

MYCRON STEEL BERHAD

200301020399 (622819-D)

# Resilient. Responsible. Future-ready.

ANNUAL REPORT 2026

# Cover Rationale




The cover of Mycron Steel Berhad's 2026 Annual Report reflects the Group's ongoing commitment to being "**Resilient. Responsible.**" while remaining "**Future-Ready.**"

The automotive production line highlights steel's essential role in modern manufacturing and Mycron's contribution to the automotive value chain. The robotic arms symbolise precision, efficiency, and technological progress, reflecting the importance of continuous improvement as industry requirements evolve.

The strong visual perspective conveys forward momentum, while the prominent "Future-Ready" lettering reinforces the Group's focus on anticipating change and building long-term capabilities. Orange accents bring energy to the industrial setting, expressing confidence and determination.

Together, these elements represent Mycron's resolve to navigate challenges with resilience, operate responsibly, and support the development of a more sustainable and competitive manufacturing sector.

MYCRON STEEL BERHAD

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Mycron Steel Berhad (MSB), was incorporated in Malaysia as a public limited company under the Companies Act 1965 on 24 July 2003 and was subsequently listed on the Main Market of Bursa Malaysia on 21 June 2004. MSB's principal activities consist of investment holding and the provision of management services to its subsidiaries.

# Inside This Report

## PART 1


Chairman's Statement 2
Management Discussion & Analysis Statement 10
Corporate Information 17
Quality Recognition 18
Profile of Directors 22
Key Senior Management Profile 30
Group Financial Highlights & Financial Indicators 33
Analysis of Shareholdings 34
Corporate Governance Overview Statement 36
Statement on Risk Management and Internal Control 65
Audit and Governance Committee Report 73

**Financial Statements**

- Directors' Report 80
- Statement by Directors 86
- Statutory Declaration 86
- Independent Auditors' Report 87
- Statements of Comprehensive Income 90
- Statements of Financial Position 91
- Statements of Changes in Equity 93
- Statements of Cash Flows 95
- Notes to the Financial Statements with Table of Contents 98

Disclosure of Financial Data for Shariah Screening 160
Properties Owned by Mycron Steel Berhad and Its Subsidiaries 162


## PART 2


Sustainability Report

**Appendices**

Notice of Twenty-Third Annual General Meeting 284
Form of Proxy

# Chairman's Statement

**REVENUE**

**RM764.0 million**

FY2025: RM722 million

**PRE-TAX PROFIT**

**RM16.3 million**

FY2025: Pre-tax Loss RM0.7 million

## DEAR STAKEHOLDERS,



**On behalf of the Board of Directors, I am pleased to present the Annual Report of Mycron Steel Berhad and its group of Companies ("the Group" or "Mycron") for the financial year ended 30 June 2026 ("FY2026"). Despite a challenging global and domestic operating environment, Mycron demonstrated resilience in FY2026, delivering an improved financial performance and ending the year with positive momentum.**

**TUNKU DATO' YAACOB KHYRA**
Executive Chairman

# Chairman's Statement

## OUR BUSINESS AND OPERATIONS

Mycron Steel Berhad operates through two key manufacturing subsidiaries:



### Mycron Steel CRC Sdn Bhd ("MCRC"),

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



### Melewar Steel Tube Sdn Bhd ("MST"),

which manufactures steel tubes and pipes ("Steel Tube") using HRC and CRC.

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

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

## FINANCIAL YEAR OVERVIEW

For FY2026, the Group recorded revenue of RM764.0 million, compared with RM722.0 million in FY2025. More significantly, the Group returned to profitability, recording a pre-tax profit of RM16.3 million compared with a pre-tax loss of RM0.7 million in the preceding financial year. The improvement reflected stronger sales volumes and operating performance despite continued pressure from softer steel prices and a highly competitive market environment.

In the first financial quarter, the Group recorded revenue of RM203.1 million, up from RM167.8 million in the preceding quarter, supported by higher sales volumes across both the CRC and Steel Tube divisions. Together with higher investment gains and lower interest costs, the improved performance resulted in a pre-tax profit of RM5.6 million, compared with a pre-tax loss of RM0.8 million in the preceding quarter.

In the second financial quarter, revenue moderated to RM187.4 million, mainly due to lower average selling prices in line with the prevailing downward trend in steel prices. The Steel Tube division recorded improved gross profit, supported by higher sales volume and production throughput, while the CRC division experienced margin pressure as export sales softened amid increasing trade barriers and tariff-related uncertainties in the United States. Notwithstanding a foreign exchange loss of RM0.4 million, the Group recorded a stronger operating performance. Higher interest income and lower interest costs further supported a pre-tax profit of RM5.0 million for the quarter.

The third financial quarter saw revenue decline to RM157.6 million, with demand affected by the seasonal slowdown surrounding the Chinese New Year and Hari Raya festive periods. Despite the softer revenue, overall sales volume increased while average unit selling prices declined, reflecting the continued weakness in steel prices. Both the CRC and Steel Tube divisions recorded higher sales volumes, although the benefit was offset by lower selling prices. Margin compression was particularly pronounced in the CRC division. Consequently, the Group recorded a marginal pre-tax loss of RM0.15 million for the quarter, although year-to-date profitability remained positive.

Performance strengthened in the fourth financial quarter, with revenue rising to RM215.9 million, supported by improved sales volumes across both divisions, led by the CRC division. Higher production and sales throughput contributed to improved gross margins, while firmer steel prices during the early part of the quarter improved raw material-to-selling price spreads and supported buying interest. Consequently, the Group recorded a pre-tax profit of RM5.8 million for the quarter.

Overall, Mycron's ability to generate profits against a difficult backdrop demonstrates the continuous improvement that has taken place in Mycron over many years. Through consistent focus and discipline on cost competitiveness, manufacturing optimisation, strategic investments to reduce energy dependence and reduce our carbon footprint, Mycron has become a stronger and more resilient business. Most importantly, we have committed and talented employees that make these achievements possible.

# Chairman's Statement

## ECONOMIC LANDSCAPE

**The last twelve months have been a reminder of how quickly the global operating environment can change in ways we least expect. The financial year ended 30 June 2026 unfolded against heightened geopolitical tensions, an increasingly fragmented global trading system, and persistent uncertainty across major markets. While the global economy remained resilient, growth was uneven, with elevated operating costs and increasingly protectionist trade policies weighing on investment, business confidence, and international trade.**

Globally, geopolitical tensions and conflicts have intensified. For the steel industry, market pressures mount as global capacity reaches new highs and trade circumvention accelerates.

For the steel industry, these challenges were compounded by persistent global excess capacity and subdued demand. The World Steel Association projected global steel demand to grow by only 0.3% in 2026 to approximately 1.72 billion tonnes, following a prolonged period of weakness across several major steel-consuming markets. Against this backdrop, excess production capacity continued to exert significant pressure on steel prices and industry margins.

China's share of global excess capacity rose, spilling surges of exports to international markets. This surge of exports is putting enormous pressure on the international steel markets by displacing domestic production across the world. China's steel exports reached a record high of 131 million tonnes in 2025 which have triggered significant trade policy responses from countries.

At the same time, trade barriers in major consuming markets became increasingly restrictive. In June 2025, the United States increased its Section 232 tariffs on most steel imports from 25% to 50%, while other economies strengthened or introduced additional trade-protection measures. These developments further altered established trade flows and increased the risk of surplus steel being redirected towards more accessible markets, including ASEAN. Malaysia's relatively open trading environment consequently remained exposed to greater import pressure and increasingly competitive regional steel flows.

As the year progressed, geopolitical risks intensified further with the escalation of conflict in the Middle East. Rising energy and commodity prices, together with constraints affecting passage through the Strait of Hormuz, added further uncertainty to global supply chains and the movement of critical raw materials. These developments introduced additional downside risks to global growth and steel demand while heightening concerns over energy and raw-material security for energy-intensive industries such as steel.

Against this volatile external environment, Malaysia's broader economy remained resilient. The economy expanded by 5.2% in 2025, supported by domestic demand and continued growth in the services and manufacturing sectors, while growth of 5.4% was recorded in the first quarter of 2026.

However, the positive headline economic performance did not translate proportionately into improved conditions for domestic steel manufacturers, as regional overcapacity, high import penetration, and persistent price competition continued to weigh on industry margins.

The Malaysian Government also continued to address longer-term structural issues within the domestic steel industry, including capacity management, investment quality, licensing requirements, and the transition towards lower-carbon production. Greater policy coordination, effective trade measures and disciplined management of industry capacity will be increasingly important to ensuring that future investment supports higher-value production without further aggravating existing supply-and-demand imbalances.

Overall, FY2026 was characterised by weak global steel demand, record export activity from China, increasingly restrictive trade measures, and heightened geopolitical uncertainty. These factors combined to create significant pricing and margin pressures for steel producers throughout the year. Against this challenging backdrop, the Group remained focused on strengthening operational efficiency, maintaining cost discipline, broadening its market reach, and safeguarding its long-term competitiveness.

## DOMESTIC CRC INDUSTRY STRUCTURE

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

**Scrap-Based CRC:** 01

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

**Iron Ore-Based CRC:** 02

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

As one of the few fully operational Malaysian-owned and managed steel groups, Mycron takes immense pride in the legacy and resilience of its businesses. MST has served the Malaysian steel industry for more than 55 years, while MCRC has built a strong track record spanning more than 35 years. Together, these businesses have contributed to Malaysia's industrial development, supported local manufacturing capabilities, and helped build domestic steel expertise over several decades.

This long-standing presence reflects the strength, experience and commitment of the Group through multiple industry cycles and changing market conditions, while reinforcing Mycron's continued role in supporting Malaysia's domestic steel manufacturing capabilities.



# Chairman's Statement

## OVERALL MOVEMENT OF FLAT STEEL IN MALAYSIA

*Overall Movement of Flat Steel in Malaysia by Calendar Year*

| Malaysian Flat Steel 2025 | | Production (t/y) | Import (t/y) | Export (t/y) | Net Domestic Consumption | | |
|---|---|---|---|---|---|---|---|
| Class | Description | | | | 2025 (t/y) | 2024 (t/y) | Change |
| **511 & 513** | **Cold Rolled Coil (CRC) Sheets & Strips** | **491,547** | **655,668** | **39,961** | **1,107,254** | **1,094,669** | **1.15%** |
| | **CRC Related Products** | | | | | | |
| 520 | Cold-Rolled Electrical Sheets | - | 42,716 | 12,622 | 30,094 | 16,168 | 86.13% |
| 611 | Galvanized (Hot Dipped) Zinc Sheets | 217,193 | 482,972 | 10,724 | 689,441 | 711,198 | -3.06% |
| 612 | Electro-Galvanized Iron (EGI) Sheets | 119,000 | 79,686 | 26,998 | 171,688 | 159,780 | 7.45% |
| 620 | Tin Plated Sheets | 122,563 | 59,319 | 38,971 | 142,911 | 156,250 | -8.54% |
| 692 | Colour Coated Sheets | 184,827 | 74,077 | 22,560 | 236,344 | 245,499 | -3.73% |
| 693 | Other Metallic Coated Sheets | - | 122,973 | 11,517 | 111,456 | 81,033 | 37.54% |
| | | **643,583** | **861,743** | **123,392** | **1,381,934** | **1,369,928** | **0.88%** |
| **Total CRC & CRC Related Products** | | **1,135,130** | **1,517,411** | **163,353** | **2,489,188** | **2,464,597** | **1.00%** |
| **512** | **CR Stainless Steel Sheets** | **144,845** | **226,929** | **308,454** | **63,320** | **104,506** | **-39.41%** |
| | **HRC & Related Products** | | | | | | |
| 481 | Hot Rolled Coil (HRC) Sheets | 1,300,000 | 1,895,001 | 827,786 | 2,367,215 | 2,349,306 | 0.76% |
| 470 | Plates | 173,800 | 341,041 | 142,145 | 372,696 | 301,943 | 23.43% |
| 720 | Welded Pipes & Tubes | 761,954 | 131,422 | 307,818 | 585,558 | 596,348 | -1.81% |
| | | **2,235,754** | **2,367,464** | **1,277,749** | **3,325,469** | **3,247,957** | **2.40%** |
| **Total CRC, Related Products & HRC** | | **3,515,729** | **4,111,804** | **1,749,556** | **5,877,977** | **5,816,700** | **1.05%** |

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

The table above provides a summary of the overall movement of flat steel in Malaysia for calendar year 2025, with comparative figures for 2024. Malaysia's flat steel market recorded net domestic consumption of 5.88 million tonnes in 2025, up marginally by 1.05% from 5.82 million tonnes in 2024. Growth remained modest across most product categories. Total local production stood at approximately 3.52 million tonnes, equivalent to around 60% of net domestic consumption, while imports of approximately 4.11 million tonnes were equivalent to nearly 70% of domestic consumption, highlighting the significant presence of imported steel products in the Malaysian market.

Within the Group's core segments, net domestic consumption of CRC Sheets and Strips (Class 511 & 513) increased by 1.15% to 1.107 million tonnes. Imports of 0.656 million tonnes represented close to 60% of domestic consumption, compared with local production of 0.492 million tonnes, reflecting the continued high level of imports in this product category.

In the Welded Pipes and Tubes segment (Class 720), net domestic consumption declined marginally by 1.81% to approximately 0.586 million tonnes. Local production stood at approximately 0.762 million tonnes, with exports of approximately 0.308 million tonnes and imports of approximately 0.131 million tonnes. These figures reflect a market in which domestic demand remained relatively soft, while export activity continued to account for a significant portion of industry output.

Despite Malaysia's established domestic production capabilities, imports remain high and the industry continues to face supply-demand imbalances and competitive pressure from imported steel products. Mycron remains actively engaged with the Malaysian Government and relevant agencies in support of effective trade remedies and consistent enforcement against unfair trade practices, including dumped, subsidised and illicitly imported steel products, with the objective of promoting fair competition and a level playing field for domestic producers.

## OUR COMMITMENT TO

### GOVERNANCE

The Board of Directors recognises that strong corporate governance is fundamental to maintaining stakeholder confidence and supporting the long-term sustainability of the Group. We remain committed to conducting our business with integrity, accountability, and transparency, in line with established corporate governance principles and best practices.

The Board and senior management are committed to upholding high standards of corporate governance and business ethics across the Group's operations. Our governance framework is supported by, among others, the Board Charter, Terms of Reference for Board Committees, Anti-Fraud and Anti-Corruption Policy, Fit and Proper Policy, Communication Policy, Conflict of Interest Policy, and Corporate Disclosure Policies and Procedures.

### SUSTAINABILITY

**Operating sustainably is integral to Mycron's long-term business strategy. We remain committed to embedding sustainability principles across our governance, environmental stewardship, social responsibility and economic performance.**

Our sustainability agenda is championed by the Group Chief Executive Officer, with oversight from senior management through the Sustainability Oversight Committee, ensuring that sustainability considerations are incorporated into key business decisions and operational practices.

Our sustainability priorities are aligned with Malaysia's broader transition towards a more sustainable and competitive economy, including key national frameworks such as the National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030) and the Circular Economy Policy Framework. Further details on the Group's sustainability objectives, initiatives and performance are provided in our Sustainability Report.

A significant milestone during the year was the attainment of Environmental Product Declarations (EPDs) by both Mycron Steel CRC Sdn Bhd and Melewar Steel Tube Sdn Bhd. The EPDs provide transparent and independently verified information on the environmental impact of our products across their life cycle, strengthening the Group's carbon transparency and environmental credentials.

This achievement is increasingly relevant as customers, regulators and supply-chain partners place greater emphasis on the embodied carbon and environmental footprint of steel products. Regulatory developments such as the European Union's Carbon Border Adjustment Mechanism (CBAM), together with the broader evolution of carbon-pricing frameworks, are expected to make carbon intensity an increasingly important consideration for market access and long-term competitiveness.

