

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.



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 LOGO BUATAN MALAYSIA certification from the Ministry of Domestic Trade and Consumer Affairs for its AURORA Conduits and cold rolled products.

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

MALAYSIAN STANDARDS



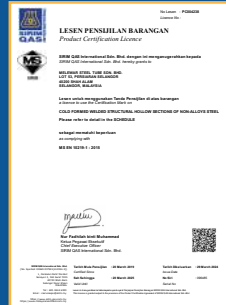
MS 61386-21 : 2010 for Rigid Steel Conduit for Cable Management



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



CIBD Registered Products • Cold Formed Welded Structural Hollow Sections



CIBD 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 BUATAN MALAYSIA Certificate for AURORA Conduits and Cold Rolled products



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



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

Profile of Directors

TUNKU DATO' YAACOB KHYRA

Executive Chairman



Nationality:
Malaysian

Age:
64



Gender:
Male

Tunku Dato' Yaacob Khyra was appointed to the Board of Directors of the Company on 30 March 2004.

Tunku Dato' Yaacob was redesignated to Executive Chairman of the Company on 2 January 2015. He is also a Director of Mycron Steel CRC Sdn Bhd. He 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), Chase Perdana Sdn Bhd 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. His shareholdings in the Company is disclosed on page 30 of the Annual Report.

Tunku Dato' Yaacob does not have any personal interest in any business arrangements involving the Company nor any conflict of interest with the Company except for common directorships with those companies disclosed in the Circular to Shareholders dated 30 October 2024 in relation to RRPTs and he has had no convictions 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.

Profile of Directors

ROSHAN MAHENDRAN BIN ABDULLAH

Group Chief Executive Officer

**Nationality:**
Malaysian**Age:**
42**Gender:**
Male

En Roshan Mahendran bin Abdullah was appointed to the Board of Directors of the Company on 18 September 2017 as a Non-Independent Executive Director. Subsequently, he was appointed as the Group Chief Executive Officer of the Company on 2 April 2018.

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).

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

En Roshan does not have any personal interest in any business arrangements involving the Company.

En Roshan does not have any conflict of interest with the Company and he has had no convictions 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.

Profile of Directors

AZLAN BIN ABDULLAH

Non-Independent Non-Executive Director



Nationality:
Malaysian

Age:
66



Gender:
Male

En Azlan bin Abdullah was appointed to the Board of Directors of the Company on 30 March 2004 as an Executive Director/Group Chief Executive Officer. On 2 April 2018, he was redesignated from Group Chief Executive Officer to Group Managing Director. Subsequently, on 11 August 2018 he was redesignated to Non-Independent Non-Executive Director of the Company.

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 Asian Iron and Steel Council from 2012 until May 2018.

En Azlan has no family ties with any of the Directors and/or major shareholders of the Company. His shareholding in the Company is disclosed on page 30 of the Annual Report.

En Azlan does not have any personal interest in any business arrangements involving the Company.

En Azlan does not have any conflict of interest with the Company and he has had no convictions 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.

DATO' MOHD ZAHIR BIN ZAHUR HUSSAIN

Independent Non-Executive Director

**Nationality:**
Malaysian**Age:**
49**Gender:**
Male

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

Dato' Mohd Zahir, was appointed to the Board of Directors of the Company on 30 June 2022.

On 29 August 2022, Dato' Mohd Zahir was appointed as a Member of the Audit & Governance Committee and Risk & Sustainability Committee of the Company.

Dato' Mohd Zahir has an established 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 was the Group Chief Financial Officer of Prasarana Malaysia Berhad (Prasarana) and subsequently promoted as the Chief Executive Officer of Prasarana Integrated Development (PRIDE), a wholly owned subsidiary of Prasarana. He was also the Managing Director and Group Chief Executive Officer of Destini Berhad. Currently he is the Managing Director of Zahir Irkaz PLT.

Dato' Mohd Zahir is a member of the Chartered Accountants Australia and New Zealand as well as the Malaysian Institute of Accountants.

Dato' Mohd Zahir has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Dato' Mohd Zahir does not have any personal interest in any business arrangements involving the Company.

Dato' Mohd Zahir does not have any conflict of interest with the Company and he has had no convictions 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.

Profile of Directors

KWO SHIH KANG

Senior Independent Non-Executive Director



Nationality:
Malaysian

Age:
64



Gender:
Male

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

Mr Kwo Shih Kang was appointed to the Board of Directors of the Company on 23 August 2019 as an Independent Non-Executive Director. On 30 May 2022, Mr Kwo was appointed as a member of the Nomination and Remuneration Committee of the Company.

He 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).

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

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

Mr Kwo does not have any conflict of interest with the Company and he has had no convictions 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.

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

Independent Non-Executive Director



Nationality:
Malaysian

Age:
69



Gender:
Male

- **Chairman of the Nomination & Remuneration Committee**

Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah was appointed to the Board of Directors of the Company on 2 January 2015 as an Independent Non-Executive Director. On 30 September 2022, Tengku Datuk Seri Ahmad Shah was redesignated from member to Chairman of the Nomination and Remuneration Committee of the Company.

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

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.

Tengku Datuk Seri Ahmad Shah has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Tengku Datuk Seri Ahmad Shah does not have any personal interest in any business arrangements involving the Company.

Tengku Datuk Seri Ahmad Shah does not have any conflict of interest with the Company and he has had no convictions 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.

Profile of Directors

DATIN SERI RAIHANAH BEGUM BINTI ABDUL RAHMAN

Independent Non-Executive Director



Nationality:
Malaysian

Age:
62



Gender:
Female

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

Datin Seri Raihanah Begum binti Abdul Rahman, was appointed to the Board of Directors of the Company on 8 April 2019 as an Independent Non-Executive Director.

She 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.

Datin Seri Raihanah has no family ties with any of the Directors and/or major shareholders of the Company nor any shareholding in the Company.

Datin Seri Raihanah does not have any personal interest in any business arrangements involving the Company.

Datin Seri Raihanah does not have any conflict of interest with the Company and she has had no convictions 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

TUNKU DATO' YAACOB KHYRA

Executive Chairman



Nationality:
Malaysian

Age:
64



Gender:
Male

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 20 of this annual report.

ROSHAN MAHENDRAN BIN ABDULLAH

Executive Director/Group Chief Executive Officer



Nationality:
Malaysian

Age:
42



Gender:
Male

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 21 of this annual report.

CHOO KAH YEAN

Group Chief Financial Officer



Nationality:
Malaysian

Age:
59



Gender:
Male

Mr Choo Kah Yeon 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.

Key Senior Management Profile

IR. CHIN SHYI HER

Chief Operating Officer, Tube Operations



Nationality:
Malaysian

Age:
59



Gender:
Male

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.

DR. FANNY TAN BOON SIM

Chief Operations Officer, CRC Operations



Nationality:
Malaysian

Age:
46



Gender:
Female

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 a 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.

Group Financial Highlights & Financial Indicators

	2020	2021	2022	2023	2024
1 Financial highlights of Statements of Comprehensive Income					
Revenue (RM mil)	596.1	736.7	745.9	540.0	801.8
EBITDA (RM mil)	13.0	90.3	86.3	13.0	42.9
Profit/(loss) before tax (RM mil)	(10.5)	68.3	64.5	(13.8)	20.7
Profit/(loss) after tax (RM mil)	(10.6)	53.8	52.7	(12.3)	17.0
2 Financial highlights of Statements of Financial Position					
Total assets (RM mil)	634.0	737.0	851.6	706.1	817.9
Total borrowings (RM mil) *	100.3	87.4	116.4	129.2	173.6
Shareholders equity (RM mil)	385.9	447.7	494.7	493.4	512.3
3 Financial indicators					
Return on equity (%)	(2.7)	12.0	10.7	(2.5)	3.3
Return on total assets (%)	(1.7)	7.3	6.2	(1.7)	2.1
Gearing ratio (Times)	0.26	0.20	0.24	0.26	0.34
Net earnings/(loss) per share (sen)	(3.2)	16.5	16.1	(3.8)	5.2
Net asset per share (RM)	1.18	1.37	1.51	1.51	1.57
Dividend per share (sen)	-	-	3.0	-	-
PE ratio	(8.8)	3.5	2.8	(8.8)	8.6
Share price as at FYE (RM)	0.285	0.570	0.455	0.330	0.445

* Includes interest bearing trade payables

Analysis of Shareholdings

As at 30 September 2024

Total Number of Issued Shares	- 327,057,599
Class of Shares	- Ordinary Shares
No. of Shareholders	- 4,841
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	706	14.5838	23,289	0.0071
100 - 1,000	1,660	34.2904	835,304	0.2554
1,001 - 10,000	1,624	33.5468	8,084,462	2.4719
10,001 - 100,000	754	15.5753	24,577,329	7.5147
100,001 and below 5% of issued shares	96	1.9831	51,076,950	15.6171
5% and above of issued shares	1	0.0207	242,460,265	74.1338
Total	4,841	100.00	327,057,599	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2024

Name	Number of Shares Held			% ^(a)
	Direct	% ⁽¹⁾	Indirect	
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 2024

Name	Number of Shares Held			% ^(a)
	Direct	% ⁽¹⁾	Indirect	
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 2024

THIRTY LARGEST SHAREHOLDERS

As at 30 September 2024

No.	Name	No. of Shares Held	(a)% of Shares
1.	Melewar Industrial Group Berhad	242,460,265	74.13
2.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Mettiz Capital Sdn Bhd)	7,686,400	2.35
3.	Cartaban Nominees (Asing) Sdn Bhd (Exempt an for Daiwa Capital Markets Singapore Limited)	5,370,000	1.64
4.	PM Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kong Kok Choy)	5,360,000	1.63
5.	Tan Cheng Chai	4,379,000	1.34
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)	808,700	0.25
11.	Kenanga Nominees (Asing) Sdn Bhd (Pledged Securities Account for Wu Teng Siong)	670,000	0.20
12.	Lee Chee Beng	537,700	0.16
13.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tay Chor Teck)	518,000	0.16
14.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kong Kok Choy)	490,000	0.15
15.	Wu Teng Siong	470,000	0.14
16.	Tan Ah Sim @ Tan Siew Wah	410,000	0.12
17.	Wong Chung Hua	400,000	0.12
18.	Ng Teng Song	386,900	0.12
19.	Maybank Securities Nominees (Asing) Sdn Bhd (Maybank Securities Pte Ltd for Divyesh Nagindas Doshi)	385,200	0.12
20.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Fam Choon Wai)	353,000	0.11
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kong Kok Choy)	350,000	0.11
22.	Lim Kian Wat	333,000	0.10
23.	Kong Kok Choy	328,200	0.10
24.	Lu Yew Kong	328,000	0.10
25.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd (Pledged Securities Account for Khor Kim Hock)	312,700	0.09
26.	Sim Heok Hoo	300,000	0.09
27.	Leo Lee Hsia	300,000	0.09
28.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chong Yiew On)	297,700	0.09
29.	Cartaban Nominees (Asing) Sdn Bhd (Exempt an for Barclays Capital Securities Ltd)	287,100	0.09
30.	Chan Seng Cheong	254,000	0.08
	Total	283,232,365	86.58

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 2024.

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 2024 (“FY2024”) are as follows:

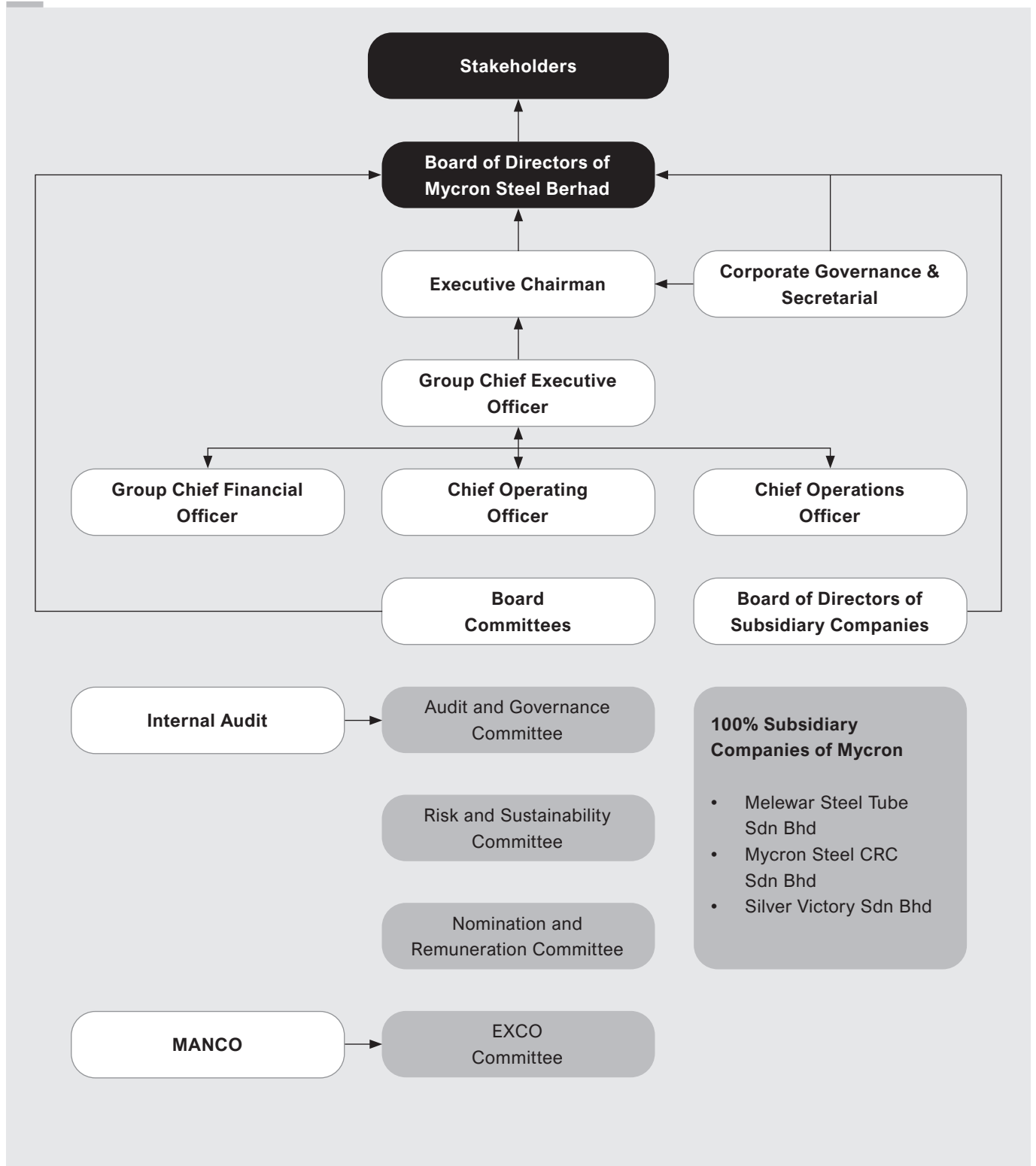
Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationships with stakeholders
<ul style="list-style-type: none"> Board responsibilities Board composition Remuneration 	<ul style="list-style-type: none"> Audit and Governance Committee Risk management and internal control 	<ul style="list-style-type: none"> 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 named basis the top 3 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 by our GCEO/Executive Chairman 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.

