharge the role as a Director for the financial year ended 30 June 2025 and reported the findings at the Board meeting.

Based on the assessment, the NRC noted that the Board and its Committees are considered to be fully effective and have the right composition and sufficient knowledge of related areas. Overall the quality of the individual Directors was considered satisfactory and the Directors were found to possess the relevant qualifications, knowledge, experience and ability to understand the technical requirements, risk and management of the Company's business. In addition, the Directors have demonstrated a willingness to devote time and effort to the affairs of the Company while acting in good faith and with integrity at all times.

- (b) As part of the annual assessment of independence, the NRC reviewed, assessed and evaluated the independence of the Board's Independent Directors and was satisfied that all the four (4) Independent Non-Executive Directors met the independence criteria as prescribed by the MMLR of Bursa Securities and they continue to demonstrate their independence through their engagement in all meetings, providing objective challenge to the Management and bringing independent judgment to decisions taken by the Board. The Board was also satisfied with the level of independence of all the Independent Directors.



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2.8 Annual Evaluation of the Directors, Board as a whole and Board Committees (continued)

Summary of Activities Undertaken by the NRC in respect of Financial Year ended 30 June 2025 (continued)

The NRC undertook, inter alia, the following matters in respect of financial year ended 30 June 2025: (continued)

- (c) Reviewed, considered and recommended to the Board for approval, the re-election of Directors, Tunku Dato' Yaacob Khyra and Dato' Mohd Zahir bin Zahur Hussain who will be retiring by rotation under Article 96(1) of the Company's Constitution at the forthcoming 22nd AGM.

Pursuant to Article 103 of the Company's Constitution, Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram who was appointed on 15 January 2025 is subject to retirement at the forthcoming 22nd AGM. The NRC had recommended his re-election to the Board and with the Board's concurrence will be recommending to the shareholders to re-elect Dato' Dr. Kili Ghandhi Raj at the forthcoming 22nd AGM.

The profile of the retiring Directors, including their nature of interest with the Company, if any, are set out at the Directors' Profile section of the Annual Report.

- (d) Reviewed the tenure of service for Independent Non-Executive Directors and in particular Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah who had exceeded the nine (9) years tenure as Independent Director. The Committee agreed to recommend to the Board to maintain Tengku Datuk Seri Ahmad Shah as Non-Independent Non-Executive Director.
- (e) Reviewed the nomination and recommended to the Board and Board Committees, the appointment of Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram as Independent Non-Executive Director of the Company.
- (f) Reviewed the terms of office and performance of the AGC and its members to determine whether the AGC and its members have carried out their duties in accordance with their terms of reference.
- (g) Reviewed the remuneration policies applicable to Directors, GCEO and Senior Management and recommended the same to the Board for approval.
- (h) Reviewed the Directors' fees payable to the Directors of the Company and the Group for the FYE 2025 and recommended the same to the Board for approval.
- (i) Reviewed the benefits payable to the Directors of the Company for the period from 1 January 2026 to 31 December 2026 and recommended the estimated quantum to the Board for approval.
- (j) Reviewed attendance of Directors at Board/Board Committees, to ensure compliance to minimum attendance requirement of Board meetings of not less than fifty percent (50%) of the total meetings held during the financial year.
- (k) Reviewed the Service Contract of Key Senior Management.

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2.9 Time Commitment of the Board

The Board meets at least once on a quarterly basis to consider all matters relating to the overall control, business performance and strategy of the Company. Additional meetings will be called when and if necessary.

The Board met five (5) times during the financial year ended 30 June 2025. The attendance of each Director at the Board Meetings held during the financial year ended 30 June 2025 was as follows:

Executive Directors	No. of Attendance	%
1. Tunku Dato' Yaacob Khyra (Chairman)	5/5	100
2. Roshan Mahendran bin Abdullah	5/5	100

Non-Independent Non-Executive Directors	No. of Attendance	%
1. Azlan bin Abdullah Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz	5/5	100
2. Shah	5/5	100

Independent Non-Executive Directors	No. of Attendance	%
1. Datin Seri Raihanah Begum binti Abdul Rahman	5/5	100
2. Kwo Shih Kang	5/5	100
3. Dato' Mohd Zahir bin Zahur Hussain	5/5	100
4. Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram *	2/2	100

* Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram's attendance is calculated from the date of his appointment on 15 January 2025.

Each Director does not hold more than five (5) directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The Board is satisfied with the level of the time commitment given by the Non-Executive Directors towards fulfilling their roles and responsibilities as Directors of the Company.

None of the Directors was absent for more than 50% of the total Board meetings held under the financial year under review, hence complying with paragraph 15.05(3) of the MMLR of Bursa Securities.

2.10 Continuing Education and Training of Directors

Directors are committed to devote sufficient time to carry out and to regularly update their responsibilities, develop their knowledge and enhance their skills through appropriate continuing education and life-long learning to sustain their active participation in Board deliberations and effectively execute their duties.

The Directors are also encouraged to continuously evaluate their own training needs and determine the relevant programmes, seminars, briefings or dialogues that would best enable them to enhance their knowledge and contributions to the Board as well as stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

Directors also have the opportunity to visit the Group's operational facilities and meet with Management to gain a better understanding of the business operations.



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2.10 Continuing Education and Training of Directors (continued)

Plant visit programme was also organised during the financial year 2025 for our Directors, which included Management briefings and visits to the plant and operations centres.

Board meetings were also held at locations within the Group's operating businesses to enable the Directors to obtain a better perspective of the businesses and enhance their understanding of the Group's operations.

All Directors have successfully completed the Mandatory Accreditation Programme Part I and Part II as prescribed by Bursa Securities. All Directors have also complied with the Continuous Training Programme prescribed by Bursa Securities.

During the financial year ended 30 June 2025, the following training programmes and seminars were attended by the Directors:

Members of the Board	List of Training Programmes/ Seminars/ Conferences Attended
Tunku Dato' Yaacob Khyra	(i) Bursa Academy : Conflict of Interest ("COI") and Governance of COI (ii) Corporate Restructuring: Dubai World Case Study (iii) Essential Information Security Awareness (iv) Sustainability – Regulatory Update and ISSB IFRS S1 and S2 Sharing Session
Roshan Mahendran bin Abdullah	Audit Committee Series - Enhanced COI Framework (Updated Edition)
Azlan bin Abdullah	Handling Challenges in Corporate Disclosures
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	(i) Knowledge Sharing Session on Human Rights Awareness (ii) Knowledge Sharing Session on Natural Catastrophic Analysis (iii) Board Level Cyber Security Workshop (iv) PwC Updates on Sustainability Reporting Development and Tax & Corporate Reporting Updates (v) Update on OSHA
Datin Seri Raihanah Begum binti Abdul Rahman	(i) Bursa Malaysia : Ring the Bell for Climate Session 1 - Transition Finance for Supply Chain Companies Session 2 - ESG Ratings and Financing Options (ii) Sustainability – Regulatory Update and ISSB IFRS S1 and S2 Sharing Session
Kwo Shih Kang	(i) Carbon Market: What Directors Need to Know (ii) Audit Committee Series - Compliance with Listing Requirements - Reporting of Financial Statements.
Dato' Mohd Zahir bin Zahur Hussain	(i) Navigating the National Sustainability Reporting Framework & Latest Bursa Listing Requirements (ii) Percentage Ratios Made Easy (iii) Related Party Transactions Simplified
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	(i) Enhanced COI Framework (Updated Edition) (ii) Audit Committee Series – Share Buy Back, A Regulatory Perspective (iii) Sustainability – Regulatory Update and ISSB IFRS S1 and S2 Sharing Session

In addition, the Directors are briefed/updated by the Senior Management, the Company Secretary, the External Auditors and Internal Audit Consultants on any changes to the statutory, corporate and regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors at Board and AGC Meetings. The External Auditors had also briefed the Board on the changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

Corporate Governance Overview Statement

PART 3 – REMUNERATION

3.1 Remuneration Policy

In compliance with Practice 7.1 of the MCCG, the Board has adopted a Remuneration Policy. The Group's Remuneration Policy sets out the procedure of determining the remunerations of Directors (Executive and Non-Executive), Group Managing Director/GCEO and Key Senior Officers which takes into account the demands, complexity and performance of the Group as well as skills and experience required for the position.

The objectives of this Remuneration Policy are to ensure that the Directors and Senior Management are offered an appropriate level and composition of remuneration and other benefits by taking into account the Group's desire to attract and retain the right talent and expertise with the aim to motivate the Directors and Senior Management to achieve the Group's long-term business objectives.

The remuneration package also takes into account the scope of duty and responsibilities; the conditions and experience required; the ethical values and strategic targets of the Company; the corporate and individual performances; and the current market rate within the industry and in comparable companies.

3.2 Remuneration of Directors and Senior Management

The Board recognises that a competitive, comprehensive and equitable remuneration package is essential for attracting and retaining talented, high performing Directors and Senior Management of the Group. A Policy of Remuneration for Directors and Senior Management is in place to guide compensation structuring to ensure competitiveness and appropriateness.

The NRC reviews the remuneration policies and packages to ensure that they are competitive, appropriate and commensurate with the individual's experience, skills and level of responsibilities, and are aligned to industry benchmarks. The aggregate remuneration paid or payable to all Directors of the Company for FYE2025 is listed on a named basis along with a detailed breakdown in the CG Report under Practice 8.1.

In compliance with the provisions of the CA, the fees and any benefits payable to Directors are subject to annual approval at General Meetings. The process of reviewing and recommending matters relating to the remuneration of the Board is undertaken by the NRC.

The Non-Executive Directors are remunerated based on fixed annual Director's fees and fixed meeting allowances. All Non-Executive Directors are paid Directors' Fees of RM60,000 per annum each for serving as members of the Board. The Directors who serve on the AGC and RSC will also receive additional RM6,000 per annum for each committee that they serve in, in recognition of their commitment and additional time contributed. The Directors' fees are appropriate to their contribution, taking into consideration the effort, commitment and time spent as well as the responsibilities of the Directors.

The Non-Executive Directors are paid a meeting allowance of RM500 for each meeting attended. The Executive Directors are not entitled to any meeting allowance.

Each of the Executive Director abstained from deliberating and voting on his/her own remuneration. For the FY2025, the NRC had performed its duty to assess the remuneration package of its Executive Directors and Senior Management.

Remuneration packages for Senior Management/Executive Directors are structured so as to link rewards to corporate and individual performance. The remuneration of Senior Management/Executive Directors includes salary, bonus, allowance and benefits-in-kind.

In addition, the Directors are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as Directors and Officers of the MSB Group as their benefit, provided that such Director or Officer has not acted negligently, fraudulently or dishonestly, or is in breach of his/her duty of trust.



Corporate Governance Overview Statement

3.2 Remuneration of Directors and Senior Management

The relevant resolutions in relation to the Directors' fees and benefits payable to the Directors will be presented to the shareholders for approval at the forthcoming 22nd AGM.

The Company notes that payments made to Executive Directors pursuant to a service contract need not be approved by shareholders as it is governed by Section 231 of the CA. As such, the Company will not be tabling any resolution on payment to Executive Directors at the Annual General Meeting of the Company.

The remuneration of the individual Directors of the Company, including the remuneration for services rendered to the Group and the Company for the FYE 2025 are as follows: -

Received from Company

Name	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind* (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Other Emoluments** (RM'000)	Total (RM'000)
Executive Directors							
Tunku Dato' Yaacob Khyra	2,160	1,080	17.4	-	-	486	3,743.4
Roshan Mahendran bin Abdullah	-	-	-	-	-	-	-
Non-Independent Non-Executive Directors							
Azlan bin Abdullah	-	-	-	60	3	-	63
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	-	-	3.5	60	4	-	67.5
Independent Non-Executive Directors							
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	-	72	8.5	-	80.5
Kwo Shih Kang	-	-	-	72	8.5	-	80.5
Dato' Mohd Zahir bin Zahur Hussain	-	-	3.5	72	6	-	81.5
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Appointed on 15 January 2025)	-	-	-	31.8	2	-	33.8

Corporate Governance Overview Statement

3.2 Remuneration of Directors and Senior Management (continued)

Received from Group

Name	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind* (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Other Emoluments** (RM'000)	Total (RM'000)
Executive Directors							
Tunku Dato' Yaacob Khyra	-	-	-	-	-	-	-
Roshan Mahendran bin Abdullah	2,591.2	1,239.4	45.3	-	-	574.6	4,450.5
Non-Independent Non-Executive Directors							
Azlan bin Abdullah	-	-	-	-	-	-	-
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	-	-	-	-	-	-	-
Independent Non-Executive Directors							
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	-	-	-	-	-
Kwo Shih Kang	-	-	-	-	-	-	-
Dato' Mohd Zahir bin Zahur Hussain	-	-	-	-	-	-	-
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Appointed on 15 January 2025)	-	-	-	-	-	-	-

* Benefits-in-kind include company car, driver, club membership subscription and medical insurance benefits.

** Other Emoluments include car allowance, provision for Directors' leave pay, travelling allowances and EPF.



Corporate Governance Overview Statement

3.3 Remuneration of Top Four Senior Management

The remuneration of the Senior Management (excluding the Executive Directors) in bands of RM50,000 is disclosed below:

Remuneration Bands	Number of Key Senior Management
RM500,001 to RM550,000	1
RM950,001 to RM1,000,000	1
RM1,150,001 to RM1,200,000	1
RM1,300,001 to RM1,350,000	1

The Board acknowledged the need for transparency in the disclosure of remuneration as recommended under the MCCG.

Nonetheless, the Board takes the view that there is no necessity for the Group to disclose the remuneration package of the top 4 Key Senior Management. Such disclosure could be detrimental to its business interests given the highly competitive human capital environment in which the Group operates where there is intense headhunting for personnel with the right expertise, knowledge and relevant working experience is prevalent. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

The Board will ensure that the remuneration of the Key Senior Management personnel commensurate with the level of responsibilities, with due consideration given to attract, retain and motivate Key Senior Management to lead and run the Company successfully.

The Board will continuously undertake a robust internal process to ensure that the remuneration of Senior Management is competitive and fair. The Company noted that the non-disclosure of the remuneration of the top four Senior Management is a departure from Practice 8.2 of the MCCG but nevertheless will consider the application of both practices when the Company is satisfied that there are adequate rules and regulations set in place by the authorities to protect the Company from losing its invaluable human assets/talents.

▶ Principle B

Effective Audit and Risk Management

PART 1 – AUDIT AND GOVERNANCE COMMITTEE

1.1 The Chairman of the AGC is not the Chairman of the Board

The AGC is chaired by an Independent Non-Executive Director, Mr Kwo Shih Kang, who is not the Chairman of the Board which therefore is in compliance with Practice 9.1 of the MCCG. The profile of the Chairman of the AGC is set out in the Profile of Directors of this Annual Report.

1.2 Former Key Audit Partner

None of the AGC members was a former key audit partner of the Company. In line with the MCCG, the Board has adopted the TOR of the AGC stating that no former partner of the Company's external audit firm shall be appointed as a member of the AGC unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the AGC.

Corporate Governance Overview Statement

1.3 Assessment of Suitability and Independence of External Auditors

The AGC has assessed the suitability, objectivity and independence of the External Auditors to safeguard the quality and reliability of audited financial statements. This assessment is conducted on a yearly basis by the AGC, using the prescribed External Auditors Evaluation Form, with emphasis on evaluation based on competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, reasonableness of audit fees and comparison of audit and non-audit fees.

The evaluation of the External Auditors, Messrs KPMG PLT (“KPMG”), for FY2025 was conducted in August 2025. Overall, no major concern had arisen from the assessment and the AGC was satisfied with the performance of the External Auditors in terms of their quality of service provided as well as their exercise of audit independence. Written assurance was obtained from the External Auditors confirming that they are, and have been, independent throughout the audit engagement under the terms of all relevant professional and regulatory requirements. The AGC had also considered that the provision of non-audit services by the External Auditors and their affiliates during FY2025 was not in conflict with the External Auditors’ audit services and did not compromise their independence and objectivity.

The Board has accepted the recommendation of the AGC for the re-appointment of KPMG as External Auditors of the Company for the ensuing financial year at the upcoming AGM of the Company.

Details on the audit and non-audit fees paid or payable to the External Auditors for FY2025 are set out in the Audit and Governance Committee Report of this Annual Report.

The AGC had also reviewed the information presented in the Annual Transparency Report 2024 of KPMG.

During the financial year, the AGC met the External Auditors twice without the Executive Board members being present. In compliance with Malaysian Institute of Accountants (“MIA”) by-laws, the Audit Partners are rotated every seven (7) years to ensure objectivity, independence and integrity of the audit opinions. Such assurance was also given by the External Auditors in the Audit Plan and Audit Report presented to the AGC.

1.4 Composition of Audit and Governance Committee

The AGC comprises solely Independent Non-Executive Directors. Details on the AGC composition and key activities undertaken during FYE 2025 are set out in the AGC Report in this Annual Report.

This is in compliance with Paragraph 15.09 (1)(b) of the Listing Requirements, which stipulates that “all the audit committee members must be Non-Executive Directors, with a majority of them being Independent Directors”.

1.5 Qualification of the Audit and Governance Committee

The AGC conducts self-evaluation annually to assess the performance and skill sets of the individual AGC members and their peers. During FYE 2025, the AGC members had completed the assessment on an individual basis and the results were compiled by the Company Secretary and tabled for the AGC’s review. Based on the results of the assessment, the AGC members are financially literate and understand the Group’s business. The AGC as a whole, has the necessary skills and knowledge to discharge their duties.

Their performance are reviewed by the NRC annually and recommended to the Board for approval.

The qualification and experience of the individual AGC members are disclosed in the Directors’ Profiles on pages 26 to 29 of this Annual Report.

The composition and summary of activities of the AGC during the financial year under review are disclosed in the AGC Report as set out on pages 74 to 79 of this Annual Report.



Corporate Governance Overview Statement

PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

2.1 Establishment of Risk Management and Internal Control Framework

The Board is fully aware of its overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Group's assets. The internal control system is designed to identify the risks to which the Group is exposed and mitigate the impacts thereof to meet the particular needs of the Group. In view of this, the RSC has adopted a Risk Management Framework for the Group in 2005.

The Group has engaged Messrs Crowe Governance Sdn Bhd ("Crowe"), an independent internal audit firm ("Internal Audit Consultants") to assist the AGC and the Board to review the existing risk management process and internal control systems in place within the various business operations, to ensure that all the policies and procedure that are established by the Group are being followed and internal control processes are operating effectively.

This function also acts as a source to assist the AGC and the Board to strengthen and improve current management and operating style in pursuit of best practices.

2.2 Features of its Risk Management and Internal Control Framework

The Group has in place an on-going process and has established a framework for identifying, evaluating, monitoring, and managing the significant risks affecting the Group. The Board reviews the adequacy and integrity of the Group's system of internal controls on a continuous basis. The RSC and AGC assist the Board in discharging its roles and responsibilities to oversee the effectiveness and adequacy of the risk management and internal control system of the Group.

The Statement on Risk Management and Internal Control which provides an overview of the Group's risk management and internal control framework is set out on pages 65 to 73 of this Annual Report.

2.3 Effective Governance, Risk Management and Internal Control Framework

The Board acknowledges its responsibility for establishing a sound risk management framework and system of internal control to safeguard shareholders' investment and the Group's assets, and to provide reasonable assurances on the reliability of the financial statements. In addition, equal priority is given to financial controls, operational and compliance controls as well as risk management. While the internal control system is devised to cater to the particular needs of the Group and the risk, such controls by their nature can only provide reasonable assurance but not absolute assurance against unintended material misstatement or loss.

The internal audit activities of the Group are carried out according to an annual internal audit plan approved by the AGC.

Crowe reports directly to the AGC to provide assurance on the adequacy and effectiveness of risk management, internal control and governance systems. In carrying out its activities, Crowe has unrestricted access to the relevant records, personnel and physical properties.

The internal audit function is expected to meet the standard set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

None of the internal audit personnel have any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

The Internal Audit Consultants adopt a risk based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system.

The internal audit function is guided by Internal Audit Charter which was approved by the AGC and Board of Directors on 26 May 2017. Audit engagement is focused on areas of priority according to their risk assessment and in accordance with the annual audit plans approved by the AGC.

Details of the Company and the Group's internal control system and framework are set out in the Directors' Statement of Risk Management and Internal Control and the Audit and Governance Committee Report contained in this Annual Report.

Corporate Governance Overview Statement

▶ Principle C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PART 1 – ENGAGEMENT WITH STAKEHOLDER

1.1 Effective, Transparent and Regular Communication with its Stakeholders

The Company has in place a Corporate Disclosure Policies and Procedures (“CDPP”) which sets out clear procedures on corporate disclosure, designated corporate disclosure officer and appointed spokespersons for the Company to ensure that material information disclosed by the Company is accurate, timely and complete. Clear roles and responsibilities of Directors, Management and employees are provided together with levels of authority provided to designated persons in handling and disclosing material information.

The Group maintains its corporate website at www.mycronsteel.com for shareholders and the public to access information relating to its businesses, financial performance, operations and corporate development through annual reports, quarterly reports, circulars and various announcements on a timely manner. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the Company’s website. Written communications are attended to within a reasonable time from the day of receipt.

The Board has identified Mr Kwo Shih Kang as the Senior Independent Director to whom queries or concerns regarding the Group may be conveyed.

- (i) Mr Kwo Shih Kang can be contacted as follows:
Telephone number: +603-5510 6608
Facsimile number: +603-5510 3720
Email address: vincentkwo@mycronsteel.com

Queries or concerns regarding the Group may be also conveyed to the following persons:

- (i) Mr Choo Kah Yean (Group Chief Financial Officer, for financial related matters)
Telephone number: +603-5519 2455
Facsimile number: +603-5510 8618
- (ii) En Roshan Mahendran bin Abdullah (Group Chief Executive Officer)
Telephone number: +603-5519 2455
Facsimile number: +603-5510 8618
Email address: roshan@mycronsteel.com
- (iii) Mr Kenneth Goh Kwan Weng (Company Secretary, for shareholders’ enquiries)
Telephone number: +603-6252 8880
Facsimile number: +603-6252 8080

1.2 Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Group does not fall within the definition of “Large Companies”.



Corporate Governance Overview Statement

PART 2 – CONDUCT OF GENERAL MEETINGS

2.1 Notice of Annual General Meeting (“AGM”)

The Company Secretary, by order of the Board, serves a notice of AGM to all shareholders of the Company at least 28 days prior to its forthcoming AGM to provide the shareholders sufficient time to consider the proposed resolutions that will be discussed and decided at the AGM.

2.2 Attendance at AGM

All members of the Board, the Company Secretary, External Auditors and the Senior Management had attended the fully virtual 21st AGM through video conferencing.

2.3 Leveraging on Technology to Facilitate Communication with Shareholders

The Company had leveraged on technology to facilitate voting in absentia and remote participation by shareholders at shareholders’ meetings through hosting its fully virtual 21st AGM held on 3 December 2024.

2.4 Meaningful Engagement between Board, Senior Management and Shareholders

The AGM is an important forum for our Board and Key Senior Management to engage with all the shareholders. At least 28 days’ notice is provided prior to the AGM in accordance with Practice 13.1 of MCGG to enable adequate time for shareholders to plan their attendance or lodge proxy forms. The Notice of AGM is advertised in one nationally circulated daily newspaper.

Notifications to our shareholders (which include links to download the AR2025, Circular to Shareholders, CG Report, Notice of AGM, Proxy Form and Administrative Guide) are sent via email and if uncontactable, sent via post. Such documents are also available on the corporate website, which is updated regularly and is a useful platform for stakeholders to obtain the latest developments on our Group.

The AGM is chaired by the Board Executive Chairman. This forum enables our Board, GCEO and Group Chief Financial Officer to engage with our shareholders, who may submit/ask their questions before and during the meeting. Registered shareholders and proxies may exercise their rights to vote on each of the proposed resolutions in accordance with the Constitution, unless they are required to abstain under the MMLR.