Mycron continues to support the transition towards a lower-carbon economy through targeted investments in renewable energy, energy efficiency and process optimisation. We are approaching this transition in a measured and pragmatic manner, balancing our decarbonisation ambitions with commercial realities while continuing to strengthen the resilience and competitiveness of our operations.

For Mycron, the objective is not merely to respond to evolving regulatory requirements, but to position the Group competitively for a future in which carbon transparency and lower-emission production will increasingly influence purchasing decisions and market access. The attainment of EPDs by both our CRC and Steel Tube divisions marks an important step in this journey and supports our longer-term ambition to become a leading producer of lower-carbon steel products in Malaysia.

# Chairman's Statement

## PROSPECTS AND OUTLOOK

The iron and steel industry remains a fundamental pillar of the national economy, supporting infrastructure development, manufacturing activity and Malaysia's broader industrial growth. While the industry continues to face an increasingly complex operating environment and significant headwinds at the global, regional and domestic levels, steel will remain integral to economic development. Against this backdrop, the Group believes that meaningful opportunities remain for Mycron over the longer term.



The Group ended the financial year on a stronger footing, with performance improving progressively across the year. Sales volume increased by 19.5% year-on-year, although unit margins remained broadly flat. Domestic steel demand was generally resilient throughout the year, albeit the seasonal slowdown during the double-festive period in the third quarter.

The downward trend in steel prices that began in 2022 showed signs of stabilising during much of the financial year, before rebounding towards the end of March amid heightened geopolitical developments in West Asia. Nevertheless, the Group's margins remained under pressure from elevated production and operating costs, including the expanded Sales and Service Tax, energy, utilities and transportation costs, as well as intense price competition from imported steel products and an increasingly demanding regulatory environment.

While Malaysia's headline economic indicators remained encouraging, supported by growth in sectors such as data centres, semiconductors, electrical and electronics, and tourism, operating conditions have remained challenging for parts of the broader private sector. Small and medium enterprises, traditional manufacturing, retail and supporting industries in particular continue to contend with rising operating costs, increased foreign competition and softer order books. Industry surveys and feedback from our customers similarly point to continued pressure on business costs and margins, with some businesses responding through cost rationalisation, downsizing, or relocation.

Looking ahead to the next financial year, domestic steel demand is expected to remain supported, albeit at a more moderate pace. Near-term conditions are likely to remain challenging as steel prices soften and buyers adopt a more cautious purchasing approach amid continued geopolitical uncertainty. At the same time, the domestic market may face greater competitive pressure from imported steel products as excess regional capacity and trade diversion intensify, particularly as major export markets introduce increasingly restrictive trade measures. These conditions are expected to continue weighing on the margins of domestic steel producers, particularly where local cost structures remain elevated relative to regional competitors. Against this backdrop, the outlook for the coming financial year remains cautiously challenging.

# Chairman's Statement

Nevertheless, the Group will continue to build on the momentum achieved during the year by strengthening its position in the domestic market while selectively pursuing opportunities in overseas markets. At the same time, we will continue to advocate for a fair and competitive domestic marketplace and remain disciplined in managing costs, improving operational efficiency and protecting margins.

Policymakers in many regions are taking decisive action to address steel overcapacity, support domestic manufacturing, and reinforce the strategic importance of self-sufficiency. In 2026, this is most evident in Europe, where the introduction of CBAM and a strengthened tariff rate quota (TRQ) framework are beginning to affect Mycron's exports to Europe. In response, Mycron is adapting by diversifying its market base, strengthening its competitiveness, and reducing reliance on individual markets and sectors, thereby enhancing the Group's resilience to external shocks.

For many years, Malaysian steel producers have faced the challenge of rising imports. Policy measures are needed to address this imbalance. Malaysia should consider measures similar to the European TRQ framework, which establishes a more granular and robust quota system aimed at managing import volumes and reducing excessive import dependence. Such measures could support higher capacity utilisation among domestic steel manufacturers, and, in turn, improve the industry's overall competitiveness and financial sustainability.

At the same time, the transition towards lower-carbon manufacturing is becoming an increasingly important determinant of competitiveness and market access. Mycron is working to better understand and manage Scope 3 emissions across our value chain, while continuing to reduce the carbon intensity of our own manufacturing operations through reductions in Scope 1 and Scope 2 emissions. Our efforts include energy efficiency and conservation, renewable energy, waste reduction and leaner manufacturing practices. We are also strengthening transparency and product-level carbon traceability through initiatives such as Environmental Product Declarations (EPDs) and CBAM reporting.

We remain steadfast in our commitment to supporting the transition towards a lower-carbon economy. Our approach is pragmatic and focused on creating long-term value, while continuing to reduce the carbon intensity of our own operations. Looking ahead, I remain optimistic about Mycron's prospects. The momentum within the Group is positive, and steel's strategic importance is increasingly being recognised by policymakers around the world. As an infinitely recyclable material, steel is fundamental to the global circular economy and will remain indispensable to economic development, infrastructure, and the transition towards a more sustainable future.

## DIVIDEND

In view of the Group's financial position, the Board of Directors does not recommend the payment of any dividend for the financial year ended 30 June 2026.

## ACKNOWLEDGMENT AND APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our management team and employees for their dedication, resilience, and continued commitment throughout the year.

I would also like to extend our gratitude to our customers, business partners, shareholders, and other stakeholders for their continued trust and support. Your confidence in Mycron remains invaluable as we continue to strengthen the Group and position ourselves for the opportunities ahead.

As we move forward, we remain focused on navigating the challenges before us with discipline and resilience, while building a stronger, more sustainable and competitive Mycron for the future.

# Management Discussion & Analysis Statement

This Statement provides the management's analytical overview of the Group's operations and financial performance for the financial year ended (FY) 30 June 2026, supplementing other statements contained in this annual report such as the Chairman's Statement, the Statement on Risk Management and Internal Controls, and the audited Financial Statements. Analytical disclosures made herein are based on information sourced internally which may not have been specifically audited; and information sourced externally which have not been fact-checked. Disclosures are made to the extent that they do not compromise competitively sensitive information nor violate antitrust or copyright laws. Management's discussion may include commentaries on sovereign states' policies and their impact on the Group's businesses, but would avoid commentaries on the merits or demerits of such policies. This section may also contain opinions, judgement and forward-looking views; and as such, readers' discretion is advised.

## OVERVIEW

The Group achieved a turnaround performance for the current FY2026 with a net-profit of RM12.3 million - against a net-loss position of RM1.3 million in the preceding FY2025.

The Group attributes its positive performance to improved market condition in a relatively stable steel price environment- although margins were significantly impeded by risen cost and intense competition. In the ensuing paragraphs, we will discuss these major influencing-factors (as summarized in Chart-1) and their developments that had shaped our performance in the current FY2026. These influencing-factors are mostly interrelated with causal-relationship.



Chart-1

### *China Factor*

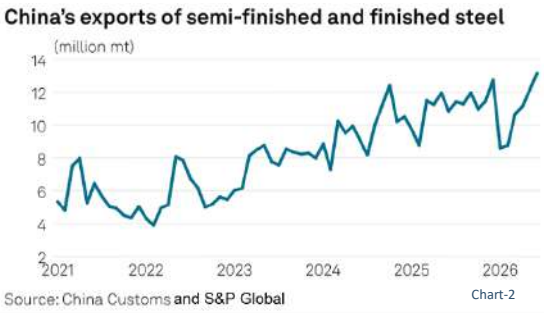


Chart-2

China's ever rising steel export trend (see Chart-2) began to ease in late-2025 and early-2026 as it attempted to rein in mills output and introduced new export licensing requirements pursuant to its anti-involution drive, amid falling profits and abundant international trade actions against it (i.e. 20 antidumping & safeguard cases in 2026). All that changed with the Middle-East conflict which damaged Iranian steel mills and exports. China filled-in and boosted its exports of slab and billets to record levels largely to Southeast Asia– its principal export outlets (see Chart-3).



Chart-3

Strategic implications of that on the Group's flat-steel businesses remain negative. The scale and pace China can ramp-up production to fill in the vacuum left by Iranian steel, kept a lid on regional steel prices despite heightened inflationary pressure from the conflict. With China's steel exports increasingly gravitating towards ASEAN - especially to the top-4 nations serving as regional steel production hub and/or spring-board for export (see Chart-4) - Malaysia will increasingly face stiffer competition from these ASEAN countries with better comparative advantage.

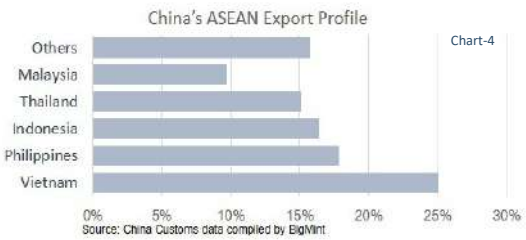


Chart-4

With major steel capacity-expansion in ASEAN (led by Chinese and Korean investments), regional steel prices and margins will continue to face increasing pressure.

OVERVIEW ……..Cont'd

***China Factor….. Cont'd***

Malaysian data suggests imports of Cold Roll steel and Tube & Pipes from China for the 1st-half 2026 has been relatively flat in %-term (see Chart-5). For the Group's Cold-Roll segment, existing anti-dumping measures (in-placed and being-filed) plus local-authorities' stringent enforcement against smuggled and/or mis-declared CRC imports have kept the threat in-check. However, competition from Chinese pipe-makers on the Group's Tube-Segment has gotten more intense and disruptive in FY2026 - with many having set-up export-operations in Singapore. Trade data on imported Chinese seamless pipe (duty-free) and welded pipes (5%-duty) into Malaysia between the importing and exporting countries continues to show signifcant discrepancies, which suggests duty-circumvention that harms Malaysian ERW-pipe manufacturers. In this regard, the Pipe-subsidiary has raised the matter to the regulatory authorities again in early 2026 through the Malaysian Iron & Steel Industry Federation; and has mustered similarly affected industry-peers to petition investigation and anti-dumping action against the threat. Although recent Chinese pipe export offers have been observed to show unusually narrow price premium of seamless-over-welded pipes (by USD10-30/tonne), the high threshold requirements on 'hard-proof and causal-damage' in-order for the local Regulatory Authority to act is onerous. Unlike the fast reacting protective trade measures seen in developed economies, there isn't any fast-track route in Malaysia.

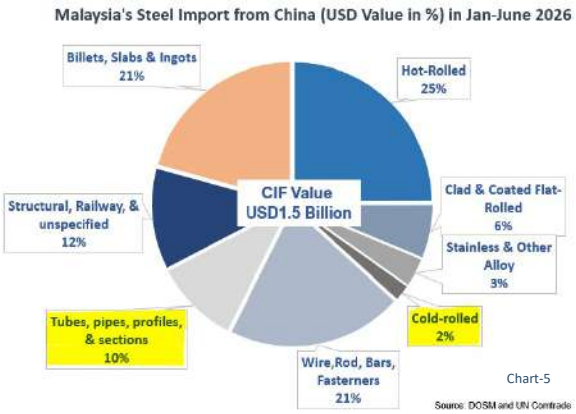


Chart-5

***US & Global Factor***

In the preceding FY2025, we saw the rise of unprecedented global-scale trade-wars, protectionism, deglobalization, major armed-conflict, global-debt, de-dollarization, and creeping inflation. In the current FY2026, we see further manifestation of the same and deeper into the rut.

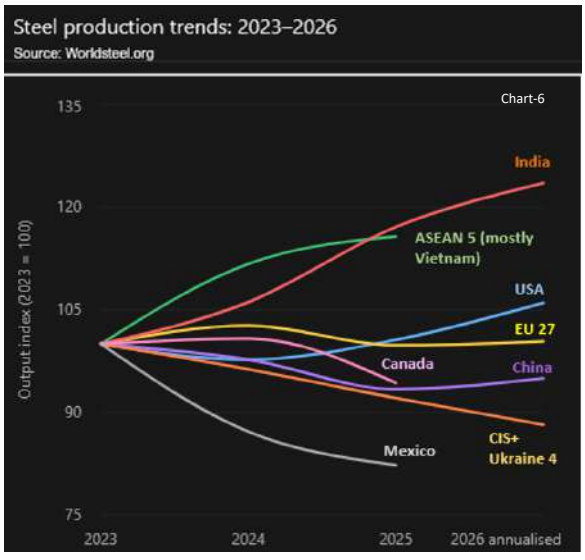


Chart-6

Trade tirade from developed-economies seems to have thawed in FY2026, as objectives (of high trade-walls and supply-chain re-alignment) are being met. The US Section-232 tariff on steel remains at its highest levels; whilst, the EU Carbon Border Adjustment Mechanism (CBAM) went into its 'full-compliance' phase on 1 January 2026, in-parallel with tightened annual country specific steel quotas. Many foreign steel have since been locked-out from those markets, and steel companies in those protected markets are beginning to report record profits with volume growth and better margins. Low-cost steel surplus nations are also increasing production volume with exports being diverted to more porous regions like Africa and Southeast Asia.

With two war-zones going-on, IMF projects global economic growth to slow (0.5% lower) in 2026, but not steel demand. Worldsteel Association forecasts a modest 0.3% growth in global steel demand for 2026 supported by boom in AI, EV, military armament, infrastructure renewal, and green-energy projects. Hence, despite excess global steel capacity of around 26.2% in 2025 (see Chart-7), more new capacity projects have been identified and announced - which OECD estimates would further increase global excess capacity to 28.8% by 2028. Behind each of these capital investment project is a conviction of commercial viability, likely from displacing competitors. As a result, the Group's exports were constrained whilst external competitive pressure on margins was elevated in FY2026.

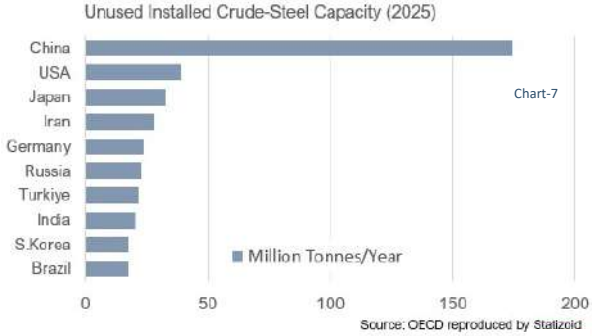


Chart-7

# Management Discussion & Analysis Statement

OVERVIEW .....Cont'd

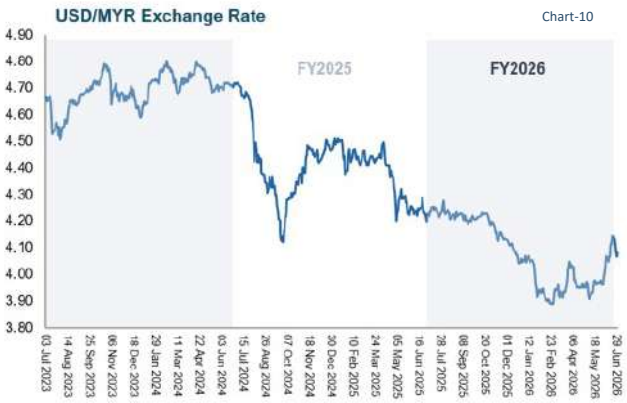
***Steel Price Factor***

Steel prices (using Chinese HRC FOB price as proxy– see Chart-8) in Ringgit terms continued with the downtrend over the 1st-half of FY2026 but rebounded marginally in the 2nd-half of FY2026 driven by the Middle-East conflict which pushed up energy & fuel and raw input costs (i.e. iron ore and coking coal– see Chart-9). Despite the steep rise of these costs in USD, the rise of domestic steel prices was softened partly by the further strengthening of the Ringgit against the USD in FY2026 by around 4% (FY2025 up 8% - see Chart-10), and partly to regional steel supply elasticity tied to chronic structural overcapacity situation.