(ii) Chairman

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

The GCEO, En Roshan Mahendran bin Abdullah is overall responsible for the business operations and day-to-day management of the Group and the implementation of the Board's policies and decisions.

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.

(iv) Chairman of the Board in Board Committees

The Company has adopted this 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 Board is assisted by a qualified and competent Company Secretary who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations.

Corporate Governance Overview Statement

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

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

Ms Lily Yin Kam May resigned as Company Secretary of the Company and the Group and in place thereof, Mr Kenneth Goh Kwan Weng was appointed as Company Secretary of the Group with effect from 15 April 2024.

Mr Kenneth Goh Kwan Weng is an Advocate and Solicitor of the High Court of Malaya and he holds a Practising Certificate from the Companies Commission of Malaysia and is qualified to act as company secretary under Section 235(2) of the CA.

The Company Secretary attends all Board and Committee meetings and ensures that discussions and deliberations of the Board and Committees are properly documented and recorded in a timely manner, and subsequently communicated to the Management for appropriate actions. The Company Secretary further ensures that outstanding action items are properly tracked and monitored until such items are addressed and where necessary, reported to the Board.

On an ongoing basis, the Directors have separate and independent access to the Company Secretary. The Board is regularly updated by the Company Secretary on new developments to the legislations and the MMLR of Bursa Securities and the resultant implications to the Company and the Board in discharging their duties and responsibilities.

The Company Secretary constantly keeps himself/herself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary has also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or MAICSA for practising company secretaries. The Board is satisfied with the performance and support rendered by the Company Secretary in discharging his/her functions.

1.3 Access to Information and Meeting Materials

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. All members of the Board have full unrestricted access to any information pertaining to the Group's business and affairs.

Prior to the scheduled Board and Committee meetings, a formal and structured agenda together with a set of Board and Committee papers are forwarded to all Directors at least five (5) working days before the relevant Board or Committee meetings to allow sufficient time for the Directors to review and analyse relevant information and if necessary, obtain further information on matters to be deliberated. The Board papers provide, among others, periodic financial information, operational issues and management proposals that require Board's approval.

Senior Management staff are invited to attend Board meetings to provide the Board detailed explanations and clarifications on certain matters that are tabled to the Board. The Directors may interact directly with Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them. In this way, the Board has full access to all information on the Company's affairs to enable them to properly discharge their duties.

Technology is also used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

The Directors, whether acting as a full Board member or in their individual capacity, in the furtherance of their duties, may obtain independent professional advice at the Company's expense, in the event that circumstances warrant the same. The Company has in place internal procedures for the application and appointment process for the services of independent professional parties in the Board Charter.

Corporate Governance Overview Statement

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 as illustrated above demonstrates how 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.

The CG Framework 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**

In compliance with Practice 2.1 of the MCCG, the Board has established a Board Charter as a point of reference for Board activities. The Board Charter clearly delineates the roles, duties and responsibilities of the Board, Board Committees, Directors and Senior Management in order to provide a structured guidance regarding their responsibilities, duties, roles, functions and powers.

The Board endeavours to comply at all times with the principles and practices as set out in the Board Charter. The Board will review the Board Charter from time to time and make any necessary amendments to ensure it remains consistent with the Board’s objectives, current law and practices.

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 has adopted a Code of Conduct and Ethics (“Code”) which is to instil and inculcate, amongst Directors, management and employees of the Group, a corporate culture which engenders ethical conduct to permeate throughout the Group. The Code sets out broad standards to guide the Directors, management and employees to carry out their duties and responsibilities in an ethical manner covering various elements from, among others, human rights, health and safety, environmental care, company’s assets, records and controls to confidentiality, gifts and business courtesies and integrity and professionalism.

An Employee Handbook, which contains various human resources policies, serves as a guide for Management and employees of the Group and is communicated to all the employees, both new and existing, through training, HR portal and induction programme.

The Company’s Code of Conduct is available on the Company’s website.

Corporate Governance Overview Statement

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

- **Whistleblowing Policy**

The Whistleblowing Policy and Procedures were established to provide an avenue for all Directors, Employees, Suppliers, Customers, Shareholders, Vendors or any parties with a business relationship of the Group to raise genuine concerns about any suspected fraud, malpractices, illegal acts, improper conduct, corruption and other acts or omissions which are against the interest of the Group.

The Policy sets out the procedures for dealing with any complaints lodged by whistle-blowers. The Policy helps the Board to protect the interest of the Company and its stakeholders by identifying and investigating complaints and suspected misconducts (if any) on an independent basis and helps the Board to maintain a culture of openness and honesty within the Group.

The AGC is committed to investigate and address all cases of reported misconduct and determine the channel for investigation and follow-up action. Further details of the Whistleblowing Policy are available on the Company’s website.

On 30 May 2024, the Board reviewed and approved the revised Whistleblowing Policy and Procedures to further enhance and improve the effective implementation of the policy within the Group.

For financial year 2024, the Company did not receive any report or complaint of misconduct from employees, Management, public or stakeholders.

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

To assure accountability and prevent conflict of interest in relation to issues that come before the Board, the Company has put in place a Conflict of Interest Policy which applies to all Directors and Employees of MSB and its subsidiaries (including employees on contract terms, temporary staff, and those on internship or secondment). The Group expects all employees to conduct themselves with integrity, impartiality, and professionalism at all times, and to avoid any conflict of interest that may arise in the performance of their duties.

In the case of Directors, these are enshrined in the Board Charter. Directors are reminded by the Company Secretary of their statutory duties and responsibilities and are provided with updates on any changes thereon. Hence, the AGC reviews on a quarterly basis related party transactions and possible conflict of interest situations that may arise within the Group including any transactions, procedure or course of conduct that may give rise to questions on management integrity to ensure all transactions are at arm’s length basis.

The AGC had ensured that the Company is in compliance with the MMLR and these related party transactions are not detrimental to minority shareholders. The AGC also did not detect any issue that warrants specific disclosure.

The Directors further acknowledge that they are also required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened.

In the event a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting in respect of their shareholdings and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolutions.

Notices on the closed period for trading in the Company’s shares are sent to Directors and principal officers on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company’s shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR.

Corporate Governance Overview Statement

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

- **Conflict of Interest and Related Party Transactions (continued)**

The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests for the Group’s monitoring on a quarterly basis or as and when required.

A director is also required to make an annual declaration of Conflict of Interest via the Annual Declaration Form.

The above guidelines are encapsulated in the Conflict of Interest Policy and Related Party Transactions Policy which were approved by the Board of Directors on 27 February 2024 and 24 February 2021 respectively.

- **Anti-Fraud/Corruption Policy**

The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships (including its supply chain), free from acts of bribery or corruption in upholding high standards of ethics and integrity.

The Group Anti-Fraud/Corruption Policy provides information and guidance to the Directors and employees on their actions and decisions made for and on behalf of the Company to prevent practices against the Group Anti-Fraud/Corruption Policy. It also elaborates the accepted best practice guidelines to combat bribery and corruption in furtherance of the Group’s commitment to lawful and ethical behaviour at all times.

The Group takes a zero-tolerance approach towards fraud, bribery and corruption and any form of dishonesty in its business dealings.

The Group Anti-Fraud/Corruption Policy is applicable to Directors, employees, suppliers, contractors, sub-contractors, vendors, agents, consultants, representatives and other representatives acting for or on behalf of the Group.

The Group educates all new employees on the Company’s Anti-Fraud/Corruption Policy as well as Code of Conduct and Ethics, during the in-house orientation programme. Any updates to the Employee Handbook are done through the internal network and all employees sign off on the Company’s policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group’s internal briefings.

All employees and Directors of the Company are required to declare that they have received, read and understood the provisions of the Codes/Policies, and agreed to observe and adhere to the Codes/Policies with complete professionalism and integrity throughout their employment or tenure with the Company.

The Board had on 30 May 2024 reviewed and approved the revised Group Anti-Fraud/Corruption Policy of the Company to further enhance and improve the effective implementation of the policy within the Group.

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

For financial year 2024, there was no incident of bribery and corruption that were reported to the Group.

Corporate Governance Overview Statement

1.5 Strategic Management of Sustainability Matters

The Board recognises the importance of sustainable development and is committed to embedding sustainability principles and values into the Group's strategic plans, targets, business processes and risk management.

To ensure the Group has an effective system to govern sustainability matters, the Board has adopted a Sustainability Framework & Policy and established a Sustainability Working Committee, which is headed by the GCEO and Group Chief Financial Officer and comprises members from the key business divisions of the Group.

Further details of the Group's sustainability framework and activities undertaken by the Group for the financial year ended 30 June 2024 are set out in the Sustainability Report of this Annual Report.

The Group also has a Sustainability Framework and Policy to oversee the implementation of sustainable practices across all the operations of the Group.

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 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.

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 Board composition is in compliance with Paragraph 3.04(1) and Paragraph 15.02(1) of the MMLR of Bursa Securities which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be Independent Directors and also the recommendation by the MCCG to have at least half of the Board comprises Independent Directors.

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 seven (7) members as follows:

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

The Independent Directors make up more than half of the Board, as recommended by the MCCG. Details of the Directors are set out in the Board of Directors' Profiles section in this Annual Report.

Corporate Governance Overview Statement

2.1 Composition (continued)

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	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

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.

2.2 Tenure of Independent Director

In line with the MCCG, the Board has adopted the nine (9) years policy for Independent Directors in the Procedure for the Appointment and Removal of Directors. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director.

The NRC has reviewed and assessed the independence of Independent Directors and their tenure of service. One (1) of the Independent Directors, Tengku Datuk Seri Ahmad Shah, will attain his term of nine (9) years in December 2024.

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.

Corporate Governance Overview Statement

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.

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 of three (3) members, all of whom are Independent Non-Executive Directors. The members of the NRC are as follows:

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

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

Kwo Shih Kang
– 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.

Corporate Governance Overview Statement

2.7 Diversity Policy

The Board is supportive of the gender diversity in the boardroom as recommended by the MCCG. In considering Board appointment, the Board, through its NRC, believes in and provides equal opportunity to candidates who have the necessary skills, experience, commitment (including time commitment), core competencies and other qualities regardless of gender, ethnicity and age.

In this respect, 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.

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 line with the revised MCCG 2021 where a new section on Environmental, Social and Governance ("ESG") or Sustainability was added, the board evaluation questionnaire relating to ESG or Sustainability had been included in the annual assessment.

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 2024. 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.

There was no new appointment of Directors during the financial year under review.

Corporate Governance Overview Statement

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 2024

The NRC undertook, inter alia, the following matters in respect of financial year ended 30 June 2024:

- (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 2024 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.
- (c) Reviewed, considered and recommended to the Board for approval, the re-election of Directors who retire by rotation pursuant to the Company's Constitution at the forthcoming 21st AGM. The Directors standing for retirement by rotation and subject to re-election at the forthcoming AGM are Datin Seri Raihanah Begum binti Abdul Rahman and Mr Kwo Shih Kang.

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 Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah as an Independent Non-Executive Director.
- (e) 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.
- (f) Reviewed the remuneration policies applicable to Directors, GCEO and Senior Management and recommended the same to the Board for approval.
- (g) Reviewed the Directors' fees payable to the Directors of the Company and the Group for the FYE 2024 and recommended the same to the Board for approval.
- (h) Reviewed the benefits payable to the Directors of the Company for the period from 1 January 2025 to 31 December 2025 and recommended the estimated quantum to the Board for approval.
- (i) 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.

Corporate Governance Overview Statement

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.

An annual meeting calendar is planned and agreed with the Directors prior to the commencement of each new financial year which sets out the scheduled dates for meetings of the Board and Board Committees, in order to facilitate and allow the Directors to better plan their schedule to fulfill their commitment to the Company.

During the annual Board evaluation, each Director was assessed whether he/she was able to devote adequate time and attention for Board meetings, Committee meetings and activities of the Company. Overall, the Board was satisfied with the commitment of all members of the Board and the time contributed by each of them.

The Board met five (5) times during the financial year ended 30 June 2024. The attendance of each Director at the Board Meetings held during the financial year ended 30 June 2024 was as follows:

Executive Directors	No. of Attendance	%
1. Tunku Dato' Yaacob Khyra (Chairman)	4/5	80
2. Roshan Mahendran bin Abdullah	5/5	100
Non-Independent Non-Executive Director	No. of Attendance	%
1. Azlan bin Abdullah	4/5	80
Independent Non-Executive Directors	No. of Attendance	%
1. Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	5/5	100
2. Datin Seri Raihanah Begum binti Abdul Rahman	5/5	100
3. Kwo Shih Kang	5/5	100
4. Dato' Mohd Zahir bin Zahur Hussain	5/5	100

To fulfil Directors' roles and responsibilities, each Director should hold no more than five (5) directorships in listed corporations pursuant to Paragraph 15.06 of the MMLR of Bursa Securities. All Directors of the Company currently adhere to this requirement. All Directors are also required to provide immediate notification when accepting any new external board appointments and seek guidance from the Board Chairman on any potential conflicts of interest if necessary. Any changes to their directorships will be tabled at the quarterly Board meetings.