The 22nd AGM will be held on 3 December 2025 in person to enable direct engagement between our shareholders and our Board/Management after five years of virtual meetings.

2.5 Publication of the Minutes of General Meeting

The Minutes of 21st AGM with the notation on the proceedings, issues and concerns raised by shareholders, and the responses by the Company were made available on the Company’s website at www.mycronsteel.com within 30 business days after the conclusion of the 21st AGM, so as to provide useful information to shareholders and investors especially for the absentee shareholders in regard of the AGM.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considers that the Statement on Corporate Governance Overview provides the information necessary to enable shareholders to evaluate how the MCGG has been applied. The Board has considered and is satisfied that the Company has fulfilled its obligation under the MCGG, the MMLR of Bursa Securities and all applicable laws and regulations throughout the financial year ended 30 June 2025.

Corporate Governance Overview Statement

OTHER BURSA SECURITIES COMPLIANCE INFORMATION

The Board has deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considers that the Statement on Corporate Governance Overview provides the information necessary to enable shareholders to evaluate how the MCCG has been applied. The Board has considered and is satisfied that the Company has fulfilled its obligation under the MCCG, the MMLR of Bursa Securities and all applicable laws and regulations throughout the financial year ended 30 June 2025.

1. MATERIAL CONTRACTS

Other than those disclosed in the financial statements, there were no material contracts including contracts for any loans entered into by the Company and/or its subsidiaries involving the interests of the Directors or Chief Executive who is not a Director and major shareholder.

2. MATERIAL CONTRACTS RELATED TO LOAN

There were no material contracts related to loans entered into by the Company and/or its subsidiaries involving the Company's Directors and/or major shareholders' interests during the financial year under review.

3. AUDIT AND NON-AUDIT SERVICES

During the financial year, the audit fees and non-audit fees paid/payable to the Company's external auditors by the Company and by the Group incurred for services rendered are as follows:-

Type of Fees	Company (RM)	Group (RM)
Audit Fees	122,000.00	358,000.00
Non-Audit Fees	12,000.00	18,000.00

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") ENTERED INTO DURING THE FINANCIAL YEAR ENDED 30 JUNE 2025

On 3 December 2024, the Company sought approval for a shareholders' mandate for Mycron Group to enter into RRPTs (as defined in the Circular to Shareholders dated 30 October 2024) in their ordinary course of business with related parties ("Shareholders' Mandate") as defined in Chapter 10 of the MMLR.



Corporate Governance Overview Statement

The aggregate value of transactions conducted during the financial year ended 30 June 2025 in accordance with the Shareholders' Mandate obtained at the last AGM were as follows :

A. RRPTs with Trace Management Services Sdn Bhd

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) RM
				Director	Major Shareholder	
1.	Trace Management Services Sdn Bhd ("Trace")	Provision of corporate secretarial services by the Related Party to Mycron Steel Berhad ("MSB") and its subsidiaries ("Mycron Group")	Interested Director Tunku Dato' Yaacob Khyra ("TY")	TY is deemed interested in Trace by virtue of his major interests in Melewar Group Berhad ("MGB"), who in turn is the holding company of Trace; MGB is the family owned investment holding company	Nil	182,150

B. RRPTs with Melewar Industrial Group Berhad ("MIG") and its subsidiaries, collectively ("MIG Group")

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) RM
				Director	Major Shareholder	
1.	MIG	Provision of treasury services by the Related Party to Mycron Steel CRC Sdn Bhd ("MSCRC")	Interested Director TY Interested Major Shareholders Melewar Equities (BVI) Ltd ("MEBVI"), Melewar Khyra Sdn Bhd ("MKSB") and Khyra Legacy Berhad ("KLB")	TY is deemed interested in MIG and MSCRC 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.	MSCRC is a wholly owned subsidiary of Mycron. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	Nil
2.	MIG	Management fees for the provision of management services/advice charged by the Related Party to MSCRC	Interested Director TY Interested Major Shareholders MIG, MEBVI, MKSB and KLB)	TY is deemed interested in MIG and MSCRC 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.	MSCRC is a wholly owned subsidiary of Mycron. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	1,260,000

Corporate Governance Overview Statement

B. RRPTs with Melewar Industrial Group Berhad (“MIG”) and its subsidiaries, collectively (“MIG Group”) (continued)

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) RM
				Director	Major Shareholder	
3.	MIG	Rental charged by the Related Party to MST for the use of the factory belonging to MIG. (Lot 10 and Lot 49)	Interested Director TY Interested Major Shareholders MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG and MST 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.	MST is a wholly owned subsidiary of Mycron. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	5,040,000
4.	MIG	Provision of management fees charged by the Related Party to MST	Interested Director TY Interested Major Shareholders MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG and MST 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.	MST is a wholly owned subsidiary of Mycron. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	1,260,000
5.	Ausgard Quick Assembly Systems Sdn Bhd (“AQAS”)	Sale of pipes by MST to the Related Party	Interested Director TY Interested Major Shareholders MIG, MEBVI, MKSB and KLB	TY is deemed interested in AQAS and MST 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	MST is a wholly owned subsidiary of Mycron. AQAS is a wholly owned subsidiary of MIG. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron	Nil



Corporate Governance Overview Statement

B. RRPTs with Melewar Industrial Group Berhad (“MIG”) and its subsidiaries, collectively (“MIG Group”) (continued)

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) RM
				Director	Major Shareholder	
6.	Melewar Metal Trading Sdn Bhd (formerly known as Melewar Steel Mills Sdn Bhd) (“MMT”)	Scrap handling commission fee charged by the Related Party to MSCRC	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>MIG, MEBVI, MKSB and KLB</p>	<p>TY is deemed interested in MMT and MSCRC 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.</p>	<p>MMT is a wholly owned subsidiary of MIG.</p> <p>MSCRC 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>	1,234,902
7.	MMT	Scrap handling commission fee charged by the Related Party to MST	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>MIG, MEBVI, MKSB and KLB</p>	<p>TY is deemed interested in MMT and MST 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.</p>	<p>MMT is a wholly owned subsidiary of MIG.</p> <p>MST 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>	202,244
8.	Jack Nathan Limited (“JNL”)	Purchase of steel pipes and tubes by the Related Party from MST	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>MIG, MEBVI, MKSB and KLB</p>	<p>TY is deemed interested in MST and JNL 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.</p>	<p>MST is a wholly owned subsidiary of Mycron.</p> <p>JNL is a wholly owned subsidiary of Melewar Imperial Limited, which in turn is a wholly owned subsidiary of MIG.</p> <p>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.</p>	Nil

Corporate Governance Overview Statement

B. RRPTs with Melewar Industrial Group Berhad (“MIG”) and its subsidiaries, collectively (“MIG Group”) (continued)

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) RM
				Director	Major Shareholder	
9.	MIG	Chargeback for services rendered by the Related Party to MST	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>MIG, MEBVI, MKSB and KLB</p>	<p>TY is deemed interested in MIG and MST 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.</p>	<p>MST 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>	395,412
10.	MIG	Chargeback for services rendered by the Related Party to MSCRC	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>MIG, MEBVI, MKSB and KLB</p>	<p>TY is deemed interested in MSCRC and MIG 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.</p>	<p>MSCRC 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>	Nil

C. Financial assistance between Mycron Group and classes of related parties

Type of Financial Assistant	Related Party	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) RM
			Director	Major Shareholder	
Provision of financial assistance to MIG Group by the pooling of funds via a centralized treasury management function within Mycron Group on a short or medium term basis i.e. for a duration not exceeding three (3) years	MIG Group	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>MIG, MEBVI, MKSB and KLB</p>	<p>TY is deemed interested in MIG 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.</p>	<p>MIG is the Major Shareholder of Mycron by virtue of its 74.13 % shareholding in Mycron.</p>	Nil



Corporate Governance Overview Statement

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required to prepare financial statements which give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of the financial performance and cash flows of the Group and of the Company for the financial year ended 30 June 2025, in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“the Board”) of Mycron Steel Berhad (“MSB” or “the Company”) is pleased to present the Statement on Risk Management and Internal Control (“Statement”) which outlines the nature and scope of risk management and internal control system of the Company and its subsidiaries (“the Group”) for the financial year ended 30 June 2025. This Statement has been prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Malaysian Code on Corporate Governance (“MCCG”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board recognises the importance of sound risk management and internal control system to ensure the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, regulations, policies, procedures and contracts. Hence, the Board with the assurance from the Executive Directors and the Management affirms its overall responsibility for the Group’s risk management and internal control system. The oversight of these critical areas is carried out by the Audit and Governance Committee (“AGC”) and the Risk and Sustainability Committee (“RSC”) which are empowered by their respective terms of reference to provide oversight and perform regular reviews on the risk management and internal control systems to meet the Group’s objectives and for continuous improvement thereof.

The Board acknowledges the limitations that are inherent in any risk management and internal control system. As such the systems designed are meant to manage and minimise the extent and severity of the risks, rather than completely eliminate the risks of failure of achieving the Group’s objectives and strategies. Consequently, the Board recognises that a sound internal control system provides reasonable but not absolute assurance that the Group will not be hindered in achieving its business objectives in the ordinary course of business.

The risk management and internal control system is subject to the Board’s regular review via the independent Internal Audit function with a view towards appraising and ascertaining the relevancy, adequacy and effectiveness of the controls in place in key operational and business areas as identified in the annual Audit Plan.

The Management is responsible for implementing the Group’s policies and procedures on risk management, identify and assess the various risks faced by the Group and ensure appropriate controls are in place to mitigate, control and monitor these risks.

RISK AND SUSTAINABILITY COMMITTEE

The RSC was established by the Board on 31 March 2004. The members of the RSC as at the date of this Annual Report are as follows:

Chairman : Datin Seri Raihanah Begum binti Abdul Rahman
Members : Kwo Shih Kang
 Dato’ Mohd Zahir bin Zahur Hussain
 Dato’ Dr. Kili Ghandhi Raj A/L K R Somasundram
 (Appointed 26 February 2025)



Statement on Risk Management and Internal Control

During the financial year ended 30 June 2025, four (4) RSC meetings were held. The details of attendance of each Committee member are as follows:

Name of Committee Members	Total Meetings attended
Datin Seri Raihanah Begum binti Abdul Rahman (Chairman, Independent Non-Executive Director)	4/4
Kwo Shih Kang (Senior Independent Non-Executive Director)	4/4
Dato' Mohd Zahir bin Zahur Hussain (Independent Non-Executive Director)	3/4
* Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Independent Non-Executive Director) (Appointed 26 February 2025)	1/1

* Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram's attendance is calculated from the date of his appointment on 26 February 2025.

RISK MANAGEMENT AND RISK GOVERNANCE STRUCTURE

The Company has established a corporate governance structure with clear lines of defence to ensure all business risks are prudently identified, assessed and managed to meet its business strategies and objectives within a reasonable control environment.

The main components of the Group's risk governance and structure consist of the Board, the AGC and the RSC. The adequacy and effectiveness of risk management and internal controls are reviewed by the AGC and RSC through internal audits conducted. During the financial year, the internal audits were outsourced to external service provider, Messrs. Crowe Governance Sdn Bhd ("Crowe") ("the Internal Audit Consultants"). Internal control issues as well as actions taken by Management to address these issues are tabled by the outsourced service providers for deliberation during the AGC meetings.

The Group has also in place Standard Operating Policies ("SOP") and Internal Control Procedures ("ICP") for its main business highlighting the control objectives, policies, procedures, authority and responsibility. The Group Chief Executive Officer ("GCEO"), Senior Management, Division Heads and Departmental Heads are responsible for identifying, assessing and managing the risks of their respective business units, operational units and departments. The specific business risks identified encompass risks on finance, operations, regulatory compliance and cyber security, including respective internal controls in place to manage the risks. It assures the Board that the Group's risks are effectively managed based on the Risk Management Framework adopted by the Group and that the Internal Controls Systems are operating adequately and effectively, in all material aspects. Monthly Management and operational meetings are held to deliberate key risks and the appropriate mitigating controls. This ongoing process is undertaken by all active subsidiaries of the Group.

On a quarterly basis, Management reports to the AGC and RSC on all risk areas faced by the Group and findings identified from the internal audit reviews conducted by the Internal Audit Consultants as well as the actions taken by the Management to address those high risks areas and audit findings. Minutes of the meetings of the AGC and RSC which recorded these deliberations were presented to the Board.

In compliance with the Guidelines for Directors of Listed Issuers which was issued by the Bursa Securities, the Board shall re-evaluate on a regular basis the Group's existing risk management process to ensure it is appropriate for the Group's requirements.

Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK

Key Senior Management and Heads of Department are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. They are also delegated with the responsibilities to manage risks within their respective areas of responsibilities, as the process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective business and operational functions of the Group.

In the management meetings, key risks and mitigating controls are deliberated. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group's business objectives, to which risk control actions are designed and implemented based on the sequence of priority. Significant risks affecting the Group's strategic and business plans are escalated to the RSC/AGC at their scheduled meetings.

The Board confirms that there is an on-going process used to identify risks, evaluate and managing the significant risks faced by the Group.

The Group has also put in place related policy, sustainability targets, implementation strategies and performance target/indicators for each of the Common Sustainability Matter to drive continuous improvement.

The GCEO has been designated to manage sustainability strategically including the integration of sustainability considerations in the operations of the Group as well as reporting.

The details of the Group's sustainability strategies, priorities and performance against targets are set out separately in the Sustainability Report of this Annual Report.

The primary risks that the Group is currently facing in its business operations are, among others, listed below:

Principal Risks	Description	Mitigation Measures
Business Risks	The Group recognises business risks with regards to economic volatility, political instability, foreign policy uncertainty, government policies that could affect market trends and prices and cost of materials among other things that may adversely affect profits.	<ul style="list-style-type: none"> (i) Continuous efforts to maintain close rapport with customers and offer competitive pricing without jeopardising the Group's bottom line. (ii) Take proactive action to maintain good relationships with local and global customers. To work closely with customers to take advantage of developing trends within existing markets and explore growth opportunities in new markets. (iii) Strive to build long-term sustainable relationships with the customers. (iv) Actively exploring export markets to diversify our market presence and reduce reliance on single domestic market.
Market competition risk	Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customers' growth, revenue and profitability.	<ul style="list-style-type: none"> (i) To mitigate this risk, the Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. (ii) The Group is also working on expanding its customer base, including a focus on the export market, while actively monitoring market trends to stay ahead of competitors.



Statement on Risk Management and Internal Control

Principal Risks	Description	Mitigation Measures
Material Supply risk	The risk to material supply arises from the unforeseen shortage or lack of raw materials which may cause disruption to the production and delivery schedule.	<ul style="list-style-type: none"> (i) To prevent this, the Group recognises the importance of establishing good relationships with existing suppliers, sourcing for new suppliers. (ii) Managing its inventory stringently.
Financial Risks	Exposure to fluctuation of foreign currency exchange rates, commodity price and credit risks.	<ul style="list-style-type: none"> (i) The Group diligently monitors the volatility/movement of the foreign exchange rate and adopts the approved hedging as the need arises. (ii) Consider including a tolerance limit on currency fluctuation when quoting or pricing to customers. (iii) Forward production planning to enable forecast purchases to be made in advance when prices and exchange rates are favourable. (iv) Keep abreast of world market developments that influence the forex market. (v) Adoption of hedging strategies which manages currency exposure and interest rates.
Operational Risk	<p>Operational risk encompasses potential disruptions to manufacturing operations stemming from factors such as equipment breakdowns, supply chain interruptions, natural disasters, regulatory issues, labour disputes, quality control problems, energy supply disruptions, and safety, environment & health incidents.</p> <p>These risks can result in production stoppages, delays, compromised quality, and financial losses.</p>	<ul style="list-style-type: none"> (i) Regular preventive maintenance and timely upgrades of equipment and machines to prevent breakdowns. (ii) Diversifying suppliers and maintaining optimal inventory levels. (iii) Developing emergency plans and conducting training drills. (iv) Monitoring regulatory changes. (v) Fostering open communication and implementing engagement programs with all relevant parties. (vi) Conducting rigorous inspections and audits, and adhering to quality standards. (vii) Installing backup systems and adopting energy-efficient practices. (viii) Install rooftop solar PV systems on the premises and the rooftop of the carpark for renewable energy. (ix) To take proactive action to upgrade the efficiency of machines and equipment for reduction in production cost. (x) Maintaining critical spare parts inventory. (xi) To increase the productivity via automation in order to enhance efficiency, consistency, cost savings and competitiveness by streamlining processes and reducing manual labor. (xii) To review and ensure better management and planning of all critical processes in the operations.

Statement on Risk Management and Internal Control

The Risk Coordinator coordinates with the risk owners to identify and document major risks, assess the potential impact and likelihood of occurrence and mitigating controls including sustainability issues through the adoption of risk management framework. Under the risk management framework, the Group aims:

- (a) To provide guidance to the Group and facilitate a structured approach in identifying, evaluating and managing significant risks covering both operational and environmental, social and governance (“ESG”) issues.
- (b) To manage and monitor the Group’s day-to-day operational risks which includes those relating to supply chain, production, marketing, safety & health and compliance with laws and regulations and various certifications and quality accreditations at the business unit level and guided by standard operating procedures.
- (c) To manage and monitor the Group’s exposure to various financial risks relating to credit, liquidity, interest rates and foreign currency exchange rates. The Group’s risk management objectives and policies, coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in Note 4 to the Financial Statements of this Annual Report.

The framework is reviewed and revised as and when necessary to ensure it remains relevant and adequate to manage the MSB Group’s risks, which continue to evolve along with the changing business environment.

The following are initiatives undertaken by the RSC during the year:

- Risk review and update by the respective Heads of Departments, where key risks identified were rated in terms of likelihood of the risk occurring and its impact should the risk occur;
- Reviewed the Risk Profile of the Group and action plans to be undertaken to manage the principal risks of the Group including the ESG issues;
- Monitored the action plans derived by the “Risk Owners” to address principal risks of the Group;
- Discussed and identified other key areas of improvement to be implemented for better optimisation of the facilities, equipment and machinery used by the Group; and
- Reviewed the Statement on Risk Management and Internal Control which provides an overview of the state of internal controls and risk management within the Group which would be reviewed by the External Auditors prior to the Board’s approval for inclusion in the Annual Report.

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group has been adequately addressed by Management. For the financial year under review, no major weaknesses in the system of internal controls were identified, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group’s Annual Report. Those areas of non-compliance with the procedures and policies and those which require improvements as highlighted by the internal and external auditors during the period have been, or are being addressed.



Statement on Risk Management and Internal Control

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

The key features of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system during the financial year ended 30 June 2025 are summarised as follows:

(a) Organisation Structure and Authorisation Procedures

The Board has set an organizational structure to govern and manage the decision process in the MSB Group. The Authority Limits are set out to govern the approvals and authorisation by the Board and the different levels of Management to ensure accountability, segregation of duties and control over the Group's financial commitments.

The Authority Limits and authorisation levels are built into the internal control systems to ensure proper checks and authorisation of transactions at each control area throughout the process chain.

The operating structure of the MSB Group is aligned to business requirements. It has defined lines of responsibilities to ensure that component tasks are handled by different employees. With segregation of duties, employees' accountability can be enhanced and the risk of error and fraud can be minimised.

(b) Internal Control Procedures

To ensure the uniformity and consistency of practices and controls within the Group, ICPs have been formalised and documented which were endorsed by both the Management and the Board which cover:

- Internal Control Procedure
- Petty Cash Procedure
- Staff Transport Allowances
- Organisation's Motor Vehicles
- Staff Expense Reimbursement
- Outstation and Overseas Travel
- Employee Advance Control Procedure
- Capital Asset Acquisition Procedure
- Capital Asset Disposal Procedure
- Investment Procedure
- Credit Control Procedure
- Raw Material Purchase Procedure
- Sub-raw Materials, Tooling, Hardware, Consumable, Equipment, Fuel, Lubricants, General Procurement and Miscellaneous Items Purchase Procedure
- Sales Procedure
- Internal Security Procedure
- Intercompany Transactions/Loans/Advances Procedure
- FX Risk Management
- Manual Journal Transaction Procedure
- Miscellaneous Payments Procedures

The ICPs are subject to review on a need basis along with the internal audit review of the selected area of operations.

Statement on Risk Management and Internal Control

(c) External Bodies Certification

The operating subsidiaries, Melewar Steel Tube Sdn Bhd (“MST”) and Mycron Steel CRC Sdn Bhd (“MSCRC”) are responsible for maintaining quality standards throughout the production process, in which the results are demonstrated through the achievement of the following key accreditations/certification:

MST	<ul style="list-style-type: none"> • ISO 14001:2015 - Environmental Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • ISO 14024, Type 1 under MyHIJAU Mark • Target to obtain ISO 45001:2018 (Occupational Health Safety) certification in December 2025.
MSCRC	<ul style="list-style-type: none"> • ISO 14001:2015 - Environmental Management Systems • ISO 50001:2018 - Energy Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • ISO 14024, Type 1 under MyHIJAU Mark • Target to obtain ISO 45001:2018 (Occupational Health Safety) certification in December 2025.

(d) Human Resources

Comprehensive guidelines on the human resource management are in place to ensure the Group’s ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience, in order to carry out their duties and responsibilities assigned effectively and efficiently. Performance evaluations are carried out annually for all levels of staff to identify performance gaps and training needs of employees on an annual basis so that relevant trainings are provided to such employees to upgrade their knowledge and skill sets.

(e) Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, to assist the AGC and the Board in conducting independent assessment and systematic reviews on the Group’s internal control system and governance practices, so as to provide reasonable assurance on the adequacy, efficiency and effectiveness of the Group’s system of internal control.

Scheduled internal audits were carried out and the internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management actions were reported to the AGC. These findings were deliberated together with Management at the AGC meetings. The AGC assessed the overall adequacy and effectiveness of the system of internal controls of the Group and reports to the Board, in particular, the matters relating to significant risks and the necessary recommendations for changes.

The AGC would review and approve the Group’s Internal Audit Plan proposed by the Internal Audit Consultants, entailing the audit scope, coverage and frequency based on a risk-based approach presented by the Internal Audit Consultants for each financial year. Also, to ensure the objectivity and independence of the audit team, the AGC reviews the engagement proposed by the Internal Audit Consultants annually.

(f) Managers Meeting (“MANCO”)

The Managers of each business division meets on a monthly basis to review, deliberate and resolve various operational issues, financial and key management issues based on the prevailing economic conditions and their potential impact and risks on the Group’s business activities and to take the necessary measures on a timely basis, where possible and appropriate.



Statement on Risk Management and Internal Control

(g) Risk Management process

As part of the Risk Management process, the Company adopted the implementation of a Risk Register with which the principal business risk is identified and regularly updated to reflect on-going changes in the risk profile.

These on-going monitoring and reviews of the risk register are undertaken on a quarterly basis by the Management to assess the continued applicability and relevance of the risks already identified and to re-rate these risks where necessary; as well as to identify emerging risks or new risk factors, if any, faced by the Group as a whole based on a consistent risk likelihood and impact criteria applied across the Group.

The other key elements of the Group's Internal Controls are as follows:

- (i) The Group has set in place a Whistleblowing Policy which outlines the Group's commitment towards enabling employees and stakeholders to raise concerns in a responsible and confidential manner in regards to any wrongdoings without being subject to victimisation or discriminate treatment.
- (ii) The Group has established an Anti-Fraud/Corruption Policy to provide guidance to all Directors, employees including external parties who have business dealings with the Group on matters involving bribery and corruption practices.
- (iii) The Executive Directors are closely involved in the running of business and operations of the Group and they report to the Board on significant changes in the business and external environment which affect the operations of the Group, if any.
- (iv) The Code of Conduct endorsed by the Board is communicated to all employees in the Group as an integral part of MSB's governance regime that sets out the ethical principles and expected standard of conducts in conducting business and the compliance with applicable laws and regulations for all of its Directors and employees within the Group.
- (v) Training and development programs were established to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.
- (vi) Management monitors changes in the regional and global economic conditions, such as trade tensions and other global headwinds that could result in uncertainties and volatilities in the economic environment, which may have an adverse effect on the demand or components, and hence on the Group's financial performance and operations. The Group manages these economic risks through keeping itself abreast with the economic and market development, maintaining good relationship with customers and closely following latest news on customers' products performance and business.