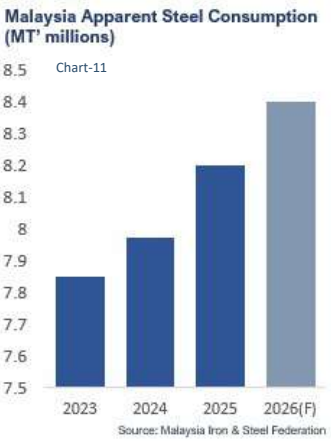

Nevertheless, it is consolatory that the prolonged steel price down-trend (since early 2022) has plateaued in FY2026, easing margin-impinging impact on the Group compared to FY2025. The woe is that the steel price rebound was mainly cost-push rather than demand-pull - which did not help to better margins.

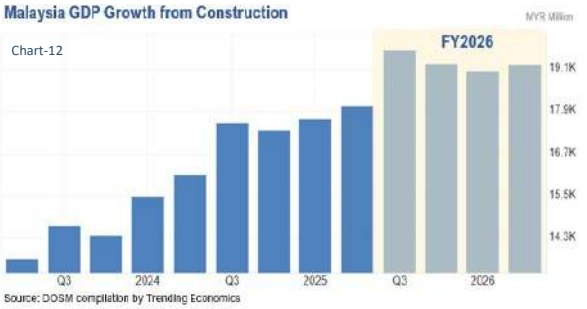


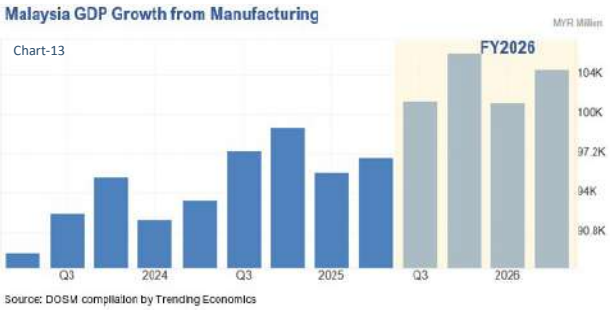




***Market Condition***

Domestic demand for steel in FY2026 was generally more robust and in-line with demand growth projection (see Chart-11) supported by the Nation's strong GDP growth (ranging from 5.3% to 6.2% YoY) over the corresponding quarters. Forces driving the GDP growth are in-bound investments on electronics and semiconductors leading to specialized constructions (i.e. industrial buildings, data centers & infrastructures)- see Chart-12; and spike in manufacturing and exports driven by global AI-related demand –see Chart-13. These plus Government spending on infrastructure projects had boosted steel demand - but was partly fulfilled by imports in the absence of 'steel localization' requirements. Correspondingly, the Group's steel sales volume in FY2026 has increased only by around 20% over the preceding period. The higher sale volume only resulted in marginally better gross-margins from throughput economics, as supply and pricing competition (from domestic and foreign) was intense.



OVERVIEW ……..Cont'd

***Cost Factor***

Contrary to headline inflation of 1.9%-2.3% over FY2026, the cost-of-doing-business for the Group has risen more than 12% compared to FY2025. Whilst in FY2025 we saw increases in almost everything from electricity, gas, diesel, minimum-wage, port handling & logistics, to regulatory compliance cost (e-invoicing, XBRL-format filings) - these further snowballed in FY2026 with the expanded-SST, heightened regulatory enforcement (i.e. inland transport, foreign-workers crackdown,.. etc) and the breakout of the Middle-East conflict. Our cost experience is consistent with the steep trajectory of the Nation's Consumer Price Index (CPI) on Chart-14. On-the-other-hand, the Nation's Steel Producer Price Index (Chart-15) has been relatively flat in FY2026. This implies Malaysian steel producers continue to face severe margin squeeze due to their limited ability to adequately pass risen-cost to customers as prices are market driven and constrained by import substitutes. This cost-margin squeeze dilemma is not peculiar only to the steel industry, but cuts-cross many traditional manufacturing businesses in Malaysia.







***Overall Financial Position***

With the turnaround profit performance in FY2026, the Group's profitability measures (see Table-1) improved markedly over the preceding year.

Correspondingly, its liquidity and capital positions notched higher with stronger current-ratio and low gearing. With a higher net-asset per share at end-FY2026, the Group's low closing price-to-book ratio is steeply discounted.

| Table-1 | FYE 2025 | FYE 2026 |
|---|---|---|
| **Profitability** | | |
| a Operational Return on Average Capital Employed (EBIT/Ave Cap) in % | 0.81 | 3.08 |
| b Return on Equity (Net Comprehensive Earnings/Equity) in % | 1.01 | 2.84 |
| **Liquidity** | | |
| c Current Ratio (Current Asset/ Current Liabilities) | 2.52 | 3.49 |
| d Interest Cover Ratio (EBITDA/Net Interest Expense) | 3.7 | 18.51 |
| **Capital** | | |
| e Weighted Average Cost of Capital in % (Cost of Equity assumed at 6.7%) | 6.00 | 6.22 |
| f Debt to Equity Ratio (includes all interest bearing debt) | 0.15 | 0.08 |
| **Value** | | |
| g Net Asset per Share (RM/share) | 1.58 | 1.63 |
| h Total Comprehensive Income to Enterprise Value in % | 4.28 | 28.96 |
| i Price-to-Book Ratio (RM/RM1) | 0.19 | 0.14 |

# Management Discussion & Analysis Statement

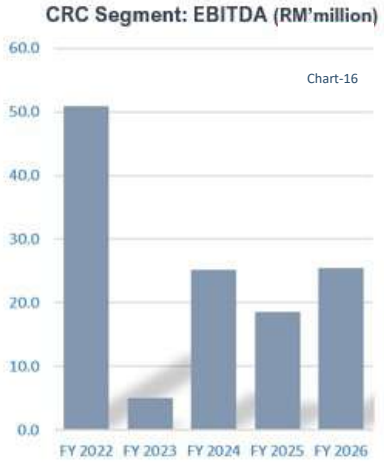
## SEGMENTS' PERFORMANCE

Both segments recorded significant improvement in financial performance in FY2026 on the back of higher revenue driven mostly by higher sales volume (up around 20%) but lower average unit selling price (down around11%) in tandem with softer steel prices - compared to FY2025.

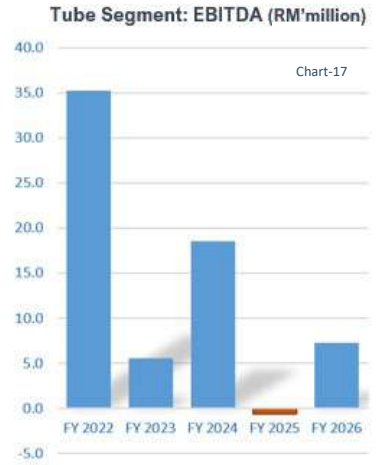
The CRC-segment saw its export sales significantly curtailed by aggressive trade protection measures, but was able to divert capacity towards higher domestic sales through multiprong strategies in working with industrial consumers for localization of steel content; defensive actions against cold-rolled dumping from abroad; and working closely with authoritative bodies (such as MITI, MISIF, and CIDB) towards national steel objectives. Heightened enforcement by regulatory authorities against illegal imports has helped. With the higher volume contribution from domestic sales and upped capacity utilization, the CRC-segment recorded a net profit of RM10.8 million (up RM6.2 million from FY2025) with a higher segment EBITDA of around RM25 million for FY2026.

Table-2

| RM'million | CRC | | Steel Tube | |
|---|---|---|---|---|
| | FYE 2025 | FYE 2026 | FYE 2025 | FYE 2026 |
| External Revenue | | | | |
| Domestic | 339.30 | 453.93 | 214.21 | 236.67 |
| Foreign | 137.60 | 31.65 | 30.77 | 41.74 |
| | 476.90 | 485.58 | 244.98 | 278.41 |
| Net Profit/ (Loss) | 4.66 | 10.81 | -6.28 | 1.10 |




The Tube-segment saw its sales volume rise sharply in both domestic and foreign markets (mainly to Singapore) in FY2026 largely due to brisk demand from the construction & infrastructure sector, and partly to its strategy in prioritizing the preservation of its market-share. To secure these sales it had to compete with many domestic and foreign competitors in matching low-prices, resulting in thin-margins made worse by escalated production costs. Regulatory crackdown against overloaded commercial vehicles in the 2nd financial quarter FY2026 had resulted in overnight shortage of commercial vehicles, resulting in the rise of transportation & logistic costs and delayed sales delivery over the next two quarters. Regulatory crackdown on migrant-workers culminated to a raid on one of its factories in the 4th financial quarter which resulted in detained contracted foreign-workers (supplied by licensed labor-agents) causing production loss and sales delivery disruption. Most of those detained are legitimate-workers and were released weeks later, whilst some had paper-complications relating to in-progress 'workplace change' endorsements. Despite these challenges, the Tube-segment managed to record a net-profit of RM1million (up RM 7.4 million from FY2025), and an EBITDA of around RM7million for FY2026.




Comparing the segment-ratios in Table-3 below, the CRC-segment has outperformed against the Tube-segment in both financial years.

Table-3

| | CRC | | Steel Tube | |
|---|---|---|---|---|
| | FYE 2025 | FYE 2026 | FYE 2025 | FYE 2026 |
| Segment's Revenue / Assets Employed (Ringgit on Ringgit) | 1.09 | 1.15 | 1.01 | 1.09 |
| Segment's Net Earnings/Assets Employed (Sens on Ringgit) | 1.07 | 2.55 | -2.60 | 0.43 |
| Segment's Assets/ Total Assets | 61.5% | 61.9% | 34.0% | 37.5% |
| Segment's Net Earnings/Total Earnings | 100.0% | 88.2% | n.a. | 9.0% |
| Operational Return on Assets (EBIT/Average Assets) | 1.6% | 3.4% | -1.5% | 1.2% |

# Management Discussion & Analysis Statement

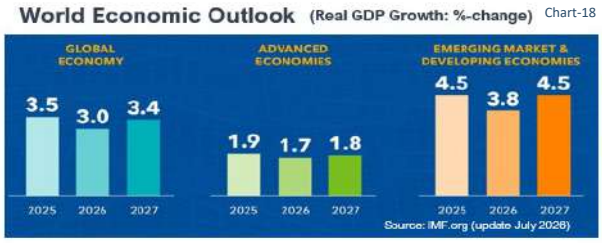
## OUTLOOK AHEAD

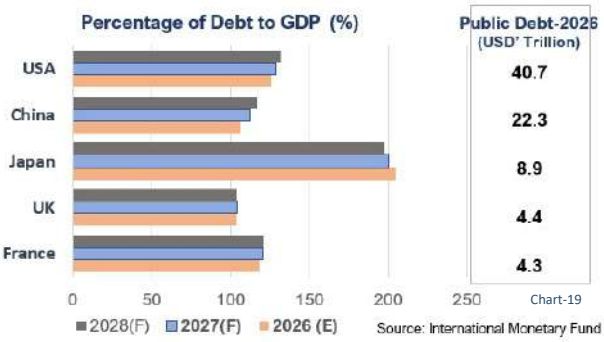
In assessing the Group's performance outlook for FY2027, we have to review the major influencing factors, and look at emerging risks and opportunities. In making this assessment, we have the benefit of hind-sight from 3 months of actual developments from July to early-October 2026.

### *Influencing Factors*

Global Crises & upward costs trajectory

Whilst the global economy is projected to grow marginally higher in 2027 (from a slower 2026 burdened by hot-conflicts and trade barriers), it is expected to come with an uncomfortable combination of inflation and financing conditions.




Global debt is expected to keep rising throughout the coming years - particularly the USA and China being the major drivers - with government debt projected to approach 100% of global-GDP by 2028. Already we are seeing rise in government bond yields in the 2nd-half of 2026, and this will likely go higher in 2027 and beyond - pushing deficits higher. The hot-conflicts in 2026 has pushed food, fuel, and energy prices to extreme levels. If persists into 2027, it will add significantly to global headline inflation numbers. The world is currently facing a diesel shortage crisis caused by the wars and trade restrictions, and this is expected to persist into 2027. With this vicious cycle of debt-leveraging to stay relevant or be left-behind, the scenario of fiat currencies debasement is becoming more vivid. There will be ample global liquidity and pump-priming activities, but each currency unit would buy less.

Drawing from the above, we expect Malaysia's GDP to remain relatively strong but moderating in 2027 - in tandem with domestic steel demand. We expect government policies' driven inflation to stabilize (given the outcome of recent state-elections) in 2027, but would increasingly be driven by global inflationary pressure. We expect either domestic borrowing cost will rise or the Ringgit to weaken. Cost-pressure on the Group's operation will likely continue to rise in 2027.

Regional Market Dynamics

Top steel-demand growth is projected to be in India, Africa, Middle-East, and ASEAN; whilst, Asian steel giants (i.e. China, Japan, & S. Korea) are expected to see negative to muted growth in the next two years. These Asian giants have already made in-roads in those projected growth areas, as Western steel markets walled-up. Global steel bodies (e.g. OECD steel forum) are ramping up pressure on China to cut its excess capacity, subsidies, and halt circumvention via Southeast Asia. If successful, we may see the long eluded steel price run-up in 2027: especially, in-conjunction with a possible structural bull-run on global commodities driven by severe geopolitical supply shocks, accelerating energy transition, and macro hedging against global inflation. Such a scenario may bring surprising upside to the Group's performance.



# Management Discussion & Analysis Statement

*Outlook ……..Cont'd*

Emerging

*Carbon Pricing*
EU's CBAM (Carbon Border Adjustment Mechanism) is forcing many other jurisdictions' alignment towards advancing its own domestic carbon pricing framework, and to adopt CBAM's CRQ (Carbon Reporting Queries) to gather data from foreign suppliers to evaluate compliance risks. Malaysia is increasingly driven to respond with its own carbon tax legislation and MRV (measure, report & verification) framework. If this is rolled-out, the Group's compliance costs will likely increase and hit bottom-line. However, having such carbon pricing does not necessarily enable the Group's access to EU's steel market, as Malaysia does not have any specific steel quota allocation (for our category of steel products) nor an FTA with EU. Having a 'carbon pricing & tax' regime when the national grid's dependence on coal & gas fired power plants remains high, would not help businesses lower scope -2 carbon footprint to potentially avoid carbon-tax burden. Either way, electricity cost will likely continue to be on an increasing trend.

*Sunset Review*
Malaysia AD-duty for Cold-Rolled Coil (at & below 1300mm width) is scheduled to expire in October 2026, and the Group's CRC subsidiary has initiated the review process with the authorities for AD-duty extension. The Group is seeking to act on all the jurisdictions posting the threat. The Group is confident with the merit of the case for renewal, although the outcome rest with the authorities' determination.

*Economic-bifurcation*
Malaysia's strong economic growth in the past few years have been rather uneven. Certain sectors (i.e. relating to AI, semiconductor, E&E, tourism & hospitality) are doing well, and have attracted significant investments. However, most other low-tech, low-margin, traditional businesses have been struggling in recent years due to incessant policies-driven cost rise; whilst at the same time, having to deal with the surge of Chinese competition from imports and on-shoring at budget prices. This coupled with the fuel & energy crisis (from the Middle-East war) have squeezed many local businesses, leading to a mix of downsizing, relocation, and even closure. A large spectrum of households, already stuck in the low & middle income trap, have to struggle with ever rising costs-of-living. The Malaysian Government recognizes the problem, and has in its recent 2027 budget allocated around RM73 billion for subsidies and social assistance, just behind its development budget of RM83 billion. For the 3rd time in 3 years, the Government announced increase in the minimum wage again - which will further burden local low-margin businesses. In this regard, we expect the bifurcation of the domestic economy to continue its course, and the Group will have to cautiously navigate it.

*AI Boom*
Reports have it that Malaysia has attracted more than RM100 billion in approved data-centers and cloud-computing in the last 24 months. When fully operational in the next 2-3 years, power demand would increase significantly to weigh on the national-grid which is still heavily reliant on coal and gas. To meet eventual demand, many low-carbon power supply projects (i.e. large-scale solar, hydro, battery-storage) are planned. For steel producers, this creates steel supply opportunities not only towards the construction of data-centers, cooling-systems, and power infrastructure, but also renewable energy plant and equipment. However, such supply opportunities could only be reaped if 'steel-content localization' is prioritized. The Group will continue to push hard on the steel localization agenda to improve steel supply to these growth areas in FY2027.