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.

On 6 June 2023, Bursa Securities reviewed and enhanced the scope of the MAP for directors.

Corporate Governance Overview Statement

2.10 Continuing Education and Training of Directors (continued)

The MAP will now be conducted in 2 parts as follows:

- (a) the existing training for directors in relation to corporate governance and a director's roles, duties and liabilities will remain as Part I (MAP Part I); and
- (b) a new Part II which will focus substantively on sustainability will be introduced (MAP Part II).

The Board acknowledges that continuous education is vital for Board members to gain insight on latest regulatory development. As the sustainability continues to evolve and develop, directors are now expected to possess current and essential sustainability knowledge to facilitate the effective discharge of their roles, particularly in setting the Group's sustainability strategies, priorities and targets. This targeted approach by Bursa Securities will ensure that adequate emphasis is given to sustainability matters to aid directors in discharging their roles.

As at the date of this CG Overview Statement, all the Directors have completed the MAP Part I in relation to a Director's roles, duties and liabilities as required by Bursa Securities.

Besides completing MAP Part I, all Directors of the Company have also attended the MAP Part II in May 2024.

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.

As such, all Directors have complied with the Continuous Training Programme prescribed by Bursa Securities.

During the financial year ended 30 June 2024, 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) Impacts of USA Banking Crisis on Bahrain & GCC (ii) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (iii) Information Security Awareness (iv) What Amounts to a Conflict of Interest by Directors? (v) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Roshan Mahendran bin Abdullah	(i) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (ii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Azlan bin Abdullah	(i) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (ii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	(i) Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (ii) Leadership Engagement Action Program (LEAP) Visit to Metrohub 1, SDPLOG, Bandar Bukit Raja

Corporate Governance Overview Statement

2.10 Continuing Education and Training of Directors (continued)

Members of the Board	List of Training Programmes/ Seminars/ Conferences Attended
Datin Seri Raihanah Begum binti Abdul Rahman	<ul style="list-style-type: none"> (i) Sustainability Governance, Management & Reporting – Implications of the Environmental, Social & Governance (ESG) Agenda to the Board & Management (ii) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (iii) SC's Audit Oversight Board Conversation with Audit Committees (iv) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Kwo Shih Kang	<ul style="list-style-type: none"> (i) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (ii) What Amounts to A Conflict of Interest by Directors (iii) SC's Audit Oversight Board Conversation with Audit Committees (iv) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Mohd Zahir bin Zahur Hussain	<ul style="list-style-type: none"> (i) Sustainability & Task Force for Climate-related Financial Disclosure (TCFD) Training (ii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

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.

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.

Corporate Governance Overview Statement

3.2 Remuneration of Directors and Senior Management

The NRC has developed a fair and transparent policy and procedure for determining the remuneration of Directors and Senior Management of the Group. The NRC is tasked to develop a remuneration package that is competitive and in line with current market practice to attract, retain and reward talented Directors and Senior Management, and is aligned with the Group's strategy. The remuneration package is determined by taking into account the short-term and long-term objectives and growth of the Group.

The determination of remuneration packages of the Executive Directors and Non-Executive Directors including the Executive Chairman as well as Senior Management, should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration. All recommendations of the NRC are subject to endorsement of the Board.

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 FY2024, 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.

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 21st 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 details of the individual Directors for FY2024 are also disclosed in Practice 8.1 of the CG Report.

Corporate Governance Overview Statement

3.2 Remuneration of Directors and Senior Management (continued)

Received from Company

Name	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind* (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Others** (RM'000)	Total (RM'000)
Executive Directors							
Tunku Dato' Yaacob Khyra	2,115	360	26.1	-	-	371.2	2,872.3
Roshan Mahendran bin Abdullah	-	-	-	-	-	-	-
Non-Independent Non-Executive Director							
Azlan bin Abdullah	-	-	-	60	2	-	62
Independent Non-Executive Directors							
Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	-	-	3	60	3.5	-	66.5
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	-	72	8	-	80
Kwo Shih Kang	-	-	-	72	8	-	80
Dato' Mohd Zahir bin Zahur Hussain	-	-	3	72	7	-	82

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)	Others** (RM'000)	Total (RM'000)
Executive Directors							
Tunku Dato' Yaacob Khyra	-	-	-	-	-	-	-
Roshan Mahendran bin Abdullah	2,387.3	397.9	44	-	-	417.8	3,247
Non-Independent Non-Executive Director							
Azlan bin Abdullah	-	-	-	-	-	-	-
Independent Non-Executive Directors							
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	-	-	-	-	-	-	-

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

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

Corporate Governance Overview Statement

3.3 Remuneration of Top Three 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
RM750,001 to RM800,000	1
RM850,001 to RM900,000	1
RM950,001 to RM1,000,000	1

Although the MCCG recommends full disclosure by the Company of the remuneration of its Key Senior Management on named basis, the Board is of the opinion that the disclosure of the Key Senior Management personnel names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group given the competitive human resources environment; as such disclosure may give rise to talent recruitment and retention issue. Also premised on the confidentiality of the remuneration package of the Senior Management, the Board has adopted a disclosure of the Senior Management remuneration in bands of RM50,000 on an unnamed basis.

In setting the remuneration packages for Key Senior Management, the Company keeps in mind the remuneration and employment conditions within the industry and with comparable companies. The performance of Senior Management is evaluated on an annual basis and measured against pre-determined targets including their individual responsibilities, skills, expertise and contributions to the Group's performance.

The Board ensures that the remuneration of Key Senior Management commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating 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 three 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

The AGC has adopted a policy that requires a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AGC, and the said policy has been incorporated into the TOR of the AGC.

Currently, none of the AGC members were former audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate who was an audit partner of the external auditors of the Group to be appointed as a member of AGC.

Corporate Governance Overview Statement

1.3 Assessment of Suitability and Independence of External Auditors

The AGC assesses the suitability, objectivity, and independence of the External Auditors on annual basis based on the policies and procedures that have been established. Annual performance evaluation of the External Auditors will be undertaken by AGC. The Group has pre-set criteria to guide decisions on the appointment and re-appointment of External Auditors. The AGC also ensures that any provision of non-audit services by the external auditors are not in conflict with their role as auditors.

The evaluation of the External Auditors, Messrs KPMG PLT (“KPMG”), for FY2024 was conducted in August 2024. 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 and 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.

Accordingly, the re-appointment of Messrs KPMG as the External Auditors of the Company for FY2024 was recommended by the AGC to the Board. The Board shall seek shareholders’ approval for the re-appointment at the 21st AGM.

The AGC had also reviewed the information presented in the Annual Transparency Report 2023 of KPMG.

Details on the audit fees payable to KPMG and summary of the activities of the AGC during the financial year are set out in the AGC Report in this Annual Report.

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 Board established the AGC since 1 June 2005 to provide assistance to the Board of Directors in fulfilling its statutory and fiduciary responsibilities with regards to the accounting and financial reporting practices. The AGC also reviews the scope and results of internal and external auditing processes and monitors the effectiveness of the internal controls and risk management to ensure the Board makes properly informed decisions.

The AGC comprises solely Independent Non-Executive Directors. Details on the AGC composition and key activities undertaken during FY2024 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 2024, 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 to page 23 to 26 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 page 72 to 78 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 page 63 to 71 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 report 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 have 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”.

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.

Corporate Governance Overview Statement

2.2 Attendance at AGM

All members of the Board, the Company Secretary, External Auditors and the Senior Management had attended the fully virtual 20th 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 20th AGM held on 30 November 2023.

2.4 Meaningful Engagement between Board, Senior Management and Shareholders

General Meeting serves as the principal platform for the Board and Management to engage with shareholders and encourage effective shareholders' communication on the Company's performance, corporate and business developments and any other matters affecting shareholder interests.

If a member is unable to attend and vote in person at the General Meetings, the Company allows him/her to appoint proxies to attend and vote at the General Meetings on his/her behalf. A member may appoint any person, who may but need not be a member of the Company, to be his/her proxy without limitation and the proxy shall have the same rights as the member to speak at the General Meetings.

Notices of General Meetings, the related Circulars and the Annual Reports of the Company are sent to the shareholders in accordance with the regulatory and statutory provisions. Where special business items appear in the Notices of General Meetings, an explanatory note will be included as a footnote to enlighten shareholders on the significance and impact when shareholders deliberate on such resolution. The Notices of General Meetings are advertised in a national English newspaper within the prescribed deadlines.

For the AGM held in November 2023, the entire AGM proceedings were held through Remote Participation and Voting Facilities ("RPV") which is in compliance with Section 327 of the CA. The Administrative Details of the AGM as well as the e-Portal user guide with detailed registration and voting procedures were shared with the shareholders and the same were also published on the Company's website. All shareholders were encouraged to participate in the Company's AGM remotely to ensure a high level of accountability.

Shareholders who participated remotely via live streaming at the 20th AGM were required to login to <https://www.tracemanagement.com.my> e-Portal to cast his/her vote online which is opened until the close of the voting session of the 20th AGM.

The Chairman of the 20th AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for the Question and Answer sessions during the 20th AGM. The representatives from External Auditors were also present via tele-conferencing to respond to queries raised by shareholders.

An independent scrutineer was appointed to validate the votes cast and results of each resolution put to vote were announced at the Meeting. The poll results, confirmed by the Chairman, were instantaneously displayed on-screen which were seen by shareholders who joined the meeting via electronic means.

In line with Paragraph 8.29A of the MMLR, the Company has ensured that any resolution set out in the notice of any General Meeting, which may properly be moved and is intended to be moved at any General Meeting, is voted by poll. At the same time, the Company always appoints at least one (1) scrutineer to validate the votes cast at the General Meeting.

An announcement detailing the poll results, including the total number of votes cast for and against each resolution and the respective percentages were announced via Bursa LINK on the same day after the conclusion of the general meeting.

In accordance with the MMLR, the minutes of the AGM held in November 2023 were also posted on our website.

Corporate Governance Overview Statement

2.5 Publication of the Minutes of General Meeting

The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders.

The recording of the proceedings in the form of minutes reflects the matters that were deliberated, explanations, agreements as well as resolutions reached between the shareholders and Directors of the Company in the AGM.

The Minutes of 20th 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 20th 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 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 2024.

OTHER BURSA SECURITIES COMPLIANCE INFORMATION

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 FEES

The amount of audit fees charged for services rendered to the Group and the Company by the External Auditors for the financial year ended 30 June 2024 amounted to RM348,000.00 and RM118,000.00 respectively.

4. NON-AUDIT FEES

The amount of non-audit fees charged for services rendered to the Group and the Company by the External Auditors for the financial year ended 30 June 2024 amounted to RM12,000.00 and RM12,000.00 respectively.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") ENTERED INTO DURING THE FINANCIAL YEAR ENDED 30 JUNE 2024

On 30 November 2023, the Company sought approval for a shareholders' mandate for Mycron Group to enter into RRPTs (as defined in the Circular to Shareholders dated 31 October 2023) 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 2024 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 (01/07/2023 – 30/06/2024) 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	187,025

Corporate Governance Overview Statement

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 (01/07/2023 – 30/06/2024) RM
				Director	Major Shareholder	
1.	MIG	Provision of treasury services by the Related Party to Mycron Steel CRC Sdn Bhd (“MSCRC”)	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>Melewar Equities (BVI) Ltd (“MEBVI”), Melewar Khyra Sdn Bhd (“MKSB”) and Khyra Legacy Berhad (“KLB”)</p>	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.	<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>	NII
2.	MIG	Management fees for the provision of management services/advice 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>	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.	<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>	1,260,000
3.	MIG	Rental charged by the Related Party to MST for the use of the factory belonging to MIG. (Lot 10 and Lot 49)	<p>Interested Director</p> <p>TY</p> <p>Interested Major Shareholders</p> <p>MIG, MEBVI, MKSB and KLB</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>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>	5,040,000

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 (01/07/2023 – 30/06/2024) RM
				Director	Major Shareholder	
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
6.	Melewar Steel Mills Sdn Bhd (“MSM”)	Scrap handling commission fee charged by the Related Party to MSCRC	Interested Director TY Interested Major Shareholders MIG, MEBVI, MKSB and KLB	TY is deemed interested in MSM 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.	MSM is a wholly owned subsidiary 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.	1,730,744

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 (01/07/2023 – 30/06/2024) RM
				Director	Major Shareholder	
7.	MSM	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 MSM 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>MSM 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>	317,004
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
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

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 (01/07/2023 – 30/06/2024) RM
				Director	Major Shareholder	
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>	80,323

Corporate Governance Overview Statement

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

No.	Type of Financial Assistant	Related Party	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2023 – 30/06/2024) RM
				Director	Major Shareholder	
1.	Provision of financial assistance to MIG Group by the pooling of funds via a centralised 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

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Company and the Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the requirements of the Companies Act 2016 and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Company and the Group are prepared with reasonable accuracy from the accounting records of the Company and of the Group so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2024.

In preparing the annual audited financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgments and estimates that are reasonable and prudent; and
- prepared the annual audited financial statements on a going concern basis.

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 2024. 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.

MANAGEMENT’S RESPONSIBILITIES

Management is responsible for implementing the Group’s policies and procedures on risk management and internal controls by identifying and evaluating risks faced and monitoring the achievement of business goals and objectives within the risk appetite parameters. Its roles include:

- Formulating relevant policies and procedures to manage these risks;
- Designing, implementing and monitoring the effective implementation of risk management framework and internal control system;
- Implementing the policies approved by the Board; and
- Reporting in a timely manner to the RSC/AGC any changes to the risks and the corrective actions taken.

Statement on Risk Management and Internal Control

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

During the financial year ended 30 June 2024, 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)	4/4

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

The Group has in place a risk management framework which incorporates, amongst others, a structured process in identifying, evaluating, prioritising and reporting the major business risks of the Group with the objective of maintaining a reasonably sound system of internal control. Quarterly reviews, evaluations and updates of the risk profile and the corresponding action plans have been reported to the Board.