(h) Succession Planning

Succession planning for key management staff of the Group is in place and is reviewed periodically. This is to ensure that business operations and performance will not be adversely affected by the departure of any key personnel.

(i) Personal Data Protection

The Group recognises the importance of protecting the rights and privacy of individuals and is committed to protecting the same. In this respect, the Board has in place a Personal Data Protection Policy for the Group.

Statement on Risk Management and Internal Control

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (“AAPG”) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

For the financial year under review and up to the date of issuance of this Statement, the Management continues to monitor all major risks affecting the Group and the necessary measures to mitigate or minimise them as well as continue to enhance the adequacy and effectiveness of the risk management and internal control system of the Group mainly focusing on strategic, financial, operational and compliance aspect.

In line with the Guidelines, the Group Chief Executive Officer (“GCEO”), Group Chief Financial Officer (“GCFO”), Chief Operating Officer (“COO”) and Chief Operations Officer (“COOn”) have given assurance to the Board that the Group’s risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management adopted by the Group and the declarations made by the respective Heads of each Division. To the best of their knowledge, nothing has come to the attention of the GCEO, GCFO, COO, COOn and the Management which may render the financial results presented and the information provided to be misleading in any material respect.

The Board is of the view that the risk management and internal control system of the Group are adequate and effective to safeguard the shareholders’ investments, Group’s assets and the interests of other stakeholders. There were no adverse compliance events or material control failures that could cause material losses to the Group. Nevertheless, taking into account the rapid changing environment and circumstances, the Board continues to evaluate and take precautionary measures and steps to further strengthen the control environment.



Audit and Governance Committee Report

The Board of Directors (“Board”) of Mycron Steel Berhad (“MSB” or “the Company”) is pleased to present the Audit and Governance Committee Report including a summary of the activities of the Audit and Governance Committee (“AGC”) which provides insights into the manner in which the AGC discharged its function for the Group for the financial year ended 30 June 2025 in the areas of corporate governance, internal controls and financial reporting.

The duties and responsibilities of the AGC, as a Committee of the Board is to assist the Board in:

- (i) fulfilling its oversight responsibilities for the financial reporting process, system of internal control of the Company and its subsidiaries (“the Group”) and audit process;
- (ii) ensuring the adequacy of controls in the processes and procedures undertaken in accordance with applicable laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- (iii) overseeing the implementation and monitoring of the Whistleblower Policy and Procedures for the Group and ensuring effective administration thereof; and
- (iv) reviewing conflict of interest situations and related party transactions, ensuring transparency and adherence to ethical standards.

TERMS OF REFERENCE

The Terms of Reference (“TOR”) of the AGC are aligned with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and recommendations of the Malaysian Code on Corporate Governance (“MCCG”). The TOR of the AGC is available on the Company’s website at www.mycronsteel.com pursuant to Paragraph 15.11 of the MMLR of Bursa Securities.

COMPOSITION

As at the date of this Annual Report, the Company’s AGC comprises four (4) members, all of whom are Independent Non-Executive Directors.

All of the Independent Non-Executive Directors satisfied the test of independence under the MMLR of Bursa Securities. The AGC meets the requirements of Paragraph 15.09(1)(a) and (b) of the MMLR as well as Step Up Practice 9.4 of the MCCG. No Alternate Director is appointed as a member of the AGC.

The current composition of the AGC and their respective designations are as follows:

Designation	Name	Directorship
Chairman	Kwo Shih Kang	Senior Independent Non-Executive Director
Members	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 (Appointed 26 February 2025)	Independent Non-Executive Director

The AGC Chairman, Mr Kwo Shih Kang, is a graduate from CASS Business School, London with a Master of Business Administration, majoring in Finance. He is also a Fellow of the Society of Actuaries, USA. Mr Kwo Shih Kang is also a Registered Financial Planner. Thus, the Company has complied with Paragraph 15.09(1)(c) of the MMLR of Bursa Securities.

The Chairman of the AGC is not the Chairman of the Board which is in line with Practice 9.1 of the MCCG.

Audit and Governance Committee Report

FORMER KEY AUDIT PARTNER

None of the AGC members was a former key audit partner of the Company. In line with the MCCG, the Board has adopted the TOR of the AGC stating that no former partner of the Company's external audit firm shall be appointed as a member of the AGC unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the AGC.

FINANCIAL LITERACY OF THE AGC MEMBERS

The AGC members possess the necessary experience and expertise in finance and accounting, and have fulfilled their responsibilities in alignment with the TOR outlined for the AGC. The qualifications and experience of each individual AGC member are detailed in the Directors' Profiles set out on pages 26 to 29 in this Annual Report.

During the financial year 2025, all members of the AGC had undertaken the relevant training programmes to keep themselves abreast of the latest development in statutory laws, regulations and best practices to enable them to effectively discharge their duties. The list of trainings attended is disclosed in the Corporate Governance Overview Statement in this Annual Report.

MEETINGS AND ATTENDANCE

The AGC shall meet at least four (4) times annually or more frequently as circumstances dictate. The Group Chief Executive Officer ("GCEO") was invited to all AGC meetings to provide further clarifications on the operations of the Group, the risk management and internal control systems. The Group Chief Financial Officer ("GCFO") attended all meetings of the AGC to present all financial results and to clarify any issues relating to financial reporting. Other Board members, employees, representatives of the External Auditors and Internal Audit Consultants attended meetings upon the invitation of the AGC.

The Company Secretary shall be the secretary to the AGC. All deliberations during the AGC meetings, including the issues tabled and decisions based on justified substantiated rationale were properly recorded. Minutes of the AGC meetings were tabled for confirmation at the following AGC meeting and subsequently presented to the Board for notation. The AGC Chairman also conveys to the Board key matters deliberated at the AGC meetings and matters of significant concerns as and when raised by the External Auditors or Internal Audit Consultants and those matters which require the decision and/or approval of the Board.

During the financial year ended 30 June 2025, there were five (5) AGC Meetings held and the number of meetings attended by each AGC member were as follows:

Members	No. of Meetings Attended	%
Kwo Shih Kang	5/5	100
Datin Seri Raihanah Begum binti Abdul Rahman	5/5	100
Dato' Mohd Zahir bin Zahur Hussain	4/5	80
*Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Appointed 26 February 2025)	1/1	-

* Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram's attendance is calculated from the date of his appointment on 26 February 2025.

The AGC meetings of the Company were convened with proper notices and agenda and these were distributed to all members of the AGC about five (5) days before the meetings. At the meeting, matters to be addressed by Management are issued by the Company Secretary on the decisions made and action required. These are then circulated to Management for their onward action.

The AGC conducted its meetings in an open and constructive manner and encouraged focused discussions, questions and expressions of differing opinions.



Audit and Governance Committee Report

The External Auditors were also invited to present to the AGC the audit plan, the audit findings, the independent auditors' report as well as any other matters which they considered were important for the AGC's attention. During the financial year under review, the AGC had conducted two (2) private meetings with the External Auditors, to give opportunity to the External Auditors to raise any matters without the presence of the Executive Board members and the Management.

Other Senior Management staff may be invited to attend certain AGC meetings if so required, requested or invited by the Chairman of the Committee to seek clarification on audit issues and facilitate direct communication as well as to solicit information in relation to the operations of the Company. Conversely, the External Auditors and Internal Audit Consultants may also respectively request a meeting with the AGC if they consider it necessary.

The Board, through the Nomination and Remuneration Committee ("NRC"), reviews the term of office and performance of the AGC and each of its members annually to determine whether the AGC and its members have carried out their duties in accordance with its TOR.

The NRC had on 26 August 2025 assessed the performance of the AGC and its members through an annual board committee effectiveness evaluation. The NRC is satisfied that the AGC and its members have discharged their functions, duties and responsibilities in accordance with the AGC's TOR and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

The Board was satisfied with the performance of the AGC and its members based on the assessment carried out.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2025

During the year under review, the AGC carried out the following activities in the discharge of its duties and functions:

Financial Reporting	<p>(i) Reviewed the draft quarterly unaudited financial results of the Company and the Group which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and Appendix 9B of the Listing Requirement and made the necessary recommendations to the Board for approval for announcement to Bursa Malaysia Securities Berhad.</p> <p>In reviewing the interim financial report, the GCFO provided explanations on the analysis of the quarterly results and major variances. The AGC was also briefed on the Group's business operations, factors affecting the Group's performance and market outlook, including the financial position of the Group in terms of its cash flows for the quarters concerned.</p> <p>In its review of the quarterly results, the AGC also took note of the changes of accounting standards and impacts on the financial performance or position of the Group with adoption of the new accounting standards.</p> <p>(ii) Sought clarification from Management especially from the GCFO of the Group on the following information for better understanding of the overall state of the financial position of the Company:</p> <ul style="list-style-type: none"> • Performance of the key divisions of the Company including the variance and contributing factors to the performance; • Foreign exchange exposure; • Cash flow position of the Group with specific details on the compliance to the financial covenants with the various financial institutions who had granted facilities to the Group; and • Position of the gearing ratio of the Company.
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Audit and Governance Committee Report

External Audit	<p>(i) On 27 May 2025, the AGC reviewed the Audit Plan before the commencement of audit. The External Auditors' engagement partner was invited to present to the AGC in relation to the audited financial statements ("AFS") for the financial year ended 30 June 2025. The following matters were highlighted and discussed as follows: -</p> <ul style="list-style-type: none"> (a) audit highlights – potential key audit matter; (b) materiality level for the financial statements as a whole and misstatements reporting threshold; (c) audit scope; (d) audit methodology and timing of audit; (e) significant risks; (f) issuance of auditors' report; (g) responsibilities of external auditors and directors in relation to the AFS; and (h) auditor's independence in relation to the performance of audit in accordance with MIA By-laws; <p>(ii) KPMG had also briefed the AGC on KPMG's Transparency Report 2024.</p> <p>(iii) KPMG had also reported its audit findings to the AGC on the outcome of their audit in relation to the financial positions of the Company and the Group. At the AGC Meetings held on 27 May 2025 and 26 August 2025, the AGC had considered and discussed the areas of audit focus as reported by external auditors as follows:</p> <ul style="list-style-type: none"> (a) Revenue Recognition (b) Valuation of land and buildings, plant, machinery and electrical installation <p>Other risks</p> <ul style="list-style-type: none"> (c) Net realisable value ("NRV") of inventories (d) Valuation of intangible assets (e) Management override of controls <p>Other audit matter</p> <ul style="list-style-type: none"> (f) Breach of loan covenants (g) Change in estimate – Buildings <p>(iv) Reviewed the assistance given by the Group's employees to the External Auditors</p> <p>(v) KPMG had also briefed the AGC on the National Sustainability Reporting Framework developed by the Advisory Committee on Sustainability Reporting launched on 24 September 2024 to address:</p> <ul style="list-style-type: none"> • the use of the IFRS Sustainability Disclosure Standards issued by the ISSB - IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information, and IFRS S2 Climate-related Disclosures as the baseline sustainability disclosure standards for companies in Malaysia; and • the assurance requirements for sustainability reporting. <p>(vi) Reviewed the accounting developments including the adoption of MFRSs and amendments to MFRSs that have been issued but yet to be effective.</p> <p>(vii) Reviewed the non-audit services rendered by the External Auditors to the Group for the financial year under review prior to engagement. The External Auditors also reported to the AGC their policies and measures taken to ensure independence and objectivity are maintained.</p> <p>(viii) Undertook annual assessment of the performance and independence of the External Auditors via an evaluation survey questionnaires based on competency, efficiency and transparency as demonstrated by the External Auditors during their audit. The Group's External Auditors also confirmed their independence and the AGC having been satisfied with the independence, stability and performance of the External Auditors made recommendations to the Board on the reappointment of External Auditors.</p> <p>(ix) Met with the External Auditors without the presence of Executive Directors and the management team of the Company to discuss the issues of concern to the External Auditors arising from the annual audit. There was no major issue raised during the meetings.</p> <p>(x) Reviewed the AFS of the Company and the Group prior to the submission to the Board for their consideration and approval (to ensure that the AFS were drawn up in accordance with the provisions of the Companies Act, 2016 and the applicable Financial Reporting Standards in Malaysia).</p>
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Audit and Governance Committee Report

Internal Control and Internal Audit	<ul style="list-style-type: none"> (a) The internal audit plan was reviewed and approved by the AGC and the internal audit reports were presented to the AGC on a quarterly basis. (b) Reviewed and evaluated the overall adequacy and effectiveness of the risk management and the Group's internal control system on a quarterly basis through review of results of work performed by the Internal Audit Consultants and discussions with Management. (c) Significant issues were discussed at length with the presence of relevant Management team members to ensure satisfactory and timely remediation actions have been committed by Management to address the identified risks. (d) Monitored the implementation of action plans agreed by Management on outstanding audit findings on a quarterly basis to ensure that all actions have been implemented in the related areas based on the committed timelines. (e) Reviewed and monitored the implementation status of the audit recommendations made by the auditors to ensure that key risks and controls have been addressed. This includes any improvement on the system of the internal controls and procedures. (f) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function. (g) Reviewed and debated on the recommendations made by the Internal Audit Consultants on the auditable areas where further improvements are required with subsequent recommendation to the Board on steps to improve the system of internal control derived from the findings of the Internal Audit Consultants.
Related Party Transactions	<p>The AGC reviewed the recurrent related party transactions ("RRPT") entered pursuant to the Shareholders' Mandate at every scheduled meeting to ensure that the transactions were not favorable to the related parties than those generally available to the public and not detrimental to the minority shareholders.</p> <p>For financial year 2025, the AGC was satisfied that the Company had complied with the financial and regulatory reporting where the related party transactions and RRPT were carried out in the ordinary course of business and undertaken at arm's length, on normal commercial terms of the Company which were not more favourable to the related parties than those generally available to the public and were not detrimental to the minority shareholders. This proactive oversight served to mitigate potential conflicts of interest and promote transparency and fairness in the Group's dealings with related parties.</p>
Conflict of Interest	<p>The AGC is always presented with the Register on Conflict of Interest ("COI") situations within the Group on a quarterly basis with updates, if any, for further discussion.</p> <p>Save as disclosed in the Board of Directors' Profiles section, none of the Directors and Key Senior Management ("KSM") has any COI or potential COI with the Company and its subsidiaries ("the Group"), nor do they have any interest in any competing business with the Group. The Directors and KSM undertake to inform the Company immediately if and when they become aware of any COI or potential COI situations and abstain from engaging in all deliberations and decisions where such conflict may arise. The AGC concluded that no further action was necessary on the disclosures.</p>
Corporate Governance	<ul style="list-style-type: none"> (i) Reviewed the following draft Circular to Shareholders and recommended the same to the Board for approval: <ul style="list-style-type: none"> (a) Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Provision of Financial Assistance. (ii) Reviewed the AGC Report, Corporate Governance Overview Statement, Corporate Governance Report, Board's responsibility on the annual audited financial statements and the state of internal control and other relevant documents for publication in the Company's Annual Report. (iii) Conducted a self-assessment exercise to evaluate the AGC's own effectiveness in discharging their duties and responsibilities for the period ended 30 June 2025 and submitted the evaluation to the Nomination and Remuneration Committee for assessment.

Audit and Governance Committee Report

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group outsources its Internal Audit function to an independent internal audit firm (“Internal Audit Consultants”), Messrs. Crowe Governance Sdn Bhd (“Crowe”). The Internal Audit Consultants were engaged to undertake independent and objective review of the effectiveness of the governance, risk management and internal control process of the Group. All documents were made available to the Internal Audit Consultants as part of the internal control assessment process.

The Internal Audit Consultants report directly to the AGC. The internal audit function provides timely and impartial advice to the AGC and the Management as to whether the internal audit functions reviewed are :-

- (i) in accordance with the Group’s policies and direction;
- (ii) in compliance with prescribed laws and regulations; and
- (iii) achieving the desired results effectively and efficiently.

The internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework (“IPPF”).

Internal audit findings and the recommended corrective actions, were discussed with the Senior Management and the relevant head of departments prior to presentation to the AGC at their scheduled meetings on a quarterly basis. In addition, follow up review was conducted to ensure that corrective actions were implemented in a timely manner.

Based on the internal audit reviews conducted, none of the weaknesses noted caused any material loss, contingencies or uncertainties that would require a separate disclosure in this annual report.

The Internal Audit Consultants had confirmed to the AGC on their independence and that they are free from any conflict of interest that may impair their objectivity.

The Company also has an Internal Audit Charter approved by the Board and the Chairman of the AGC, which defines the mission & objectives, roles & responsibilities, independence, authority, audit scope and methodology and audit reporting.

During the financial year under review, the following key audit areas were conducted based on the annual internal Audit Plan approved by the AGC:

Name of Entity Audited	Audited Areas	Reporting Date
Melewar Steel Tube Sdn Bhd (“MST”)	Repair & Preventive Maintenance	28 August 2024
Mycron Steel CRC Sdn Bhd (“MSCRC”)		
Mycron Steel Berhad Group	Conflict of Interest Management	25 February 2025
MST	Water Management	27 May 2025
MSCRC		

The internal audit reviews carried out did not reveal weaknesses that would have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

The costs incurred in respect of the internal audit reviews performed by the professional services firm was RM50,000.00 for the financial year ended 30 June 2025.



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Directors' Report

For the Financial Year Ended 30 June 2025

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Tunku Dato' Yaacob Khyra
 Roshan Mahendran bin Abdullah
 Azlan bin Abdullah
 Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
 Datin Seri Raihanah Begum binti Abdul Rahman
 Kwo Shih Kang
 Dato' Mohd Zahir bin Zahur Hussain
 Dato' Dr. Kili Ghandhi Raj a/l K. R. Somasundram (Appointed on 15 January 2025)

In accordance with Article 96(1) of the Company's Constitution, Tunku Dato' Yaacob Khyra and Dato' Mohd Zahir bin Zahur Hussain are to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Dato' Dr. Kili Ghandhi Raj a/l K. R. Somasundram who is retiring pursuant to Article 103 of the Company's Constitution is to be re-elected.

Pursuant to Section 253 of the Companies Act 2016, the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Tunku Dato' Yaacob Khyra
 Roshan Mahendran bin Abdullah
 Azlan bin Abdullah
 Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are that of mid-stream cold rolled coil manufacturing, steel tube manufacturing, and in the trading & export of steel products as disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net (loss)/profit for the financial year	(1,295,071)	324,170



Directors' Report

For the Financial Year Ended 30 June 2025 (Continued)

RESERVE AND PROVISIONS

All material transfers to or from reserve or provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures for the financial year ended 30 June 2025.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or any of its subsidiaries is a party that enable the Directors of the Company or any of its subsidiaries to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporate body.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those benefits shown under Directors' Remuneration section below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, none of the Directors who held office at the end of the financial year held any interest in shares in, or debentures of, the Company, and every other body corporate, being the Company's subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

	Number of ordinary shares			
	At 01.07.2024	Acquired	Disposed	At 30.06.2025
Melewar Industrial Group Berhad (Ultimate holding company)				
Tunku Dato' Yaacob Khyra				
- deemed indirect interest ⁽ⁱ⁾	168,572,764	-	-	168,572,764
Azlan bin Abdullah				
- direct interest	133,333	-	-	133,333

⁽ⁱ⁾ Deemed indirect interest by virtue of Tunku Dato' Yaacob Khyra ("TY") being a beneficiary of a trust known as Khyra Legacy Berhad ("KLB"), being the holding company of Melewar Equities (BVI) Ltd. ("MEBVI") and Melewar Khyra Sdn. Bhd. ("MKSB") who are the Major Shareholders of Melewar Industrial Group Berhad ("MIGB"), a Major Shareholder of Mycron Steel Berhad and his major interests in Melewar Group Berhad who holds 0.02% in the total issued share capital of Mycron Steel Berhad.

Directors' Report

For the Financial Year Ended 30 June 2025 (Continued)

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			At 30.06.2025
	At 01.07.2024	Acquired	Disposed	
Mycron Steel Berhad				
(the Company)				
Tunku Dato' Yaacob Khyra				
- deemed indirect interest ⁽ⁱⁱ⁾	242,523,025	-	-	242,523,025
Azlan bin Abdullah				
- direct interest	53,900	-	-	53,900

⁽ⁱⁱ⁾ Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB which are the Major/Substantial Shareholders of MIGB, a Major Shareholder of Mycron Steel Berhad and his major interests in Melewar Group Berhad who holds 0.02% in the total issued share capital of Mycron Steel Berhad.

By virtue of TY's deemed indirect interests in shares in the ultimate holding company, he is deemed to have an interest in the shares in all the subsidiaries to the extent the ultimate holding company has an interest.

None of the other Directors holding office at the end of the financial year had any interest in ordinary shares in the Company and its related companies during the financial year.

DIVIDENDS

No dividend has been paid, declared or proposed since the end of the Company's previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2025.

DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received/receivable by Directors of the Company from the Company and its subsidiaries are as follows:

	Received/ Receivable from the Company RM	Received/ Receivable from subsidiaries RM	Group RM
<u>Non-Executive Directors</u>			
- fees	367,849	-	367,849
- other emoluments	38,998	-	38,998
<u>Executive Directors</u>			
- salaries, bonuses and other emoluments	3,240,000	3,830,680	7,070,680
- defined contribution plan	486,000	574,602	1,060,602
- estimated monetary value of benefits-in-kind	17,491	45,289	62,780
	<u>4,150,338</u>	<u>4,450,571</u>	<u>8,600,909</u>



Directors' Report

For the Financial Year Ended 30 June 2025 (Continued)

INDEMNITY AND INSURANCE COSTS

The Directors and Officers of the Group and of the Company are covered by the Directors and Officers Liability Insurance (“D&O”) for any liability incurred in the discharge of their duties provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The sum insured was determined by the Company after taking into account the diversified nature of the Group’s businesses. The premium borne by the Group and the Company for the D&O coverage during the financial year was both approximately RM22,500 (2024: RM23,860).

There was no indemnity given to, or insurance effected for auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of loss allowance for impairment of receivables and satisfied themselves that all known bad debts had been written off and that adequate loss allowance for impairment of receivables had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

Directors' Report

For the Financial Year Ended 30 June 2025 (Continued)

OTHER STATUTORY INFORMATION (CONTINUED)

In the opinion of the Directors:

- (a) except as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Directors regard Melewar Industrial Group Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad as both the Company's immediate and ultimate holding company.

SUBSIDIARIES

Details of subsidiaries are set out in Note 15 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration for the financial year ended 30 June 2025 is as follows:

	Group RM	Company RM
KPMG PLT		
- Statutory audit	358,000	122,000
- Non-audit services	12,000	12,000
Local affiliates of KPMG PLT	6,000	-



Directors' Report

For the Financial Year Ended 30 June 2025 (Continued)

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

This report was approved by the Board of Directors on 28 October 2025. Signed on behalf of the Board of Directors:

TUNKU DATO' YAACOB KHYRA
EXECUTIVE CHAIRMAN

ROSHAN MAHENDRAN BIN ABDULLAH
GROUP CHIEF EXECUTIVE OFFICER/
EXECUTIVE DIRECTOR

Kuala Lumpur

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tunku Dato' Yaacob Khyra and Roshan Mahendran bin Abdullah, being two of the Directors of Mycron Steel Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 92 to 164 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and the financial performance of the Group and of the Company for the financial year ended on that date in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 October 2025.

TUNKU DATO' YAACOB KHYRA
EXECUTIVE CHAIRMAN

ROSHAN MAHENDRAN BIN ABDULLAH
GROUP CHIEF EXECUTIVE OFFICER/
EXECUTIVE DIRECTOR

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Choo Kah Yeap, being the Officer primarily responsible for the financial management of Mycron Steel Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 92 to 164 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960, in Malaysia.