## CONCLUSION

The Group's outlook for next FY2027 remains highly challenging under a combination of elevated inflation and regional over-capacity environment which will continue to impinge bottom-line. The external environment is also expected to remain highly volatile with the fragile state of global affairs. However, we believe steel demand will remain robust in FY2027 to support favorable production throughput volume to sustain a level of profitability. Possible tipping-point events like meaningful cuts in excess steel capacity by China or a commodity bull-run on steel prices, may significantly add to the Group's performance. Regardless, the Group's financial position is in good shape to weather any adverse external shocks FY2027 may bring.

# Corporate Information

## DOMICILE

Malaysia

## LEGAL FORM & PLACE OF INCORPORATION

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

## BOARD OF DIRECTORS

**Tunku Dato' Yaacob Khyra**
Executive Chairman

**Roshan Mahendran bin Abdullah**
Group Chief Executive Officer

**Azlan bin Abdullah**
Non-Independent Non-Executive Director

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

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

**Kwo Shih Kang**
Senior Independent Non-Executive Director

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

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

## SECRETARY

Lily Yin Kam May
MAICSA 0878038
CCM PC NO.: 201908001210

## AUDIT AND GOVERNANCE COMMITTEE

**Kwo Shih Kang**
Chairman

**Datin Seri Raihanah Begum binti Abdul Rahman**
Member

**Dato' Mohd Zahir bin Zahur Hussain**
Member

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

## REGISTRAR & TRANSFER OFFICE

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

## REGISTERED OFFICE

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

## PRINCIPAL PLACE OF BUSINESS

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

## SOLICITORS

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

**Tan, Siew & Lee**
Suite 9-1, Level 9,
Wisma UOA Damansara II,
No. 6, Jalan Changkat Semantan,
Damansara Heights,
50490, Kuala Lumpur.
Tel No. : 03 3009 7825
Website : www.tsl-legal.com

## AUDITORS

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

## PRINCIPAL BANKERS

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

## STOCK EXCHANGE LISTING

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

## WEBSITE

www.mycronsteel.com

## E-MAIL

enquiry@mycronsteel.com

# Quality Recognition

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

MCRC achieved its first ISO 9001 certification from SIRIM and IQ Net in 1996, followed by MST in 1997. Over the years, both MCRC and MST have built a robust end 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 2651:2020) and Japanese Industrial Standard (JIS G 3141:2017). These certifications confirm that MCRC's products meet stringent quality parameters, providing customers with confidence in both the reliability and performance of the products. The certifications are not only advantageous for MCRC, but also beneficial to the industry, reinforcing the company's mission to be the leading manufacturer of high-quality Cold Rolled Steel Sheets in Malaysia.



# Quality Recognition

On the environmental front, both MCRC and MST are proactive in enhancing their environmental performance, embedding sustainable practices throughout their operations. MCRC first achieved ISO 14001:2004 Environmental Management System certification in June 2014, followed by the updated ISO 14001:2015 certification in June 2017. In 2020, MCRC was further recognised with the SIRIM Eco-Label Licence, and since February 2021, has proudly held the right to display the MyHIJAU Mark on its products. Similarly, MST earned the SIRIM Eco-Label Licence for its three manufacturing plants in August 2022, followed by the MyHijau Mark in September 2022, as well as the ISO14001:2015 Environmental Management System certification in December 2023. Adding to its environmental accolades, MCRC also obtained the ISO 50001:2018 Energy Management System certification from SIRIM and IQ NET, underscoring its commitment to energy efficiency and sustainability.




































# Quality Recognition



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

## International Standards:



**British Standard**
BS EN 10255:2004
for Welded Steel Tube



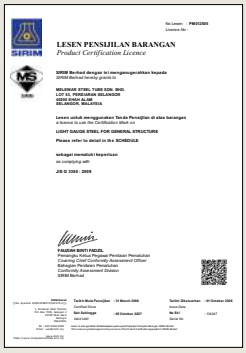
**British Standard**
BS 31:1940
for Steel Conduit
for Electrical Wiring



**British Standard**
BS EN 39:2001
for Loose Steel Tubes
for Tube and Coupler Scaffolds



**American Standard**
ASTM A 500/A 500M:2013
for Cold Formed Welded Carbon Steel
Structural Tubing in Round and Shape



**Japanese Standard**
JIS G 3350:2009
for Light Gauge Steel
for General Structure



**Japanese Standard**
JIS G 3444:2015
for Carbon Steel Tube
for General Structure



**Japanese Standard**
JIS G 3445:1988
for Carbon Steel Tube for
Machine Structural Purpose



**Japanese Standard**
JIS G 3452:2010
for Carbon Steel Pipe for
Ordinary Piping

# Quality Recognition

## 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:




CIDB Registered Products
- Light Gauge Steel For General Purpose




CIDB Registered Products
- Cold Formed Welded Structural Hollow Sections




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




Ministry of Domestic Trade and Cost of Living LOGO BARANGAN MALAYSIA Certificate for Cold Rolled products




Ministry of Domestic Trade and Cost of Living LOGO BARANGAN MALAYSIA Certificate for AURORA Conduits




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




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




Malaysia Electrical Material Approval (EMA) JKR MS 61386-21:2010 Galvanised Steel Conduit

# Profile of Directors



## TUNKU DATO' YAACOB KHYRA

Executive Chairman

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 66 | Male |

**Date of Appointment(s)**
- 30 March 2004 (Non-Independent Non-Executive Director)
- 2 January 2015 (Redesignated as Executive Chairman)

**Membership of Board Committees**
- Nil

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

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, Melewar Group Berhad, KNM 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) 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 one of the beneficiaries of a trust known as KLB, being the holding company of Melewar Equities (BVI) Ltd and Melewar Khyra Sdn Bhd, who are the major shareholders of MIG, a major shareholder of Mycron.

# Profile of Directors



## ROSHAN MAHENDRAN BIN ABDULLAH

Group Chief Executive Officer

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 44 | Male |

**Date of Appointment(s)**
- 18 September 2017 (Non-Independent Executive Director)
- 2 April 2018 (Group Chief Executive Officer)

**Membership of Board Committees**
- Nil

**En Roshan completed his primary and secondary education in Terengganu and Selangor, Malaysia. He later pursued tertiary education specialising in the maritime field and earned a professional certificate from the Australia Maritime Safety Authority. In addition, he holds a Diploma of Applied Science from the Australia Maritime College, a specialist institution of the 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 redesignated in January 2011 to Vice President cum Deputy Head, Group Commercial Department of Mycron Steel CRC Sdn Bhd ("MSCRC"). In May 2011, En Roshan became the Chief Operating Officer of MSCRC and Business Development divisions respectively. Subsequently, he became the Group Chief Operating Officer of Mycron Steel Berhad in September 2016 and Chief Executive Officer of both MSCRC and Melewar Steel Tube Sdn Bhd ("MST"). En Roshan is responsible for the operations of both MSCRC and MST.

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

# Profile of Directors



## AZLAN BIN ABDULLAH

Non-Independent Non-Executive Director

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 68 | Male |

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

**Membership of Board Committees**
- Nil

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

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

He started his career in 1983 with Citibank N A and in 1987, he joined United Asian Bank ("UAB") where he started and headed the Treasury Marketing Unit. After UAB merged with Bank of Commerce, he was subsequently promoted to Head of Priority Banking Division and Branch Manager of the KL Main Branch in 1992. In 1994, he rejoined Citibank Berhad as Vice President and Head of Public Sector Division.

En Azlan was the Deputy President of the Malaysia Iron and Steel Industry Federation ("MISIF") from 2008 until October 2018 and was one of MISIF's representatives on the Asean Iron and Steel Council from 2012 until May 2018.

En Azlan served on the Board of HSBC Amanah Bank Berhad as an Independent Non-Executive Director from 2012 to 2019. During his tenure, he was also a member of the Credit Committee, Audit Committee, and Nomination and Remuneration Committee.

From 2019 until February 2026, he served as the Executive Director of the Royal Langkawi Yacht Club ("RLYC"). In February 2026, he was redesignated as a Non-Executive Non-Independent Director of RLYC, a position he currently holds.

# Profile of Directors



## TENGKU DATUK SERI AHMAD SHAH IBNI ALMARHUM SULTAN SALAHUDDIN ABDUL AZIZ SHAH

Non-Independent Non-Executive Director

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 71 | Male |

**Date of Appointment(s)**

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

**Membership of Board Committees**

- Member of the Nomination & Remuneration Committee

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

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, Sime UEP Berhad from 1983 to 1987, Tractors Malaysia Holdings Berhad from 1987 to 2007, and Melewar Industrial Group Berhad from 2005 to 2014.

# Profile of Directors



## KWO SHIH KANG

Senior Independent Non-Executive Director

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 66 | Male |

**Date of Appointment(s)**
- 23 August 2019 (Independent Non-Executive Director)

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

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

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

Mr Kwo was the President of the Life Insurance Association of Malaysia from 2012 to 2015. He was also the President of the Malaysian Financial Planning Council 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.

# Profile of Directors



## DATIN SERI RAIHANAH BEGUM BINTI ABDUL RAHMAN

Independent Non-Executive Director

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 64 | Female |

**Date of Appointment(s)**
- 8 April 2019 (Independent Non-Executive Director)

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

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

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

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

She left Malene in 1997 when she was the Acting Chief Executive Officer, to dedicate more time in bringing up her three young children. To ensure that she was in touch with the insurance industry and coupled with her experience and knowledge in insurance underwriting and broking, she made time, from 1998 to 1999, while being a homemaker, to be a part-time lecturer with the Malaysian Insurance Institute for insurance industry practitioners to obtain a more in-depth knowledge of the business.

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

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

# Profile of Directors



## DATO' MOHD ZAHIR BIN ZAHUR HUSSAIN

Independent Non-Executive Director

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 51 | Male |

**Date of Appointment(s)**
- 30 June 2022 (Independent Non-Executive Director)

**Membership of Board Committees**
- Member of the Audit & Governance Committee
- Member of the Risk & Sustainability Committee

**Dato' Mohd Zahir currently sits on the Boards of Olympia Industries Berhad, Pharmaniaga Berhad and several other private limited companies.**

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

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

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

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

# Profile of Directors



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

Independent Non-Executive Director

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 71 | Male |

**Date of Appointment(s)**
- 15 January 2025 (Independent Non-Executive Director)

**Membership of Board Committees**
- Member of the Audit & Governance Committee
- Member of the Risk & Sustainability Committee

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

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

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

Dato' Dr. Ghandhi holds a MBBS degree from Mysore University, India. Addition he was trained and accredited in Cardiothoracic surgery in the United Kingdom. He was also trained in the University of Vienna, Austria and had received a Diploma in Cardiovascular Surgery. He has worked as a Consultant Cardiothoracic Surgeon in the UK before returning to Malaysia. Dato' Dr. Ghandhi also holds a Primary Fellowship from the Royal College of Surgeons of Edinburgh and a Diploma of Fellowship from the Royal College of Surgeons of Glasgow. In addition to his credentials, he holds a Certificate of Achievement in Improving Global Health awarded by Harvard University, and also holds a Certificate of Specialist Training in Cardiothoracic Surgery (U.K.).

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

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

**Notes to Directors' profile:**

1. Family Relationships
   Save for Tunku Dato' Yaacob Khyra, none of the Directors have any family relationship with any Director and/or major shareholders of the Company.
2. Conflict of Interest
   Save for Tunku Dato' Yaacob, none of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business or any business arrangement involving the Company and the Group.
3. Conviction of Offences
   None of the Directors have any conviction for offences other than traffic offences (if any) within the past 5 years. There is no sanction or penalty imposed on the Directors by relevant regulatory bodies during the financial year end.
4. Attendances at Board Meetings
   The details of the Directors' attendance at Board Meetings are set out on page 48 of this Annual Report.
5. Shareholdings
   The details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings section in this Annual Report.

# Key Senior Management Profile



## TUNKU DATO' YAACOB KHYRA

Executive Chairman

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 66 | 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 22 of this annual report.



## ROSHAN MAHENDRAN BIN ABDULLAH

Executive Director/Group Chief Executive Officer

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 44 | 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 23 of this annual report.

# Key Senior Management Profile



## CHOO KAH YEAN

Group Chief Financial Officer

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 61 | Male |

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

With over 39 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.



## IR. CHIN SHYI HER

Chief Operating Officer, Tube Operations

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 61 | Male |

Ir. Chin Shyi Her joined the Group on 5 June 1989 and has over 37 years of experience in the steel pipe industry. Ir. Chin began his career with the Company as a Technical Trainee shortly after graduating in 1989 and has since progressed through various technical and leadership roles within the organisation.

In 1995, he was appointed to lead the Company's project development initiatives, where he played an instrumental role in the enhancement and upgrading of the plant and machinery. In 2004, Ir. Chin was promoted to Assistant Vice President with responsibility for overseeing the entire manufacturing division. He was subsequently appointed to his current position in May 2011 and continues to play a key role in the Company's manufacturing operations and operational development.

Ir. Chin Shyi Her holds a Bachelor of Engineering in Mechanical Engineering (Marine Technology) from 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, reflecting his commitment to maintaining high professional and engineering standards.

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

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

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

# Key Senior Management Profile



## DR. FANNY TAN BOON SIM

Chief Operations Officer, CRC Operations

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 48 | Female |

Dr. Fanny has had a longstanding association with the Group, having first joined the Company in September 2011. Following several years with the Group, she pursued an external career opportunity in April 2017 before returning in June 2018 Chief Operations Officer of the Cold Rolled Coil division. She subsequently took on another external professional appointment in November 2025 and rejoined the Group in July 2026, continuing in her leadership role within CRC operations.

Prior to and during the course of her career, Dr. Fanny has held senior positions across the iron and steel and manufacturing sectors. She began her career at Amsteel Mills Sdn Bhd before joining BlueScope Steel (M) Sdn Bhd, where she served from 2005 to 2011. She also previously held the position of General Manager at Kossan Group. These appointments have provided her with broad industry exposure and further strengthened her operational and management experience.

With over 20 years of experience in the iron, steel, and manufacturing industries, Dr. Fanny possesses extensive knowledge of upstream, midstream, and downstream processes, with particular expertise in Quality Management and Manufacturing functions. She is experienced in driving operational excellence through the continuous development and improvement of people, processes and equipment.

Dr. Fanny holds a Bachelor of Science in Materials and Manufacturing Engineering from Sheffield Hallam University, UK. She subsequently obtained a Master of Business Administration (MBA) with High Distinction from Victoria University, Australia, and a Doctorate in Business Administration (DBA) with Distinction from Pôle Paris Alternance (PPA) Business School, France. She is also a certified Lean Six Sigma Black Belt by the International Association for Six Sigma Certification (IASSC), reflecting her commitment 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.



## TRACY ELENA GOONTING

Chief People & Culture Officer

| Nationality: | Age: | Gender: |
|---|---|---|
| Malaysian | 36 | Female |

Ms. Tracy Elena Goonting has served as the Group's Chief People & Culture Officer of the Group since March 2023, where she leads the Group's people strategy, culture agenda, and organisational development across its subsidiaries. Prior to her current appointment, she served as Senior Manager, Group Human Resource & Communications from February 2019 to February 2023.

Ms. Tracy began her career in 2008 as a Human Resource Assistant with Sunway City Berhad before pursuing further studies. She subsequently gained experience in public relations and publishing with a boutique PR & Communications firm. In February 2013, she joined MAA Group Berhad as Assistant Manager, Group Communications. Following the integration of the Human Resource and Communications functions, she was appointed Manager, Group Human Resource & Communications in January 2015.

In 2019, Ms. Tracy transferred to Mycron Steel Berhad, where she continued to broaden her responsibilities in human resources, communications, and organisational development. Her progression within the Group culminated in her appointment as Chief People & Culture Officer, reflecting her extensive experience in people management, employee engagement, corporate communications, and organisational development.