The risk management process adopted by the Group are as follows: -

(a) Risk Identification Process

This process involves the identification of key risks that may have a material negative impact on MSB's ability to achieve its objectives. During this process, risks are considered from strategic, operational, financial, compliance, information technology and sustainability perspectives, as well as through various sources such as business operations, internal and external audit findings, customer complaints and incidents occurred.

(b) Risk Assessment

Risks identified are then assessed and ranked based on a set of prescribed measures which involves the consideration of the following:

- Likelihood of each of the risks that may occur.
- Potential impact/consequence of each of the risks, should it occur.

Assessment of risk is undertaken by combining estimates of impact and likelihood within the context of existing control environment and measures.

(c) Risk Treatment Process

Risk treatment process includes actions, measures and strategies undertaken by Management to bring key risks to an acceptable level.

(d) Monitor & Reporting Review

Key risks identified are monitored to ensure the risk ratings remain relevant and that controls in place remain effective and adequate amidst changing circumstances. Any changes are reported, and appropriate action plans devised with a view to realign the risk rating to an acceptable level.

The identified key risks will be entered into the Risk Register, which details description of the risks, impact and its causes, rating based on the risk parameters, details of the controls in place, as well as the risk owners and risk delegates involved to manage the risks will be reviewed on a regular basis to monitor and mitigate the identified risks.

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.

Statement on Risk Management and Internal Control

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

Principal Risks	Description	Mitigation Measures
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"> The Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. The Group is also working on expanding its customer base, including a focus on the export market, in order to entrench its position as one of the largest market players in the industry.
Materials Supply	The risk to material supply arises from the unforeseen shortage or lack of materials which may cause disruption to the production and delivery schedule.	<ul style="list-style-type: none"> Negotiate and make arrangements with suppliers to ensure the availability of critical raw materials at reasonable prices. Increase raw materials and finished goods inventory to buffer for supply or shipment interruptions. Negotiate with customers for price adjustments to mitigate rising costs of materials and productions. Co-ordinate with customers on production and delivery schedules to manage orders and backlogs, shortage of containers and other logistic disruptions.
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"> Continuous efforts to maintain close rapport with customers and offer competitive pricing without jeopardising the Group's bottom line. 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. Strive to build long-term sustainable relationships with the customers. Actively exploring export markets to diversify our market presence and reduce reliance on single domestic market.
Financial Risks	Exposure to fluctuation of foreign currency exchange rates, commodity price and credit risks.	<ul style="list-style-type: none"> The Group diligently monitors the volatility/movement of the foreign exchange rate and adopts the approved hedging as the need arises. Consider including a tolerance limit on currency fluctuation when quoting or pricing to customers. Forward production planning to enable forecast purchases to be made in advance when prices and exchange rates are favourable. Keep abreast of world market developments that influence the forex market.

Statement on Risk Management and Internal Control

Principal Risks	Description	Mitigation Measures
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"> • Regular preventive maintenance and timely upgrades of equipment and machines to prevent breakdowns. • Diversifying suppliers and maintaining optimal inventory levels. • Developing emergency plans and conducting training drills. • Monitoring regulatory changes. • Fostering open communication and implementing engagement programs with all relevant parties. • Conducting rigorous inspections and audits, and adhering to quality standards. • Installing backup systems and adopting energy-efficient practices. • Install rooftop solar PV systems on the premises and the rooftop of the carpark for renewable energy. • To take proactive action to upgrade the efficiency of machines and equipment for reduction in production cost. • To increase the productivity via automation in order to enhance efficiency, consistency, cost savings and competitiveness by streamlining processes and reducing manual labor. • To review and ensure better management and planning of all critical process in the operations.

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:

- 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.
- 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.
- 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 5 to the Financial Statements of this Annual Report.

Statement on Risk Management and Internal Control

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.

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 2024 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.

Statement on Risk Management and Internal Control

(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.

(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 • Earlier this year, MST successfully attained its certification, reaffirming the Group's unwavering commitment to environmental management standards and demonstrating our dedication to sustainable practices.
MSCRC	<ul style="list-style-type: none"> • ISO 14001:2015 - Environmental Management Systems (MSCRC achieved its initial certification in 2014 under the ISO 14001:2004 version and seamlessly transitioned to the 2015 version) • ISO 50001:2018 - Energy Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • ISO 14024, Type 1 under MyHIJAU Mark

(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.

Statement on Risk Management and Internal Control

(e) Internal Audit Function

The Group's internal audit function, which is outsourced to a professional service firm, assists the Board and the AGC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system. The Internal Audit Consultants assess the Group's compliance with policies and procedures as well as relevant laws and regulations. The Internal Audit Consultants then provide reports on issues relating to internal controls and the associated risks together with recommendations for appropriate actions to the AGC for review and approval to ensure adequate coverage. Based on the internal audit reviews carried out during the financial year under review, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

Audit issues and actions taken by the Management to address the shortcomings raised by the Internal Audit Consultants were deliberated and accepted during the AGC meetings. Additionally, the AGC also reviewed the implementation progress of the corrective action plans committed by the Management for all key findings and recommendations highlighted in the previous Internal Audit Reports until the corrective actions were implemented appropriately and as committed.

Minutes of the AGC meetings which recorded these deliberations and decisions were subsequently presented to the Board for notation.

(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.

(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.

Statement on Risk Management and Internal Control

(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 preparing these terms and conditions, the Management has taken steps to ensure conformity, to the extent possible, with the principles underlined in the Malaysian Personal Data Protection Act 2010.

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 2024 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 was last reviewed and approved by the Board on 28 August 2024.

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 three (3) members, consist solely of 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, 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

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

The AGC has a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AGC.

The Company recognised the need to uphold independence of its External Auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the AGC of the Company were former Key Audit Partners of the External Auditors appointed by the Group.

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 23 to 26 in this Annual Report.

During the financial year 2024, 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 2024, 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	5/5	100

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 28 August 2024 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 2024

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

<p>Financial Reporting</p>	<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") 134 Interim Financial Reporting and Appendix 9B of the Listing Requirement and made the necessary recommendations to the Board for approval for announcement to Bursa Malaysia Securities Berhad. In reviewing the interim financial report, the Group Chief Financial Officer ("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 30 May 2024, 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 2024. 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; (c) audit scope; (d) audit methodology and timing of audit; (e) significant risks; (f) issuance of auditors' report; (g) bursa sustainability requirements; (h) bursa's statement of assurance; (i) newly effective standards, non-assurance services pre-approval; (j) responsibilities of external auditors and directors in relation to the AFS; and (k) auditor's independence in relation to the performance of audit in accordance with MIA By-laws; <p>KPMG had also briefed the AGC on KPMG's Transparency Report 2023.</p> <p>(ii) KPMG also provided the AGC with updates on the General Requirements for Disclosure of Sustainability-related Financial Information and Climate-related Disclosures, and changes to relevant guidelines on the statutory and regulatory requirements.</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 Meeting held on 30 May 2024, the AGC had considered and discussed the areas of audit focus as reported by external auditors as follows:</p> <p style="padding-left: 20px;">Revenue Recognition</p> <p style="padding-left: 20px;">Other significant audit matters:</p> <ul style="list-style-type: none"> (a) Valuation on land and buildings, plant, machinery and electrical installation (b) Net realisable value of inventories (c) Valuation of intangible assets (d) Management override of controls <p>(iv) Reviewed the assistance given by the Group's employees to the External Auditors.</p> <p>(v) 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> <p>(vi) 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>(vii) 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 re-appointment of External Auditors.</p> <p>(viii) 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>
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Audit and Governance Committee Report

Internal Control and Internal Audit	<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(f) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.</p> <p>(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.</p>
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 2024, 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>Reviewed and monitored Conflict of Interest ("COI") situations within the Group. The COI review was extended to encompass Directors and Key Senior Management within the Group. COI situations reported during FY2024 due to the common directorships and involvement in the related companies were only in relation to Tunku Dato' Yaacob ("TY") which the Group has sought and will be seeking the shareholders approval at the forthcoming AGM to enter into RRPTs with those companies related to him. Other than TY there was no other Director nor Senior Management who has any COI situations with the Group. The AGC concluded that no further action was necessary on the disclosures.</p>

Audit and Governance Committee Report

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 2024 and submitted the evaluation to the Nomination and Remuneration Committee for assessment. (iv) Reviewed and recommended the adoption of: <ul style="list-style-type: none"> (a) Directors' Conflict of Interest Policy; (b) Personal Data Protection Policy of the Company and its subsidiaries which outlines the Group's policies and practices in compliance with the Personal Data Protection Act 2010; and (v) Reviewed the revised Terms of Reference of the Audit and Governance Committee. (vi) Reviewed the revision of the following Policies and Procedures to further enhance and improve the effective implementation of the Policies within the Group and recommended the same to the Board for approval: <ul style="list-style-type: none"> (a) Conflict of Interest Policy (for Employees); (b) Anti-Corruption Policy; (c) Anti-Fraud Policy; and (d) Whistleblowing Policy
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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 Report was presented to the AGC on a quarterly basis for deliberation and its recommendations were communicated to the Management for corrective actions to be taken.

The internal audit function also provided follow-up audit reports at subsequent AGC meetings to report on the status of the key audit issues highlighted in the preceding AGC meetings. All proposals presented by the Internal Audit Consultants after review by the AGC were tabled to the Board for its notation or approval.

Audit and Governance Committee Report

The reviews were conducted on a risk-based approach and were guided by the International Professional Practice Framework on Internal Auditing that is promulgated by the Institute of Internal Auditors.

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:

- completed the following reviews as per the approved internal audit plan:

Name of Entity Audited	Audited Areas	Reporting Date
Mycron Steel Berhad Group	IT General Controls	22 November 2023
Melewar Steel Tube Sdn Bhd ("MST")	Procurement & Payment	27 February 2024
Mycron Steel CRC Sdn Bhd ("MSCRC")		
MST	Waste Management	30 May 2024
MSCRC		

- Prepared the annual risk-based internal audit plan for the AGC's approval;
- Carried out internal audits of the Group on a risk-based basis to review the adequacy of internal controls in the auditable areas and assessed the consistency in compliance with established policies and procedures. Verification (on sampling basis) of the existence, adequacy and effectiveness of risk controls established by Management within the selected processes covering strategic, operational and financial aspects of the Group's operations;
- Issued internal audit reports to the AGC on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures and management action plans to mitigate identified risks, with copies extended to Management, highlighting deficiencies together with corresponding improvement opportunities. The Internal Audit Consultants attended all AGC meetings and presented reports on areas of audit concern for the AGC's deliberation;
- Monitored corrective action taken by Management in response to recommendations made to address internal control deficiencies highlighted in the previous cycles of internal audit; and
- Followed up and reported to the AGC on the status of implementation of the management agreed action plans to ensure that all matters of concern were adequately addressed by Management.

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 RM70,000 for the financial year ended 30 June 2024.

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Directors' Report

For the Financial Year Ended 30 June 2024

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

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

In accordance with Article 96(1) of the Company's Constitution, Datin Seri Raihanah Begum binti Abdul Rahman and Kwo Shih Kang are to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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 profit for the financial year	16,971,649	322,730

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 2024.

Directors' Report

For the Financial Year Ended 30 June 2024 (Continued)

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, being arrangements with the object of enabling 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 body corporate.

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 30.06.2024
	At 01.07.2023	Acquired	Disposed	
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.

	Number of ordinary shares			At 30.06.2024
	At 01.07.2023	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.

Directors' Report

For the Financial Year Ended 30 June 2024 (Continued)

DIRECTORS' INTERESTS (CONTINUED)

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 2024.

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	336,000	-	336,000
- other emoluments	34,461	-	34,461
<u>Executive Directors</u>			
- salaries, bonuses and other emoluments	2,475,024	2,785,160	5,260,184
- defined contribution plan	371,256	417,774	789,030
- estimated monetary value of benefits-in-kind	26,111	44,075	70,186
	3,242,852	3,247,009	6,489,861

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 RM23,860 (2023: RM27,000).

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.

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.

Directors' Report

For the Financial Year Ended 30 June 2024 (Continued)

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 2024 is as follows:

	Group RM	Company RM
KPMG PLT		
- Statutory audit	348,000	118,000
- Non-audit services	12,000	12,000

AUDITORS

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

This report was approved by the Board of Directors on 22 October 2024. 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 89 to 158 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 2024 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 22 October 2024.

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 Yean, 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 89 to 158 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 YEAN
CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the abovenamed, Choo Kah Yean (MIA No.: 24018) before me, at Wilayah Persekutuan Kuala Lumpur on 22 October 2024.

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 2024 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 89 to 158.

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 2024, 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, on sample basis, 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, on sample basis, as well as credit notes issued after year end are recognised in the correct period. We circularised trade receivables' confirmation for 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)

Key audit matter (continued)

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.

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 of 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.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

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.