CHOO KAH YEAP
CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the abovenamed, Choo Kah Yeap (MIA No.: 24018) before me, at Wilayah Persekutuan Kuala Lumpur on 28 October 2025.

COMMISSIONER FOR OATHS



Independent Auditors' Report

To the Members of Mycron Steel Berhad
(Registration No. 200301020399 (622819-D))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mycron Steel Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 164.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and their financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition	
Refer to Note 7 - Revenue	
Key audit matter	How our audit addressed the key audit matter
<p>The Group's revenue is derived from sale of steel products and processing service income. The Group generally recognises revenue when the controls of the goods are transferred and processing services are provided to the customers.</p> <p>We identified the recognition of revenue as key audit matter due to risk that revenue may be overstated arising from pressure faced by the Group in achieving performance targets as revenue recognition has a direct impact on the results of the Group.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> We tested the design and implementation as well as the operating effectiveness of the Group's controls relevant to recognition of revenue. We tested sales transactions recorded to the acknowledged delivery documents as indication of transfer of control on goods to ascertain validity of sales. We tested sales transactions either side of the statement of financial position date as well as credit notes issued after year end are recognised in the correct period. We circularised trade receivables' confirmation for selected debtors, on sample basis, and checked to relevant sales invoices and delivery documents when debtors are unresponsive. We inspected the manual journal entries raised during the financial year relating to revenue, which were outside the normal course of business and enquired the reasons for such entries and compared the details of the entries with supporting documentation. We identified the journal entries posted subsequent to financial year end, which relates to the reversal of revenue, enquired the reasons for such entries and compared the details of the entries with supporting documents including sales invoices and credit notes.

Independent Auditors' Report

To the Members of Mycron Steel Berhad
(Registration No. 200301020399 (622819-D))
(Incorporated in Malaysia) (Continued)

Key audit matter (continued)

Valuation on land and buildings, plant, machinery and electrical installation	
Refer to Note 13 – Property, plant and equipment & Note 14 – Right-of-use assets	
Key audit matter	How our audit addressed the key audit matter
<p>As at 30 June 2025, the carrying amount of the Group's property, plant and equipment of RM303.2 million; and right-of-use assets of RM41.0 million represented 48% of the Group's total assets. These comprise freehold land and buildings, plant, machinery and electrical installations classified under property, plant and equipment; and leasehold land under right-of-use assets carried at their fair values.</p> <p>In determining the fair value of the land and buildings, plant, machinery and electrical installations, the Group carries out a valuation performed by an independent professional valuer.</p> <p>There were indications that the carrying amounts of the Group's property, plant and equipment may be impaired due to challenging market conditions during the financial year and the Group's market capitalisation value is below the total carrying amount of its net assets.</p> <p>Freehold land and leasehold land are valued based on the adjusted market comparison method. For the buildings, plant, machinery and electrical installation, their revaluation is performed based on "Depreciated replacement cost method" and other non-financial assets are not subjected to revaluation.</p> <p>The use of value-in-use ("VIU") involved significant estimates of the future financial results of the business, in particular, the key assumptions on sales volume growth rates, gross profit margins and pre-tax discount rates used in the cash flows forecasts.</p> <p>We have identified the valuation on property, plant and equipment and right-of-use assets as a key audit matter because significant judgement is involved in determining the key assumptions which impacted the valuation of property, plant and equipment and right-of-use assets.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> • Obtained the valuation reports for the land and buildings, plant, machinery and electrical installation which were prepared by the independent professional valuer. We assessed the independence, competency and objectivity of the external valuer vis à vis the expert's background, reputation and experience in valuation of assets in the industry where the Group operates. • Discussed with the valuer to understand the methodologies, appropriateness of the adjustments made to the observable prices of the land and appropriateness of the deductions made to the current cost of replacement in determining the valuation of the buildings, plant, machinery and electrical installation adopted in determining the valuation price of the assets under valuation. • Assessed and challenged the significant and highly sensitive assumptions on sales volume growth rates, gross profit margins and pre-tax discount rates by comparing those assumptions with internally derived information and external market data. • Engaged KPMG corporate finance specialist to evaluate the discount rate used to determine the present value of the cash flow. • Considered the adequacy of the disclosures of the assumptions applied, which are particularly sensitive, uncertain or require significant judgement, in the assessment of valuation of property, plant and equipment and right-of-use assets.

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors' report.



Independent Auditors' Report

To the Members of Mycron Steel Berhad
(Registration No. 200301020399 (622819-D))
(Incorporated in Malaysia) (Continued)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report

To the Members of Mycron Steel Berhad
(Registration No. 200301020399 (622819-D))
(Incorporated in Malaysia) (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 28 October 2025

Vengadesh A/L Jogarajah
Approval Number: 03337/12/2025 J
Chartered Accountant



Statements of Comprehensive Income

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM (Restated)	2025 RM	2024 RM (Restated)
Revenue	6	721,882,950	801,811,804	7,960,346	6,366,712
Cost of sales		(678,982,957)	(742,378,366)	(6,411,537)	(4,998,526)
Gross profit		42,899,993	59,433,438	1,548,809	1,368,186
Other operating income		601,791	2,124,094	-	75,382
Net foreign exchange (loss)/gain		(1,918,661)	1,870,130	-	-
Selling and distribution expenses		(8,068,785)	(8,043,463)	-	-
Administrative expenses		(27,520,282)	(27,805,875)	(1,012,487)	(892,832)
(Impairment)/Reversal on property, plant and equipment	13	(690,903)	484,910	-	-
Operating profit		5,303,153	28,063,234	536,322	550,736
Loss on investment in quoted shares		(800,000)	(300,000)	-	-
Interest income	7	1,583,333	1,828,340	3,207	4,630
Profit before financing and income taxes		6,086,486	29,591,574	539,529	555,366
Interest on borrowings	7	(6,167,953)	(8,031,971)	-	(3,745)
Interest on lease liabilities	7	(661,903)	(836,644)	-	-
(Loss)/Profit before tax	8	(743,370)	20,722,959	539,529	551,621
Tax expense	11	(551,701)	(3,751,310)	(215,359)	(228,891)
Net (loss)/profit for the financial year		(1,295,071)	16,971,649	324,170	322,730
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
- Revaluation surplus on property, plant and equipment and right-of-use assets, net of tax	31	6,494,555	1,873,708	-	-
Total comprehensive income for the financial year		5,199,484	18,845,357	324,170	322,730
Net (loss)/profit for the financial year attributable to owners of the Company		(1,295,071)	16,971,649	324,170	322,730
Total comprehensive income for the financial year attributable to owners of the Company		5,199,484	18,845,357	324,170	322,730
(Loss)/Earnings per share attributable to owners of the Company					
- basic and diluted (sen)	12	(0.40)	5.19		

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
NON-CURRENT ASSETS					
Property, plant and equipment	13	303,192,384	303,255,008	243,128	296,513
Right-of-use assets	14	41,019,455	43,583,268	-	-
Investment in subsidiaries	15	-	-	221,973,850	221,973,850
Intangible assets	16	20,000,000	20,000,000	-	-
Deferred tax assets	17	809,670	-	-	-
		365,021,509	366,838,276	222,216,978	222,270,363
CURRENT ASSETS					
Inventories	18	199,331,241	265,895,478	-	-
Receivables, deposits and prepayments	19	86,944,002	109,169,542	51,908	33,431
Financial assets at fair value through profit or loss	20	1,800,000	2,600,000	1,800,000	2,600,000
Amounts due from ultimate holding company	27	1,685,000	2,033,557	-	-
Amounts due from subsidiaries	21	-	-	960,930	455,042
Amounts due from related companies	22	-	1,908	-	-
Derivative financial assets	23	473,723	124,763	-	-
Cash and cash equivalents	24	56,173,663	69,290,871	1,012,499	951,694
Current tax recoverable		3,095,832	1,994,213	122,888	39,739
		349,503,461	451,110,332	3,948,225	4,079,906
LESS: CURRENT LIABILITIES					
Payables and accrued liabilities	25	55,173,440	106,182,294	403,044	401,375
Contract liabilities	26	66,775	338,805	-	-
Amount due to ultimate holding company	27	6,561	3,466	-	-
Amounts due to subsidiaries	21	-	-	5,377,273	5,890,167
Amounts due to a related company	22	212,123	781,396	-	-
Derivative financial liabilities	23	566,693	32,629	-	-
Borrowings	28	77,992,518	126,100,249	-	-
Lease liabilities	14	4,560,101	4,378,097	-	-
Current tax provision		-	448,185	-	-
		138,578,211	238,265,121	5,780,317	6,291,542
NET CURRENT ASSETS/(LIABILITIES)		210,925,250	212,845,211	(1,832,092)	(2,211,636)
		575,946,759	579,683,487	220,384,886	220,058,727



Statements of Financial Position

As at 30 June 2025 (Continued)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CAPITAL AND RESERVE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	29	219,417,315	219,417,315	219,417,315	219,417,315
Warrant reserve	30	-	-	-	-
Asset revaluation reserve	31	62,268,947	55,774,392	-	-
Retained profits		235,802,392	237,097,463	960,682	636,512
TOTAL EQUITY		517,488,654	512,289,170	220,377,997	220,053,827
NON-CURRENT LIABILITIES					
Borrowings	28	1,422,247	8,299,757	-	-
Lease liabilities	14	9,276,797	13,836,898	-	-
Deferred income on grant	32	7,756,435	8,103,935	-	-
Deferred tax liabilities	17	40,002,626	37,153,727	6,889	4,900
		58,458,105	67,394,317	6,889	4,900
		575,946,759	579,683,487	220,384,886	220,058,727

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 30 June 2025

GROUP

Note	← Attributable to owners of the Company →				
	Share capital RM	Warrant reserve RM	Asset revaluation reserve RM	Retained profits RM	Total RM
At 1 July 2024	219,417,315	-	55,774,392	237,097,463	512,289,170
Net loss for the financial year	-	-	-	(1,295,071)	(1,295,071)
Other comprehensive income for the financial year, net of tax:					
- Revaluation surplus on property, plant and equipment and right-of-use assets, net of tax	31	-	6,494,555	-	6,494,555
Total comprehensive income for the financial year	-	-	6,494,555	(1,295,071)	5,199,484
At 30 June 2025	219,417,315	-	62,268,947	235,802,392	517,488,654

GROUP

Note	← Attributable to owners of the Company →				
	Share capital RM	Warrant reserve RM	Asset revaluation reserve RM	Retained profits RM	Total RM
At 1 July 2023	217,676,829	1,740,486	53,900,684	220,125,814	493,443,813
Transfer of lapsed warrants not exercised	30	1,740,486	(1,740,486)	-	-
Net profit for the financial year	-	-	-	16,971,649	16,971,649
Other comprehensive income for the financial year, net of tax:					
- Revaluation surplus on property, plant and equipment and right-of-use assets, net of tax	31	-	1,873,708	-	1,873,708
Total comprehensive income for the financial year	-	-	1,873,708	16,971,649	18,845,357
At 30 June 2024	219,417,315	-	55,774,392	237,097,463	512,289,170



Statements of Changes in Equity

For the Financial Year Ended 30 June 2025 (Continued)

COMPANY

	Note	Share capital RM	Warrant reserve RM	Retained profits RM	Total RM
At 1 July 2024		219,417,315	-	636,512	220,053,827
Total comprehensive income for the financial year		-	-	324,170	324,170
At 30 June 2025		219,417,315	-	960,682	220,377,997
At 1 July 2023		217,676,829	1,740,486	313,782	219,731,097
Transfer of lapsed warrants not exercised	30	1,740,486	(1,740,486)	-	-
Total comprehensive income for the financial year		-	-	322,730	322,730
At 30 June 2024		219,417,315	-	636,512	220,053,827

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating profit		5,303,153	28,063,234	536,322	550,736
Adjustments for:					
Property, plant and equipment:					
- depreciation	8	13,757,551	15,193,509	73,194	72,616
- loss/(gain) on disposals	8	35,631	(191,102)	-	-
- impairment/(reversal)	8	690,903	(484,910)	-	-
Depreciation on right-of-use assets	8	4,950,905	4,940,149	-	-
Net unrealised foreign exchange gain/(loss)	8	51,515	(267,855)	-	-
Amortisation of deferred income on grant	8	(347,500)	(1,527,523)	-	-
Writeback on receivables	4(c)	(12,000)	(17,411)	-	-
		24,430,158	45,708,091	609,516	623,352
Changes in working capital:					
- inventories		66,564,237	(92,201,856)	-	-
- receivables, deposits and prepayments		22,015,017	(39,389,018)	781,524	274,080
- payables and accrued liabilities		(51,832,825)	66,085,611	1,668	40,896
- contract liabilities		(272,030)	(6,079,864)	-	-
- intercompany balances		(215,713)	(1,543,722)	(1,018,782)	(558,689)
Cash generated from/(used in) operation		60,688,844	(27,420,758)	373,926	379,639
Tax paid		(1,394,769)	(2,315,962)	(296,519)	(310,496)
Net cash generated from/(used in) operating activities		59,294,075	(29,736,720)	77,407	69,143
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment:					
- Purchases		(6,038,897)	(4,919,073)	(19,809)	-
- Proceeds from disposals		91,702	402,129	-	-
- Proceeds from grant		-	3,900,000	-	-
Repayment of amount due from a subsidiary	15	-	-	-	630
Interest received		1,583,333	1,828,340	3,207	4,630
Net (used in)/cash generated from investing activities		(4,363,862)	1,211,396	(16,602)	5,260



Statements of Cash Flows

For the Financial Year Ended 30 June 2025 (Continued)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		344,070,000	402,250,000	-	-
Repayment of borrowings		(402,089,551)	(369,847,293)	-	(32,462)
Lease payments		(4,378,097)	(4,203,356)	-	-
Interest paid:					
- interest on borrowings and suppliers' credit		(4,987,870)	(7,705,025)	-	(3,745)
- interest on lease liabilities		(661,903)	(836,644)	-	-
Net cash (used in)/generated from financing activities		(68,047,421)	19,657,682	-	(36,207)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS					
		(13,117,208)	(8,867,642)	60,805	38,196
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		69,290,871	78,158,513	951,694	913,498
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR					
	24	56,173,663	69,290,871	1,012,499	951,694

During the financial year, the Group has a non-cash purchase of plant, machinery and electrical installation of RM3,034,310 (2024: RM400,000) by means of hire-purchase arrangements.

Statements of Cash Flows

For the Financial Year Ended 30 June 2025 (Continued)

Cash-flow movement in-relation to 'changes in liabilities arising from financing activities' during the financial year is outlined below:

	Bankers' acceptance RM	Lease liabilities RM	Term loan RM	Hire-purchase creditors RM	Mortgage loan RM	Total RM
Group						
At 1 July 2024	118,960,000	18,214,995	4,347,552	873,781	10,218,673	152,615,001
Cash flows:						
Drawdown of borrowings	344,070,000	-	-	-	-	344,070,000
Repayment of borrowings	(394,600,000)	-	(4,347,552)	(961,904)	(2,180,095)	(402,089,551)
Interest paid	(4,268,069)	(661,903)	(100,353)	(76,733)	(542,715)	(5,649,773)
Lease payments	-	(4,378,097)	-	-	-	(4,378,097)
Working capital changes	(307,949)	-	-	-	-	(307,949)
Non-cash changes:						
Interest charged	4,576,018	661,903	100,353	76,733	542,715	5,957,722
Additions during the year	-	-	-	3,034,310	-	3,034,310
At 30 June 2025	68,430,000	13,836,898	-	2,946,187	8,038,578	93,251,663
Group						
At 1 July 2023	78,010,000	22,418,351	10,180,884	1,124,190	12,282,225	124,015,650
Cash flows:						
Drawdown of borrowings	402,250,000	-	-	-	-	402,250,000
Repayment of borrowings	(361,300,000)	-	(5,833,332)	(650,409)	(2,063,552)	(369,847,293)
Interest paid	(5,261,543)	(836,644)	(422,601)	(68,347)	(645,684)	(7,234,819)
Lease payments	-	(4,203,356)	-	-	-	(4,203,356)
Working capital changes	(307,949)	-	-	-	-	(307,949)
Non-cash changes:						
Interest charged	5,569,492	836,644	422,601	68,347	645,684	7,542,768
Additions during the year	-	-	-	400,000	-	400,000
At 30 June 2024	118,960,000	18,214,995	4,347,552	873,781	10,218,673	152,615,001



Statements of Cash Flows

For the Financial Year Ended 30 June 2025 (Continued)

Cash-flow movement in-relation to '*changes in liabilities arising from financing activities*' during the financial year is outlined below: (continued)

	Hire-purchase creditors RM
	<hr/>
<u>Company</u>	
At 1 July 2023	32,462
<u>Cash flows:</u>	
Repayment of borrowings	(32,462)
Interest paid	(3,745)
<u>Non-cash changes:</u>	
Interest charged	3,745
At 30 June 2024	<hr/> <u>-</u>

The accompanying notes form an integral part of these financial statements.



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Notes to the Financial Statements

For the Financial Year Ended 30 June 2025

1 GENERAL INFORMATION

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiaries. However, its 'specified-main-business-activity' entails investment in subsidiaries. The principal activities of the subsidiaries are that of mid-stream steel cold rolled coil manufacturing, steel tube manufacturing, and in the trade & export of steel products as disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is:

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

The address of the principal place of business of the Company is:

Lot 717 Jalan Sungai Rasau
Seksyen 16
40200 Shah Alam
Selangor Darul Ehsan

As at 30 June 2025, all monetary assets and liabilities of the Group and of the Company are denominated in Ringgit Malaysia, unless otherwise stated.

The financial statements were approved and authorised for issue in accordance with a resolution of the Board of Directors on 28 October 2025.

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except on the revaluation of 'land and buildings' and 'plant, machinery and electrical installation' which measured at 'fair value' and 'financial assets and financial liabilities' (including derivative instruments) which measured at 'fair value through profit or loss' respectively.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

2 BASIS OF PREPARATION (CONTINUED)

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current event and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as disclosed in Note 4 to the financial statements.

Amendments to published standards that are effective

The Group has applied the following accounting standard and amendments for the first time for the financial year beginning on 1 July 2024:

- Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

The adoption of these amendments did not have any material impact on the Group's financial statements for the current period.

The Group early adopted MFRS 18, *Presentation and Disclosure in Financial Statements* (in replacement of MFRS 101, *Presentation of Financial Statements*). It introduces several new requirements that are expected to impact the presentation and disclosure of the Financial Statements. This standard is applied retrospectively, and the impact arising from the adoption of MFRS 18 on the Group's and the Company's financial statements are disclosed in Note 39 – Significant Changes in Accounting Policy.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

2 BASIS OF PREPARATION (CONTINUED)

Amendments to standards and interpretations that have been issued but not yet effective

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 July 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 July 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
 - Amendments to MFRS 7, Financial Instruments: Disclosures
 - Amendments to MFRS 9, Financial Instruments
 - Amendments to MFRS 10, Consolidated Financial Statement
 - Amendments to MFRS 107, Statement of Cash Flows
- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 July 2027

- MFRS 19, Subsidiaries without Public Accountability: Disclosures

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group has started a preliminary assessment on the effects of the above accounting standards and amendments to published standards, and the effects of these are still being assessed.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that the Directors believe to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Revaluation of certain property, plant and equipment and right-of-use assets

As disclosed in Notes 13 and 14 to the financial statements, the Group carries its freehold and leasehold land (classified as right-of-use assets) and buildings, plant, machinery and electrical installation at their fair values. On an annual basis, the Group appoints independent professional firms to determine the fair valuation of these property, plant and equipment and right-of-use assets which generally do not have quoted prices in active markets for identical assets. The Group also conducts annual review, as required under MFRS 116, on the assumed useful life and residual value applied on its Property, Plant & Equipment to ensure these do not materially depart from the fair values and underlying assumptions determined by the independent valuer-firm. The Directors at the advice of the appointed professional-valuers exercised judgement and made assumptions in the selection and deployment of the most suitable valuation techniques in the ensuing fair value determination.

The valuation of land and buildings is inherently subjective due to the individual nature of each property and its location. The valuation of plant, machinery and electrical installation is inherently subjective due to the physical wear and tear and technological development of the individual assets at the point of valuation.

(b) Impairment of non-financial assets

In assessing the impairment of Cash-Generating Units ("CGU"), the Group and the Company compare the carrying amount of these assets with its recoverable amount, measured at the higher of fair value less costs to sell and the value-in-use. In measuring the value-in-use based on the CGU's discounted cash flows, certain assumptions and estimates are applied as disclosed in Notes 13, 15 and 16 to the financial statements.

(c) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences or unutilised tax losses and tax credits (including reinvestment allowance) can be utilised. This involves judgement regarding future taxable profits of a particular entities within the Group in which the deferred tax asset has been recognised.

(d) Lease options

The Group considers all economic factors and circumstances in assuming whether renewal option and/or an early termination option under any lease/rental agreements are exercised or not in determining the lease duration. Where multiple renewal options are allowed, the Group only includes the immediate next renewal period in computing the lease term, as opposed to assuming an infinite period. Management's judgements are exercised in affirming the aforementioned assumption.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks. The Group's overall financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from its exposure to various financial risks as discussed hereinafter. Financial risk management is carried out at both functional and operational levels, and to the extent possible is embedded into its policies, processes, and controls. This is further reinforced with continuous assessment and improvement on the effectiveness and adequacy of its financial risk management practises by its Executive Committee, internal audit and the Risk and Sustainability Committee which report to the Board.

Various risk management policies that are approved by the Directors for the controlling and managing of financial risks in the day-to-day operations of the Group for are set out below.

(a) Capital risk

The Group's capital management objectives are (i) to ensure the economic deployment of its capital for sustainable returns which in the long run would exceed the cost of capital; and (ii) to ensure uninterrupted and adequate supply of capital to fulfil objective (i).

The Group views its equity (shareholders' fund less intangible assets including deferred tax if any) plus interest bearing debts as capital resources (which totalled to RM616 million at the close of the current financial year), and has a policy to maintain the debt-equity ratio below 1.0 or in accordance with its financial covenants - whichever is lower. Capital deployment amongst the Group's subsidiaries and/or business units is at the purview of the Board, but each of its subsidiaries and/or business units is primarily responsible for the management of its allocated capital subject to the oversight by the Executive Committee and the Board.

The Group's subsidiaries are subjected to capital adequacy financial covenants on minimum adjusted shareholders' funds and maximum allowable 'debt-to-equity' ratio computed at both the entity and Group levels under their respective debenture. The adjusted shareholders' fund is calculated as total equity less intangibles, whilst the 'debt-to-equity' ratio is calculated as total interest-bearing liabilities (excluding lease liabilities), divided by the adjusted shareholders' fund.

For the reporting period, the Group's subsidiaries complied with their respective debenture-imposed capital covenants and generally have been capital-sufficient in meeting peak business needs. Over the current reporting period, capital deployed in the Group has decreased by around RM87 million (from equity capital up RM7 million; and interest-bearing debt capital down RM94 million or by 54%).

The Group's debt-equity ratio closed lower at 0.15 times for the current reporting period compared to the preceding period's close at 0.33, mainly due to lower trade-facilities drawn to finance lower inventory and trade-receivables.

Overall, the Board is of the opinion that the Group's capital deployed and available for deployment has adequate headroom for the business purposes intended.

(b) Liquidity risk

Liquidity risk is the risk that the Group's and/or the Company's financial resources are insufficient to meet its financial obligations when due, or have to be met at excessive cost. The Group's liquidity risk management objective is to ensure that all its committed and foreseeable funding commitments can be met when due in a cost-effective manner.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

The Group's financial obligations are primarily incepted at the respective Cold Rolled Coil and Steel Tube subsidiaries, and these are mainly in the form of short-term obligations (less than 12 months) comprising of trade or credit facilities utilisation. The Cold Rolled Coil and Steel Tube subsidiaries' short-term bank debts-to-total bank debts ratio at the close of the current reporting period is 99% and 98% respectively. The said subsidiaries have adequate short-term assets to meet short-term liabilities as reflected in the Group's current ratio of 2.52 times at the close of the current reporting period (compared to 1.89 times for the preceding period).