Ms. Tracy holds a Master of Human Resource Management with Distinction from Sunway University, a Level 7 Diploma in Human Resources from the Chartered Institute of Personnel and Development (CIPD), and a Bachelor of Political Science (Hons) from Open University Malaysia.

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

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

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

# Group Financial Highlights & Financial Indicators

| | | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| 1 | **FINANCIAL HIGHLIGHTS OF STATEMENTS OF COMPREHENSIVE INCOME** | | | | | |
| | Revenue (RM mil) | 745.9 | 540.0 | 801.8 | 721.9 | **764.0** |
| | EBITDA (RM mil) | 86.3 | 13.0 | 42.9 | 19.4 | **33.4** |
| | Profit/(loss) before tax (RM mil) | 64.5 | (13.8) | 20.7 | (0.7) | **16.3** |
| | Profit/(loss) after tax (RM mil) | 52.7 | (12.3) | 17.0 | (1.3) | **12.3** |
| 2 | **FINANCIAL HIGHLIGHTS OF STATEMENTS OF FINANCIAL POSITION** | | | | | |
| | Total assets (RM mil) | 851.6 | 706.1 | 817.9 | 714.5 | **686.7** |
| | Total borrowings (RM mil) * | 116.4 | 129.2 | 173.6 | 79.4 | **43.4** |
| | Shareholders equity (RM mil) | 494.7 | 493.4 | 512.3 | 517.5 | **532.4** |
| 3 | **FINANCIAL INDICATORS** | | | | | |
| | Return on equity (%) | 10.7 | (2.5) | 3.3 | (0.3) | **2.3** |
| | Return on total assets (%) | 6.2 | (1.7) | 2.1 | (0.2) | **1.8** |
| | Gearing ratio (Times) | 0.24 | 0.26 | 0.34 | 0.15 | **0.08** |
| | Net earnings/(loss) per share (sen) | 16.1 | (3.8) | 5.2 | (0.4) | **3.8** |
| | Net asset per share (RM) | 1.51 | 1.51 | 1.57 | 1.58 | **1.63** |
| | Dividend per share (sen) | 3.0 | - | - | - | **-** |
| | PE ratio | 2.8 | (8.8) | 8.6 | (75.5) | **5.9** |
| | Share price as at FYE (RM) | 0.455 | 0.330 | 0.445 | 0.300 | **0.220** |

* Includes interest bearing trade payables

# Analysis of Shareholdings

As at 1 October 2026

| | | |
|---|---|---|
| Total Number of Issued Shares | - | 327,057,599 |
| Class of Shares | - | Ordinary Shares |
| No. of Shareholders | - | 4,540 |
| 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 | 730 | 16.0793 | 23,518 | 0.0072 |
| 100 - 1,000 | 1,568 | 34.5374 | 773,756 | 0.2366 |
| 1,001 - 10,000 | 1,453 | 32.0044 | 7,159,948 | 2.1892 |
| 10,001 - 100,000 | 690 | 15.1982 | 22,222,622 | 6.7947 |
| 100,001 and below 5% of issued shares | 97 | 2.1366 | 54,417,490 | 16.6385 |
| 5% and above of issued shares | 2 | 0.0441 | 242,460,265 | 74.1338 |
| **Total** | 4,540 | 100.00 | 327,057,599 | 100.00 |

**THIRTY LARGEST SHAREHOLDERS**

As at 1 October 2026

| No. | Name | No. of Shares Held | [a]% of Shares |
|---|---|---|---|
| 1. | Melewar Industrial Group Berhad | 152,460,265 | 46.61 |
| 2. | RHB Nominees (Tempatan) Sdn Bhd<br>(OSK Capital Sdn Bhd for Melewar Industrial Group Berhad) | 90,000,000 | 27.52 |
| 3. | Affin Hwang Nominees (Tempatan) Sdn Bhd<br>(Pledged Securities Account for Mettiz Capital Sdn Bhd) | 7,686,400 | 2.35 |
| 4. | PM Nominees (Tempatan) Sdn Bhd<br>(Pledged Securities Account for Kong Kok Choy) | 6,268,000 | 1.91 |
| 5. | Cartaban Nominees (Asing) Sdn Bhd<br>(Exempt An for Daiwa Capital Markets Singapore Limited) | 5,370,000 | 1.64 |
| 6. | Tan Cheng Chai | 4,379,000 | 1.33 |
| 7. | Cartaban Nominees (Asing) Sdn Bhd (Marubeni-Itochu Steel Inc.) | 3,580,000 | 1.09 |
| 8. | Teh Bee Gaik | 2,475,700 | 0.76 |
| 9. | Ooi Chin Hock | 2,258,000 | 0.70 |
| 10. | Maybank Nominees (Tempatan) Sdn Bhd<br>(Pledged Securities Account for Yee Wai Chow) | 1,142,800 | 0.35 |
| 11. | Maybank Nominees (Tempatan) Sdn Bhd<br>(Pledged Securities Account for Yong Choong Hing) | 845,400 | 0.25 |
| 12. | Lim Sei Chei | 800,700 | 0.24 |
| 13. | Alliancegroup Nominees (Tempatan) Sdn Bhd<br>(Pledged Securities Account for Kong Kok Choy) | 671,700 | 0.20 |
| 14. | Kenanga Nominees (Asing) Sdn Bhd<br>(Pledged Securities Account for Wu Teng Siong) | 670,000 | 0.20 |
| 15. | Chee See Giap @ Sin Chien | 615,940 | 0.19 |
| 16. | Lee Chee Beng | 537,700 | 0.16 |
| 17. | Public Nominees (Tempatan) Sdn Bhd<br>(Pledged Securities Account for Kong Kok Choy) | 534,300 | 0.16 |
| 18. | Public Nominees (Tempatan) Sdn Bhd<br>(Pledged Securities Account for Tay Chor Teck) | 522,000 | 0.16 |
| 19. | Wu Teng Siong | 470,000 | 0.14 |
| 20. | Kong Kok Choy | 460,000 | 0.14 |
| 21. | Cheah Joo Hock | 412,100 | 0.13 |

# Analysis of Shareholdings

As at 1 October 2026

## THIRTY LARGEST SHAREHOLDERS (CONTINUED)

As at 1 October 2026

| No. | Name | No. of Shares Held | [a]% of Shares |
|---|---|---|---|
| 22. | Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Fam Choon Wai) | 403,000 | 0.12 |
| 23. | Wong Chung Hua | 400,000 | 0.12 |
| 24. | Tan Ah Sim @ Tan Siew Wah | 400,000 | 0.12 |
| 25. | Ng Teng Song | 386,900 | 0.12 |
| 26. | Maybank Securities Nominees (Asing) Sdn Bhd (Maybank Securities Pte Ltd for Divyesh Nagindas Doshi) | 385,200 | 0.12 |
| 27. | Yap Tong Feng | 336,100 | 0.10 |
| 28. | Lim Kian Wat | 333,000 | 0.10 |
| 29. | Lu Yew Kong | 328,000 | 0.10 |
| 30. | CGS International Nominees Malaysia (Tempatan) Sdn Bhd (Pledged Securities Account for Khor Kim Hock) | 317,700 | 0.09 |
| | **Total** | **285,449,905** | **87.21** |

**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.

## LIST OF SUBSTANTIAL SHAREHOLDERS

As at 1 October 2026

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

## DIRECTOR SHAREHOLDINGS

As at 1 October 2026

| Name | Number of Shares Held | | | |
|---|---|---|---|---|
| | Direct | %[1] | Indirect | %[a] |
| TY | - | - | 242,523,025 | 74.15[1] |
| Azlan bin Abdullah | 53,900 | 0.02 | - | - |

**Notes:**

[a] The percentages of substantial shareholders and Directors' shareholdings are calculated by dividing the shares held by the respective substantial shareholders and Directors with the total number of issued shares.

[1] Deemed interest by virtue of TY being one of the beneficiaries 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 interest by virtue of it being the Major Shareholder of MIG who is a Major Shareholder of Mycron.

[3] Deemed 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.

# 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 2016"), and the Malaysian Code on Corporate Governance 2021 ("MCCG") for the financial year ended 30 June 2026.

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 ended 2026 ("FYE 2026") are as follows:

**PRINCIPLE A**

**Board leadership and effectiveness**

- Board responsibilities
- Board composition
- Remuneration

**PRINCIPLE B**

**Effective audit and risk management**

- Audit and Governance Committee
- Risk management and internal control

**PRINCIPLE C**

**Integrity in corporate reporting and meaningful relationships with stakeholders**

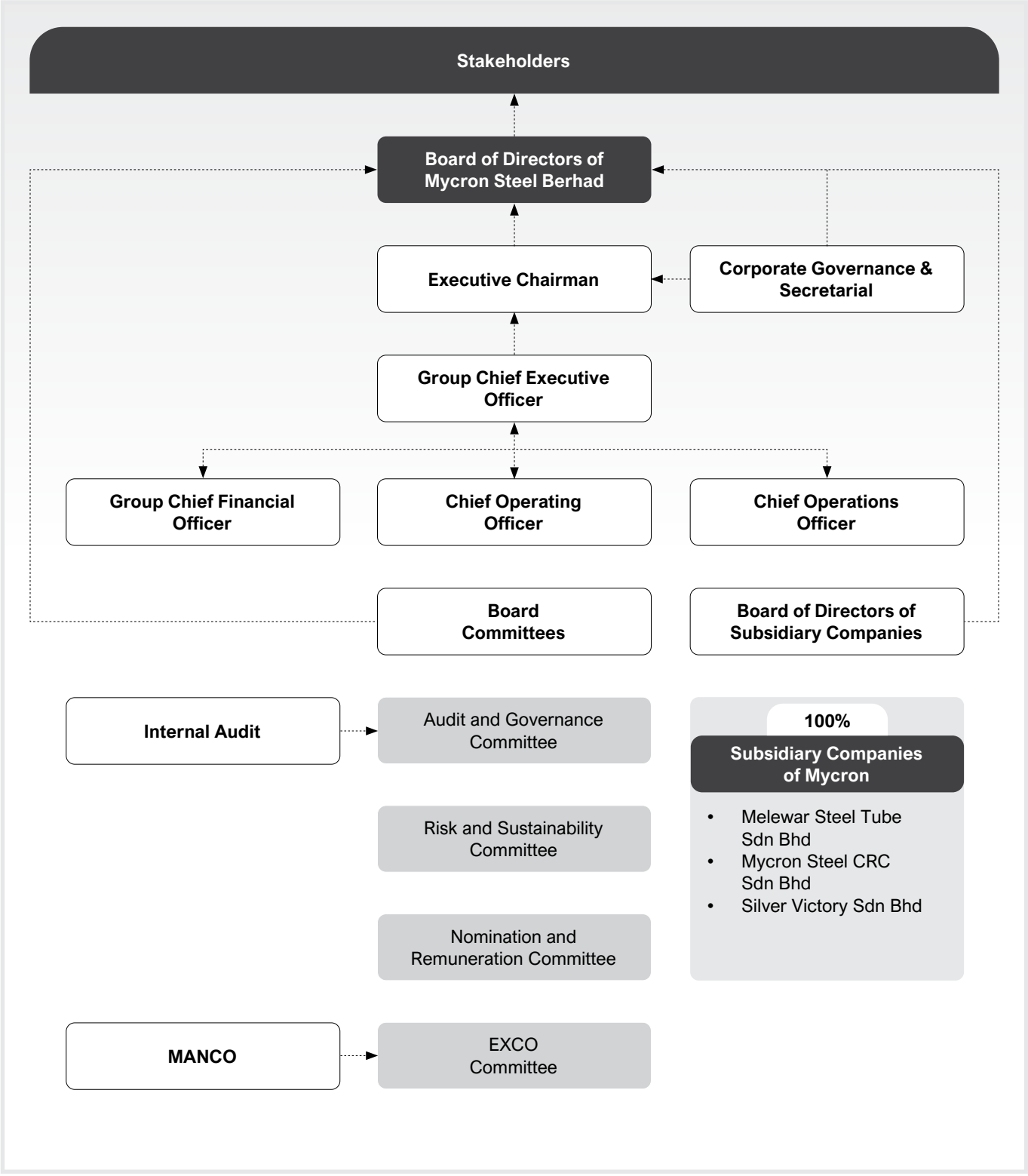
- Engagement with stakeholders
- Conduct of general meetings

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

# Corporate Governance Overview Statement

**MSB's Group Corporate Governance Framework**

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



# Corporate Governance Overview Statement

## PRINCIPLE A
## Board leadership and effectiveness

### PART 1 - BOARD RESPONSIBILITIES

#### 1.1 Effective Board Leadership and Oversight

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

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

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

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

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

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

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

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

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

# Corporate Governance Overview Statement

## 1.1 Effective Board Leadership and Oversight (continued)

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

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

### (i) Chairman and GCEO

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and GCEO of the Company are separately held by different individuals, and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority.

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

### (ii) Chairman

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

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

### (iii) GCEO

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

### (iv) Chairman of the Board in Board Committees

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

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

During the financial year and up to the date of this Annual Report, there was a change in the Company Secretary, with Ms Lily Yin Kam May appointed as Company Secretary following the resignation of the previous Company Secretary, Ms Ng Lai Yee, with effect from 14 August 2026.

Ms Lily Yin Kam May is a qualified company secretary and holds a Practising Certificate issued by the Companies Commission of Malaysia.

# Corporate Governance Overview Statement

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

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

All Directors have access to the advice and services of the Company Secretary. The Company Secretary consistently participates in relevant training programmes, conferences, and seminars organised by regulatory authorities and professional bodies to keep herself abreast of the latest developments in corporate governance and changes in regulatory requirements relevant to her role, thereby enabling her to provide valuable advisory support to the Board.

During the FYE 2026, all Board and Board Committees meetings were properly convened. Proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

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

**1.3 Access to Information and Meeting Materials**

To facilitate the Directors' planning, an annual meeting calendar is prepared in advance of each new year by the company secretarial team. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM").

All Board and Board Committees are also provided with the agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matters, at least five (5) days prior to the meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to the meeting to expedite decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.

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

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

Technology is also utilised for Directors who are unable to attend Board and Board Committee meetings physically. Directors receive agendas and meeting materials electronically and may participate in meetings via audio or video conferencing to facilitate effective communication with the Board.

**1.4 Group Corporate Governance Framework ("CG Framework")**

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

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

**1.4 Group Corporate Governance Framework ("CG Framework") (continued)**

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

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

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

- **Board Charter**

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

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

- **Code of Conduct and Ethics**

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

- **Whistleblowing Policy**

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

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

For financial year 2026, the Company did not receive any report or complaint of misconduct from employees, Management, public or stakeholders.

# Corporate Governance Overview Statement

## 1.4 Group Corporate Governance Framework ("CG Framework") (continued)

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

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

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

  The Company Secretary notifies Directors and principal officers of the open and closed periods for dealings per Chapter 14 of MMLR on a quarterly basis. During FY2026, there were no dealings in the shares of our Company by any Director and principal officer during closed periods.

- **Anti-Fraud/Corruption Policy**

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

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

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

  For financial year 2026, there was no incident of bribery and corruption that were reported to the Group.

## 1.5 Strategic Management of Sustainability Matters

The Board has oversight responsibility to deliver sustainable value to stakeholders through the principles, policies, objectives and strategies of the Group. The Company has adopted a Sustainability Framework and Policy to guide the integration of environmental, social and governance ("ESG") considerations into its business operations, strategic planning and decision-making. The Group also embraces sustainability in its operations.

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

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

**1.5 Strategic Management of Sustainability Matters (continued)**

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

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

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

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

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

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

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

The Management Committee ("MANCO"), which comprises heads of the Company's business units and divisions, will oversee all aspects of operational and sustainability risks with the initiation and identification of the risk issues. Material matters are then escalated to the EXCO on a monthly basis for further deliberation and action, with key risks captured in the Risk Report and reported to the RSC.