Independent Auditors' Report

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

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

- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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

22 October 2024

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

Statements of Comprehensive Income

For the Financial Year Ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	7	801,811,804	539,994,710	6,366,712	6,313,059
Cost of sales		(742,378,366)	(513,787,055)	(4,998,526)	(4,791,712)
Gross profit		59,433,438	26,207,655	1,368,186	1,521,347
Other operating income		1,824,094	1,356,163	75,382	146,463
Net foreign exchange gain		1,870,130	653,765	-	-
Selling and distribution expenses		(8,043,463)	(4,328,611)	-	-
Administrative expenses		(27,805,875)	(25,921,297)	(892,832)	(1,038,833)
Reversal/(Impairment) on property, plant and equipment	13	484,910	(6,923,170)	-	-
Profit/(Loss) from operations		27,763,234	(8,955,495)	550,736	628,977
Finance income	8	1,828,340	1,497,749	4,630	6,369
Finance costs	8	(8,868,615)	(6,376,129)	(3,745)	(14,880)
Finance (costs)/income – net		(7,040,275)	(4,878,380)	885	(8,511)
Profit/(Loss) before tax	9	20,722,959	(13,833,875)	551,621	620,466
Tax (expense)/credit	11	(3,751,310)	1,498,017	(228,891)	(291,068)
Net profit/(loss) for the financial year		16,971,649	(12,335,858)	322,730	329,398
Other comprehensive income/(loss):					
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	30	1,873,708	11,117,604	-	-
Total comprehensive income/(loss) for the financial year		18,845,357	(1,218,254)	322,730	329,398
Net profit/(loss) for the financial year attributable to owners of the Company		16,971,649	(12,335,858)	322,730	329,398
Total comprehensive income/(loss) for the financial year attributable to owners of the Company		18,845,357	(1,218,254)	322,730	329,398
Earnings/(Loss) per share attributable to owners of the Company					
- basic and diluted (sen)	12	5.19	(3.77)		

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

Statements of Financial Position

As at 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
NON-CURRENT ASSETS					
Property, plant and equipment	13	303,255,008	310,966,492	296,513	369,129
Right-of-use assets	14	43,583,268	47,947,081	-	-
Subsidiaries	15	-	-	221,973,850	221,974,480
Intangible assets	16	20,000,000	20,000,000	-	-
		366,838,276	378,913,573	222,270,363	222,343,609
CURRENT ASSETS					
Inventories	17	265,895,478	173,693,622	-	-
Receivables, deposits and prepayments	18	109,169,542	69,985,635	33,431	7,511
Financial assets at fair value through profit or loss	19	2,600,000	2,900,000	2,600,000	2,900,000
Amounts due from ultimate holding company	26	2,033,557	-	-	-
Amounts due from subsidiaries	20	-	-	455,042	253,964
Amounts due from related companies	21	1,908	1,398	-	-
Derivative financial assets	22	124,763	1,061,863	-	-
Cash and cash equivalents	23	69,290,871	78,158,513	951,694	913,498
Current tax recoverable		1,994,213	1,412,165	39,739	-
		451,110,332	327,213,196	4,079,906	4,074,973
LESS: CURRENT LIABILITIES					
Payables and accrued liabilities	24	106,182,294	41,229,843	401,375	360,479
Contract liabilities	25	338,805	6,418,669	-	-
Amount due to ultimate holding company	26	3,466	3,474	-	-
Amounts due to subsidiaries	20	-	-	5,890,167	6,247,778
Amounts due to a related company	21	781,396	291,043	-	-
Derivative financial liabilities	22	32,629	-	-	-
Borrowings	27	126,100,249	90,863,024	-	32,462
Lease liabilities	14	4,378,097	4,203,356	-	-
Current tax provision		448,185	78,082	-	40,666
		238,265,121	143,087,491	6,291,542	6,681,385
NET CURRENT ASSETS/(LIABILITIES)		212,845,211	184,125,705	(2,211,636)	(2,606,412)
		579,683,487	563,039,278	220,058,727	219,737,197

Statements of Financial Position

As at 30 June 2024 (Continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CAPITAL AND RESERVE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	28	219,417,315	217,676,829	219,417,315	217,676,829
Warrant reserve	29	-	1,740,486	-	1,740,486
Asset revaluation reserve	30	55,774,392	53,900,684	-	-
Retained profits		237,097,463	220,125,814	636,512	313,782
TOTAL EQUITY		512,289,170	493,443,813	220,053,827	219,731,097
NON-CURRENT LIABILITIES					
Borrowings	27	8,299,757	10,734,275	-	-
Lease liabilities	14	13,836,898	18,214,995	-	-
Deferred income on grant	31	8,103,935	5,731,458	-	-
Deferred tax liabilities	32	37,153,727	34,914,737	4,900	6,100
		67,394,317	69,595,465	4,900	6,100
		579,683,487	563,039,278	220,058,727	219,737,197

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

Statements of Changes in Equity

For the Financial Year Ended 30 June 2024

GROUP

	Note	← Attributable to owners of the Company →				Total RM
		Share capital RM	Warrant reserve RM	Asset revaluation reserve RM	Retained profits 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	29	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	30	-	-	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

GROUP

	Note	← Attributable to owners of the Company →				Total RM
		Share capital RM	Warrant reserve RM	Asset revaluation reserve RM	Retained profits RM	
At 1 July 2022		217,676,829	1,740,486	42,783,080	232,461,672	494,662,067
Net loss for the financial year		-	-	-	(12,335,858)	(12,335,858)
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	30	-	-	11,117,604	-	11,117,604
Total comprehensive loss for the financial year		-	-	11,117,604	(12,335,858)	(1,218,254)
At 30 June 2023		217,676,829	1,740,486	53,900,684	220,125,814	493,443,813

Statements of Changes in Equity

For the Financial Year Ended 30 June 2024

COMPANY

	Note	Share capital RM	Warrant reserve RM	Retained profits/ (Accumulated losses) RM	Total RM
At 1 July 2023		217,676,829	1,740,486	313,782	219,731,097
Transfer of lapsed warrants not exercised	29	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
At 1 July 2022		217,676,829	1,740,486	(15,616)	219,401,699
Total comprehensive income for the financial year		-	-	329,398	329,398
At 30 June 2023		217,676,829	1,740,486	313,782	219,731,097

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

Statements of Cash Flows

For the Financial Year Ended 30 June 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		20,722,959	(13,833,875)	551,621	620,466
Adjustments for:					
Property, plant and equipment:					
- depreciation	9	15,193,509	14,707,225	72,616	72,615
- loss/(gain) on disposals	9	(191,102)	190,414	-	-
- (writeback)/impairment loss	9	(484,910)	6,923,170	-	-
Depreciation on right-of-use assets	9	4,940,149	4,886,602	-	-
Net unrealised foreign exchange gain	9	(267,855)	(746,209)	-	-
Amortisation of deferred income on grant	9	(1,527,523)	(152,500)	-	-
Interest income	8	(1,828,340)	(1,497,749)	(4,630)	(6,369)
Interest expense:					
- borrowings	8	8,031,971	5,371,719	3,745	14,880
- lease liabilities	8	836,644	1,004,410	-	-
(Writeback)/Impairment on receivables	5(c)	(17,411)	(131,381)	-	-
Impairment on inventories	9	-	9,821,893	-	-
Fair value loss/(gain) on financial assets at fair value through profit or loss		300,000	(300,000)	300,000	(300,000)
Share of fair value (gain)/loss on financial assets at fair value through profit or loss by subsidiaries	9	-	-	(300,000)	300,000
		45,708,091	26,243,719	623,352	701,592
Changes in working capital:					
- inventories		(92,201,856)	92,237,191	-	-
- receivables, deposits and prepayments		(39,389,018)	4,663,212	274,080	(303,010)
- payables and accrued liabilities		66,085,611	(130,980,940)	40,896	(9,886,781)
- contract liabilities		(6,079,864)	(1,018,591)	-	-
- intercompany balances		(1,543,722)	101,533	(558,689)	389,987
Cash (used in)/generated from operation		(27,420,758)	(8,753,876)	379,639	(9,098,212)
Tax paid		(2,315,962)	(4,548,842)	(310,496)	(288,650)
Net cash (used in)/generated from operating activities		(29,736,720)	(13,302,718)	69,143	(9,386,862)

Statements of Cash Flows

For the Financial Year Ended 30 June 2024 (Continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment:					
- Purchases		(4,919,073)	(9,430,481)	-	-
- Proceeds from disposals		402,129	232,650	-	-
- Proceeds from grant		3,900,000	-	-	-
Repayment of amount due from a subsidiary	15	-	-	630	-
Interest received		1,828,340	1,497,749	4,630	6,369
Net cash generated from/(used in) investing activities		1,211,396	(7,700,082)	5,260	6,369
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		402,250,000	274,754,000	-	-
Repayment of borrowings		(369,847,293)	(276,976,866)	(32,462)	(130,008)
Lease payments		(4,203,356)	(4,035,589)	-	-
Interest paid:					
- interest on borrowings and suppliers' credit		(7,705,025)	(5,371,719)	(3,745)	(14,880)
- interest on lease liabilities		(836,644)	(1,004,410)	-	-
Net cash generated from/(used in) financing activities		19,657,682	(12,634,584)	(36,207)	(144,888)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS					
		(8,867,642)	(33,637,384)	38,196	(9,525,381)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		78,158,513	111,795,897	913,498	10,438,879
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR					
	23	69,290,871	78,158,513	951,694	913,498

During the financial year, the Group has a non-cash purchase of plant, machinery and electrical installation of RM400,000 (2023: RM1,165,000) by means of hire-purchase arrangements.

Statements of Cash Flows

For the Financial Year Ended 30 June 2024 (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
<u>Group</u>						
At 1 July 2023	78,010,000	22,418,351	10,180,884	1,124,190	12,282,225	124,015,650
<u>Cash flows:</u>						
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)
<u>Non-cash changes:</u>						
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
<u>Group</u>						
At 1 July 2022	71,935,000	26,453,940	16,014,216	430,516	14,275,433	129,109,105
<u>Cash flows:</u>						
Drawdown of borrowings	274,754,000	-	-	-	-	274,754,000
Repayment of borrowings	(268,679,000)	-	(5,833,332)	(471,326)	(1,993,208)	(276,976,866)
Interest paid	(3,002,752)	(1,004,410)	(677,837)	(46,028)	(656,600)	(5,387,627)
Lease payments	-	(4,035,589)	-	-	-	(4,035,589)
Working capital changes	(408,080)	-	-	-	-	(408,080)
<u>Non-cash changes:</u>						
Interest charged	3,410,832	1,004,410	677,837	46,028	656,600	5,795,707
Additions during the year	-	-	-	1,165,000	-	1,165,000
At 30 June 2023	78,010,000	22,418,351	10,180,884	1,124,190	12,282,225	124,015,650

Statements of Cash Flows

For the Financial Year Ended 30 June 2024 (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/> - <hr/>
	Hire-purchase creditors RM
	<hr/>
<u>Company</u>	
At 1 July 2022	162,470
<u>Cash flows:</u>	
Repayment of borrowings	(130,008)
Interest paid	(14,880)
<u>Non-cash changes:</u>	
Interest charged	14,880
At 30 June 2023	<hr/> 32,462 <hr/>

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 2024

1 GENERAL INFORMATION

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 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 2024, 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 22 October 2024.

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 2024 (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 2023:

- MFRS 17, Insurance Contracts replaces MFRS 4 and sets out principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of MFRS 17. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts.
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information adds a new transition option to MFRS 17 (the 'classification overlay') to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of MFRS 17.
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies clarifies the application of materiality in the disclosure of accounting policies that companies are to disclose their material accounting policies rather than their significant accounting policies and clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed.
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates introduce a new definition for accounting estimates and clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction clarify the account for deferred tax on certain transactions such as leases and decommissioning provisions.

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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 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

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

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

- MFRS 18, Presentation and Disclosure in Financial Statements
- 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 2024 (Continued)

3 CHANGES IN MATERIAL ACCOUNTING POLICIES

Material accounting policy information

The Group adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it affected the disclosure of significant accounting policies in the financial statements which is now removed. The Group's material accounting policy information is now disclosed in the respective notes to the financial statements where relevant.

4 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 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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.

5 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 RM703 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, which excludes lease liabilities, divided by the adjusted shareholders' fund.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Capital risk (continued)

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 increased by around RM65 million (from equity capital up RM21 million; and interest-bearing debt capital up RM44 million or by 34%).

The Group's debt-equity ratio closed higher at 0.33 times for the current reporting period compared to the preceding period's close at 0.25, mainly due to higher trade-facilities drawn to finance higher inventory and trade-receivables.

Towards the 4th quarter of the current financial year, the Steel Tube subsidiary obtained an additional multi-tradeline of RM15 million from a lender. This remains under documentation processing at the close of the current financial year. The utilisation of this additional line in the future may not necessarily increase the indebtedness of the Group.

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.

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 100% and 90% respectively. The said subsidiaries have adequate short-term assets to meet short-term liabilities as reflected in the Group's current ratio of 1.89 times at the close of the current reporting period (compared to 2.29 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'. For the reporting period, the Group's subsidiaries complied with the liquidity covenant imposed.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

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 RM50.0 million and RM23.0 million respectively; and in USD with limits of USD26.0 million and USD4.0 million respectively from key suppliers. The subsidiaries have not drawn on any USD denominated credit-lines in the last 30 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 RM50.2 million (2023: RM29.2 million), and on the Steel Tube subsidiary's outstanding bank debts of RM83.3 million (2023: RM71.3 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 RM137.1 million (2023: RM179.6 million).

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 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%	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 2024 (Continued)

5 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:

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 2023							
<u>Non-derivative</u>							
<u>financial liabilities:</u>							
Bankers' acceptance	78,010,000	4.49% - 5.23%	78,853,863	78,853,863	-	-	-
Term loan	10,180,884	5.52%	10,743,275	10,743,275	-	-	-
Hire-purchase creditors	1,124,190	2.29% - 2.55% (flat)	1,222,940	530,456	282,149	165,249	245,086
Mortgage loan	12,282,225	5.49%	13,609,197	2,592,228	2,592,228	2,592,228	5,832,513
Trade payables	27,558,487	5.50%	27,665,339	27,665,339	-	-	-
Payables and accrued liabilities (excluding derivatives and payroll liabilities)	12,046,464	-	12,046,464	12,046,464	-	-	-
Amount due to ultimate holding company	3,474	-	3,474	3,474	-	-	-
Amount due to a related company	291,043	-	291,043	291,043	-	-	-
Lease liabilities	22,418,351	4.08%	24,780,000	5,040,000	5,040,000	5,040,000	9,660,000
	<u>163,915,118</u>		<u>169,215,595</u>	<u>137,766,142</u>	<u>7,914,377</u>	<u>7,797,477</u>	<u>15,737,599</u>

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

5 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 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>

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 2023							
Payables and accrued liabilities (excluding payroll liabilities)	259,144	-	259,144	259,144	-	-	-
Hire-purchase creditors	32,462	2.29%	36,197	36,197	-	-	-
Amounts due to subsidiaries	6,247,778	-	6,247,778	6,247,778	-	-	-
Financial guarantee contracts	-	-	100,473,109	100,473,109	-	-	-
	<u>6,539,384</u>		<u>107,016,228</u>	<u>107,016,228</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

5 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 92% (2023: 93%) and 78% (2023: 70%) 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 (2023: 3) external customers that contributes to more than 10% of the respective segments' revenue. The revenue contributed by the said customers amounted to RM230 million (2023: RM185 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 37 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 2024 (Continued)

5 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 2024 (Continued)

5 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>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
	<u>107,801,164</u>	<u>72,360,844</u>	<u>180,162,008</u>
<u>2023</u>			
Trade receivables	15,063,509	51,805,638	66,869,147
Other receivables	848,595	-	848,595
Refundable deposits	1,082,384	-	1,082,384
Amount due from related companies	1,398	-	1,398
Derivative financial assets	1,061,863	-	1,061,863
Deposits with licensed banks	37,150,279	-	37,150,279
Cash and bank balances	41,008,234	-	41,008,234
Financial assets at fair value through profit or loss	2,900,000	-	2,900,000
	<u>99,116,262</u>	<u>51,805,638</u>	<u>150,921,900</u>

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 Company'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 2024 (Continued)

5 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 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
1 July 2022	248,301	633,287	-	881,588
Write off	-	(31,800)	-	(31,800)
Reversal of impairment during the financial year	-	(131,381)	-	(131,381)
30 June 2023	248,301	470,106	-	718,407

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

In the current financial year, the Steel Tube subsidiary has made a reversal of impairment on other receivables of RM17,411 (2023: RM131,381) upon recovery of the outstanding debts.