Neither the Group nor the Company has in any instances failed to meet any of its financial obligations when due during the current financial year. This can be attributed to its liquidity risk management policies and methods comprising a combination of the following:

- Maintaining sufficient back-up credit facilities and the continuing support from a diversified range of funding sources;
- Maintaining a strict debt servicing plan vis-à-vis its cash flows generated from operations and from available financial assets;
- Rolling short-term cash flows planning on weekly, monthly and annual basis;
- Managing the concentration and maturity profile of both financial and non-financial liabilities vis-à-vis its financial assets and free-cash-flow from operations; and
- Managing cash conversion cycles and optimising working capital deployment.

The Group's subsidiaries are subjected to a liquidity covenant on the minimum allowable 'Debt Service Cover Ratio' (DSCR). At the close of the current financial year, the steel tube subsidiary fell-short in meeting the DSCR covenant in-relation to its short-term tradeline borrowings, and has since sought and obtained indulgence from the affected lenders. In compliance with MFRS18, we have reclassified RM5.5 million in 'long-term borrowing' to 'short-term borrowing' (see Note 28).

The said subsidiary and the Group remain in comfortable net-current-asset position after the reclassification, and have sufficient liquidity to meet short-term obligations. The continuing availability of the aforementioned debt facilities to the said subsidiary are unaffected.

The Group's significant reliance on bank trade facilities (which are callable on demand) as a source of funding poses a degree of liquidity risk. To diversify the risk, the Cold Rolled Coil subsidiary and the Steel Tube subsidiary have suppliers' trade-credit-line denominated in Ringgit with limits of RM47.5 million and RM22.3 million respectively; and in USD with limits of USD20.0 million and USD2.0 million respectively from key suppliers. The subsidiaries have not drawn on any USD denominated credit-lines in the last 42 months due to their higher borrowing cost.

At the reporting date, the Company's exposure to liquidity risk arises from corporate guarantees issued on the Cold-Rolled subsidiary's outstanding bank debts of RM40.0 million (2024: RM50.2 million), and on the Steel Tube subsidiary's outstanding bank debts of RM36.5 million (2024: RM83.3 million). The Directors are of the opinion that the default risk by the subsidiaries on both the aforementioned is negligible.

The total balance undrawn banking trade-line facilities for the subsidiaries at the reporting date is around RM211.6 million (2024: RM137.1 million).



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

The maturity analysis of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations are set out in the table below:

GROUP	Carrying amount RM	Contractual Interest rate Per annum	Contractual cash flows RM	Current RM	1 – 2 years RM	2 – 3 years RM	>3 years RM
At 30 June 2025							
<u>Non-derivative financial liabilities:</u>							
Bankers' acceptance	68,430,000	4.45% – 5.04%	68,941,538	68,941,538	-	-	-
Hire-purchase creditors	2,946,187	1.75% - 2.70% (flat)	3,162,535	1,668,480	1,040,878	389,764	63,413
Mortgage loan	8,038,578	5.91%	8,424,741	8,424,741	-	-	-
Payables and accrued liabilities (excluding derivatives and payroll liabilities)	52,503,590	-	52,503,590	52,503,590	-	-	-
Amount due to ultimate holding company	6,561	-	6,561	6,561	-	-	-
Amount due to a related company	212,123	-	212,123	212,123	-	-	-
Lease liabilities	13,836,898	4.08% (implicit)	14,700,000	5,040,000	5,040,000	4,620,000	-
	<u>145,973,937</u>		<u>147,951,088</u>	<u>136,797,033</u>	<u>6,080,878</u>	<u>5,009,764</u>	<u>63,413</u>

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

The maturity analysis of the Group's financial liabilities at the preceding financial year's reporting date as comparison based on contractual undiscounted repayment obligations are set out in the table below: (continued)

GROUP	Carrying amount RM	Contractual Interest rate Per annum	Contractual cash flows RM	Current RM	1 – 2 years RM	2 – 3 years RM	>3 years RM
At 30 June 2024							
<u>Non-derivative financial liabilities:</u>							
Bankers' acceptance	118,960,000	4.57% - 5.78%	119,819,851	119,819,851	-	-	-
Term loan	4,347,552	5.59%	4,467,426	4,467,426	-	-	-
Hire-purchase creditors	873,782	2.23% - 2.55% (flat)	934,184	451,349	229,649	148,149	105,037
Mortgage loan	10,218,672	5.84%	11,016,969	2,592,228	2,592,228	2,592,228	3,240,285
Trade payables	39,169,997	5.50%	39,556,100	39,556,100	-	-	-
Payables and accrued liabilities (excluding derivatives and payroll liabilities)	64,801,524	-	64,801,524	64,801,524	-	-	-
Amount due to ultimate holding company	3,466	-	3,466	3,466	-	-	-
Amount due to a related company	781,396	-	781,396	781,396	-	-	-
Lease liabilities	18,214,995	4.08% (implicit)	19,740,000	5,040,000	5,040,000	5,040,000	4,620,000
	<u>257,371,384</u>		<u>261,120,916</u>	<u>237,513,340</u>	<u>7,861,877</u>	<u>7,780,377</u>	<u>7,965,322</u>



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

The maturity analysis of the Company's financial liabilities at the reporting date and preceding financial year's reporting date as comparison based on contractual undiscounted repayment obligations are set out in the table below:

COMPANY	Carrying amount RM	Contractual Interest rate Per annum	Contractual cash flows RM	Current RM	1 – 2 years RM	2 – 3 years RM	>3 years RM
At 30 June 2025							
Payables and accrued liabilities (excluding payroll liabilities)	117,294	-	117,294	117,294	-	-	-
Amounts due to subsidiaries	5,377,273	-	5,377,273	5,377,273	-	-	-
Financial guarantee contracts	-	-	76,468,578	76,468,578	-	-	-
	<u>5,494,567</u>		<u>81,963,145</u>	<u>81,963,145</u>	<u>-</u>	<u>-</u>	<u>-</u>

COMPANY	Carrying amount RM	Contractual Interest rate Per annum	Contractual cash flows RM	Current RM	1 – 2 years RM	2 – 3 years RM	>3 years RM
At 30 June 2024							
Payables and accrued liabilities (excluding payroll liabilities)	141,779	-	141,779	141,779	-	-	-
Amounts due to subsidiaries	5,890,167	-	5,890,167	5,890,167	-	-	-
Financial guarantee contracts	-	-	133,526,224	133,526,224	-	-	-
	<u>6,031,946</u>		<u>139,558,170</u>	<u>139,558,170</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

Credit risk is the risk of financial loss resulting from counterparties' failure to discharge their contractual obligations. The Group's objective on credit risk management is to minimise the probability of financial loss resulting from any counterparty's default.

The Group's exposure to credit risk arises primarily from cash and bank balances, receivables, and deposits and related company (outside the Group) balances.

The Group has credit-control policies on credit sales, and the exposure to credit risk is monitored on a continuous basis through periodic review of the receivables' aging. Credit evaluations are performed on all customers and are reviewed annually. Credit terms and limits are assigned based on the financial strength of the customers; and where deemed appropriate, corporate guarantees and personal indemnities are obtained from customers.

At the reporting date, the Group has significant concentration of credit risk in its trade receivables where the top 10 corporate customers' outstanding of the Cold Rolled Coil and the Steel Tube segments represent about 78% (2024: 92%) and 65% (2024: 78%) of their respective trade receivables. The Company has no other significant concentration of credit risk except for amounts due from subsidiaries. At the reporting date, the Group has 2 (2024: 2) external customers that contributes to more than 10% of the respective segments' revenue. The revenue contributed by the said customers amounted to RM179 million (2024: RM230 million). Nevertheless, management obtains corporate guarantees and personal indemnities from trade debtors where possible in managing exposure to credit risk.

The Group's and the Company's major classes of financial assets are as disclosed in Note 38 to the financial statements. The Group and the Company have four types of financial instruments that are subject to the Expected Credit Loss ("ECL") model under MFRS 9:

- Trade receivables
- Other receivables
- Intercompany balances
- Financial guarantee contracts

Whilst cash and cash equivalents and derivative financial assets placed with licensed banks are also subject to the impairment requirements of MFRS 9, the credit risks and any impetus for credit impairment has been determined to be immaterial. Credit risk measurement with regards to the mentioned categories of financial instruments are as below.

(i) Trade receivables

The Group adopts MFRS 9 prescribed 'simplified approach' in measuring ECL which estimates a lifetime expected credit loss allowance for all trade receivables.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(ii) Other receivables, intercompany balances and financial guarantee contracts

The Group and the Company use four categories to reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group and the Company's expected credit loss is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected losses. Where the expected lifetime on an asset is less than 12 months, expected losses are measured at its expected lifetime.
Underperforming	Debtors for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation.	Lifetime expected losses
Non-performing	There is evidence indicating the assets are credit-impaired.	Lifetime expected losses
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk. In addition, forward looking information such as the macroeconomic conditions has been incorporated into the determination of expected credit losses.

Refer to Note 18 to the financial statements on the carrying amount of the other receivables presented by the categories of credit risk rating.

For the Group and the Company's intercompany balances that are repayable on demand, the calculation of ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial;
- If the borrower could not repay the loan if demanded at the reporting date, the Group and the Company consider the expected manner of recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid assets by the borrower; and
- If the recovery strategies indicate that the Group and the Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan's effective interest rates, over the period until the amount is fully recovered.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 12 months ECL.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

The Group's collateral at the end of the reporting period for its financial instruments is summarised as follows:

	Net exposure RM	Collateral and credit enhancement RM	Maximum exposure (net of impairment) RM
<u>2025</u>			
Trade receivables	24,851,638	58,168,216	83,019,854
Other receivables	1,034,230	-	1,034,230
Refundable deposits	1,194,888	-	1,194,888
Derivative financial assets	473,723	-	473,723
Deposits with licensed banks	26,822,988	-	26,822,988
Cash and bank balances	29,350,675	-	29,350,675
Financial assets at fair value through profit or loss	1,800,000	-	1,800,000
	85,528,142	58,168,216	143,696,358
<u>2024</u>			
Trade receivables	32,997,236	72,360,844	105,358,080
Other receivables	1,710,578	-	1,710,578
Refundable deposits	1,075,808	-	1,075,808
Amount due from related companies	1,908	-	1,908
Derivative financial assets	124,763	-	124,763
Deposits with licensed banks	18,591,689	-	18,591,689
Cash and bank balances	50,699,182	-	50,699,182
Financial assets at fair value through profit or loss	2,600,000	-	2,600,000
	107,801,164	72,360,844	180,162,008

Certain trade receivables of the Group are secured by financial guarantees given by corporates, shareholders or directors of the receivables. There were no instances during the financial year whereby loss allowances were not recognised due to the utilisation of these collaterals and credit enhancements.

The Group's maximum exposure to credit risk for each class of financial assets is the carrying amount of each class of financial assets presented in the statements of financial position.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Financial assets that are impaired

Movement of the Group's allowance for impairment of trade and other receivables and amounts due from related companies is as follows:

GROUP	Trade receivables (Note 18) RM	Other receivables (Note 18) RM	Amount due from related companies RM	Total RM
1 July 2024	248,301	452,695	-	700,996
Write-off	(248,301)	(188,000)	-	(436,301)
Reversal of impairment during the financial year	-	(12,000)	-	(12,000)
30 June 2025	-	252,695	-	252,695
1 July 2023	248,301	470,106	-	718,407
Reversal of impairment during the financial year	-	(17,411)	-	(17,411)
30 June 2024	248,301	452,695	-	700,996

No major ECL was deemed required for the current financial year.

In the current financial year, assessment on the recoverability of allowance carried forward from the preceding financial year, has determined that the carrying allowance on trade receivables of RM248,301 and other receivables of RM188,000 was not recoverable; and as such, a corresponding full write-off was made.

In the current financial year, the Steel Tube subsidiary has made a reversal of impairment on other receivables of RM12,000 (2024: RM17,411) upon recovery of the outstanding debts.

No allowance for impairment of trade and other receivables and intercompany balance have been recognised by the Company during the financial year or in the preceding financial year.

(d) Interest rate risk

Interest rate risk is the risk that the future cash flows and/or fair valuations of the Group's and the Company's interest-bearing financial instruments will be negatively impacted due to fluctuation in market interest rates. The Group's objective in interest rate risk management is to achieve a balance between re-pricing risks and minimising its weighted average borrowing cost.

The Group's interest-bearing financial instruments are mainly its borrowings which comprise of both floating rate term loan instruments, and fixed rate trade and credit instruments (utilised to finance raw coil material purchases and credit sales). The floating rate loan instrument is subjected to the lender's revision of its cost-of-funds (usually in-line with Overnight Policy Rate ("OPR") changes) in computing the interest rate. The fixed rate trade and credit instruments are short-term (not exceeding 120 days) and subject to re-pricing upon new drawdown.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Interest rate risk (continued)

Bank Negara Malaysia has maintained the OPR in the current financial year at 3.00% (2024: 3.00%).

The Group also has interest-earning financial asset instruments which comprised mainly of fixed interest-bearing short-term deposits subject to frequent re-pricing. The Group's temporary cash holdings in Banks also earn interests at rates ranging between 1.0% to 4.5% (2024: 1.0% to 4.5%).

Neither the Group nor the Company holds any interest-rate derivatives during and at the close of the current financial year.

Details of the interest-bearing financial liability instruments for the Group are as follows:

	2025 RM	2024 RM
<u>Current</u>		
Fixed rate borrowings, denominated in RM	69,953,940	119,375,664
Floating rate borrowings, denominated in RM	8,038,578	6,724,585
Fixed rate credit from supplier, denominated in RM (Note 24)	-	39,169,997
<u>Non-current</u>		
Fixed rate borrowings, denominated in RM	1,422,247	458,118
Floating rate borrowings, denominated in RM	-	7,841,639
	79,414,765	173,570,003

The risk impact from the floating rate financial liability instruments, had the overall interest rates being 1% higher, is that the Group's loss after tax for financial year 2025 would increase by RM61,093 (2024: profit after tax decrease RM110,703). A 1% lower interest rate would have the equal but opposite effect to the aforementioned amounts. There is no risk impact to the Company as it has no borrowings.

(e) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fluctuation of foreign exchange ("FX") rates may negatively impact fair value or future cash flows of financial instruments in currencies other than its own functional currency. The Group's foreign currency exchange risk management objective is to minimise foreign currency exposure on financial instruments that may give rise to fluctuations in fair values or future cash flows.

As a policy, the Group would seek natural hedging methods to mitigate its FX exposure before incepting any derivative as a hedging instrument. The Group mainly uses forward exchange contracts to hedge its foreign currency risk.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

The Group's Cold Rolled Coil (CRC) and Steel Tube segments' revenue stream are mainly denominated in their Ringgit Malaysia functional currency, USD and SGD whilst their raw material coils procurements are imported from abroad denominated in USD. The Group's 'export & trade' subsidiary undertakes the exports of its' CRC and Tubes, and accept forward and spot orders from their customers denominated in USD and SGD. As a result, the Group will have FX-risk exposure arising from current and future payment-obligations in foreign currency on imports; and from current and future receivable-rights in foreign currency on exports. In-line with the Group's policy, it would seek to optimize the natural-FX-hedge positions of the aforementioned which sit in different subsidiaries. Any residue FX-risk exposures are then hedged with forward foreign currency exchange contracts (FX forwards) at between 50-80% coverage – depending on the length of the forward period and forward quotes. These are hedge-accounted (where eligible), mostly with full off-set.

Contracted rights and obligations denominated in foreign-currency earmarked for natural-hedge, crystallize on Balance Sheet at different initial recognition-dates with different FX-rate on transaction date. As a result, the Group may report some net FX-gain/(loss) on these natural-hedges due to the timing differences of transaction-date on initial recognition of its rights and obligations.

For the current financial year, the Group reported a net FX-loss of RM1.92 million (FY 2024: net FX-gain of RM1.87 million) due to unhedged receivables in the weaker USD and SGD (FY 2024: stronger USD and SGD).

Further disclosures are made in Note 23 on derivatives.

A summary of the realised and unrealised gain/(loss) from incepted hedging instruments (being foreign exchange forwards) and the hedged items (being receivables or payables in foreign currencies) over the twelve months period for the current and the preceding financial year as comparison are outlined below:

FX fair value	2025			2024		
	Unrealised RM'000	Realised RM'000	Total RM'000	Unrealised RM'000	Realised RM'000	Total RM'000
<u>Hedge Accounted</u>						
Hedge instruments: FX forwards	90	(2,722)	(2,633)	92	4,116	4,208
Hedge items: Financial obligations	(90)	2,722	2,633	(92)	(4,116)	(4,208)
	-	-	-	-	-	-
<u>Natural Hedge</u>						
Rights: Cash/receivables	(34)	(915)	(949)	-	342	342
Obligations: Payables	34	915	949	-	(342)	(342)
	-	-	-	-	-	-
<u>Not Hedged Accounted</u>						
FX instruments	-	-	-	-	(263)	(263)
FX items	(52)	(1,867)	(1,919)	268	1,865	2,133
	(52)	(1,867)	(1,919)	268	1,602	1,870
Net FX gain/(loss)	(52)	(1,867)	(1,919)	268	1,602	1,870

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

Details of the Group's foreign currencies exposure in its Ringgit Malaysia functional currency as at the reporting date (and preceding financial year's reporting date) are set out in the respective tables below:

	From USD RM	From SGD RM	Total RM
As at 30 June 2025			
<u>Financial assets</u>			
Receivables, deposits and prepayments	6,082,084	7,608,170	13,690,254
Cash and bank balances	3,877,611	828,601	4,706,212
	<u>9,959,695</u>	<u>8,436,771</u>	<u>18,396,466</u>
Net financial assets	9,959,695	8,436,771	18,396,466
<u>Off balance sheet</u>			
Contracted commitments	(80,247,065)	-	(80,247,065)
Group foreign currency natural hedge for contracted rights	(9,783,407)	-	(9,783,407)
Group foreign currency natural hedge for contracted obligations	9,783,407	-	9,783,407
Forward foreign currency contracts at notional value at closing rate	67,074,563	-	67,074,563
Net currency exposure	<u>(3,212,807)</u>	<u>8,436,771</u>	<u>5,223,964</u>
As at 30 June 2024			
<u>Financial assets</u>			
Receivables, deposits and prepayments	15,671,549	8,304,456	23,976,005
Cash and bank balances	26,615,204	164,065	26,779,269
	<u>42,286,753</u>	<u>8,468,521</u>	<u>50,755,274</u>
Net financial assets	42,286,753	8,468,521	50,755,274
<u>Off balance sheet</u>			
Contracted commitments	(103,563,593)	-	(103,563,593)
Group foreign currency natural hedge for contracted rights	(39,735,839)	-	(39,735,839)
Group foreign currency natural hedge for contracted obligations	39,735,839	-	39,735,839
Forward foreign currency contracts at notional value at closing rate	63,827,754	-	63,827,754
Net currency exposure	<u>2,550,914</u>	<u>8,468,521</u>	<u>11,019,435</u>

'Net currency exposure' if positive is in long position, and if negative is in short position of the captioned foreign currency.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's loss after tax (2024: profit after tax) to a reasonably possible change in the US Dollar ("USD") and Singapore Dollar ("SGD") exchange rates against RM, with all other variables in particular interest rates held constant.

	Increase/ (Decrease) in Loss after tax 2025 RM	Increase/ (Decrease) in Profit after tax 2024 RM
<u>GROUP</u>		
RM appreciates against USD by 2% (2024: 2%)	(48,835)	(38,774)
RM appreciates against SGD by 2% (2024: 2%)	128,239	(128,722)

A 2% (2024: 2%) depreciation of the foreign exchange rate would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

5 FAIR VALUE

The carrying amounts of the following financial assets and liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments: deposits, cash and bank balances, receivables and payables (including non-trade intercompany balances). The fair value determination for other financial assets and liabilities may require the application of certain valuation methods.

Fair value estimation

The table below analyses financial instruments carried at fair value by valuation methods. The different levels have been defined as follows:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

5 FAIR VALUE (CONTINUED)

Fair value estimation (continued)

The following table presents the Group's financial assets/(liabilities) that are measured at fair value at the reporting date:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<u>30 June 2025</u>				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	1,800,000	-	-	1,800,000
Derivative financial assets	-	473,723	-	473,723
Total financial assets	1,800,000	473,723	-	2,273,723
<u>Financial liability</u>				
Derivative financial liabilities	-	(566,693)	-	(566,693)
<u>30 June 2024</u>				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	2,600,000	-	-	2,600,000
Derivative financial assets	-	124,763	-	124,763
Total financial assets	2,600,000	124,763	-	2,724,763
<u>Financial liability</u>				
Derivative financial liabilities	-	(32,629)	-	(32,629)

The 'financial assets at fair value through profit or loss' comprise of investment in quoted shares (see Note 21), which are fair valued by way of marking-to-active market using the quoted closing price on Bursa Malaysia.

The fair value of financial instruments that are not traded in an active market, such as those foreign currency exchange forward contracts held by the Group at the close of the financial year, is determined by way of marking-to-market the underlying variable using market (forward) rates published or quoted by counterparty financial institutions. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates, and is classified under Level 2. Those foreign currency exchange forward contracts with marked-to-market positive fair value is classified as derivative financial assets, whilst those with marked-to-market negative fair value is classified as derivative financial liabilities.

Neither the Group nor the Company holds any financial assets or liabilities where fair values are assessed at Level 3.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

6 REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers:				
- sale of goods	719,659,556	800,149,795	-	-
- processing service income	2,223,394	1,662,009	-	-
- management fees income	-	-	7,960,346	6,366,712
	721,882,950	801,811,804	7,960,346	6,366,712

Further disaggregation of revenue from contracts with customers by timing of recognition and sub-categories are as follows:

	Timing of Revenue Recognition			
	At a point-in-time		Over time	
	Local RM	Abroad RM	Local RM	Total RM
<u>Group</u>				
<u>2025</u>				
Sale of steel products:				
- cold rolled coils	327,696,801	137,603,800	-	465,300,601
- steel tube and pipes	211,730,688	30,771,203	-	242,501,891
- scraps	11,857,064	-	-	11,857,064
Processing service income	-	-	2,223,394	2,223,394
	551,284,553	168,375,003	2,223,394	721,882,950
<u>2024</u>				
Sale of steel products:				
- cold rolled coils	303,219,835	199,006,102	-	502,225,937
- steel tube and pipes	238,356,813	42,814,016	-	281,170,829
- scraps	16,753,029	-	-	16,753,029
Processing service income	-	-	1,662,009	1,662,009
	558,329,677	241,820,118	1,662,009	801,811,804

	2025 RM	2024 RM
<u>Company</u>		
<u>Revenue from contracts with customers</u>		
Management fees income		
- recognised over time	7,960,346	6,366,712

There were no specific costs incurred to obtain contracts with customers.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

6 REVENUE (CONTINUED)

Nature of goods and services

(i) Sale of steel products

The Group manufactures and sells a range of steel products to customers. Sales on steel products are recognised when control of the products has been transferred (i.e. when the products are delivered to the customer); and when the customers have the full discretion to direct the use or movement over the products and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sale of steel products is recognised based on terms specified in the contracts. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as any credit sales made are on terms which are consistent with market practice.

(ii) Processing-service income

The Group offers tolling-service to its customers. Tolling-service describes an arrangement where the customers provide unfinished material for further processing (e.g. galvanisation, pipe-forming, pickling & oiling). Revenue from providing such processing-service is recognised in the accounting period in which the processing activity is rendered.

There is no element of financing present as any credit sales made are on terms which are consistent with industry practice.

(iii) Management fees income

The Company offers management service to its subsidiaries. Revenue from providing such service is recognised in the accounting period in which such service is rendered.