To support effective Board oversight, Directors are encouraged to participate in sustainability-related programmes, conferences, seminars and training to enhance their understanding of evolving sustainability and climate-related matters, including developments in sustainability reporting and disclosure requirements. The Company also leverages relevant guidance and capacity-building resources to support continuous improvement in its sustainability management and reporting capabilities.

To further strengthen its ESG performance and reporting capabilities, the Group has participated in the Bursa Malaysia Securities Berhad Centralised Sustainability Intelligence ("CSI") platform. This initiative enhances ESG data management, supports carbon emissions tracking, and facilitates alignment with evolving sustainability disclosure standards. It also reinforces transparency across the Group's operations and supply chain.

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

# Corporate Governance Overview Statement

## PART 2 - BOARD COMPOSITION

### 2.1 Composition

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

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

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

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

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

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

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

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine-year period, an Independent Director may continue to serve on the Board as a Non-Independent Director. In the event the Board intends to retain an Independent Director beyond nine years in an independent capacity, the Board must provide justification and seek shareholders' approval through a two-tier voting process.

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

Presently, none of the Independent Directors has exceeded a cumulative term of more than nine (9) years in the Company as at 30 June 2026.

### 2.3 Appointment of Board and Senior Management

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

### 2.4 Fit and Proper Policy

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

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

This policy also serves as a guide for the NRC and the Board in their review and assessment of candidates that are to be appointed as well as Directors who are seeking for re-election.

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.

# Corporate Governance Overview Statement

## 2.6 NRC

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

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

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

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

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

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

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

## 2.7 Diversity Policy

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

Currently, Datin Seri Raihanah Begum binti Abdul Rahman is the only female Director on the Board. Her presence complies with Paragraph 15.02(1)(b) of the MMLR, which requires a listed corporation to have at least one (1) woman Director on its 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. The NRC had conducted the Performance Evaluation of the Board, Board Committees and Individual Director for the financial year ended 30 June 2026 via questionnaires which were completed by each Director on a confidential basis. The questionnaires comprised a Board and Board Committees Performance Evaluation, an Individual Director Self Evaluation and an Independent Director's Self-Assessment for Annual Declaration of Independence.

The effectiveness of the Board was assessed in the areas of composition, operations, roles and responsibilities, addressing the Company's material sustainability risks and opportunities and performance of the Chairman.

In the evaluation of each Board Committee, its effectiveness was assessed in terms of its composition, level of assistance to the Board, fulfilment of the roles by each member of the Committee and effectiveness of its Chairman.

Meanwhile, the individual Director was assessed based on his/her contribution to interaction, quality of input, understanding of his/her role and fit and proper criteria to ensure that each of the Directors possesses the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to discharge his/her role and responsibilities as a Director.

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

The Board evaluation questionnaire also includes an assessment of ESG and sustainability-related matters as part of the Board's annual evaluation process.

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.

**Summary of Activities Undertaken by the NRC in respect of Financial Year ended 30 June 2026**

The NRC undertook, inter alia, the following matters in respect of financial year ended 30 June 2026:

(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 2026 and reported the findings at the Board meeting.

In this context, the annual assessment forms were reviewed and, as such these revised forms were used for this year's assessment, which was based on :

(i) Board Evaluation;
(ii) Board Skill Matrix;
(iii) Director's Self Evaluation;
(iv) Board ESG / Sustainability Evaluation;
(v) Audit & Governance Committee Self Evaluation; and
(vi) Audit & Governance Performance Evaluation

Based on the above assessments, the NRC had concluded the following:

- The Board and Board Committees had been able to discharge their duties and responsibilities professionally and effectively.
- Each of the Directors continued to perform, contribute and devote sufficient time in fulfilling his/her role and responsibility towards an effective Board.
- All the Independent Directors complied with the definition of Independent Director as defined in the MMLR of Bursa Securities.
- All the Independent Directors had remained objective and independent in expressing their views and in exercising their decision-making.

(b) Reviewed, considered and recommended to the Board for approval, the re-election of Directors, Roshan Mahendran bin Abdullah, Azlan bin Abdullah and Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah who will be retring by rotation under Article 96(1) of the Company's Constitution at the forthcoming 23rd AGM.

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

(c) 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.

(d) Reviewed the remuneration policies applicable to Directors, GCEO and Senior Management and recommended the same to the Board for approval.

# 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 2026 (continued)**

(e) Reviewed the Service Contract of the Executive Chairman.

(f) Deliberated on the remuneration packages of the Executive Chairman for FYE 2026 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 2026 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 2027 to 31 December 2027 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.

(j) Reviewed and recommended the Policy on Time Commitment and Succession Plan Policy for the Executive Chairman.

(k) Evaluated the performance of the External and Internal Auditors based on the requisite criteria set out in the respective Evaluation Forms.

**2.9 Time Commitment of the Board**

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

The Board met six (6) times during the financial year ended 30 June 2026. The attendance of each Director at the Board Meetings held during the financial year ended 30 June 2026 was as follows:

| Executive Directors | No. of Attendance | % |
|---|---|---|
| 1. Tunku Dato' Yaacob Khyra (Chairman) | 6/6 | 100 |
| 2. Roshan Mahendran bin Abdullah | 6/6 | 100 |
| **Non-Independent Non-Executive Directors** | **No. of Attendance** | **%** |
| 1. Azlan bin Abdullah | 6/6 | 100 |
| 2. Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah | 6/6 | 100 |
| **Independent Non-Executive Directors** | **No. of Attendance** | **%** |
| 1. Datin Seri Raihanah Begum binti Abdul Rahman | 6/6 | 100 |
| 2. Kwo Shih Kang | 6/6 | 100 |
| 3. Dato' Mohd Zahir bin Zahur Hussain | 6/6 | 100 |
| 4. Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram | 5/6 | 83 |

**2.9 Time Commitment of the Board (continued)**

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

The Company has complied based on the attendance of all directors as listed in the table above.

**2.10 Continuing Education and Training of Directors**

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

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

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

Visits to the Group's business and operational premises, together with meetings with senior management, will be arranged for newly appointed Directors (if any) to facilitate their understanding of the Group's operations.

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

All Board members have completed the Mandatory Accreditation Programme Part II: Leading for Impact, ("MAP II") conducted by the Institute of Corporate Directors Malaysia. All Directors have also complied with the Continuous Training Programme prescribed by Bursa Securities.

During the financial year ended 30 June 2026, 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 | 1. Corporate Training on Sustainability Reporting<br>2. Future-Ready Boards: Mastering Strategic Leadership in a Disruptive World<br>3. Provision of Financial Assistance: A Complete Guide |
| Roshan Mahendran bin Abdullah | RPTs & Conflict of Interest: What Every Leader Must Get Right |
| Azlan bin Abdullah | Going Public: Board & C-Suite Responsibilities in an IPO |
| Datin Seri Raihanah Begum binti Abdul Rahman | 1. Seminar, Historical Themes: Current Policy Challenges (organised by the Economic History of Malaysia (EHM) Project under the Patronage of His Royal Highness Sultan Nazrin Shah of Perak.)<br>2. Enterprise Risk Management Awareness Session<br>3. Financial Acumen for Directors: From Statements to Stewardship |

# Corporate Governance Overview Statement

**2.10 Continuing Education and Training of Directors (continued)**

| Members of the Board | List of Training Programmes/ Seminars/ Conferences Attended |
|---|---|
| Kwo Shih Kang | 1. Enhanced COI Framework (Updated Edition)<br>2. Going Public: Board & C-Suite Responsibilities in an IPO |
| Dato' Mohd Zahir bin Zahur Hussain | Ai-Enabled Sustainability: Board Strategy, Risk Controls and Performance Insight |
| Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah | 1. Urban Biodiversity Conference 2025 (UBC)<br>Sime Darby Property : Pre-Board Engagement<br>2. Macro Economic Outlook by Maybank Investment Bank<br>3. Digital Transformation & AI : Unlocking Productivity and Innovation by Google<br>4. Impact Investing : A Path to Multiply Value for People by Leap Ed Services<br>5. Geographic Expansion – ASEAN Real Estate Opportunities by Lo-Goi Group<br>6. Institutional Capital in Real Estate – Dana Pemacu by TrustCapital Advisors Investment Management and KWAP<br>7. Fireside Chat: Transformation to a Real Estate Company by CapitalLand Investment and Sime Darby Property<br>8. The Human + Machine Future of Real Estate: Strategic Foresight for A Transforming Industry<br>9. Future Frontiers: Technology Disruptions & Emerging Trends Shaping Real Estate<br>10. Site Visit to Google Hyperscale Data Centre at Elmina Business Park<br>11. Site Visit to Hype Residences at SJ7 |
| Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram | 1. Leading for Impact (LIP) Alumni Sharing and Networking Session.<br>2. Enterprise Risk Management Awareness Session<br>3. From Curiosity to Control: Board Intelligence in the Age of AI<br>4. Going Public: Board & C-Suite Responsibilities in an IPO<br>5. RPTs & Conflict of Interest: What Every Leader Must Get Right |

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

# Corporate Governance Overview Statement

## PART 3 – REMUNERATION

### 3.1 Remuneration Policy

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

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

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

### 3.2 Remuneration of Directors and Senior Management

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

The NRC reviews the remuneration policies and packages to ensure that they are competitive, appropriate and commensurate with the individual's experience, skills and level of responsibilities, and are aligned to industry benchmarks. The aggregate remuneration paid or payable to all Directors of the Company for FYE 2026 is listed on a named basis along with a detailed breakdown in the CG Report under Practice 8.1.

In compliance with the provisions of the CA 2016, 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 FY2026, the NRC had performed its duty to assess the remuneration package of its Executive Directors and Senior Management.

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

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

# Corporate Governance Overview Statement

### 3.2 Remuneration of Directors and Senior Management

The relevant resolutions in relation to the Directors' fees and benefits payable to the Directors will be presented to the shareholders for approval at the forthcoming 23rd 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 2016. As such, the Company will not be tabling any resolution on payment to Executive Directors at the Annual General Meeting of the Company.

The remuneration of the individual Directors of the Company, including the remuneration for services rendered to the Group and the Company for the FYE 2026 are as follows: -

**Received from Company**

| Name | Salary (RM'000) | Bonus (RM'000) | Benefits-in Kind* (RM'000) | Fees (RM'000) | Meeting Allowance (RM'000) | Other Emoluments** (RM'000) | Total (RM'000) |
|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | |
| Tunku Dato' Yaacob Khyra | 2,160 | 360 | 17.4 | - | - | 378 | 2,915.4 |
| Roshan Mahendran bin Abdullah | - | - | - | - | - | - | - |
| **Non-Independent Non-Executive Directors** | | | | | | | |
| Azlan bin Abdullah | - | - | - | 60 | 3 | - | 63 |
| Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah | - | - | 0.1 | 60 | 4.5 | - | 64.6 |
| **Independent Non-Executive Directors** | | | | | | | |
| Datin Seri Raihanah Begum binti Abdul Rahman | - | - | - | 72 | 9 | - | 81 |
| Kwo Shih Kang | - | - | - | 72 | 9 | - | 81 |
| Dato' Mohd Zahir bin Zahur Hussain | - | - | 2.8 | 72 | 7.5 | - | 82.3 |
| Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram | - | - | - | 72 | 7 | - | 79 |

### 3.2 Remuneration of Directors and Senior Management (continued)

**Received from Group**

| Name | Salary (RM'000) | Bonus (RM'000) | Benefits-in Kind* (RM'000) | Fees (RM'000) | Meeting Allowance (RM'000) | Other Emoluments** (RM'000) | Total (RM'000) |
|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | |
| Tunku Dato' Yaacob Khyra | - | - | - | - | - | - | - |
| Roshan Mahendran bin Abdullah | 2,818.6 | 469.8 | 43.7 | - | - | 494.2 | 3,826.3 |
| **Non-Independent Non-Executive Directors** | | | | | | | |
| Azlan bin Abdullah | - | - | - | - | - | - | - |
| Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah | - | - | - | - | - | - | - |
| **Independent Non-Executive Directors** | | | | | | | |
| Datin Seri Raihanah Begum binti Abdul Rahman | - | - | - | - | - | - | - |
| Kwo Shih Kang | - | - | - | - | - | - | - |
| Dato' Mohd Zahir bin Zahur Hussain | - | - | - | - | - | - | - |
| Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram *(Appointed on 15 January 2025)* | - | - | - | - | - | - | - |

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

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

# Corporate Governance Overview Statement

### 3.3 Remuneration of Top Four (4) 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 |
|---|---|
| RM400,001 to RM450,000 | 1 |
| RM450,001 to RM500,000 | 1 |
| RM950,001 to RM1,000,000 | 1 |
| RM1,200,001 to RM1,250,000 | 1 |

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

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

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

The Board will continuously undertake a robust internal process to ensure that the remuneration of Senior Management is competitive and fair. The Company noted that the non-disclosure of the remuneration package of the top four (4) 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's TOR require 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. To date, the Company has not appointed any former key audit partner as a Director of the Company.

### 1.3 Assessment of Suitability and Independence of External Auditors

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

The annual evaluation of the External Auditors, Messrs KPMG PLT ("KPMG"), for FY2026 was conducted in August 2026. Overall, no major concern had arisen from the assessment and the AGC was satisfied with the performance of the External Auditors in terms of their quality of service provided as well as their exercise of audit independence. Written assurance was obtained from the External Auditors confirming that they are, and have been, independent throughout the audit engagement under the terms of all relevant professional and regulatory requirements. The AGC had also considered that the provision of non-audit services by the External Auditors and their affiliates during FY2026 was not in conflict with the External Auditors' audit services and did not compromise their independence and objectivity.

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

Details on the audit and non-audit fees paid or payable to the External Auditors for FY2026 are set out in the Audit and Governance Committee Report of this Annual Report.

The AGC had also reviewed the information presented in the Annual Transparency Report 2025 of KPMG.

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

### 1.4 Composition of Audit and Governance Committee

The AGC comprises solely Independent Non-Executive Directors. Details on the AGC composition and key activities undertaken during FYE 2026 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 2026, the AGC members had completed the assessment on an individual basis and the results were compiled by the Company Secretary and tabled for the AGC's review. Based on the results of the assessment, the AGC members are financially literate and understand the Group's business. The AGC as a whole, has the necessary skills and knowledge to discharge their duties.

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

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

The composition and summary of activities of the AGC during the financial year under review are disclosed in the AGC Report as set out on pages 73 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 pages 65 to 72 of this Annual Report.

### 2.3 Effective Governance, Risk Management and Internal Control Framework

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

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

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

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

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

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

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

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

# Corporate Governance Overview Statement

## PRINCIPLE C

## Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

### PART 1 – ENGAGEMENT WITH STAKEHOLDER

#### 1.1 Effective, Transparent and Regular Communication with its Stakeholders

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

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

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

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

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

(i) Mr Choo Kah Yean (Group Chief Financial Officer, for financial related matters)
Telephone number: +603–5519 2455
Facsimile number: +603–5510 8618

(ii) En Roshan Mahendran bin Abdullah (Group Chief Executive Officer)
Telephone number: +603–5519 2455
Facsimile number: +603–5510 8618
Email address: roshan@mycronsteel.com

(iii) Ms Lily Yin Kam May (Company Secretary, for shareholders' enquiries)
Telephone number: +603-6252 8880
Facsimile number: +603-6252 8080

#### 1.2 Integrated Reporting

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

# Corporate Governance Overview Statement

## PART 2 – CONDUCT OF GENERAL MEETINGS

### 2.1 Notice of Annual General Meeting ("AGM")

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

The notice for the 2025 AGM outlined the proposed resolutions to be tabled during the meeting and was accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the 2025 AGM.

### 2.2 Attendance at AGM

On 3 December 2025, the Company conducted its 22nd AGM physically at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur. All members of the Board, including the Chairpersons of the respective Board Committees, together with the GCEO, GCFO, and other key senior management, were present at the meeting to engage with shareholders and/or their proxies and to address questions raised during the AGM.