In the previous financial year, assessment on the recoverability of allowance carried forward from the preceding financial year, has determined that the carrying allowance on other receivables of RM31,800 was not recoverable; and as such, a corresponding full write-off was made.

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 2024 (Continued)

5 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% (2023: increased from 2.00% to 3.00%). Despite the stable OPR, our effective average cost of borrowing in the current financial year 2024 is higher at 5.1% compared to financial year 2023 at 4.1% - as our higher facilities utilisation crossed into sources with higher lending rates.

The Group also has interest-earning financial asset instruments which comprised mainly of fixed interest-bearing short-term deposits subject to frequent re-pricing.

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:

	2024 RM	2023 RM
<u>Current</u>		
Fixed rate borrowings, denominated in RM	119,375,664	78,488,476
Floating rate borrowings, denominated in RM	6,724,585	12,374,548
Fixed rate credit from supplier, denominated in RM (Note 24)	39,169,997	27,558,487
<u>Non-current</u>		
Fixed rate borrowings, denominated in RM	458,118	645,715
Floating rate borrowings, denominated in RM	7,841,639	10,088,560
	173,570,003	129,155,786

The risk impact from the floating rate financial liability instruments, had the overall interest rates being 1% higher, is that the Group's profit after tax for financial year 2024 would decrease by RM110,703 (2023: RM170,720). 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 its borrowings are all fixed rated.

(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 2024 (Continued)

5 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 higher net FX-gain of RM1.87 million (FY 2023: net FX-gain of RM0.6 million) due to unhedged positions which favoured the stronger USD.

Further disclosures are made in Note 22 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	2024			2023		
	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	92	4,116	4,208	1,061	4,200	5,261
Hedge items: Financial obligations	(92)	(4,116)	(4,208)	(1,061)	(4,200)	(5,261)
	-	-	-	-	-	-
<u>Natural Hedge</u>						
Rights: Cash/receivables	-	342	342	-	-	-
Obligations: Payables	-	(342)	(342)	-	-	-
	-	-	-	-	-	-
<u>Not Hedged Accounted</u>						
FX instruments	-	(263)	(263)	-	(35)	(35)
FX items	268	1,865	2,133	746	(57)	689
	268	1,602	1,870	746	(92)	654
Net FX gain/(loss)	268	1,602	1,870	746	(92)	654

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

5 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 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>
<u>Less: Financial liability</u>			
Payables and accrued liabilities	-	-	-
Net financial assets	<u>42,286,753</u>	<u>8,468,521</u>	<u>50,755,274</u>
<u>Off balance sheet</u>			
Contracted commitments	(103,563,593)	-	(103,563,593)
Contracted forward sales	-	-	-
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>
As at 30 June 2023			
<u>Financial assets</u>			
Receivables, deposits and prepayments	-	9,099,263	9,099,263
Cash and bank balances	7,623,968	754,024	8,377,992
	<u>7,623,968</u>	<u>9,853,287</u>	<u>17,477,255</u>
<u>Less: Financial liability</u>			
Payables and accrued liabilities	-	-	-
Net financial assets	<u>7,623,968</u>	<u>9,853,287</u>	<u>17,477,255</u>
<u>Off balance sheet</u>			
Contracted commitments	(61,778,399)	-	(61,778,399)
Contracted forward sales	13,478,000	82,565	13,560,565
Forward foreign currency contracts at notional value at closing rate	49,837,143	-	49,837,143
Net currency exposure	<u>9,160,712</u>	<u>9,935,852</u>	<u>19,096,564</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 2024 (Continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's profit after tax and equity 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 Profit and Equity 2024 RM	Increase/ (Decrease) in Profit and Equity 2023 RM
<u>GROUP</u>		
RM appreciates against USD by 2% (2023: 2%)	(38,774)	(139,243)
RM appreciates against SGD by 2% (2023: 2%)	(128,722)	(151,025)

A 2% (2023: 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.

6 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 2024 (Continued)

6 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 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)
<u>30 June 2023</u>				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	2,900,000	-	-	2,900,000
Derivative financial assets	-	1,061,863	-	1,061,863
Total financial assets	2,900,000	1,061,863	-	3,961,863
<u>Financial liability</u>				
Derivative financial liabilities	-	-	-	-

The 'financial assets at fair value through profit or loss' comprise of investment in quoted shares (see Note 19), 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 2024 (Continued)

7 REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers:				
- sale of goods	800,149,795	532,378,383	-	-
- processing service income	1,662,009	7,616,327	-	-
- management fees income	-	-	6,366,712	6,313,059
	801,811,804	539,994,710	6,366,712	6,313,059

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>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
<u>2023</u>				
Sale of steel products:				
- cold rolled coils	255,127,456	1,919,463	-	257,046,919
- steel tube and pipes	235,115,758	32,042,430	-	267,158,188
- scraps	8,173,276	-	-	8,173,276
Processing service income	-	-	7,616,327	7,616,327
	498,416,490	33,961,893	7,616,327	539,994,710

	2024 RM	2023 RM
<u>Company</u>		
<u>Revenue from contracts with customers</u>		
Management fees income		
- recognised over time	6,366,712	6,313,059

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

7 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 from the sale of 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 the sales are made on credit terms which are consistent with market practice.

(ii) Processing service income

The Group offers tolling service to its customers. Tolling service relates to when customers provide steel products for further processing (e.g. galvanisation, pipe-forming, pickling & oiling). Revenue from providing such services is recognised in the accounting period in which service is rendered.

There is no element of financing present as the sales is made on credit terms of up to 90 days, which is 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 service is rendered.

8 FINANCE INCOME AND COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Finance income on:				
Interest on deposits with licensed banks	(1,828,340)	(1,497,749)	(4,630)	(6,369)
Finance costs on:				
- borrowings	6,637,777	4,745,269	-	-
- suppliers' credit	1,325,847	580,422	-	-
- hire-purchase	68,347	46,028	3,745	14,880
	8,031,971	5,371,719	3,745	14,880
- lease liabilities ^(a)	836,644	1,004,410	-	-
	8,868,615	6,376,129	3,745	14,880
Finance costs - net	7,040,275	4,878,380	(885)	8,511

(a) 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 2024 (Continued)

9 PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Auditors' remuneration:				
- statutory audit				
- KPMG PLT	348,000	325,000	118,000	115,000
- non-audit services				
- KPMG PLT	12,000	12,000	12,000	12,000
Changes in inventories of finished goods and work-in-progress	(8,822,654)	24,352,040	-	-
Raw materials consumed	669,907,625	426,329,692	-	-
Consumables (inventories) consumed	20,796,551	13,262,472	-	-
Property, plant and equipment (Note 13):				
- depreciation	15,193,509	14,707,225	72,616	72,615
- (gain)/loss on disposals	(191,102)	190,414	-	-
- (reversal)/impairment loss	(484,910)	6,923,170	-	-
Depreciation on right-of-use assets ^(a)	4,940,149	4,886,602	-	-
Fair value loss/(gain) on financial assets at fair value through profit or loss (Note 19)	300,000	(300,000)	300,000	(300,000)
Share of fair value (loss)/gain on financial assets at fair value through profit or loss by subsidiaries (Note 19)	-	-	(300,000)	300,000
Impairment on inventories	-	9,821,893	-	-
Reversal of impairment on receivables (Note 5(c))	(17,411)	(131,381)	-	-
Maintenance of plant and machinery	12,123,303	6,366,105	-	-
Amortisation of deferred income on grant (Note 31)	(1,527,523)	(152,500)	-	-
Staff costs (excluding remuneration of Executive Directors):				
- salaries, bonuses and allowances	34,582,929	27,398,687	1,492,803	1,476,529
- defined contribution plan	4,434,370	4,262,585	207,046	207,084
- others	2,038,751	1,787,465	87,155	117,792
Net unrealised foreign exchange gain	(267,855)	(746,209)	-	-
Net realised foreign exchange (gain)/loss	(1,602,275)	92,444	-	-

^(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 2024 (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	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-Executive Directors:				
- fees	336,000	319,097	336,000	319,097
- other emoluments	34,461	30,500	34,461	30,500
Executive Directors:				
- salaries, bonuses and other emoluments	5,260,184	7,472,055	2,475,024	2,295,636
- defined contribution plan	789,030	1,120,820	371,256	344,356
- estimated monetary value of benefits-in-kind	70,186	78,437	26,111	35,110
	6,489,861	9,020,909	3,242,852	3,024,699

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

	Number of Directors			
	Executive		Non-Executive	
	2024	2023	2024	2023
<u>Range of remuneration</u>				
Less than RM50,000	-	-	-	1
RM50,001 to RM100,000	-	-	5	5
RM2,650,001 to RM2,700,000	-	1	-	-
RM2,850,001 to RM2,900,000	1	-	-	-
RM3,200,001 to RM3,250,000	1	-	-	-
RM5,950,001 to RM6,000,000	-	1	-	-
	2	2	5	6

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

11 TAX EXPENSE/(CREDIT)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current Malaysian tax:				
- current tax expense	3,188,637	1,856,869	230,091	292,268
- over provision in prior financial year	(1,084,620)	(46,145)	-	-
	2,104,017	1,810,724	230,091	292,268
Deferred tax: (Note 32)				
- origination and reversal of temporary differences	2,679,782	(3,132,592)	(1,200)	(1,200)
- under accrual in prior financial year	(1,032,489)	(176,149)	-	-
Tax expense/(credit)	3,751,310	(1,498,017)	228,891	291,068

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	20,722,959	(13,833,875)	551,621	620,466
Tax calculated at the Malaysian tax rate of 24% (2023: 24%)	4,973,511	(3,320,130)	132,389	148,912
Tax effects of:				
- expenses not deductible for tax purposes	1,227,467	2,933,198	96,502	161,836
- income not subject to tax	(332,559)	(888,791)	-	(19,680)
- over provision in prior financial year	(2,117,109)	(222,294)	-	-
Tax expense/(credit)	3,751,310	(1,498,017)	228,891	291,068

12 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

	Group	
	2024 RM	2023 RM
Net profit/(loss) attributable to owners of the Company (RM)	16,971,649	(12,335,858)
Weighted average number of ordinary shares	327,057,599	327,057,599
Basic earnings/(loss) per share (sen)	5.19	(3.77)

(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 2024 (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 2023							
- 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
<u>Less: Accumulated depreciation</u>							
At 1 July 2023	-	-	-	974,443	4,540,246	-	5,514,689
Charge for the financial year (Note 9)	-	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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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 2023	-	1,065,289	34,622,920	2,385	327	-	35,690,921
(Reversal)/Charge for the financial year (Note 9)	-	(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
<u>Cost/Valuation</u>							
At 1 July 2022							
- cost	-	-	-	2,430,256	7,245,469	935,759	10,611,484
- valuation	69,000,000	50,306,124	216,312,563	-	-	-	335,618,687
	69,000,000	50,306,124	216,312,563	2,430,256	7,245,469	935,759	346,230,171
Additions	-	-	9,192,568	799,885	95,526	507,502	10,595,481
Disposals	-	-	(131,784)	(673,262)	(33,879)	-	(838,925)
Write offs	-	-	(216,201)	-	(38,914)	-	(255,115)
Reclassification	-	-	717,958	-	-	(717,958)	-
Revaluation during the financial year	8,000,000	(106,403)	2,338,356	-	-	-	10,231,953
Effects of elimination of accumulated depreciation on revaluation	-	(2,134,432)	(11,657,031)	-	-	-	(13,791,463)
At 30 June 2023	77,000,000	48,065,289	216,556,429	2,556,879	7,268,202	725,303	352,172,102

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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 2022	-	-	-	1,067,633	4,000,120	-	5,067,753
Charge for the financial year (Note 9)	-	2,134,432	11,679,896	287,349	605,548	-	14,707,225
Disposals	-	-	(6,373)	(380,539)	(28,949)	-	(415,861)
Write offs	-	-	(16,492)	-	(36,473)	-	(52,965)
Effects of elimination of accumulated depreciation on revaluation	-	(2,134,432)	(11,657,031)	-	-	-	(13,791,463)
At 30 June 2023	-	-	-	974,443	4,540,246	-	5,514,689
<u>Less: Accumulated impairment losses</u>							
At 1 July 2022	-	806,124	28,161,065	2,385	327	-	28,969,901
Charge for the financial year (Note 9)	-	259,165	6,661,564	-	2,441	-	6,923,170
Write offs	-	-	(199,709)	-	(2,441)	-	(202,150)
At 30 June 2023	-	1,065,289	34,622,920	2,385	327	-	35,690,921
<u>Net book value</u>							
At 30 June 2023	77,000,000	47,000,000	181,933,509	1,580,051	2,727,629	725,303	310,966,492
Representing:							
- cost	-	-	-	1,580,051	2,727,629	725,303	5,032,983
- valuation	77,000,000	47,000,000	181,933,509	-	-	-	305,933,509
	77,000,000	47,000,000	181,933,509	1,580,051	2,727,629	725,303	310,966,492

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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 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 9)	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
<u>At 30 June 2023</u>			
<u>Cost</u>			
At 1 July 2022/30 June 2023	726,155	180,512	906,667
<u>Less: Accumulated depreciation</u>			
At 1 July 2022	284,411	180,512	464,923
Charge for the financial year (Note 9)	72,615	-	72,615
At 30 June 2023	357,026	180,512	537,538
<u>Net book value</u>			
At 30 June 2023	369,129	-	369,129

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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 2024 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 RM1,889,069 (2023: RM10,231,953) and revaluation surplus on ROU asset (Note 14) amounting to RM576,336 (2023: RM2,922,789) were recognised during the financial year, with a corresponding revaluation reserve, adjusted for deferred tax, amounting to RM1,873,708 (2023: RM11,117,604) been recognised in the other comprehensive income.