7 FINANCE INCOME AND COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Finance income on:				
Interest on deposits & cash-balances with licensed banks ^{*(a)}	(1,583,333)	(1,828,340)	(3,207)	(4,630)
Finance costs on:				
- borrowings	5,219,087	6,637,777	-	-
- suppliers' credit	872,133	1,325,847	-	-
- hire-purchase	76,733	68,347	-	3,745
	6,167,953	8,031,971	-	3,745
- lease liabilities ^{*(b)}	661,903	836,644	-	-
	6,829,856	8,868,615	-	3,745

(a) Interest earned include from cash-holdings in MYR-current and multi-currencies accounts with banks.

(b) This is an implicit interest charge on lease liabilities representing the discounted lease commitment streams over the remaining term of the leases pursuant to the adoption of MFRS 16. See Note 14.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

8 (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration:				
- statutory audit				
- KPMG PLT	358,000	348,000	122,000	118,000
- non-audit services				
- KPMG PLT	12,000	12,000	12,000	12,000
- Local affiliates of KPMG PLT	6,000	-	-	-
Changes in inventories of finished goods and work-in-progress	9,033,818	(8,822,654)	-	-
Raw materials consumed	584,029,464	669,907,625	-	-
Consumables (inventories) consumed	20,240,633	20,796,551	-	-
Inventory write-down to net realisable value	169,747	-	-	-
Property, plant and equipment (Note 13):				
- depreciation	13,757,551	15,193,509	73,194	72,616
- loss/(gain) on disposals	35,631	(191,102)	-	-
- impairment/(reversal)	690,903	(484,910)	-	-
Depreciation on right-of-use assets ^{*(a)}	4,950,905	4,940,149	-	-
Fair value loss on financial assets at fair value through profit or loss (Note 20)	800,000	300,000	800,000	300,000
Share of fair value loss on financial assets at fair value through profit or loss by subsidiaries (Note 20)	-	-	(800,000)	(300,000)
Reversal of impairment on receivables (Note 4(c))	(12,000)	(17,411)	-	-
Maintenance of plant and machinery	11,063,454	12,123,303	-	-
Amortisation of deferred income on grant (Note 32)	(347,500)	(1,527,523)	-	-
Staff costs (excluding remuneration of Directors):				
- salaries, bonuses and allowances	32,936,048	33,459,680	1,920,984	1,492,803
- defined contribution plan	4,238,134	4,434,370	268,770	207,046
- others	2,182,549	2,038,751	95,080	87,155
Net unrealised foreign exchange loss/(gain)	51,515	(267,855)	-	-
Net realised foreign exchange loss/(gain)	1,867,146	(1,602,275)	-	-

(a) The rented land and buildings deemed as an operating lease are now represented as right-of-use assets to be depreciated over the tenancy period, coupled with a corresponding recognition of discounted future rents as lease liabilities. See Note 14.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

9 ANALYSIS OF OPERATING EXPENSES

The Group's and the Company's operating expenses are presented in a mixed-presentation (by function and nature) on the Statements of Comprehensive Income. The analysis below provides disclosure of key specific operating expenses by-nature and where these are included in the operating category.

Operating expenses by nature	Depreciation RM	Employee remunerations and benefits RM	Impairment losses/ (reversals) of property, plant and equipment RM	Inventory write-down to net realisable value RM
<u>Group</u>				
<u>2025</u>				
Total amount recognised in the period	18,708,456	47,887,862	690,903	169,747
Total amount included in:				
Cost of sales	17,232,350	23,365,683	-	169,747
Administrative expenses	1,476,106	24,522,179	-	-
Impairment on property, plant and equipment	-	-	690,903	-
Total amount included in the operating category	18,708,456	47,887,862	690,903	169,747
<u>2024</u>				
Total amount recognised in the period	20,133,658	46,346,515	(484,910)	-
Total amount included in:				
Cost of sales	18,515,261	23,338,656	-	-
Administrative expenses	1,618,397	23,007,859	-	-
Impairment on property, plant and equipment	-	-	(484,910)	-
Total amount included in the operating category	20,133,658	46,346,515	(484,910)	-



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

9 ANALYSIS OF OPERATING EXPENSES (CONTINUED)

Operating expenses by nature	Depreciation RM	Employee remunerations and benefits RM
<u>Company</u>		
<u>2025</u>		
Total amount recognised in the period	73,194	6,410,683
Total amount included in:		
Administrative expenses	73,194	6,410,683
Total amount included in the operating category	73,194	6,410,683
<u>2024</u>		
Total amount recognised in the period	72,616	4,997,784
Total amount included in:		
Administrative expenses	72,616	4,997,784
Total amount included in the operating category	72,616	4,997,784

Included in cost of sales are direct materials, direct overheads, direct labour, depreciation of property, plant and equipment and right-of-use assets.

Included in other operating income are amortisation of government grant and miscellaneous income.

Included in selling and distribution expenses are carriage outwards and general selling expenses.

Included in administrative expenses are employee remunerations and benefits, depreciation of property, plant and equipment, management fees, professional fees and miscellaneous expenses.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

10 DIRECTORS' REMUNERATION

The aggregate amount of emoluments received/receivable by Directors of the Company from the Company and its subsidiaries are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-Executive Directors:				
- fees	367,849	336,000	367,849	336,000
- other emoluments	38,998	34,461	38,998	34,461
Executive Directors:				
- salaries, bonuses and other emoluments	7,070,680	5,260,184	3,240,000	2,475,024
- defined contribution plan	1,060,602	789,030	486,000	371,256
- estimated monetary value of benefits-in-kind	62,780	70,186	17,491	26,111
	8,600,909	6,489,861	4,150,338	3,242,852

The number of Directors whose total remuneration fall within the following bands are as follows:

	Number of Directors			
	Executive		Non-Executive	
	2025	2024	2025	2024
<u>Range of remuneration</u>				
Less than RM50,000	-	-	1	-
RM50,001 to RM100,000	-	-	5	5
RM2,850,001 to RM2,900,000	-	1	-	-
RM3,200,001 to RM3,250,000	-	1	-	-
RM3,700,001 to RM3,750,000	1	-	-	-
RM4,450,001 to RM4,500,000	1	-	-	-
	2	2	6	5



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

11 TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current Malaysian tax:				
- current tax expense	453,129	3,188,637	249,576	230,091
- over provision in prior financial year	(608,164)	(1,084,620)	(36,206)	-
	(155,035)	2,104,017	213,370	230,091
Deferred tax: (Note 17)				
- origination and reversal of temporary differences	256,644	2,679,782	1,989	(1,200)
- under/(over) accrual in prior financial year	450,092	(1,032,489)	-	-
Tax expense	551,701	3,751,310	215,359	228,891

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(743,370)	20,722,959	539,529	551,621
Tax calculated at the Malaysian tax rate of 24% (2024: 24%)	(178,409)	4,973,511	129,487	132,389
Tax effects of:				
- expenses not deductible for tax purposes	1,167,595	1,227,467	122,078	96,502
- income not subject to tax	(279,413)	(332,559)	-	-
- over provision in prior financial year	(158,072)	(2,117,109)	(36,206)	-
Tax expense	551,701	3,751,310	215,359	228,891

12 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

	Group	
	2025 RM	2024 RM
Net (loss)/profit attributable to owners of the Company (RM)	(1,295,071)	16,971,649
Weighted average number of ordinary shares	327,057,599	327,057,599
Basic (loss)/earnings per share (sen)	(0.40)	5.19

(b) Diluted earnings/(loss) per share

No diluted earnings per share is presented since the warrants had expired on 26 January 2024.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land RM	Buildings RM	Plant, machinery, and electrical installation RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Construction/ installation in progress RM	Total RM
<u>GROUP</u>							
<u>Cost/Valuation</u>							
At 1 July 2024							
- cost	-	-	-	2,502,959	7,851,376	807,356	11,161,691
- valuation	77,000,000	48,500,000	207,987,430	-	-	-	333,487,430
	77,000,000	48,500,000	207,987,430	2,502,959	7,851,376	807,356	344,649,121
Additions	-	17,222	6,517,424	309,718	168,452	2,060,391	9,073,207
Disposals	-	-	(112,921)	(1,000)	(95,961)	-	(209,882)
Revaluation during the financial year	3,900,000	447,774	1,092,182	-	-	-	5,439,956
Effects of elimination of accumulated depreciation on revaluation	-	(1,364,996)	(11,590,232)	-	-	-	(12,955,228)
At 30 June 2025	80,900,000	47,600,000	203,893,883	2,811,677	7,923,867	2,867,747	345,997,174
<u>Less: Accumulated depreciation</u>							
At 1 July 2024							
	-	-	-	1,210,041	5,004,563	-	6,214,604
Charge for the financial year (Note 8)	-	1,364,996	11,590,611	282,979	518,965	-	13,757,551
Disposals	-	-	(379)	(949)	(81,221)	-	(82,549)
Effects of elimination of accumulated depreciation on revaluation	-	(1,364,996)	(11,590,232)	-	-	-	(12,955,228)
At 30 June 2025	-	-	-	1,492,071	5,442,307	-	6,934,378



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Land RM	Buildings RM	Plant, machinery, and electrical installation RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Construction/ installation in progress RM	Total RM
<u>GROUP</u>							
<u>Less: Accumulated impairment losses</u>							
At 1 July 2024	-	-	35,176,797	2,385	327	-	35,179,509
Charge for the financial year (Note 8)	-	-	690,903	-	-	-	690,903
At 30 June 2025	-	-	35,867,700	2,385	327	-	35,870,412
<u>Net book value</u>							
At 30 June 2025	80,900,000	47,600,000	168,026,183	1,317,221	2,481,233	2,867,747	303,192,384
<u>Representing:</u>							
- cost	-	-	-	1,317,221	2,481,233	2,867,747	6,666,201
- valuation	80,900,000	47,600,000	168,026,183	-	-	-	296,526,183
	80,900,000	47,600,000	168,026,183	1,317,221	2,481,233	2,867,747	303,192,384
<u>Cost/Valuation</u>							
<u>At 1 July 2023</u>							
- cost	-	-	-	2,556,879	7,268,202	725,303	10,550,384
- valuation	77,000,000	48,065,289	216,556,429	-	-	-	341,621,718
	77,000,000	48,065,289	216,556,429	2,556,879	7,268,202	725,303	352,172,102
Additions	-	69,299	4,063,363	7,450	613,905	565,056	5,319,073
Disposals	-	-	(1,111,928)	(61,370)	(27,720)	-	(1,201,018)
Write offs	-	-	(27,619)	-	(3,011)	-	(30,630)
Reclassification	-	-	483,003	-	-	(483,003)	-
Revaluation during the financial year	-	2,483,438	(594,369)	-	-	-	1,889,069
Effects of elimination of accumulated depreciation on revaluation	-	(2,118,026)	(11,381,449)	-	-	-	(13,499,475)
At 30 June 2024	77,000,000	48,500,000	207,987,430	2,502,959	7,851,376	807,356	344,649,121

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold Land RM	Buildings RM	Plant, machinery, and electrical installation RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Construction/ installation in progress RM	Total RM
<u>GROUP</u>							
<u>Less: Accumulated depreciation</u>							
At 1 July 2023	-	-	-	974,443	4,540,246	-	5,514,689
Charge for the financial year (Note 8)	-	2,118,026	12,297,848	286,039	491,596	-	15,193,509
Disposals	-	-	(915,072)	(50,441)	(24,478)	-	(989,991)
Write offs	-	-	(1,327)	-	(2,801)	-	(4,128)
Effects of elimination of accumulated depreciation on revaluation	-	(2,118,026)	(11,381,449)	-	-	-	(13,499,475)
At 30 June 2024	-	-	-	1,210,041	5,004,563	-	6,214,604
<u>Less: Accumulated impairment losses</u>							
At 1 July 2023	-	1,065,289	34,622,920	2,385	327	-	35,690,921
(Reversal)/Charge for the financial year (Note 8)	-	(1,065,289)	580,169	-	210	-	(484,910)
Write offs	-	-	(26,292)	-	(210)	-	(26,502)
At 30 June 2024	-	-	35,176,797	2,385	327	-	35,179,509
<u>Net book value</u>							
At 30 June 2024	77,000,000	48,500,000	172,810,633	1,290,533	2,846,486	807,356	303,255,008
Representing:							
- cost	-	-	-	1,290,533	2,846,486	807,356	4,944,375
- valuation	77,000,000	48,500,000	172,810,633	-	-	-	298,310,633
	77,000,000	48,500,000	172,810,633	1,290,533	2,846,486	807,356	303,255,008



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM	Furniture, fittings and office equipments RM	Total RM
<u>COMPANY</u>			
<u>At 30 June 2025</u>			
<u>Cost</u>			
At 1 July 2024	726,155	180,512	906,667
Additions	-	19,809	19,809
As at 30 June 2025	726,155	200,321	926,476
<u>Less: Accumulated depreciation</u>			
At 1 July 2024	429,642	180,512	610,154
Charge for the financial year (Note 8)	72,616	578	73,194
At 30 June 2025	502,258	181,090	683,348
<u>Net book value</u>			
At 30 June 2025	223,897	19,231	243,128
<u>At 30 June 2024</u>			
<u>Cost</u>			
At 1 July 2023/30 June 2024	726,155	180,512	906,667
<u>Less: Accumulated depreciation</u>			
At 1 July 2023	357,026	180,512	537,538
Charge for the financial year (Note 8)	72,616	-	72,616
At 30 June 2024	429,642	180,512	610,154
<u>Net book value</u>			
At 30 June 2024	296,513	-	296,513

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Valuation of certain property, plant and equipment and a ROU asset

Freehold land, buildings, plant, machinery and electrical installation of the Group were revalued in the financial year ended 30 June 2025 by an independent firm of professional valuers, PA International Property Consultants (KL) Sdn. Bhd., based on adjusted market comparison and depreciated replacement cost methods respectively in ascertaining their fair values. The leasehold land classified as ROU asset continues to be measured using the same revaluation model by the aforementioned valuer-firm.

Arising from the valuation above, the total revaluation surplus on property, plant and equipment amounting to RM5,439,956 (2024: RM1,889,069) and revaluation surplus on ROU asset (Note 14) amounting to RM2,387,092 (2024: RM576,336) were recognised during the financial year, with a corresponding revaluation reserve, adjusted for deferred tax, amounting to RM6,494,555 (2024: RM1,873,708) been recognised in the other comprehensive income.

The net revaluation deficit amounting to RM690,903 was taken up as impairment in profit or loss while surpluses in-relation to brought forward impairment amounting to RM484,910 was credited to profit or loss as a writeback against prior periods' impairment recognized.

Property, plant and equipment amounting to RM302,949,256 (2024: RM302,958,495) of the steel subsidiaries are pledged for banking facilities.

At the close of the current financial year, the fair value of 'Buildings' and 'Plant, Machinery and Electrical Installation' located on leasehold land and rented properties classified under ROU assets totalled to RM24,036,000 (2024: RM25,148,000).

The net book values of the revalued property, plant and equipment that would have been included in the financial statements had these assets been carried at deemed costs less accumulated depreciation are as follows:

	Group	
	2025	2024
	RM	RM
Freehold land	31,300,000	31,300,000
Buildings	39,144,391	41,854,391
Plant, machinery and electrical installation	174,984,813	180,825,841
	245,429,204	253,980,232

The fair value of certain property, plant and equipment and a ROU asset are individually determined periodically, with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date. The valuers have relied on the following methodologies:

- (i) Freehold land and leasehold land - adjusted market comparison method by reference to observable prices per square foot ("psf") in an active market or recent market transactions (Level 3).
- (ii) Buildings and plant, machinery and electrical installation - depreciated replacement cost method, which is based on the current cost of replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation (Level 3).



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Asset acquired under hire-purchase arrangements

Additions to plant, machinery and electrical installation of the Group during the financial year includes those acquired by means of hire-purchase arrangements totalling RM3,034,310 (2024: RM400,000).

As at 30 June 2025, the net book value of the property, plant and equipment under hire-purchase arrangements in the Group is RM2,198,852 (2024: RM2,161,115) and in the Company is RM Nil (2024: RM Nil).

(c) Fair value measurements using significant unobservable inputs (Level 3)

	2025 RM	2024 RM
<u>Plant, machinery and electrical installation</u>		
At 1 July	172,810,633	181,933,509
Additions	6,517,424	4,063,363
Disposals/Write offs	(112,542)	(196,856)
Revaluation during the financial year	1,092,182	(594,369)
Impairment charge for the financial year	(690,903)	(580,169)
Depreciation charged during the year	(11,590,611)	(12,297,848)
Transfer from construction/installation in progress	-	483,003
At 30 June	168,026,183	172,810,633

The following table presents the valuation techniques and key inputs that were used to determine the fair value of plant, machinery and electrical installation categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 30 June 2025	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Plant, machinery and electrical installation	RM168,026,183	Depreciated replacement cost method	Useful life of 18 years	The longer the useful life, the higher the fair value.

The external valuation of the Level 3 plant, machinery and electrical installation have been performed using depreciated replacement cost method. The external valuer, in discussion with the Group's management, has determined the unobservable input based on the useful life of the plant, machinery and electrical installation.

As at 30 June 2025, if the unobservable input based on the useful life of the plant, machinery and electrical installation increases/(decreases) by one year, the fair value of the plant, machinery and electrical installation would increase/(decrease) by approximately RM11.6 million (2024: RM12.3 million) respectively.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (Level 3) (continued)

	2025 RM	2024 RM
<u>Land and buildings</u>		
At 1 July	125,500,000	124,000,000
Additions	17,222	69,299
Revaluation during the financial year	4,347,774	2,483,438
Depreciation charged during the year	(1,364,996)	(2,118,026)
Reversal/(Impairment charged) for the financial year	-	1,065,289
At 30 June	<u>128,500,000</u>	<u>125,500,000</u>

The unobservable inputs used to determine the fair value of land, which includes leasehold land classified under ROU assets, is the adjusted price psf (ranging from RM105 to RM143 psf) which are adjusted by key attributes such as property size and location. The higher the price psf, the higher the fair value of the subject property.

The unobservable inputs used to determine the fair value of buildings is the adjusted depreciated building cost psf (ranging from RM45 to RM108 psf) which are adjusted by key attributes such as property size and building condition. The higher the cost psf, the higher the fair value of the subject property.

In assessing the reasonableness of the fair value of the land, building, plant, machinery and electrical installation that has been determined by the external valuer, management had separately assessed these plant, machinery and electrical installation as separate Cash-Generating Units ("CGU's"). Management had determined the recoverable amount of these plant, machinery and electrical installation based on the discounted cash flows of the CGU's using the value-in-use ("VIU") model.

It was determined that no impairment was necessary as the indicative recoverable amount is higher than its carrying amount.

The VIU assessments included the following key assumptions:

Assumption	2025 rates		2024 rates	
	MCRC	MST	MCRC	MST
Projection period	26 years	17 years	27 years	18 years
Pre-tax discount rate	11.5%	11.5%	11.5%	11.5%

The anticipated sales volume growth rate included in the cashflow projections are based on historical sales and expected growth rate in the industry.

The Directors and management have considered and assessed reasonable variations in the underlying key assumptions used in the computation of the recoverable amount and is satisfied with the headroom of the CGU's recoverable amount over its' carrying amount.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Material accounting policy information

(i) Recognition and measurement

Property, plant and equipment are initially measured at cost. Freehold land, buildings, plant, machinery and electrical installation are subsequently shown at fair values, based on periodic valuation by external valuers, less subsequent depreciation and impairment losses, with sufficient regularity such that the fair value of the revalued assets does not differ materially from the carrying amounts. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Increase in the carrying amounts arising on revaluation of freehold land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserve in shareholders' equity. To the extent that the increase reverses a decrease previously in profit or loss, the increase is first recognised in profit or loss. Decrease that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. When property, plant and equipment is revalued, the carrying amount of property, plant and equipment is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the property, plant and equipment. The revaluation surplus included in equity in respect of property, plant and equipment will be transferred directly to retained earnings when the assets are de-recognised.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. The revaluation surplus included in equity is transferred directly to retained earnings when the asset is retired or disposed off.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

(ii) Depreciation

Freehold land is not depreciated as it has infinite life. Other property, plant and equipment are depreciated on the straight-line basis based on cost of the assets or their revalued amounts, to their residual values, over their estimated useful lives as follows:

Buildings	60 years
Plant, machinery and electrical installation	4-40 years
Motor vehicles	10 years
Furniture, fittings, and office equipment	10 years

Depreciation on assets under construction commences when the assets are ready for its intended use.

At the start of the financial year, the Group conducted a capital asset review of its building, resulting in revision to the expected useful life and its residual value. Following this review, management extended the remaining useful life of the buildings by 10 years, aligning it with the useful life adopted by the independent professional valuer. The effect of these changes on depreciation expense is immaterial for presentation.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

14 LEASES

Information on the Group's leases and accounting changes over the current financial year are outlined below:

	Note	Right-of-use ("ROU") assets		Lease liabilities	
		2025 RM	2024 RM	2025 RM	2024 RM
<u>At 1 July</u>					
Leasehold land	(a)	26,100,000	26,000,000	-	-
Rented properties	(b)	17,483,268	21,947,081	18,214,995	22,418,351
Total		43,583,268	47,947,081	18,214,995	22,418,351
<u>Changes to ROU assets</u>					
Revaluation of leasehold land	(c)	2,387,092	576,336		
Depreciation (Note 8):	(d)				
- leasehold land	(a)	(487,092)	(476,336)		
- rented properties	(b)	(4,463,813)	(4,463,813)		
Total		(2,563,813)	(4,363,813)		
<u>Changes to lease liabilities</u>					
Interest expense (Note 7)	(e)			661,903	836,644
Interest payments	(f)			(661,903)	(836,644)
Lease payments	(f)			(4,378,097)	(4,203,356)
Total				(4,378,097)	(4,203,356)
<u>At 30 June</u>					
Leasehold land		28,000,000	26,100,000	-	-
Rented properties		13,019,455	17,483,268	13,836,898	18,214,995
Total	(g)	41,019,455	43,583,268	13,836,898	18,214,995

Notes:

- (a) The Group's Steel Tube subsidiary is the registered titled owner of a leasehold land on Lot 53, Persiaran Selangor, Shah Alam, on which its factory plant was erected. The property lessor is the Selangor State Government and has a remaining leasehold period of 53 years (Lease expiry date: 22 May 2078). There is no corresponding lease liability payable to the lessor. This leasehold land is pledged for a banking facility.

The net book value of this leasehold land that would have been included in the financial statements had this asset been carried at deemed costs less accumulated depreciation is RM17,121,840 (2024: RM17,447,454).



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

14 LEASES (CONTINUED)

Notes: (continued)

- (b) The Group's Steel Tube subsidiary rents two plots of factory land and buildings from its ultimate holding company with leases details as outlined below. As a tenant, the subsidiary does not have ownership rights to full 'risk and reward' of the property.

Description	Monthly fixed rent RM	Deposits paid RM	Next expiry date	Next renewal option period
i) HSD 168510, Town of Shah Alam	245,000	300,000	31 May 2028	3 years
ii) Lot No.95 Sec 15, Town of Shah Alam	175,000	154,000	31 May 2028	3 years

The deposits paid are refundable and not intended to be applied against rent instalments towards termination/ expiry of lease; and as such, were not included in the discounted lease payment cash flow stream in computing the 'Lease Liabilities'. The discount rate applied in the computation of the lease liabilities at 4.08% p.a. (previously at 4.08% p.a.) corresponds to the lessee's current estimated incremental borrowing rate.