The external auditors, Messrs KPMG PLT, were also present at the 2025 AGM to respond to queries from shareholders relating to the audit process as well as the preparation and contents of the auditors' report.

Before the proposed resolutions were put to vote, the Executive Chairman invited questions from shareholders and/or their proxies, all of which were duly addressed during the meeting. All resolutions tabled at the AGM were voted on by way of electronic poll voting. The poll results were independently verified by the scrutineer, Symphony Corporate Services Sdn Bhd, and the Chairman subsequently declared that all resolutions were duly passed. The poll results were also announced by the Company to Bursa Securities on the same day after the conclusion of the AGM.

### 2.3 Leveraging on Technology to Facilitate Communication with Shareholders

The Group's corporate website, www.mycronsteel.com, serves as a key platform for the timely and effective dissemination of information. It provides convenient access to essential information about the Group, including its corporate profile, profiles of key management, corporate policies, and annual reports.

The website also features a dedicated Investor Relations section, which provides relevant and up-to-date information for shareholders and the investing public. This includes, among others, the Company's announcements and press releases (if any).

The Group is committed to ensuring timely, transparent, and accurate disclosure of material information to its stakeholders, in line with applicable regulatory requirements and best practices in corporate governance.

### 2.4 Meaningful Engagement between Board, Senior Management and Shareholders

During the 22nd AGM, the Chairman invited shareholders and proxies to raise questions and seek clarification on the Company's financial statements and the other agenda items to be considered at the meeting prior to the resolutions being put to vote. The Chairman ensured that shareholders and proxies were given sufficient opportunity to seek clarification on the Company's affairs and that adequate responses were provided to all queries raised.

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

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

### 2.5 Publication of the Minutes of General Meeting

The Minutes of 22nd AGM with the notation on the proceedings, as well as questions and answers posted by the shareholders and proxies were made available on the Company's website at www.mycronsteel.com within 30 business days after the conclusion of the 22nd 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 2026.

## 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 AND NON-AUDIT SERVICES

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

| Type of Fees | Company (RM) | Group (RM) |
|---|---|---|
| Audit Fees | 126,000.00 | 369,000.00 |
| Non-Audit Fees | 12,000.00 | 12,000.00 |

### 4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") ENTERED INTO DURING THE FINANCIAL YEAR ENDED 30 JUNE 2026

On 3 December 2025, the Company sought approval for a shareholders' mandate for Mycron Group to enter into RRPTs (as defined in the Circular to Shareholders dated 30 October 2025) 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 2026 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 (01/07/2025 – 30/06/2026) 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**<br><br>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 | 202,548 |

**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 (01/07/2025 – 30/06/2026) RM |
|---|---|---|---|---|---|---|
| | | | | Director | Major Shareholder | |
| 1. | MIG | Provision of treasury services by the Related Party to Mycron Steel CRC Sdn Bhd ("MSCRC") | **Interested Director**<br><br>TY<br><br>**Interested Major Shareholders**<br><br>Melewar Equities (BVI) Ltd ("MEBVI"), Melewar Khyra Sdn Bhd ("MKSB") and Khyra Legacy Berhad ("KLB") | TY is deemed interested in MIG and MSCRC by virtue of him being one of the beneficiaries of a trust known as KLB, being the holding company of MEBVI and MKSB who are the major shareholders of MIG. | MSCRC is a wholly owned subsidiary of Mycron.<br><br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | Nil |
| 2. | MIG | Management fees for the provision of management services/advice charged by the Related Party to MSCRC | **Interested Director**<br><br>TY<br><br>**Interested Major Shareholders**<br><br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MIG and MSCRC by virtue of him being one of the beneficiaries of a trust known as KLB, being the holding company of MEBVI and MKSB who are the major shareholders of MIG. | MSCRC is a wholly owned subsidiary of Mycron.<br><br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | 1,260,000 |

**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 (01/07/2025 – 30/06/2026) RM |
|---|---|---|---|---|---|---|
| | | | | Director | Major Shareholder | |
| 3. | MIG | Rental charged by the Related Party to MST for the use of the factory belonging to MIG.<br><br>(Lot 10 and Lot 49) | **Interested Director**<br><br>TY<br><br>**Interested Major Shareholders**<br><br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MIG and MST by virtue of him being one of the beneficiaries 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.<br><br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | 5,040,000 |
| 4. | MIG | Provision of management fees charged by the Related Party to MST | **Interested Director**<br><br>TY<br><br>**Interested Major Shareholders**<br><br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MIG and MST by virtue of him being one of the beneficiaries 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.<br><br>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**<br><br>TY<br><br>**Interested Major Shareholders**<br><br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in AQAS and MST by virtue of him being one of the beneficiaries 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.<br><br>AQAS is a wholly owned subsidiary of MIG.<br><br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron | Nil |

# Corporate Governance Overview Statement

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

| No. | Related Party | Nature of Transaction | Interested Related Parties | Manner of relationship with the Related Parties | | Value of Transaction (01/07/2025 – 30/06/2026) RM |
|---|---|---|---|---|---|---|
| | | | | Director | Major Shareholder | |
| 6. | Melewar Metal Trading Sdn Bhd ("MMT") (formerly known as Melewar Steel Mills Sdn Bhd | Scrap handling commission fee charged by the Related Party to MSCRC | **Interested Director**<br>TY<br>**Interested Major Shareholders**<br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MMT and MSCRC by virtue of him being one of the beneficiaries of a trust known as KLB, being the holding company of MEBVI and MKSB who are the major shareholders of MIG. | MMT is a wholly owned subsidiary of MIG.<br>MSCRC is a wholly owned subsidiary of Mycron.<br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | 930,627 |
| 7. | MMT | Scrap handling commission fee charged by the Related Party to MST | **Interested Director**<br>TY<br>**Interested Major Shareholders**<br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MMT and MST by virtue of him being one of the beneficiaries of a trust known as KLB, being the holding company of MEBVI and MKSB who are the major shareholders of MIG. | MMT is a wholly owned subsidiary of MIG.<br>MST is a wholly owned subsidiary of Mycron.<br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | 240,224 |
| 8. | Jack Nathan Limited ("JNL") | Purchase of steel pipes and tubes by the Related Party from MST | **Interested Director**<br>TY<br>**Interested Major Shareholders**<br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MST and JNL by virtue of him being one of the beneficiaries 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.<br>JNL is a wholly owned subsidiary of Melewar Imperial Limited, which in turn is a wholly owned subsidiary of MIG.<br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | Nil |

**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 (01/07/2025 – 30/06/2026) RM |
|---|---|---|---|---|---|---|
| | | | | Director | Major Shareholder | |
| 9. | MIG | Chargeback for services rendered by the Related Party to MST | **Interested Director**<br>TY<br>**Interested Major Shareholders**<br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MIG and MST by virtue of him being one of the beneficiaries 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.<br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | 197,706 |
| 10. | MIG | Chargeback for services rendered by the Related Party to MSCRC | **Interested Director**<br>TY<br>**Interested Major Shareholders**<br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MSCRC and MIG by virtue of him being one of the beneficiaries of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG. | MSCRC is a wholly owned subsidiary of Mycron.<br>MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron. | Nil |

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

| Type of Financial Assistant | Related Party | Interested Related Parties | Manner of relationship with the Related Parties | | Value of Transaction (01/07/2025 – 30/06/2026) RM |
|---|---|---|---|---|---|
| | | | Director | Major Shareholder | |
| Provision of financial assistance to MIG Group by the pooling of funds via a centralized treasury management function within Mycron Group on a short or medium term basis i.e. for a duration not exceeding three (3) years | MIG Group | **Interested Director**<br>TY<br>**Interested Major Shareholders**<br>MIG, MEBVI, MKSB and KLB | TY is deemed interested in MIG by virtue of him being one of the beneficiaries of a trust known as KLB, being the holding company of MEBVI and MKSB who are the major shareholders of MIG. | MIG is the Major Shareholder of Mycron by virtue of its 74.13 % shareholding in Mycron. | Nil |

# Corporate Governance Overview Statement

## DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required to prepare financial statements which give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of the financial performance and cash flows of the Group and of the Company for the financial year ended 30 June 2026, in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements, the Directors have:

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

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

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

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Board of Directors ("the Board") of Mycron Steel Berhad ("MSB" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("Statement") which outlines the nature and scope of risk management and internal control system of the Company and its subsidiaries ("the Group") for the financial year ended 30 June 2026. 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.

Certain disclosures in this Statement are presented in general terms where more detailed information is considered commercially sensitive or confidential. The Board is satisfied that the disclosures provided offer stakeholders an appropriate understanding of the Group's risk management and internal control framework while safeguarding information that could be prejudicial to the Group's interests.

## ROLES AND RESPONSIBILITY

The Board recognises that effective governance is underpinned by a sound risk management and internal control framework that supports the achievement of the Group's strategic objectives and safeguards its assets and stakeholders' interests as well as to ensure the reliability and integrity of financial and operational information, effectiveness and efficiency of operations. The Board oversees the establishment and maintenance of an appropriate risk management framework to identify, assess, monitor and manage risks that may affect the Group's ability to execute its strategy and business plans.

The Board acknowledges that the Group operates in an evolving business environment and therefore ensures that the risk management and internal control systems are reviewed regularly to remain relevant, responsive and effective via the independent Internal Audit function. Through the continuous assessment of principal risks and the implementation of appropriate mitigating measures, the Board seeks to strengthen the Group's resilience and support sustainable value creation.

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

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

During the financial year ended 30 June 2026, 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 |
| Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Independent Non-Executive Director) | 4/4 |

## RISK MANAGEMENT, SUSTAINABILITY GOVERNANCE AND OVERSIGHT STRUCTURE

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. The AGC is supported by an outsourced Internal Audit function, which is provided by 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 established a sustainability governance and oversight structure to provide clear accountability and effective oversight, ensuring that sustainability and risk management responsibilities are clearly defined and communicated across all levels of the organisation.

The Board of Directors has overall responsibility for overseeing the Group's sustainability agenda, including sustainability-related risks and opportunities, and is supported by the RSC in discharging its oversight responsibilities.

At the management level, the Sustainability Oversight Committee ("SOC"), chaired by the GCEO and comprising senior management representatives, provides strategic direction on the Group's sustainability initiatives. The SOC reviews sustainability performance, monitors progress against environmental, social and governance ("ESG") targets and regulatory requirements, endorses sustainability policies and initiatives, and escalates material sustainability matters and emerging risks to the RSC and the Board where appropriate.

The Senior ESG Officer acts as the central coordinator for sustainability matters and is responsible for reporting on the progress of sustainability initiatives, facilitating communication among relevant stakeholders and coordinating the implementation of ESG initiatives across the Group.

# Statement on Risk Management and Internal Control

At the operational level, the Sustainability Working Committee ("SWC"), comprising representatives from key business divisions and functions, is responsible for implementing sustainability initiatives, monitoring operational performance and providing inputs and updates to the Senior ESG Officer and the SOC.

With the governance structure in place, the Group ensures clear accountability, effective oversight, and cross-functional collaboration in integrating sustainability considerations into its business strategies and operations.

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.

## RISK MANAGEMENT FRAMEWORK

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

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

The Board confirms that there is an ongoing process in place to identify, evaluate, monitor and manage the significant risks faced by the Group.

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

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

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

# 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 |
|---|---|---|
| Business Risks | Exposure to economic volatility, geopolitical developments, regulatory changes, market fluctuations and increases in material costs that may adversely affect the Group's operations and profitability. | • Foster strong, long-term customer relationships.<br>• Maintain competitive market positioning and respond proactively to changing market conditions.<br>• Diversify revenue sources through expansion into export and new markets. |
| Market Competition Risk | Market competition risk arises from increased competitive pressures, which may adversely affect the Group's customer base, revenue and profitability. | • Strengthen customer engagement to enhance customer satisfaction, loyalty and value creation.<br>• Expand and diversify the customer base, including export markets, while continuously monitoring market trends and competitive developments. |
| Material Supply Risk | Material supply risk arises from shortages or disruptions in the availability of raw materials, which may adversely affect the Group's production and delivery schedules. | • Maintain strong relationships with existing suppliers while diversifying the supplier base.<br>• Implement effective inventory management to support continuity of operations. |
| Raw Material Price Volatility | Fluctuations in raw material prices may increase production costs and reduce profit margins. | • Strategic procurement planning.<br>• Diversify suppliers.<br>• Review pricing strategies where appropriate. |
| Financial Risks | Exposure to foreign exchange, commodity price, liquidity and credit risks may adversely affect financial performance. | • Monitor foreign exchange and commodity price movements.<br>• Utilise natural hedging and hedging instruments where appropriate.<br>• Maintain effective cash flow, budgeting and cost management.<br>• Incorporate pricing strategies to manage currency fluctuations. |
| Operational Risk | Operational disruptions arising from equipment failure, supply chain interruptions, regulatory changes, labour issues, quality failures, utilities disruption, or environmental, health and safety incidents may affect production and business continuity. | • Implement preventive maintenance programmes.<br>• Strengthen supply chain resilience and inventory management.<br>• Enhance business continuity and emergency preparedness.<br>• Maintain quality assurance, regulatory compliance and operational controls.<br>• Improve operational efficiency through automation, equipment upgrades and process optimisation. |
| Occupational Health and Safety Risks | Workplace hazards associated with manufacturing operations may result in injuries, operational disruptions and regulatory non-compliance. | • Maintain a robust safety management framework.<br>• Provide regular safety training and awareness programmes.<br>• Monitor compliance with occupational safety and health requirements. |

# Statement on Risk Management and Internal Control

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

(a) To provide guidance to the Group and facilitate a structured approach in identifying, evaluating and managing significant risks covering both operational and ESG issues.

(b) To manage and monitor the Group's day-to-day operational risks which includes those relating to supply chain, production, marketing, safety & health and compliance with laws and regulations and various certifications and quality accreditations at the business unit level and guided by standard operating procedures.

(c) To manage and monitor the Group's exposure to various financial risks relating to credit, liquidity, interest rates and foreign currency exchange rates. The Group's risk management objectives and policies, coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in Note 4 to the Financial Statements of this Annual Report.

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

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

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

The Board is satisfied that Management has implemented appropriate processes and controls to effectively manage the significant risks faced by the Group. For the financial year under review, no major weaknesses in the system of internal controls were identified, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. Those areas of non-compliance with the procedures and policies and those which require improvements as highlighted by the internal and external auditors during the period have been, or are being addressed.

# Statement on Risk Management and Internal Control

## KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

The key features of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system during the financial year ended 30 June 2026 are summarised as follows:

### (a) Organisation Structure and Authorisation Procedures

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

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

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

### (b) Internal Control Procedures

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

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

Through its operating subsidiaries, Melewar Steel Tube Sdn Bhd ("MST") and Mycron Steel CRC Sdn Bhd ("MSCRC"), the Group remains committed to meeting internationally recognised and industry-specific standards. This commitment is reflected in its comprehensive portfolio of certifications, which supports the quality, safety and reliability of its products and operations.

| | |
|---|---|
| MST | • ISO 14001:2015 - Environmental Management Systems<br>• SIRIM Eco-label (SIRIM ECO 032:2020)<br>• Obtained ISO 45001:2018 certification (Occupational Health and Safety Management Systems)<br>• Obtained the Factory Production Control (FPC) Certificate to BC1:2023, in compliance with the requirements of the Building and Construction Authority (BCA) of Singapore<br>• ISO 14024, Type 1 under MyHIJAU Mark<br>• Obtained Sustainbuild Mark Certification |
| MSCRC | • ISO 14024, Type 1 under MyHIJAU Mark<br>• ISO 14001:2015 - Environmental Management Systems<br>• ISO 50001:2018 - Energy Management Systems<br>• SIRIM Eco-label (SIRIM ECO 032:2020)<br>• Obtained ISO 45001:2018 certification (Occupational Health and Safety Management Systems) |

### (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 has outsourced its internal audit function to an independent professional firm to provide the Audit and Governance Committee ("AGC") and the Board with independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

The Internal Audit function adopts a risk-based approach in developing the annual Internal Audit Plan, which is reviewed and approved by the AGC. Internal audit reviews are conducted in accordance with the approved audit plan to evaluate the effectiveness of key internal controls, governance processes and compliance with applicable laws, regulations, policies and procedures.