In the previous financial year, the net revaluation deficit amounting to RM6,923,170 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 reversal in the current financial year.

Property, plant and equipment amounting to RM302,958,495 (2023: RM310,597,361) 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 RM25,148,000 (2023: RM24,670,000).

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	
	2024	2023
	RM	RM
Freehold land	31,300,000	31,300,000
Buildings	41,854,391	46,837,272
Plant, machinery and electrical installation	180,825,841	195,055,676
	253,980,232	273,192,948

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 2024 (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 RM400,000 (2023: RM1,165,000).

As at 30 June 2024, the net book value of the property, plant and equipment under hire-purchase arrangements in the Group and the Company is RM2,161,115 (2023: RM2,226,378) and RM Nil (2023: RM369,129) respectively.

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

	2024	2023
	RM	RM
<u>Plant, machinery and electrical installation</u>		
At 1 July	181,933,509	188,151,498
Additions	4,063,363	9,192,568
Disposals/Write offs	(196,856)	(125,411)
Revaluation during the financial year	(594,369)	2,338,356
Impairment charge for the financial year	(580,169)	(6,661,564)
Depreciation charged during the year	(12,297,848)	(11,679,896)
Transfer from construction/installation in progress	483,003	717,958
At 30 June	<u>172,810,633</u>	<u>181,933,509</u>

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 2024	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Plant, machinery and electrical installation	RM172,810,633	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 2024, 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 RM12.3 million (2023: RM11.7 million) respectively.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	2024 RM	2023 RM
<u>Land and buildings</u>		
At 1 July	124,000,000	118,500,000
Additions	69,299	-
Revaluation during the financial year	2,483,438	7,893,597
Depreciation charged during the year	(2,118,026)	(2,134,432)
Reversal/(Impairment charged) for the financial year	1,065,289	(259,165)
At 30 June	125,500,000	124,000,000

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 RM101 to RM133 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 RM104 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	2024 rates		2023 rates	
	MCRC	MST	MCRC	MST
Projection period	27 years	18 years	28 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 2024 (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	50 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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	
		2024 RM	2023 RM	2024 RM	2023 RM
<u>At 1 July</u>					
Leasehold land	(a)	26,000,000	23,500,000	-	-
Rented properties	(b)	21,947,081	26,410,894	22,418,351	26,453,940
Total		47,947,081	49,910,894	22,418,351	26,453,940
<u>Changes to ROU assets</u>					
Revaluation of leasehold land	(c)	576,336	2,922,789		
Depreciation (Note 9):	(d)				
- leasehold land	(a)	(476,336)	(422,789)		
- rented properties	(b)	(4,463,813)	(4,463,813)		
Total		(4,363,813)	(1,963,813)		
<u>Changes to lease liabilities</u>					
Interest expense (Note 8)	(e)			836,644	1,004,410
Interest payments	(f)			(836,644)	(1,004,410)
Lease payments	(f)			(4,203,356)	(4,035,589)
Total				(4,203,356)	(4,035,589)
<u>At 30 June</u>					
Leasehold land		26,100,000	26,000,000	-	-
Rented properties		17,483,268	21,947,081	18,214,995	22,418,351
Total	(g)	43,583,268	47,947,081	18,214,995	22,418,351

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 54 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 RM17,447,454 (2023: 17,773,067).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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-2025	3 years
ii) Lot No.95 Sec 15, Town of Shah Alam	175,000	154,000	31-May-2025	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 4.42% 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	2024 RM	2023 RM
Current	4,378,097	4,203,356
Non-current	13,836,898	18,214,995
At 30 June	18,214,995	22,418,351

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 2024 (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) Lease and non-lease components

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Company is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(c) Recognition exemption

Short term leases are leases with a lease term of 12 months or less. Low value assets comprise of small items 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

15 SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
- Mycron Steel CRC Sdn. Bhd. ("MCRC")	166,765,998	134,061,998
- 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	189,269,850
Amount due from MCRC	-	32,704,630
	221,973,850	221,974,480

The amount due from MCRC was reclassified as 'Investment in subsidiaries' since financial year 2009 as it is the intention of the Company to treat this amount as a long-term source of capital and not recall the amount due from the subsidiary for the next 12 months from the financial year end. Information about the exposure to credit risk is disclosed in Note 5(c) to the financial statements.

During the current financial year, the amount due from MCRC amounting to RM32,704,000 was capitalised as additional share capital in MCRC, and the remaining balance of RM630 repaid by MCRC.

The details of the subsidiaries are as follows:

	Principal activities	Group's equity interest	
		2024 %	2023 %
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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

15 SUBSIDIARIES (CONTINUED)

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:

<u>Assumption</u>	<u>Rates</u>			
	<u>2024</u>		<u>2023</u>	
	<u>MCRC</u>	<u>MST</u>	<u>MCRC</u>	<u>MST</u>
Terminal growth rate	0%	0%	0%	0%
Pre-tax discount rate	16.0%	16.0%	15.5%	15.5%

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 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.

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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

16 INTANGIBLE ASSETS (CONTINUED)

The FVLCTS computation adopted the following assumptions:

<u>Assumption</u>	Rate		Approach used to determine value
	2024 %	2023 %	
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.

17 INVENTORIES

	Group	
	2024 RM	2023 RM
Raw materials	172,825,399	89,003,995
Consumables	8,318,542	8,760,744
Work-in-progress	16,334,043	2,017,860
Finished goods	68,417,494	73,911,023
	265,895,478	173,693,622

Included in raw materials are goods-in-transit amounting to RM49,568,744 (2023: RM1,434,505).

Inventories expensed to 'cost of sales' during the current financial year amounted to RM681,881,522 (2023: RM473,766,097).

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 2024 (Continued)

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables	105,606,381	67,117,448	-	-
Less: Accumulated impairment	(248,301)	(248,301)	-	-
	105,358,080	66,869,147	-	-
Other receivables	2,135,885	1,296,463	28,931	3,011
Less: Accumulated impairment	(452,695)	(470,106)	-	-
	1,683,190	826,357	28,931	3,011
Staff loans	27,388	22,238	-	-
Deposits	1,075,808	1,082,384	4,500	4,500
Prepayments	1,025,076	1,185,509	-	-
	2,128,272	2,290,131	4,500	4,500
Total receivables, deposits and prepayments	109,169,542	69,985,635	33,431	7,511

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>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
<u>2023</u>				
Gross carrying amount	826,357	-	470,106	1,296,463
Loss allowance	-	-	(470,106)	(470,106)
Net carrying amount	826,357	-	-	826,357

Information about the impairment and exposure to credit risk is disclosed in Note 5(c) to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group/Company	
	2024 RM	2023 RM
<u>Quoted shares</u>		
At 1 July	2,900,000	2,600,000
(Loss)/Gain in fair value (Note 9)	(300,000)	300,000
At 30 June	2,600,000	2,900,000

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 26 sen per share on 30 June 2024 (2023: 29 sen), resulting in a mark-to-market loss of RM0.3 million (2023: RM0.3 million gain) 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 shared with the steel subsidiaries as reported in 'Other Operating Income/(Expense)'.

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.

20 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 2024 (Continued)

21 AMOUNTS DUE FROM/(TO) RELATED COMPANIES

	Group	
	2024 RM	2023 RM
Amounts due from related companies	1,908	1,398
Amounts due to a related company	781,396	291,043

The amounts due from related companies which arose solely from trade transactions are unsecured, interest free and subject to credit terms of 30 days (2023: 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.

22 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group			
	2024		2023	
	Assets RM	Liabilities RM	Assets RM	Liabilities RM
Forward foreign currency exchange contract - fair value through profit and loss (designated)	124,763	(32,629)	1,061,863	-

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 5(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 2024 (Continued)

22 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 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 long 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.

As at 30 June 2023

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 long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM				Financial assets RM	Financial liabilities RM
July 2023	7,035,000	4.5655	784,118	-	July 2023	7,035,000	4.5655	-	(784,118)
August 2023	2,348,000	4.5777	223,998	-	August 2023	2,348,000	4.5777	-	(223,998)
September 2023	1,280,000	4.6161	53,747	-	September 2023	1,280,000	4.6161	-	(53,747)
Total	10,663,000		1,061,863	-	Total	10,663,000		-	(1,061,863)

Net fair value gain from the hedging instruments of RM1.1 million and the corresponding net fair value loss from the hedged item of RM1.1 million 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 2024 (Continued)

23 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash in hand	2,973	5,503	2	2
Bank balances	50,696,209	41,002,731	471,692	213,496
Deposits with licensed banks	18,591,689	37,150,279	480,000	700,000
Cash and cash equivalents	69,290,871	78,158,513	951,694	913,498

The weighted average interest income rates effective at the reporting date are as follows:

	Group		Company	
	2024 per annum %	2023 per annum %	2024 per annum %	2023 per annum %
Bank balances	-	-	-	-
Deposits with licensed banks	2.84	2.84	2.81	2.75

Bank balances are deposits held at call with licensed banks. The Group's and Company's deposits with licensed banks have placement periods ranging between 1 to 70 days (2023: 1 to 45 days).

24 PAYABLES AND ACCRUED LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	88,155,776	27,873,311	-	-
Other payables	5,933,203	7,190,682	286,375	245,479
Accruals	9,849,316	3,798,564	115,000	115,000
Deposit received	2,243,999	2,367,286	-	-
	106,182,294	41,229,843	401,375	360,479

Trade payables include interest bearing suppliers' credit with balances amounting to RM39,169,997 (2023: RM27,558,487). These credit facilities have interest bearing credit periods of up to 150 days (2023: 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 (2023: 7 to 60 days).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

25 CONTRACT LIABILITIES

	Group	
	2024	2023
	RM	RM
Contract liabilities	338,805	6,418,669

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	
	2024	2023
	RM	RM
At 1 July	6,418,669	7,437,261
- deposit received during the financial year	4,351,704	8,248,070
- revenue recognised during the financial year	(10,431,568)	(9,266,662)
At 30 June	338,805	6,418,669
Composition of closing contract liabilities:		
- payment received or receivable for work not performed	338,805	6,418,669

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 RM6,418,669 (2023: RM7,437,261) relates to brought forward contract liabilities.

26 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

27 BORROWINGS

The Group's and Company's borrowings at the close of the respective financial periods are disclosed below:

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<u>Current</u>					
Bankers' acceptance	(i)	118,960,000	78,010,000	-	-
Term loan	(i)	4,347,552	10,180,884	-	-
Hire-purchase creditors	(ii)	415,664	478,476	-	32,462
Mortgage loan	(iii)	2,377,033	2,193,664	-	-
		<u>126,100,249</u>	<u>90,863,024</u>	<u>-</u>	<u>32,462</u>
<u>Non-current</u>					
Hire-purchase creditors	(ii)	458,118	645,715	-	-
Mortgage loan	(iii)	7,841,639	10,088,560	-	-
		<u>8,299,757</u>	<u>10,734,275</u>	<u>-</u>	<u>-</u>
<u>Combined</u>					
Bankers' acceptance		118,960,000	78,010,000	-	-
Term loan		4,347,552	10,180,884	-	-
Hire-purchase creditors		873,782	1,124,190	-	32,462
Mortgage loan		10,218,672	12,282,225	-	-
Total		<u>134,400,006</u>	<u>101,597,299</u>	<u>-</u>	<u>32,462</u>

The Group's total interest cost attributed to the above borrowings for the current financial year is RM6.7 million (2023: RM4.8 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 2024 (Continued)

27 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>									
At 30 June 2024									
<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	-
			134,400,006	126,100,249	2,537,816	2,557,636	2,616,562	587,743	-

At 30 June 2023

Secured

Bankers' acceptance	4.49% - 5.23%	RM	78,010,000	78,010,000	-	-	-	-	-
Term loan	5.52%	RM	10,180,884	10,180,884	-	-	-	-	-
Hire-purchase creditors	2.29% - 2.55%	RM	1,124,191	478,476	257,565	151,931	132,909	103,310	-
Mortgage loan	5.49%	RM	12,282,224	2,193,664	2,234,663	2,323,914	2,416,730	2,513,252	600,001
			101,597,299	90,863,024	2,492,228	2,475,845	2,549,639	2,616,562	600,001

	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

Company

At 30 June 2024

Secured

Hire-purchase creditors	-	-	-	-	-	-
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At 30 June 2023

Secured

Hire-purchase creditors	2.29%	RM	32,462	32,462	-	-
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Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

27 BORROWINGS (CONTINUED)

- (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 13).
- (ii) The hire-purchase creditors at the reporting date are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Future minimum payments of hire-purchase creditors:				
Payable within one year	451,349	530,456	-	36,197
Payable between one and two years	229,649	282,149	-	-
Payable between two and three years	148,149	165,249	-	-
Payable between three and four years	105,037	140,049	-	-
Payable between four and five years	-	105,037	-	-
	934,184	1,222,940	-	36,197
Less: Future finance charges	(60,402)	(98,750)	-	(3,735)
Carrying amount	873,782	1,124,190	-	32,462
Carrying amount of hire-purchase creditors:				
Payable within one year	415,664	478,475	-	32,462
Payable between one and two years	213,902	257,565	-	-
Payable between two and three years	140,906	151,931	-	-
Payable between three and four years	103,310	132,909	-	-
Payable between four and five years	-	103,310	-	-
	873,782	1,124,190	-	32,462

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.