- (c) This amount represents the revaluation gain on the leasehold land which is subjected to monthly depreciation based on its remaining lease life, and re-measured at fair value at Level 3 of the fair value hierarchy towards the close of the financial year. The assumptions used in the valuation of ROU assets are consistent with the assumptions used for land and buildings as disclosed in Note 13 to the financial statements.
- (d) This amount represents the depreciation of the ROU assets on straight-line basis over the term of the lease and assumed renewal period where applicable.
- (e) This amount represents the implicit effective interest charged on the carrying amount of lease liabilities on a 'reducing balance monthly rest' basis. This implicit interest expense - equivalent to the assumed discount rate used - is excluded from any financial covenant ratios computation.
- (f) This amount represents the contractual rent payments for the rented properties which denotes as settlement of the amortised lease liabilities and corresponding implicit interest expense over the current financial year.
- (g) The ROU assets are classified under non-current assets in the statement of financial position, whilst the lease liabilities are segregated into current and non-current liabilities as follows:

Lease liabilities	2025 RM	2024 RM
Current	4,560,101	4,378,097
Non-current	9,276,797	13,836,898
At 30 June	13,836,898	18,214,995

There are no variable payment terms on the above leases. In cases where the Group is not reasonably certain to exercise an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

The Group does not have any lease arrangement to report as a 'Lessor'. The Company does not have any lease arrangement to report as a 'Lessee' nor 'Lessor'.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

14 LEASES (CONTINUED)

Notes: (continued)

Material accounting policy information

(a) Recognition and measurement

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Initial direct costs; and
- Decommissioning or restoration costs, if any.

ROU assets that are leasehold land properties are subsequently remeasured based on 'fair value' determination by independent certified real-estate valuers. The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as a separate line item in the statement of financial position. The Company does not have ROU assets that meet the definition of investment properties.

(b) Recognition exemption

Exempted from lease recognition are short-term leases (i.e. with a lease term of 12 months or less) and low value assets (e.g. such as office equipment). Payments associated with short term leases of equipment and vehicles and all leases of low value assets, are recognised on a straight-line basis as an expense in profit or loss.

15 INVESTMENT IN SUBSIDIARIES

	Company	
	2025	2024
	RM	RM
Unquoted shares, at cost		
- Mycron Steel CRC Sdn. Bhd. ("MCRC")	166,765,998	166,765,998
- Melewar Steel Tube Sdn. Bhd. ("MST")	55,201,472	55,201,472
- Silver Victory Sdn. Bhd.	6,380	6,380
Investments in subsidiaries, at cost	221,973,850	221,973,850



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

15 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

	Principal activities	Group's equity interest	
		2025 %	2024 %
Mycron Steel CRC Sdn. Bhd. ("MCRC")	Manufacturing and trading of steel cold rolled coils	100	100
Melewar Steel Tube Sdn. Bhd. ("MST")	Manufacturing and trading of steel tubes and pipes	100	100
Silver Victory Sdn. Bhd.	Trading and export of steel related products	100	100

All subsidiaries' principal place of business and country of incorporation are in Malaysia and are audited by KPMG PLT, Malaysia.

Investments in Mycron Steel CRC Sdn. Bhd. ("MCRC") and Melewar Steel Tube Sdn. Bhd. ("MST")

The cost of investment in MCRC and the cost of investment in MST have been assessed for impairment based on a VIU model to determine its recoverable amount. The indicative recoverable amount (based on its VIU) of the respective investments is higher than their carrying amount.

The VIU assessments were performed based on a 5-year cashflow projection extrapolated to perpetuity using a terminal growth rate which was based on the following key assumptions:

Assumption	Rates			
	2025		2024	
	MCRC	MST	MCRC	MST
Terminal growth rate	0%	0%	0%	0%
Pre-tax discount rate	16.0%	16.0%	16.0%	16.0%

The anticipated sales volume growth rate included in the cashflow projections are based on historical sales and expected growth rate in the industry.

The Directors and management have considered and assessed reasonable variations in the underlying key assumptions used in the computation of the recoverable amount and is satisfied with the headroom of the cost of investments' recoverable amount over their carrying amount.

Material accounting policy information

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

16 INTANGIBLE ASSETS

The Group's intangible assets amounting to RM20 million represent the carrying amount of registered licences, patents and trademarks with the rights to use and sell under the licences, patents and trademarks of Aurora and MIG-Melewar which were acquired (from the ultimate holding company) and held by Melewar Steel Tube Sdn. Bhd. ("MST") since May 2014.

These licences, patents and trademarks are renewable perpetually at minimal cost. Accordingly, they are determined to have indefinite useful lives, and as such are not subjected to periodic amortisation but annual impairment tests. In this regard, an impairment test using 'Fair Value Less Cost To Sell' ("FVLCTS"), determined by relief-from-royalty method was carried out. This valuation technique is categorised under Level 3 of the fair value hierarchy. A 5-year cashflow forecast has been performed which takes into consideration of the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks being owned. It was determined that no impairment was necessary as the indicative recoverable amount is higher than its carrying amount.

The FVLCTS computation adopted the following assumptions:

<u>Assumption</u>	<u>Rate</u>		<u>Approach used to determine value</u>
	<u>2025</u> %	<u>2024</u> %	
Royalty in-lieu rate	1.19% of revenue	1.19% of revenue	Based on the agreed rate between seller and buyer, after taking into consideration of industry average rate
Pre-tax discount rate	11.50%	11.50%	Reflects the specific risk relating to the relevant industries and country in which the company operates
Growth rate	0%	0%	Conservative scenario

The Group has also performed a VIU assessment to determine the recoverable amount of the intangible assets as part of the Steel Tube subsidiary's CGU. The key assumptions applied in the said VIU assessment is disclosed in Note 13(c) to the financial statements.

Material accounting policy information

Licences, patents and trademarks that can be renewed perpetually with nominal sums are treated as having an indefinite useful life and are not subjected to amortisation but annually assessed for impairment.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

17 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets				
- deferred tax assets to be settled after more than 12 months	809,670	-	-	-
Deferred tax liabilities				
- deferred tax liabilities to be settled after more than 12 months	(40,002,626)	(37,153,727)	(6,889)	(4,900)
Deferred tax assets				
At 1 July	-	-	-	-
Credited to profit or loss (Note 11):				
- unutilised tax losses	809,670	-	-	-
	809,670	-	-	-
Deferred tax liabilities				
At 1 July	(37,153,727)	(34,914,737)	(4,900)	(6,100)
(Debited)/Credited to profit or loss (Note 11):				
- property, plant and equipment	(627,068)	(1,766,575)	(1,989)	1,200
- unutilised tax losses	625,926	-	-	-
- unutilised reinvestment allowance	(1,549,558)	43,199	-	-
- lease liabilities	1,085,037	1,084,888	-	-
- right-of-use assets	(1,050,743)	(1,008,805)	-	-
	(1,516,406)	(1,647,293)	(1,989)	1,200
Debited to equity:				
- property, plant and equipment	(759,590)	(453,376)	-	-
- right-of-use assets	(572,903)	(138,321)	-	-
	(1,332,493)	(591,697)	-	-
Deferred tax liabilities	(40,002,626)	(37,153,727)	(6,889)	(4,900)
Subject to income tax:				
Deferred tax assets (before offsetting):				
- unutilised tax losses	4,030,423	2,594,830	-	-
- unabsorbed capital allowances	-	834,849	-	-
- unutilised reinvestment allowances	8,842,973	10,392,531	-	-
- lease liabilities	3,320,856	4,371,599	-	-
	16,194,252	18,193,809	-	-
Offsetting	(15,384,582)	(18,193,809)	-	-
Deferred tax assets (after offsetting)	809,670	-	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

17 DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position: (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax liabilities (before offsetting):				
- property, plant and equipment	(38,104,535)	(37,942,727)	(6,889)	(4,900)
- intangible assets	(4,800,000)	(4,800,000)	-	-
- right-of-use assets	(5,811,648)	(6,323,783)	-	-
	(48,716,183)	(49,066,510)	(6,889)	(4,900)
Offsetting	15,384,582	18,193,809	-	-
	(33,331,601)	(30,872,701)	(6,889)	(4,900)
Subject to real property gain tax:				
Deferred tax liability:				
- property, plant and equipment	(6,671,025)	(6,281,026)	-	-
Deferred tax liabilities (after offsetting)	(40,002,626)	(37,153,727)	(6,889)	(4,900)
Deferred tax liabilities (cumulative amount charged to equity)	(10,756,690)	(9,424,197)	-	-

Based on the Malaysia Finance Act 2022 gazetted on 31 December 2022, the allowable carry forward period for 'unutilised tax losses' is 10 consecutive years. The Group's 'unutilised tax losses' will mainly expires in year of assessment ("YA") 2028 and YA 2029. The allowable carry forward period for 'unutilised reinvestment allowance' will mainly expires in YA 2029. Our recognition of deferred tax assets in relation to these deductibles is to the extent of foreseeable taxable profits for offset within the legislated time limits.

On that ground, we have not recognised in the statement of financial position imputable deferred tax asset amounting to RM312,701 on unutilised capital allowances of RM1,302,920 due to the lack of foreseeable taxable profits from the allowable income stream.

18 INVENTORIES

	Group	
	2025 RM	2024 RM
Raw materials	113,042,172	172,825,399
Consumables	10,571,348	8,318,542
Work-in-progress	12,984,995	16,334,043
Finished goods	62,732,726	68,417,494
	199,331,241	265,895,478

Included in raw materials are goods-in-transit amounting to RM35,975,497 (2024: RM49,568,744).

Inventories expensed to 'cost of sales' and inventories written down to net realisable value during the current financial year amounted to RM613,473,662 (2024: RM681,881,522).

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

19 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables	83,019,854	105,606,381	-	-
Less: Accumulated impairment	-	(248,301)	-	-
	83,019,854	105,358,080	-	-
Other receivables	1,263,763	2,135,885	47,408	28,931
Less: Accumulated impairment	(252,695)	(452,695)	-	-
	1,011,068	1,683,190	47,408	28,931
Staff loans	23,162	27,388	-	-
Deposits	1,194,888	1,075,808	4,500	4,500
Prepayments	1,695,030	1,025,076	-	-
	2,913,080	2,128,272	4,500	4,500
Total receivables, deposits and prepayments	86,944,002	109,169,542	51,908	33,431

The impact on the carrying amount of other receivables presented by the categories of credit risk rating are as follows:

	Performing RM	Under performing RM	Non- performing RM	Total RM
<u>Group</u>				
<u>2025</u>				
Gross carrying amount	1,011,068	-	252,695	1,263,763
Loss allowance	-	-	(252,695)	(252,695)
Net carrying amount	1,011,068	-	-	1,011,068
<u>2024</u>				
Gross carrying amount	1,683,190	-	452,695	2,135,885
Loss allowance	-	-	(452,695)	(452,695)
Net carrying amount	1,683,190	-	-	1,683,190

Information about the impairment and exposure to credit risk is disclosed in Note 4(c) to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group/Company	
	2025 RM	2024 RM
<u>Quoted shares</u>		
At 1 July	2,600,000	2,900,000
Loss in fair value (Note 8)	(800,000)	(300,000)
At 30 June	1,800,000	2,600,000

On 14 June 2022, the Company subscribed for 10 million Unitrade Industries Berhad's ("Unitrade") Initial Public Offerings ("IPO") shares at 32 sen per share for a total outlay of RM3.2 million, which represented around 0.64% of Unitrade's enlarged post-IPO share capital. The investment represents 0.7% of the Group's financial year ended 30 June 2021 audited net asset value.

The investment was made by the Company at the recommendation of its steel subsidiaries on the agreement that the steel subsidiaries bear the capital gains/(losses) of the said investment. The Company stands to benefit from its direct 100% holdings in the steel subsidiaries, and also any dividends arising from the said investment.

Unitrade is the Steel Tube subsidiary's single largest customer with a long business-relation history. Unitrade is unrelated to the Group or any of its Directors or management. Unitrade's share price closed at 18 sen per share on 30 June 2025 (2024: 26 sen), resulting in a mark-to-market loss of RM0.8 million (2024: RM0.3 million loss) charged to the Group's and Company's statements of comprehensive income in the current financial year. In the Company's statement of comprehensive income, the mark-to-market gain/(loss) was taken-up by the respective steel subsidiaries in 'Loss on investment in quoted shares'.

This investment is also reflected in Note 6 as a financial instrument fair valued at Level 1 hierarchy. There is no holding-period moratorium on the investment, and the Company is free to deal as it sees fit.

21 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Amounts due from subsidiaries which arose mainly from management fee charges and reimbursable payments are unsecured, interest free and repayable upon demand.

The amounts due to subsidiaries also include the balance of RM3.3 million due to the Steel Tube subsidiary being the assumed debt as part of the purchase consideration for the acquisition of the former in April 2015. This amount owing is unsecured, interest free and repayable upon demand.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

22 AMOUNTS DUE FROM/(TO) RELATED COMPANIES

	Group	
	2025 RM	2024 RM
Amounts due from related companies	-	1,908
Amounts due to a related company	212,123	781,396

The amounts due from related companies which arose solely from trade transactions are unsecured, interest free and subject to credit terms of 30 days (2024: 30 days). The amounts due to a related company which arose from both trade transactions and expenditures paid-on-behalf is unsecured, interest free and repayable upon demand.

23 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group			
	2025		2024	
	Assets RM	Liabilities RM	Assets RM	Liabilities RM
Forward foreign currency exchange contract - fair value hedge (designated)	472,390	(558,772)	124,763	(32,629)
Forward foreign currency exchange contract - fair value through profit and loss (not designated)	1,333	(7,921)	-	-
	473,723	(566,693)	124,763	(32,629)

The Group's derivatives comprise solely of Currency Exchange Forward Contracts incepted to hedge its foreign currency exposures arising mainly from purchases of raw materials in USD and partially from export sales in SGD, as disclosed in Note 4(e) to the financial statements. These Currency Exchange Forward Contracts generally have a maturity period of less than 6 months and their fair values are classified under current assets/(liabilities) by way of marking-to-market.

Material accounting policy information

Foreign currency hedges which meet qualifying criteria under MFRS 9 are designated on inception for fair value hedge accounting where the changes in fair value for both the hedge items and the hedge instruments are charged to the statement of comprehensive income and closing fair values are recognised in the statement of financial position as either current financial assets or liabilities.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

23 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Details on the Group's unrealised currency derivatives are outlined below:

(i) Derivatives designated and fair value hedge accounted

As at 30 June 2025

Forward foreign currency exchange contracts as hedge instrument					Contracted payment obligation and/or trade payables as hedge item				
Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value		Maturity period of contract	Notional value short USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM				Financial assets RM	Financial liabilities RM
July 2025	9,638,000	4.2753	3,340	(488,165)	July 2025	9,638,000	4.2753	488,165	(3,340)
August 2025	6,190,000	4.2314	-	(70,607)	August 2025	6,190,000	4.2314	70,607	-
Total	15,828,000		3,340	(558,772)	Total	15,828,000		558,772	(3,340)

Net fair value loss from the hedging instruments of RM555 thousand and the corresponding net fair value gain from the hedged item of RM555 thousand are taken-up in the statement of comprehensive income as net off-set.

As at 30 June 2025

Forward foreign currency exchange contracts as hedge instrument					Contracted receivables and/or trade receivables as hedge item				
Maturity period of contract	Notional value short USD	Average contracted rate USD/RM	Fair value		Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM				Financial assets RM	Financial liabilities RM
July 2025	1,900,000	4.4149	371,450	-	July 2025	1,900,000	4.4149	-	(371,450)
August 2025	1,000,000	4.2196	97,600	-	August 2025	1,000,000	4.2196	-	(97,600)
Total	2,900,000		469,050	-	Total	2,900,000		-	(469,050)

Net fair value gain from the hedging instruments of RM469 thousand and the corresponding net fair value loss from the hedged item of RM469 thousand are taken-up in the statement of comprehensive income as net off-set.

As at 30 June 2024

Forward foreign currency exchange contracts as hedge instrument					Contracted payment obligation and/or trade payables as hedge item				
Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value		Maturity period of contract	Notional value short USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM				Financial assets RM	Financial liabilities RM
July 2024	8,735,000	4.7195	33,480	(12,035)	July 2024	8,735,000	4.7195	12,035	(33,480)
August 2024	4,802,000	4.6941	91,283	(20,594)	August 2024	4,802,000	4.6941	20,594	(91,283)
Total	13,537,000		124,763	(32,629)	Total	13,537,000		32,629	(124,763)

Net fair value gain from the hedging instruments of RM92 thousand and the corresponding net fair value loss from the hedged item of RM92 thousand are taken-up in the statement of comprehensive income as net off-set.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

23 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Details on the Group's unrealised currency derivatives are outlined below: (continued)

(ii) Derivatives not designated and not hedge accounted

As at 30 June 2025

Forward foreign currency exchange contracts as hedge instrument

Maturity period of contract	Notional value short SGD	Average contracted rate SGD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2025	175,000	3.3147	878	(281)
August 2025	125,000	3.2875	180	(3,530)
September 2025	125,000	3.2898	125	(3,810)
October 2025	125,000	3.3198	150	(300)
Total	550,000		1,333	(7,921)

24 CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash in hand	7,145	2,973	2	2
Bank balances	29,343,530	50,696,209	262,498	471,692
Deposits with licensed banks	26,822,988	18,591,689	750,000	480,000
Cash and cash equivalents	56,173,663	69,290,871	1,012,500	951,694

The weighted average interest income rates effective at the reporting date are as follows:

	Group		Company	
	2025 per annum %	2024 per annum %	2025 per annum %	2024 per annum %
Bank balances	2.47	3.17	-	-
Deposits with licensed banks	3.01	2.84	2.76	2.81

Bank balances are deposits held at call with licensed banks, where interest ranging between 1.0% to 4.5% (2024: 1.0% to 4.5%) are paid. The Group's and Company's deposits with licensed banks have placement periods ranging between 10 to 64 days (2024: 1 to 70 days).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

25 PAYABLES AND ACCRUED LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables	38,989,185	88,155,776	-	-
Other payables	8,121,241	5,933,203	285,044	286,375
Accruals	7,402,905	9,849,316	118,000	115,000
Deposit received	660,109	2,243,999	-	-
	55,173,440	106,182,294	403,044	401,375

Trade payables include interest bearing suppliers' credit with balances amounting to RM Nil (2024: RM39,169,997). These credit facilities have interest bearing credit periods of up to 150 days (2024: 150 days).

The remaining payables and accrued liabilities are generally interest free and within accorded interest free credit periods ranging between 7 to 60 days (2024: 7 to 60 days).

26 CONTRACT LIABILITIES

	Group	
	2025 RM	2024 RM
Contract liabilities	66,775	338,805

The contract liabilities reflect the Group's outstanding obligations in relation to consideration received from contracts comprising mostly of upfront non-refundable deposits.

Significant changes to the contract liabilities during the financial year are as follows:

	Group	
	2025 RM	2024 RM
At 1 July	338,805	6,418,669
- deposit received during the financial year	1,952,944	4,351,704
- revenue recognised during the financial year	(2,224,974)	(10,431,568)
At 30 June	66,775	338,805
Composition of closing contract liabilities:		
- payment received or receivable for work not performed	66,775	338,805

The Group applies the practical expedient in MFRS 15 "Revenue from Contracts with Customers" for not disclosing the aggregate amount of the revenue expected to be recognised in the future as the contracted performance obligation would be fulfilled in less than one year.

Revenue from contract-with-customers of the Group recognised in the current financial year of RM338,805 (2024: RM6,418,669) relates to brought forward contract liabilities.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY

The amounts due from ultimate holding company comprise of interest free advance on factory-rental and management fees which would be fully offset against future billings in roughly four months' time.

The amounts due to ultimate holding company comprise of payments-on-behalf which are unsecured, interest free and repayable upon demand.

28 BORROWINGS

The Group's and Company's borrowings at the close of the respective financial periods are disclosed below:

		Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<u>Current</u>					
Bankers' acceptance	(i)	68,430,000	118,960,000	-	-
Term loan	(i)	-	4,347,552	-	-
Hire-purchase creditors	(ii)	1,523,940	415,664	-	-
Mortgage loan	(iii)	8,038,578	2,377,033	-	-
		77,992,518	126,100,249	-	-
<u>Non-current</u>					
Hire-purchase creditors	(ii)	1,422,247	458,118	-	-
Mortgage loan	(iii)	-	7,841,639	-	-
		1,422,247	8,299,757	-	-
<u>Combined</u>					
Bankers' acceptance		68,430,000	118,960,000	-	-
Term loan		-	4,347,552	-	-
Hire-purchase creditors		2,946,187	873,782	-	-
Mortgage loan		8,038,578	10,218,672	-	-
Total		79,414,765	134,400,006	-	-

The Group's total interest cost attributed to the above borrowings for the current financial year is RM5.3 million (2024: RM6.7 million). Neither the Group nor the Company have any overdue position on the outstanding borrowings from financial institutions.

The carrying amounts of the borrowings approximate their fair values as at the reporting date.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

28 BORROWINGS (CONTINUED)

Contractual terms of borrowings

	Contractual interest rate at reporting date per annum	Functional currency/ currency exposure	Total carrying amount RM	Maturity profile					
				< 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	> 5 years RM
<u>Group</u>									
<u>At 30 June 2025</u>									
<u>Secured</u>									
Bankers' acceptance	4.39% - 5.04%	RM	68,430,000	68,430,000	-	-	-	-	-
Hire-purchase creditors	1.75% - 2.70%	RM	2,946,187	1,523,940	982,910	378,642	32,205	28,490	-
Mortgage loan	5.91%	RM	8,038,578	8,038,578	-	-	-	-	-
			<u>79,414,765</u>	<u>77,992,518</u>	<u>982,910</u>	<u>378,642</u>	<u>32,205</u>	<u>28,490</u>	<u>-</u>
<u>At 30 June 2024</u>									
<u>Secured</u>									
Bankers' acceptance	4.57% - 5.78%	RM	118,960,000	118,960,000	-	-	-	-	-
Term loan	5.59%	RM	4,347,552	4,347,552	-	-	-	-	-
Hire-purchase creditors	2.23% - 2.55%	RM	873,782	415,664	213,902	140,906	103,310	-	-
Mortgage loan	5.84%	RM	10,218,672	2,377,033	2,323,914	2,416,730	2,513,252	587,743	-
			<u>134,400,006</u>	<u>126,100,249</u>	<u>2,537,816</u>	<u>2,557,636</u>	<u>2,616,562</u>	<u>587,743</u>	<u>-</u>

- (i) The term loan and a portion of the bankers' acceptance are secured with fixed and floating charge via a debenture by the Cold Rolled Coil subsidiary. A portion of the bankers' acceptance is secured with fixed and floating charge via a separate debenture by the Steel Tube subsidiary (refer Note 14).



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

28 BORROWINGS (CONTINUED)

(ii) The hire-purchase creditors at the reporting date are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Future minimum payments of hire-purchase creditors:				
Payable within one year	1,668,480	451,349	-	-
Payable between one and two years	1,040,878	229,649	-	-
Payable between two and three years	389,764	148,149	-	-
Payable between three and four years	34,320	105,037	-	-
Payable between four and five years	29,093	-	-	-
	3,162,535	934,184	-	-
Less: Future finance charges	(216,348)	(60,402)	-	-
Carrying amount	2,946,187	873,782	-	-
Carrying amount of hire-purchase creditors:				
Payable within one year	1,523,940	415,664	-	-
Payable between one and two years	982,910	213,902	-	-
Payable between two and three years	378,642	140,906	-	-
Payable between three and four years	32,205	103,310	-	-
Payable between four and five years	28,490	-	-	-
	2,946,187	873,782	-	-

Hire-purchase creditors are effectively secured as the rights to assets revert to the lessors in the event of default.

(iii) The mortgage loan drawn down by the Steel Tube subsidiary is secured against a corporate guarantee from the Company and a first party fixed charge on the leasehold land and building. For the current financial year, the entire carrying amount of the mortgage loan's long-term balance of RM5.5 million has been reclassified to short-term due to a bank covenant short-fall, which indulgences have been granted. See Note 4(b). The affected subsidiary and the Group remain in comfortable net-current-asset position after the reclassification. The continuing availability of the aforementioned debt facilities to the subsidiaries are unaffected.