The weighted average contractual interest rates of borrowings at the reporting date are as follows:

	Group		Company	
	2024 % per annum	2023 % per annum	2024 % per annum	2023 % per annum
Bankers' acceptance	4.85	4.83	-	-
Term loan	5.59	5.52	-	-
Hire-purchase creditors	2.37	2.36	-	2.29
Mortgage loan	5.84	5.49	-	-

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 2024 (Continued)

28 SHARE CAPITAL

	Group/Company			
	2024		2023	
	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	217,676,829	327,057,599	217,676,829
Transfer of lapsed warrants not exercised (Note 29)	-	1,740,486	-	-
At 30 June	327,057,599	219,417,315	327,057,599	217,676,829

The nominal value of the shares in FY2023 is net of warrant reserve. In FY2024, the warrant reserve was transferred to the nominal value of the shares upon the expiry of the said warrants.

29 WARRANT RESERVE

	Group/Company			
	2024		2023	
	Number of warrants	Nominal value RM	Number of warrants	Nominal value RM
At 1 July	21,756,070	1,740,486	21,756,070	1,740,486
Transfer of lapsed warrants not exercised (Note 28)	(21,756,070)	(1,740,486)	-	-
At 30 June	-	-	21,756,070	1,740,486

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 2024 (Continued)

30 ASSET REVALUATION RESERVE

	Group	
	2024 RM	2023 RM
At 1 July	53,900,684	42,783,080
Revaluation surplus on:		
- property, plant and equipment	1,889,069	10,231,953
- right-of-use assets	576,336	2,922,789
Deferred tax	(591,697)	(2,037,138)
Credited to other comprehensive income	1,873,708	11,117,604
At 30 June	55,774,392	53,900,684

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.

31 DEFERRED INCOME ON GRANT

	Group	
	2024 RM	2023 RM
At 1 July	5,731,458	5,883,958
Additions	3,900,000	-
Recognised in profit or loss (Note 9)	(1,527,523)	(152,500)
At 30 June	8,103,935	5,731,458
Analysed as:		
- Non-current	8,103,935	5,731,458

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 our 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 current financial year. These grants received are recorded as 'deferred income on grant' under non-current liabilities and to be amortised to profit or loss over the useful life of the underlying assets in tandem with its depreciation.

Material accounting policy information

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income on grant and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

32 DEFERRED TAX

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax liabilities				
- deferred tax liabilities to be settled after more than 12 months	(37,153,727)	(34,914,737)	(4,900)	(6,100)
At 1 July	(34,914,737)	(36,186,340)	(6,100)	(7,300)
(Debited)/Credited to profit or loss (Note 11):				
- property, plant and equipment	(1,766,575)	3,357,669	1,200	1,200
- unutilised tax losses	-	8,884	-	-
- unutilised reinvestment allowance	43,199	(173,357)	-	-
- lease liabilities	1,084,888	1,084,087	-	-
- right-of-use assets	(1,008,805)	(968,542)	-	-
	(1,647,293)	3,308,741	1,200	1,200
Debited to equity:				
- property, plant and equipment	(453,376)	(1,335,668)	-	-
- right-of-use assets	(138,321)	(701,470)	-	-
	(591,697)	(2,037,138)	-	-
	(37,153,727)	(34,914,737)	(4,900)	(6,100)
Subject to income tax:				
Deferred tax assets (before offsetting):				
- unutilised tax losses	2,594,830	2,594,830	-	-
- unabsorbed capital allowances	834,849	2,605,262	-	-
- unutilised reinvestment allowances	10,392,531	10,349,332	-	-
- lease liabilities	4,371,599	5,380,404	-	-
	18,193,809	20,929,828	-	-
Offsetting	(18,193,809)	(20,929,828)	-	-
Deferred tax assets (after offsetting)	-	-	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

32 DEFERRED TAX (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position: (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax liabilities (before offsetting):				
- property, plant and equipment	(37,942,727)	(37,493,188)	(4,900)	(6,100)
- intangible assets	(4,800,000)	(4,800,000)	-	-
- right-of-use assets	(6,323,783)	(7,270,351)	-	-
	(49,066,510)	(49,563,539)	(4,900)	(6,100)
Offsetting	18,193,809	20,929,828	-	-
	(30,872,701)	(28,633,711)	(4,900)	(6,100)
Subject to real property gain tax:				
Deferred tax liability:				
- property, plant and equipment	(6,281,026)	(6,281,026)	-	-
Deferred tax liabilities (after offsetting)	(37,153,727)	(34,914,737)	(4,900)	(6,100)
Deferred tax liabilities (cumulative amount charged to equity)	(9,424,197)	(8,832,500)	-	-

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 expire 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 similar grounds, 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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:

Entities	Relationship
Melewar Industrial Group Berhad	Ultimate holding company
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):

Entity	Type of transaction	Group	
		2024 RM	2023 RM
Non-trade related: received/receivable			
<u>Ultimate holding company</u>			
Melewar Industrial Group Berhad	Prepayment of rents & management fees	2,033,441	-
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	(475,735)	(669,720)
Melewar Industrial Group Berhad	Payment made	8,035,735	8,229,720
<u>Related party</u>			
Melewar Steel Mills Sdn. Bhd.	Scrap handling commission	(2,047,748)	(1,052,897)
Melewar Steel Mills Sdn. Bhd.	Payment made	1,557,394	948,676
Non-trade related: paid/payable			
<u>Related parties</u>			
Trace Management Services Sdn. Bhd.	Corporate secretarial services	(187,025)	(183,760)

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (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>2024</u> RM	<u>2023</u> RM
Trade related: received/receivable			
<u>Subsidiaries</u>			
Mycron Steel CRC Sdn. Bhd.	Management fees	5,408,996	5,333,783
Mycron Steel CRC Sdn. Bhd.	Payment received	(4,104,746)	(5,301,667)
Melewar Steel Tube Sdn. Bhd.	Management fees	957,716	979,276
Melewar Steel Tube Sdn. Bhd.	Payment received	(879,716)	(875,311)
Non-trade related: paid/payable			
<u>Related parties</u>			
Trace Management Services Sdn. Bhd.	Corporate secretarial services	(180,118)	(176,125)

- (b) Significant outstanding balances arising from the above are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u> RM	<u>2023</u> RM	<u>2024</u> RM	<u>2023</u> RM
<u>Amount due from ultimate holding company</u>				
Melewar Industrial Group Berhad	2,033,557	-	-	-
<u>Amounts due from a subsidiary</u>				
Melewar Steel Tube Sdn. Bhd.	-	-	455,042	253,964
<u>Amount due from a related company</u>				
Melewar Steel Mills Sdn. Bhd.	1,908	1,398	-	-
<u>Amount due to ultimate holding company</u>				
Melewar Industrial Group Berhad	3,466	3,474	-	-
<u>Amounts due to subsidiaries</u>				
Mycron Steel CRC Sdn. Bhd.	-	-	2,635,095	2,992,706
Melewar Steel Tube Sdn. Bhd.	-	-	3,255,072	3,255,072
	-	-	5,890,167	6,247,778
<u>Amount due to a related company</u>				
Melewar Steel Mills Sdn. Bhd.	781,396	291,043	-	-

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 2024 (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	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-Director Executives:				
- salaries, and bonuses	2,093,840	2,715,652	-	-
- allowances	206,343	189,551	-	-
- defined contribution plan	334,410	427,221	-	-
Executive Directors:				
- fees, salaries, and bonuses	5,260,184	7,472,055	2,475,024	2,295,636
- defined contribution plan	789,030	1,120,820	371,256	344,356
- estimated monetary value of benefits-in-kind	70,186	78,437	26,111	35,110
	8,753,993	12,003,736	2,872,391	2,675,102

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 2024 (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>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 2024 (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
Finance costs	(3,913,058)	(4,951,812)	(3,745)	(8,868,615)
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 2024 (Continued)

34 SEGMENTAL ANALYSES (CONTINUED)

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2023</u>				
<u>Revenue</u>				
Total revenue	292,284,911	271,003,632	6,313,058	569,601,601
Inter segment	(23,293,833)	-	(6,313,058)	(29,606,891)
External revenue	268,991,078	271,003,632	-	539,994,710
Segmented by steel products:				
- cold rolled coils	257,046,919	-	-	257,046,919
- steel tube and pipes	-	267,158,188	-	267,158,188
- scraps	7,447,617	725,659	-	8,173,276
Processing service income	4,496,542	3,119,785	-	7,616,327
External revenue	268,991,078	271,003,632	-	539,994,710

	Cold Rolled Coil RM	Steel Tube RM	Total RM
<u>2023</u>			
<u>Year-to-Date External Revenue by Geographic Areas</u>			
Malaysia	267,071,615	238,961,202	506,032,817
ASEAN	-	31,802,330	31,802,330
Non-ASEAN	1,919,463	240,100	2,159,563
Total External Revenue	268,991,078	271,003,632	539,994,710

Non-current assets of the Group are located in Malaysia.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

34 SEGMENTAL ANALYSES (CONTINUED)

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2023</u>				
<u>Segment results</u>				
Profit from operations	(12,644,194)	1,327,759	628,977	(10,687,458)
Finance income	1,077,561	413,819	6,369	1,497,749
Finance costs	(2,016,216)	(4,345,033)	(14,880)	(6,376,129)
Total loss before tax	(13,582,849)	(2,603,455)	620,466	(15,565,838)
Consolidation elimination [^]	1,731,963	-	-	1,731,963
External loss before tax	(11,850,886)	(2,603,455)	620,466	(13,833,875)
Tax expense	3,035,690	(1,246,604)	(291,069)	1,498,017
Net loss after tax	(8,815,196)	(3,850,059)	329,397	(12,335,858)
Total segment assets	411,832,854	315,852,918	226,418,582	954,104,354
Consolidation elimination [*]	(6,391,411)	(21,831,758)	(222,228,444)	(250,451,613)
Net segment assets	405,441,443	294,021,160	4,190,138	703,652,741

[^] Related to elimination of unrealised profit on closing inventories (RM1.7 million).

^{*} Major items included intercompany balances elimination (RM18.5 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 (RM0.9 million) and elimination of deposit (RM1.6 million).

	Cold Rolled Coil RM	Steel Tube RM	Others RM	Total RM
<u>2023</u>				
<u>Other information</u>				
Depreciation on property, plant and equipment	11,182,906	3,451,704	72,615	14,707,225
Depreciation on ROU assets	-	4,886,602	-	4,886,602
Impairment on property, plant and equipment	6,651,600	271,570	-	6,923,170
Impairment on inventories	3,506,436	6,315,457	-	9,821,893
Additions of property, plant, and equipment	5,902,147	4,693,334	-	10,595,481

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024 (Continued)

34 SEGMENTAL ANALYSES (CONTINUED)

A reconciliation of the segment assets to the total assets is as follows:

	2024 RM	2023 RM
Segment assets	815,829,632	703,652,741
Derivative financial assets	124,763	1,061,863
Current tax recoverable	1,994,213	1,412,165
	817,948,608	706,126,769

Information about major customers

Revenue from two major customers amounting to RM125.4 million (2023: RM50.2 million) and RM104.5 million (2023: RM105.5 million) contributed to 29% (2023: 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 2024, 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 RM50.2 million (2023: RM29.2 million) and RM83.3 million (2023: RM71.3 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 an outstanding capital commitment that has been approved and contracted for of around RM2.8 million and RM1.0 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 Cold Rolled Coil imported from South Korea and Vietnam. At the first hearing in January 2024, the High Court 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. Culminating from that, the Court has fixed the Judicial Review Application to be heard on 8 May 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 2024 (Continued)

37 FINANCIAL INSTRUMENTS BY CATEGORY

	2024		2023	
	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	-	2,600,000	-	2,900,000
Derivative financial assets	-	124,763	-	1,061,863
Receivables and deposits	108,144,466	-	68,800,126	-
Cash and cash equivalents	69,290,871	-	78,158,513	-
Amount due from ultimate holding company	2,033,557	-	-	-
Amounts due from related companies	1,908	-	1,398	-
Total financial assets	179,470,802	2,724,763	146,960,037	3,961,863
Financial liabilities per statement of financial position:				
<u>Current liabilities:</u>				
Derivative financial liabilities	-	32,629	-	-
Payables and accrued liabilities (excluding payroll liabilities)	102,371,521	-	39,604,951	-
Borrowings	126,100,249	-	90,863,024	-
Lease liabilities*	4,378,097	-	4,203,356	-
Amount due to ultimate holding company	3,466	-	3,474	-
Amount due to a related company	781,396	-	291,043	-
<u>Non-current liabilities:</u>				
Borrowings	8,299,757	-	10,734,275	-
Lease liabilities*	13,836,898	-	18,214,995	-
Total financial liabilities	255,771,384	32,629	163,915,118	-

* 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 14(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 2024 (Continued)

37 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	2024		2023	
	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	-	2,600,000	-	2,900,000
Receivables and deposits	33,431	-	7,511	-
Cash and cash equivalents	951,694	-	913,498	-
Amounts due from subsidiaries	455,042	-	253,964	-
Total financial assets	1,440,167	2,600,000	1,174,973	2,900,000
Financial liabilities per statement of financial position:				
<u>Current liabilities:</u>				
Payables and accrued liabilities (excluding payroll liabilities)	141,779	-	259,144	-
Borrowings	-	-	32,462	-
Amounts due to subsidiaries	5,890,167	-	6,247,778	-
Total financial liabilities	6,031,946	-	6,539,384	-

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)	34	119,500,000
Lot 53, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor.	22.5.2078	Factory cum office building	196,301 sq.ft. (4.51 acres)	33	32,100,000

Note: The above property was revalued in 2024.

* Based on surveyed land area.

^ From the date of Certificate of Fitness for Occupation.