The weighted average contractual interest rates of borrowings at the reporting date are as follows:

	Group		Company	
	2025 % per annum	2024 % per annum	2025 % per annum	2024 % per annum
Bankers' acceptance	4.64	4.85	-	-
Term loan	-	5.59	-	-
Hire-purchase creditors	2.45	2.37	-	-
Mortgage loan	5.91	5.84	-	-

The stated contractual interest rate for the hire-purchase is at 'flat-rate', whilst the rest are on 'reducing balance' basis.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

29 SHARE CAPITAL

	Group/Company			
	2025		2024	
	Number of shares	Nominal value RM	Number of shares	Nominal value RM
<u>Issued and fully paid with no par value</u>				
At 1 July	327,057,599	219,417,315	327,057,599	217,676,829
Transfer of lapsed warrants not exercised (Note 30)	-	-	-	1,740,486
At 30 June	327,057,599	219,417,315	327,057,599	219,417,315

In the financial year ended 30 June 2024, the warrant reserve was transferred to the nominal value of the shares upon the expiry of the said warrants.

30 WARRANT RESERVE

	Group/Company			
	2025		2024	
	Number of warrants	Nominal value RM	Number of warrants	Nominal value RM
At 1 July	-	-	21,756,070	1,740,486
Transfer of lapsed warrants not exercised (Note 29)	-	-	(21,756,070)	(1,740,486)
At 30 June	-	-	-	-

The warrant reserve was created in January 2019 arising from free warrants tied to the Company's Rights Issue. The Company had allocated a portion of the monies raised from said Rights Issue to represents the fair value of these issued free warrants as reserve to meet obligation to warrant-holders' rights-to-exercise. The Company has determined at initial recognition the value of the warrant reserve at RM0.08 per warrant (or RM1,740,486) based on the Black-Scholes model which took into consideration of the underlying variables such as the mother share-price, time-to-maturity, exercise price, and risk-free rate at the initial listing date.

Salient terms of the free Warrants:

- The warrants can be exercised any time during the tenure of 5 years commencing from the date of issuance on 28 January 2019 to 26 January 2024 ("Exercise Period"). Warrants not exercised during the Exercise Period will lapse and cease to be valid; and
- Each warrant entitles holder to subscribe for one new ordinary share in the Company at the exercise price of RM0.60 at any time during the Exercise Period.

The warrants expired on 26 January 2024 without any been exercised, which resulted in the full reserve been transferred to share capital.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

31 ASSET REVALUATION RESERVE

	Group	
	2025 RM	2024 RM
At 1 July	55,774,392	53,900,684
Revaluation surplus on:		
- property, plant and equipment	5,439,956	1,889,069
- right-of-use assets	2,387,092	576,336
Deferred tax	(1,332,493)	(591,697)
Credited to other comprehensive income	6,494,555	1,873,708
At 30 June	62,268,947	55,774,392

The asset revaluation reserve is used to record changes on fair value surplus of the Group's property, plant and equipment (see Note 13) and its right-of-use asset (leasehold land) (see Note 14), net of tax, pursuant to its annual independent revaluation. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings. See accounting policy Note 13(d) for details.

32 DEFERRED INCOME ON GRANT

	Group	
	2025 RM	2024 RM
At 1 July	8,103,935	5,731,458
Additions	-	3,900,000
Recognised in profit or loss (Note 8)	(347,500)	(1,527,523)
At 30 June	7,756,435	8,103,935
Analysed as:		
- Non-current	7,756,435	8,103,935

In financial year 2021, the Group received the 1st tranche of the government grant of RM6,100,000 under the Domestic Investment Strategic Fund for qualifying 'high technology' investments incurred on plant and equipment by CRC subsidiary. The 2nd and final tranche of the government grant on the aforesaid subject matter amounting to RM3,900,000 was received in the preceding financial year. These grants received are recorded as 'deferred income on grant' under non-current liabilities and would be amortised to profit or loss over the useful life of the underlying assets on a straight-line basis in tandem with their depreciation. There are no further outstanding unrecognised grants under application or processing in the current period.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are those significant related party transactions which were carried out on terms and conditions negotiated between the related parties.

The Group has related party transactions with the following related companies:

<u>Entities</u>	<u>Relationship</u>
Melewar Industrial Group Berhad	Ultimate holding company
Melewar Metal Trading Sdn. Bhd. [formerly known as Melewar Steel Mills Sdn. Bhd.]	Related company
Mycron Steel CRC Sdn. Bhd.	Subsidiary
Melewar Steel Tube Sdn. Bhd.	Subsidiary
Silver Victory Sdn. Bhd.	Subsidiary
Trace Management Services Sdn. Bhd.	A company which certain Directors have deemed financial interests

- (a) Significant transactions with related parties during the financial year are as follows (stated as debit or (credit) against the counterparty):

<u>Entity</u>	<u>Type of transaction</u>	<u>Group</u>	
		<u>2025</u> <u>RM</u>	<u>2024</u> <u>RM</u>
Non-trade related: received/receivable			
<u>Ultimate holding company</u>			
Melewar Industrial Group Berhad	Prepayment of rents & management fees	685,000	2,033,441
Melewar Industrial Group Berhad	Advances	1,000,000	-
Trade related: paid/payable			
<u>Ultimate holding company</u>			
Melewar Industrial Group Berhad	Rental for lease of properties	(5,040,000)	(5,040,000)
Melewar Industrial Group Berhad	Management fees	(2,520,000)	(2,520,000)
Melewar Industrial Group Berhad	Secondment fees	(395,412)	(475,735)
Melewar Industrial Group Berhad	Payment made	7,955,412	8,035,735
<u>Related party</u>			
Melewar Metal Trading Sdn. Bhd.	Scrap handling commission	(1,437,145)	(2,047,748)
Melewar Metal Trading Sdn. Bhd.	Payment made	1,386,707	1,557,394
Non-trade related: paid/payable			
<u>Related parties</u>			
Trace Management Services Sdn. Bhd.	Corporate secretarial services	(182,150)	(187,025)



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- (a) Significant transactions with related parties during the financial year are as follows (stated as debit or (credit) against the counterparty): (continued)

<u>Entity</u>	<u>Type of transaction</u>	<u>Company</u>	
		<u>2025</u> <u>RM</u>	<u>2024</u> <u>RM</u>
Trade related: received/receivable			
<u>Subsidiaries</u>			
Mycron Steel CRC Sdn. Bhd.	Management fees	6,002,169	5,408,996
Mycron Steel CRC Sdn. Bhd.	Payment received	(2,861,517)	(4,104,746)
Melewar Steel Tube Sdn. Bhd.	Management fees	1,958,177	957,716
Melewar Steel Tube Sdn. Bhd.	Payment received	(1,395,902)	(879,716)
Non-trade related: paid/payable			
<u>Related parties</u>			
Trace Management Services Sdn. Bhd.	Corporate secretarial services	(174,977)	(180,118)

- (b) Significant outstanding balances arising from the above are as follows:

<u>Entity</u>	<u>Group</u>		<u>Company</u>	
	<u>2025</u> <u>RM</u>	<u>2024</u> <u>RM</u>	<u>2025</u> <u>RM</u>	<u>2024</u> <u>RM</u>
<u>Amount due from ultimate holding company</u>				
Melewar Industrial Group Berhad	1,685,000	2,033,557	-	-
<u>Amounts due from a subsidiary</u>				
Melewar Steel Tube Sdn. Bhd.	-	-	960,930	455,042
<u>Amount due from a related company</u>				
Melewar Metal Trading Sdn. Bhd.	-	1,908	-	-
<u>Amount due to ultimate holding company</u>				
Melewar Industrial Group Berhad	6,561	3,466	-	-
<u>Amounts due to subsidiaries</u>				
Mycron Steel CRC Sdn. Bhd.	-	-	2,122,201	2,635,095
Melewar Steel Tube Sdn. Bhd.	-	-	3,255,072	3,255,072
	-	-	5,377,273	5,890,167
<u>Amount due to a related company</u>				
Melewar Metal Trading Sdn. Bhd.	212,123	781,396	-	-

There are no material outstanding balances with other related parties as at financial year end.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- (c) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and thus are considered related parties of the Group and of the Company. Remuneration details of the key management personnel of the Group and of the Company comprising the Non-Director Executives and Executive Directors are set out below.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-Director Executives:				
- salaries, and bonuses	3,241,926	2,093,840	383,800	-
- allowances	247,200	206,343	54,000	-
- defined contribution plan	511,507	334,410	62,970	-
Executive Directors:				
- fees, salaries, and bonuses	7,070,680	5,260,184	3,240,000	2,475,024
- defined contribution plan	1,060,602	789,030	486,000	371,256
- estimated monetary value of benefits-in-kind	62,780	70,186	17,491	26,111
	12,194,695	8,753,993	4,244,261	2,872,391

Remuneration details on the Non-Executive Directors are disclosed in Note 10 to the financial statements.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

34 SEGMENTAL ANALYSES

The Cold Rolled Coil segment is in the business of manufacturing and sale of cold rolled coils.

The Steel Tube segment is in the business of manufacturing and sale of steel pipes and tubes.

'Others' comprises of the investment holding company.

The strategic business units offer different products and services, and are managed separately. The Group's Executive Committee comprising key management personnel monitors the operating results of the strategic business units as well as relying on the segmental information as disclosed below for purposes such as resource allocation and performance assessment.

The Directors are of the opinion that all inter segment transactions are entered into in the normal course of business and are established based on 'arms-length' terms and conditions as agreed between the related parties.

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2025</u>				
<u>Revenue</u>				
Total revenue	498,743,290	244,983,954	7,960,346	751,687,590
Inter segment	(21,844,294)	-	(7,960,346)	(29,804,640)
External revenue	476,898,996	244,983,954	-	721,882,950
Segmented by steel products:				
- cold rolled coils	465,300,601	-	-	465,300,601
- steel tube and pipes	-	242,501,891	-	242,501,891
- scraps	11,228,802	628,262	-	11,857,064
Processing service income	369,593	1,853,801	-	2,223,394
External revenue	476,898,996	244,983,954	-	721,882,950

	Cold Rolled Coil RM	Steel Tube RM	Total RM
<u>2025</u>			
<u>Year-to-Date External Revenue by Geographic Areas</u>			
Malaysia	339,295,196	214,212,751	553,507,947
ASEAN	-	28,964,374	28,964,374
Non-ASEAN	137,603,800	1,806,829	139,410,629
Total External Revenue	476,898,996	244,983,954	721,882,950

* ASEAN: Association of South East Asian Nations

Non-current assets of the Group are located in Malaysia.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

34 SEGMENTAL ANALYSES (CONTINUED)

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2025</u>				
<u>Segment results</u>				
Profit from operations	7,780,398	(3,830,826)	536,322	4,485,894
Loss on investment in quoted shares	(400,000)	(400,000)	-	(800,000)
Finance income	1,095,459	484,667	3,207	1,583,333
Interest on borrowings	(2,926,634)	(3,241,319)	-	(6,167,953)
Interest on lease liabilities	-	(661,903)	-	(661,903)
Total profit/(loss) before tax	5,549,223	(7,649,381)	539,529	(1,560,629)
Consolidation elimination [^]	817,259	-	-	817,259
External profit/(loss) before tax	6,366,482	(7,649,381)	539,529	(743,370)
Tax expense	(1,703,723)	1,367,381	(215,359)	(551,701)
Net profit/(loss) after tax	4,662,759	(6,282,000)	324,170	(1,295,071)
Total segment assets	481,716,248	271,054,647	226,042,313	978,813,208
Consolidation elimination [*]	(26,227,264)	(19,505,420)	(222,934,779)	(268,667,463)
Net segment assets	455,488,984	251,549,227	3,107,534	710,145,745

[^] Related to elimination of unrealised profit on closing inventories (RM0.8 million).

^{*} Major items included intercompany balances elimination (RM37.2 million), elimination of cost of investment (RM222.0 million), elimination of goodwill from the Steel Tube subsidiary (RM7.5 million), elimination of unrealised profit on closing inventories (RM0.4 million) and elimination of deposit (RM1.6 million).

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2025</u>				
<u>Other information</u>				
Depreciation on property, plant and equipment	10,245,032	3,439,325	73,194	13,757,551
Depreciation on ROU assets	-	4,950,905	-	4,950,905
Impairment/(Reversal) on property, plant and equipment	1,011,621	(320,718)	-	690,903
Additions of property, plant, and equipment	5,766,884	3,286,868	19,809	9,073,561



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

34 SEGMENTAL ANALYSES (CONTINUED)

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2024</u>				
<u>Revenue</u>				
Total revenue	547,651,930	283,853,864	6,366,712	837,872,506
Inter segment	(29,693,990)	-	(6,366,712)	(36,060,702)
External revenue	517,957,940	283,853,864	-	801,811,804
Segmented by steel products:				
- cold rolled coils	502,225,937	-	-	502,225,937
- steel tube and pipes	-	281,170,829	-	281,170,829
- scraps	15,734,035	1,018,994	-	16,753,029
Processing service income	(2,032)	1,664,041	-	1,662,009
External revenue	517,957,940	283,853,864	-	801,811,804

	Cold Rolled Coil RM	Steel Tube RM	Total RM
<u>2024</u>			
<u>Year-to-Date External Revenue by Geographic Areas</u>			
Malaysia	318,951,838	241,039,848	559,991,686
ASEAN	-	37,649,610	37,649,610
Non-ASEAN	199,006,102	5,164,406	204,170,508
Total External Revenue	517,957,940	283,853,864	801,811,804

* ASEAN: Association of South East Asian Nations

Non-current assets of the Group are located in Malaysia.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

34 SEGMENTAL ANALYSES (CONTINUED)

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2024</u>				
<u>Segment results</u>				
Profit from operations	14,342,262	13,137,899	550,736	28,030,897
Finance income	1,115,717	707,993	4,630	1,828,340
Interest on borrowings	(3,913,058)	(4,115,168)	(3,745)	(8,031,971)
Interest on lease liabilities	-	(836,644)	-	(836,644)
Total profit before tax	11,544,921	8,894,080	551,621	20,990,622
Consolidation elimination [^]	(267,663)	-	-	(267,663)
External profit before tax	11,277,258	8,894,080	551,621	20,722,959
Tax expense	(2,765,671)	(756,748)	(228,891)	(3,751,310)
Net profit after tax	8,511,587	8,137,332	322,730	16,971,649
Total segment assets	544,190,973	332,729,663	226,310,530	1,103,231,166
Consolidation elimination [*]	(39,817,815)	(25,154,827)	(222,428,892)	(287,401,534)
Net segment assets	504,373,158	307,574,836	3,881,638	815,829,632

[^] Related to elimination of unrealised profit on closing inventories (RM0.3 million).

^{*} Major items included intercompany balances elimination (RM55.1 million), elimination of cost of investment (RM222.0 million), elimination of goodwill from the Steel Tube subsidiary (RM7.5 million), elimination of unrealised profit on closing inventories (RM1.2 million) and elimination of deposit (RM1.6 million).

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2024</u>				
<u>Other information</u>				
Depreciation on property, plant and equipment	11,560,215	3,560,678	72,616	15,193,509
Depreciation on ROU assets	-	4,940,149	-	4,940,149
(Reversal)/Impairment on property, plant and equipment	(742,176)	257,266	-	(484,910)
Additions of property, plant, and equipment	2,225,838	3,093,235	-	5,319,073



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

34 SEGMENTAL ANALYSES (CONTINUED)

A reconciliation of the segment assets to the total assets is as follows:

	2025 RM	2024 RM
Segment assets	710,145,745	815,829,632
Deferred tax assets	809,670	-
Derivative financial assets	473,723	124,763
Current tax recoverable	3,095,832	1,994,213
	714,524,970	817,948,608

Information about major customers

Revenue from two major customers amounting to RM92.4 million (2024: RM125.4 million) and RM86.5 million (2024: RM104.5 million) contributed to 25% (2024: 29%) of the Group's revenue. These two major customers are each from the Cold Rolled Coil segment and the Steel Tube segment.

35 FINANCIAL GUARANTEES

As at 30 June 2025, the Company has corporate guarantees issued to lenders for borrowings drawdown by its principal subsidiaries, Mycron Steel CRC Sdn. Bhd. and Melewar Steel Tube Sdn. Bhd. amounting to RM40.0 million (2024: RM50.2 million) and RM36.5 million (2024: RM83.3 million) respectively.

36 LITIGATION, COMMITMENT AND CONTINGENCY

- (a) At the end of the financial year, the Group's Cold Rolled Coil subsidiary and Steel Tube subsidiary have outstanding capital commitments that have been approved and contracted for of around RM1.0 million and RM0.7 million respectively, for the upgrading of its existing plant and machineries. Other than these, there are no material capital expenditures approved but not contracted for at the close of the current financial year.
- (b) The Directors are not aware of any circumstances or developments giving rise to contingent liabilities or assets warranting disclosure.
- (c) The Cold Rolled Coil subsidiary has on 29 November 2023 obtained leave from the Kuala Lumpur High Court to commence judicial review proceedings on decisions made by the Ministry of Investment, Trade & Industry (MITI) to remove anti-dumping duties on CRC imported from South Korea and Vietnam. At the same hearing, the High Court also granted a 'Stay of Proceedings' on the said MITI's ruling pending outcome of the judicial review which has since been initiated. The Korean & Vietnam parties (not originally named as parties to the judicial proceedings) have since applied for 'intervention & redaction' on the matter. In the 'case management' hearing on 6 August 2024, the Court has fixed various dates for the Respondents, Interveners, and Applicants to file their affidavits & affidavits-in-reply, followed by written submissions & submissions-in-reply lasting until 18 April 2025 (now rescheduled to 20 June 2025). Culminating from that, the Court has fixed the Judicial Review Application to be heard on 8 May 2025 (now rescheduled to 8 December 2025).

Besides the aforementioned, the Group is not currently engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of the Group and the Board are not aware of any proceedings pending against the Group or of any other facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position and business of the Group.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

37 FINANCIAL INSTRUMENTS BY CATEGORY

	2025		2024	
	At amortised cost RM	Fair value through profit or loss RM	At amortised cost RM	Fair value through profit or loss RM
<u>Group</u>				
Financial assets per statement of financial position:				
<u>Current assets:</u>				
Financial assets at fair value through profit or loss	-	1,800,000	-	2,600,000
Derivative financial assets	-	473,723	-	124,763
Receivables and deposits	85,248,975	-	108,144,466	-
Cash and cash equivalents	56,173,663	-	69,290,871	-
Amount due from ultimate holding company	1,685,000	-	2,033,557	--
Amounts due from related companies	-	-	1,908	-
Total financial assets	143,107,638	2,273,723	179,470,802	2,724,763
Financial liabilities per statement of financial position:				
<u>Current liabilities:</u>				
Derivative financial liabilities	-	566,693	-	32,629
Payables and accrued liabilities (excluding payroll liabilities)	52,503,590	-	102,371,521	-
Borrowings	77,992,518	-	126,100,249	-
Lease liabilities *	4,560,101	-	4,378,097	-
Amount due to ultimate holding company	6,561	-	3,466	-
Amount due to a related company	212,123	-	781,396	-
<u>Non-current liabilities:</u>				
Borrowings	1,422,247	-	8,299,757	-
Lease liabilities *	9,276,797	-	13,836,898	-
Total financial liabilities	145,973,937	566,693	255,771,384	32,629

* Lease Liabilities

The inclusion of these lease liabilities - representing the discounted future rental commitments on two plots of rented factory land and buildings (see Note 15(b)) - exaggerates the Group's net-financial-liability position since the corresponding 'right-of-use' assets in relation to these leases are deemed as 'non-financial' and are excluded.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

37 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	2025		2024	
	At amortised cost RM	Fair value through profit or loss RM	At amortised cost RM	Fair value through profit or loss RM
<u>Company</u>				
Financial assets per statement of financial position:				
<u>Current assets:</u>				
Financial assets at fair value through profit or loss	-	1,800,000	-	2,600,000
Receivables and deposits	51,908	-	33,431	-
Cash and cash equivalents	1,012,499	-	951,694	-
Amounts due from subsidiaries	960,930	-	455,042	-
Total financial assets	2,025,337	1,800,000	1,440,167	2,600,000
Financial liabilities per statement of financial position:				
<u>Current liabilities:</u>				
Payables and accrued liabilities (excluding payroll liabilities)	117,294	-	141,779	-
Borrowings	-	-	-	-
Amounts due to subsidiaries	5,377,273	-	5,890,167	-
Total financial liabilities	5,494,567	-	6,031,946	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

38 MANAGEMENT-DEFINED PERFORMANCE MEASURE (MPM)

Management use earnings before interest, taxes, depreciation and amortisation (EBITDA) as a MPM to monitor operating performance and assess the cash-generating ability of the Group's core business. It provides a clearer view of operational profitability by eliminating the effect of non-cash items from earnings. Management believes this MPM provides valuable insight into the Group's core operational profitability and allows stakeholders to better evaluate the Group's ability to generate cash from its core business.

The reconciliation of EBITDA to Operating Profit for the Group are as follows:

	2025 RM'000	Tax effect ^(a) RM'000	2024 RM'000	Tax effect ^(a) RM'000
EBITDA (MPM)	19,427		42,931	
Total Depreciation (excluding right-of-use assets for rented properties)	(14,245)	(3,419)	(15,670)	(3,761)
Impairment on property, plant and equipment	(691)	(166)	485	116
Reversal of impairment of other debtors	12	3	17	4
Loss on investment in quoted shares	800	192	300	72
	<u>(14,124)</u>	<u>(3,390)</u>	<u>(14,868)</u>	<u>(3,569)</u>
Operating profit	5,303		28,063	

^(a) The tax effect is calculated based on the statutory tax rate applicable in Malaysia at the end of 2025 and 2024, at 24%.

39 SIGNIFICANT CHANGES IN ACCOUNTING POLICY

The Group early adopted MFRS 18, *Presentation and Disclosure in Financial Statements* (in replacement of MFRS 101, *Presentation of Financial Statements*). It introduces several new requirements that are expected to impact the presentation and disclosure, where applicable. These include:

- The requirement to classify all income and expense into specified categories and provide specified totals and subtotals in the Statement of Comprehensive Income.
- Required disclosures about certain non-GAAP measures ('management-defined performance measures' or 'MPMs'), in a single note to the financial statements.
- Enhanced guidance on the aggregation and disaggregation of information across all the primary financial statements and the notes.



Notes to the Financial Statements

For the Financial Year Ended 30 June 2025 (Continued)

39 SIGNIFICANT CHANGES IN ACCOUNTING POLICY (CONTINUED)

- The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from 'profit or loss' to 'operating profit or loss'. It also provides guidance on classification of interest and dividend in Statement of Cash Flows.
- Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

The standard is applied retrospectively, and the effects arising from the adoption of MFRS 18 on the Group's and the Company's Statements of Comprehensive Income items for the comparative period are as follows:

	As previously reported RM	Effects of adoption of MFRS18 RM	As restated RM
Statements of Comprehensive Income for the financial year ended 2024			
<u>Group</u>			
Operating category:			
Other operating income	1,824,094	300,000	2,124,094
Investing category:			
Loss on investment in quoted shares	-	(300,000)	(300,000)
Financing category:			
Finance costs	(8,868,615)	8,868,615	-
Interest on borrowings	-	(8,031,971)	(8,031,971)
Interest on lease liabilities	-	(836,644)	(836,644)
<u>Company</u>			
Financing category:			
Finance costs	(3,745)	3,745	-
Interest on borrowings	-	(3,745)	(3,745)

Properties Owned by Mycron Steel Berhad and Its Subsidiaries

Address of Property	Lease expiry date	Brief description and existing use	Land/built-up area*	Approximate age of buildings (years)^	Net book value (RM)
Lot 717, Jalan Sungai Rasau, Seksyen 16,40200 Shah Alam, Selangor.	Freehold	Factory cum office building	763,758 sq.ft. (17.53 acres)	35	122,500,000
Lot 53, Persiaran Selangor, Seksyen 15,40200 Shah Alam, Selangor.	22.5.2078	Factory cum office building	196,301 sq.ft. (4.51 acres)	34	34,000,000

Note: The above property was revalued in 2025.

* Based on surveyed land area.

^ From the date of Certificate of Fitness for Occupation.