The findings, recommendations and Management's corrective action plans arising from the internal audit reviews are reported to the AGC on a regular basis. The AGC monitors the implementation of agreed action plans and reports significant matters, including principal risks and control issues, to the Board for its oversight and deliberation.

To preserve the independence and objectivity of the Internal Audit function, the AGC reviews the appointment, performance and independence of the Internal Audit Consultants annually.

**(f) Managers Meeting ("MANCO")**

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

**(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.

# Statement on Risk Management and Internal Control

(vi) Management monitors changes in the regional and global economic conditions, such as trade tensions and other global headwinds that could result in uncertainties and volatilities in the economic environment, which may have an adverse effect on the demand or components, and hence on the Group's financial performance and operations. The Group manages these economic risks through keeping itself abreast with the economic and market development, maintaining good relationship with customers and closely following latest news on customers' products performance and business.

**(h) Succession Planning**

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

**(i) Personal Data Protection**

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

**(j) Sustainability Framework & Policy**

The Group has established a Sustainability Framework & Policy that integrates sustainability into its governance, risk management and business operations. The Board, supported by the RSC, oversees its implementation, while the Executive Committee and MANCO manage sustainability initiatives and monitor relevant Key Performance Indicators. This approach strengthens the Group's governance and internal control framework while supporting sustainable business practices.

## 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") and 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 ("AGC") Report, which provides an overview of the composition, responsibilities and activities of the AGC in discharging its duties during the financial year ended 30 June 2026 ("FY2026"), including its oversight of the Group's financial reporting, external and internal audit functions, internal controls, related party transactions, conflicts of interest and corporate governance matters.

## 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 the Malaysian Code on Corporate Governance ("MCCG").

The TOR sets out the authority, duties and responsibilities of the AGC and is available on the Company's website at www.mycronsteel.com in accordance with Paragraph 15.11 of the MMLR.

## COMPOSITION

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

All members of the AGC satisfy the independence requirements prescribed under the MMLR. The composition of the AGC complies with Paragraph 15.09(1)(a) and (b) of the MMLR and is in line with Step Up Practice 9.4 of the MCCG. No Alternate Director is appointed as a member of the AGC.

The composition of the AGC is as follows:

| Designation | Name | Directorship |
|---|---|---|
| Chairman | Kwo Shih Kang | Senior Independent Non-Executive Director |
| Members | Datin Seri Raihanah Begum binti Abdul Rahman | Independent Non-Executive Director |
| | Dato' Mohd Zahir bin Zahur Hussain | Independent Non-Executive Director |
| | Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram | Independent Non-Executive Director |

The Chairman of the AGC, Mr Kwo Shih Kang, holds a Master of Business Administration majoring in Finance from CASS Business School, London and is a Fellow of the Society of Actuaries, USA. He is also a Registered Financial Planner. Accordingly, the Company complies with the requirements of Paragraph 15.09(1)(c) of the MMLR.

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

## FORMER KEY AUDIT PARTNER

None of the AGC members was a former key audit partner of the Company's External Auditors.

In accordance with the MCCG, the Board has adopted a provision in the AGC's TOR that a former partner of the Company's external audit firm shall not be appointed as a member of the AGC unless the former partner has observed a cooling-off period of at least three (3) years before being appointed to the AGC.

# Audit and Governance Committee Report

## FINANCIAL LITERACY AND TRAINING

The members of the AGC possess the necessary knowledge, experience and expertise in finance and accounting to discharge their responsibilities effectively. The qualifications and experience of each AGC member are set out in the Directors' Profiles section of this Annual Report.

During FY2026, members of the AGC attended relevant training programmes to enhance and update their knowledge of statutory requirements, regulations, accounting developments, governance matters and other relevant areas to enable them to effectively discharge their responsibilities. Details of the training programmes attended are disclosed in the Corporate Governance Overview Statement of this Annual Report.

## MEETINGS AND ATTENDANCE

The AGC meets at least four (4) times a year, or more frequently as circumstances dictate.

During FY2026, the AGC held five (5) meetings. The attendance of the members was 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 |
| Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram | 5/5 | 100 |

The AGC meetings were convened with appropriate notices and agendas circulated to members in advance. The Company Secretary acts as Secretary to the AGC and ensures that the deliberations, matters considered and decisions made by the AGC are properly recorded.

The minutes of AGC meetings are tabled for confirmation at the subsequent AGC meeting and thereafter presented to the Board for notation. The Chairman of the AGC also reports to the Board on key matters deliberated and significant issues arising from the AGC meetings which require the attention, decision or approval of the Board.

The Group Chief Executive Officer ("GCEO") and Group Chief Financial Officer ("GCFO") attended AGC meetings by invitation to provide clarification and updates on the Group's operations, financial performance, financial reporting, risk management and internal control matters. Other Directors, members of Senior Management, the External Auditors, KPMG PLT and the Internal Audit Consultants, Crowe Governance Sdn Bhd, attended the meetings as and when invited by the AGC.

The AGC conducted its meetings in an open and constructive manner, encouraging focused discussions, questions and differing views.

During FY2026, the AGC also held two (2) private sessions with the External Auditors without the presence of the Executive Directors and Management to facilitate candid discussions on matters arising from the audit. No major concerns were raised by the External Auditors during these sessions.

The AGC may also meet separately with the Internal Audit Consultants or relevant members of Management whenever necessary.

The Board, through the Nomination and Remuneration Committee ("NRC"), conducts an annual assessment of the performance and effectiveness of the AGC and its members.

The NRC had on 26 August 2026 assessed the performance and effectiveness of the AGC and its members through the annual Board Committee Effectiveness Evaluation. Based on the assessment, the NRC was satisfied that the AGC and its members had discharged their functions, duties and responsibilities in accordance with the AGC's TOR and had effectively supported the Board in maintaining appropriate standards of corporate governance.

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

# Audit and Governance Committee Report

**SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2026**

During FY2026, the AGC carried out the following activities in discharging its functions and responsibilities:

| | |
|---|---|
| Financial Reporting | The AGC:<br><br>(a) Reviewed the quarterly unaudited financial results of the Company and the Group before recommending the same to the Board for approval and announcement to Bursa Securities.<br><br>(b) In reviewing the quarterly financial results, considered the Group's financial performance, significant variances, cash flow position, financial position, business operations, market outlook and other matters highlighted by Management.<br><br>(c) Reviewed changes in accounting standards and considered their potential impact on the Group's financial position and financial performance.<br><br>(d) Sought clarification from Management, particularly the GCFO, on:<br><br>• the performance of key divisions and significant variances;<br>• foreign exchange exposure;<br>• the Group's cash flow position and compliance with financial covenants imposed by financial institutions; and<br>• the Group's gearing position.<br><br>(e) Reviewed the draft annual audited financial statements of the Company and the Group together with Management and the External Auditors prior to recommending the same to the Board for consideration and approval.<br><br>(f) In reviewing the annual audited financial statements, considered the accounting principles and standards applied, significant accounting judgements and matters which could have a material impact on the financial statements.<br><br>(g) Considered the compliance of the financial statements with the Companies Act 2016, the MMLR, applicable Malaysian Financial Reporting Standards ("MFRS") and other relevant legal and regulatory requirements. |
| External Audit | The AGC:<br><br>(a) Reviewed the External Auditors' audit plan prior to commencement of the audit, including the audit scope, methodology, materiality levels, significant risks, audit timetable, proposed auditors' report and respective responsibilities of the External Auditors and Directors.<br><br>(b) Discussed with the External Auditors the key areas of audit focus for FY2026, including:<br><br>• revenue recognition as a Key Audit Matter;<br>• valuation of land and buildings, plant, machinery and electrical installation;<br>• net realisable value of inventories;<br>• valuation of intangible assets; and<br>• management override of controls;<br><br>(c) Reviewed the External Auditors' audit findings and their assessment of the financial position and financial reporting of the Company and the Group.<br><br>(d) Reviewed the assistance provided by Management and employees to the External Auditors during the audit. |

# Audit and Governance Committee Report

| | |
|---|---|
| External Audit | (e) Considered developments in financial reporting, including MFRSs issued and those early adopted by management, with effect from 1 July 2024.<br><br>(f) Received a briefing from KPMG on its Transparency Report 2025.<br><br>(g) Reviewed the nature, scope and extent of non-audit services provided or proposed to be provided by the External Auditors and assessed whether the provision of such services could impair their independence or objectivity.<br><br>(h) Received confirmation from the External Auditors of their independence in accordance with the applicable professional and ethical requirements, including the By-Laws of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants.<br><br>(i) Conducted an annual assessment of the performance, suitability and independence of the External Auditors, taking into consideration, amongst others:<br><br>• calibre, qualifications, competency and resources of the audit firm and audit team;<br>• quality of audit planning and execution;<br>• effectiveness of communication with the AGC and Management;<br>• independence, objectivity and professional scepticism;<br>• appropriateness of the audit scope and approach; and<br>• appropriateness of the audit and non-audit fees.<br><br>(j) Based on the assessment undertaken, the AGC was satisfied with the performance, suitability, competency, resources and independence of KPMG PLT and recommended to the Board the re-appointment of KPMG PLT as External Auditors for the financial year ending 30 June 2027, subject to shareholders' approval at the forthcoming AGM.<br><br>(k) Met privately with the External Auditors without the presence of Executive Directors and Management on 26 August 2025 and 25 May 2026 to discuss audit matters and findings. No major concerns were raised during these sessions. |
| Internal Audit | The Group's internal audit function is outsourced to an independent professional firm, Crowe Governance Sdn Bhd ("Crowe"), which serves as the Internal Audit Consultant.<br><br>Crowe reports directly to the AGC and undertake independent and objective reviews of the Group's governance, risk management and internal control processes. The internal audit reviews are conducted using a risk-based approach and are guided by the International Professional Practice Framework ("IPPF").<br><br>The AGC reviews and approves the annual Internal Audit Plan and receives internal audit reports on a quarterly basis. Internal audit findings and recommendations are discussed with Management and the relevant heads of departments before being presented to the AGC. The AGC monitors Management's action plans and implementation status of outstanding audit findings.<br><br>**Follow-up of Internal Audit Findings**<br><br>The AGC monitored the implementation of Management's corrective action plans arising from the internal audit reviews and required Management to provide updates on outstanding matters.<br><br>The AGC noted that the observations raised in the respective internal audit reports had been discussed and agreed with Management, with specific action plans, responsible personnel and targeted implementation dates identified.<br><br>The AGC continued to monitor the implementation of these corrective actions to ensure that identified control weaknesses were appropriately addressed within the agreed timelines. |

# Audit and Governance Committee Report

| | |
|---|---|
| Internal Audit | **Overall Internal Audit Assessment**<br><br>Based on the internal audit reviews conducted during FY2026, the AGC noted that the areas reviewed generally had internal controls in place but that certain control lapses, procedural gaps and opportunities for improvement remained.<br><br>The AGC considered the findings and Management's responses and corrective action plans and was satisfied that the matters identified were being addressed by Management. The AGC will continue to monitor the implementation of the agreed corrective actions through the internal audit follow-up process.<br><br>The internal audit reviews did not identify weaknesses that resulted in any material loss, contingencies or uncertainties requiring separate disclosure in this Annual Report. |
| Internal Control and Risk Management | The AGC:<br><br>(i) Reviewed the quarterly reports of the Internal Audit Consultants on the adequacy and effectiveness of the Group's risk management and internal control systems.<br>(ii) Discussed significant internal audit findings with Management and the relevant heads of departments.<br>(iii) Monitored Management's action plans and implementation status of outstanding audit findings.<br>(iv) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.<br>(v) Considered recommendations made by the Internal Audit Consultants and, where appropriate, recommended improvements to the Group's internal control systems and procedures.<br><br>The AGC also considered the findings arising from the Health and Safety, Asset Management and Production reviews undertaken during FY2026 in assessing areas requiring continued management attention. |
| Related Party Transactions | The AGC reviewed the recurrent related party transactions ("RRPT") entered into pursuant to the shareholders' mandate at each scheduled meeting.<br><br>The AGC considered whether such transactions were:<br><br>• entered into in the ordinary course of business;<br>• undertaken on an arm's length basis;<br>• conducted on normal commercial terms;<br>• not more favourable to the related parties than those generally available to the public; and<br>• not detrimental to the interests of the Company and its minority shareholders.<br><br>Based on the reviews undertaken, the AGC was satisfied that the RRPTs during FY2026 were conducted in accordance with the shareholders' mandate and the applicable regulatory requirements. |
| Conflict of Interest | The AGC was presented with the Register of Conflict of Interest ("COI") situations within the Group on a quarterly basis, including updates on any new or potential COI situations.<br><br>Save as disclosed in the Directors' Profiles section of this Annual Report, none of the Directors and Key Senior Management ("KSM") had any conflict or potential conflict of interest with the Company and its subsidiaries ("Group"), nor any interest in any competing business with the Group.<br><br>The Directors and KSM are required to immediately disclose any actual or potential COI and to abstain from deliberations and decision-making in relation to matters in which such conflict arises.<br><br>During FY2026, the AGC reviewed the COI disclosures presented to it and was satisfied that no further action was required in respect of the matters reviewed. |

# Audit and Governance Committee Report

| | |
|---|---|
| Corporate Governance | During FY2026, the AGC:<br><br>(i) Reviewed the draft Circular to Shareholders relating to the proposed renewal of the shareholders' mandate for RRPTs of a revenue or trading nature and provision of financial assistance and recommended the same to the Board for approval.<br><br>(ii) Reviewed the AGC Report, Corporate Governance Overview Statement, Corporate Governance Report, Statement of Directors' Responsibility for the annual audited financial statements, Statement on Risk Management and Internal Control and other relevant corporate governance disclosures for inclusion in the Annual Report.<br><br>(iii) Conducted a self-assessment of the effectiveness of the AGC in discharging its duties and responsibilities for FY2026 and submitted the results to the NRC for consideration as part of the annual Board Committee Effectiveness Evaluation. |

**SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION**

During FY2026, the internal audit function completed reviews covering:

| Internal Audit Review | Entities | Key Areas | Reporting Date |
|---|---|---|---|
| Health & Safety Management | MSCRC and MST | Health & safety management, regulatory compliance, noise, occupational air hygiene, first aid, accidents/incidents, safety and security. | 26 August 2025 |
| Asset Management | MSCRC and MST | Fixed assets, inventory and scrap management. | 24 February 2026 |
| Production | MSCRC and MST | Production planning, monitoring, production efficiency, downtime, output, raw material usage and wastage. | 25 May 2026 |

The internal audit findings, recommendations and Management's responses were presented to and deliberated by the AGC. The AGC also monitored the implementation of the agreed corrective actions and required Management to provide updates on outstanding findings.

The AGC was satisfied that the internal audit function had adequate scope and resources to discharge its responsibilities during FY2026 and that the internal audit reviews provided the AGC with independent assurance on areas of the Group's governance, risk management and internal control processes.

The Internal Audit Charter, approved by the Board and the Chairman of the AGC, sets out the mission and objectives, roles and responsibilities, independence, authority, audit scope, methodology and reporting arrangements of the internal audit function.

The total cost incurred for the internal audit function for FY2026 was RM56,997.00.



# Financial Statements


| | |
|---|---|
| Directors' Report | 80 |
| Statement by Directors | 86 |
| Statutory Declaration | 86 |
| Independent Auditors' Report | 87 |
| Statements of Comprehensive Income | 90 |
| Statements of Financial Position | 91 |
| Statements of Changes in Equity | 93 |
| Statements of Cash Flows | 95 |
| Notes to the Financial Statements | 98 |

# Directors' Report

For the Financial Year Ended 30 June 2026

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 2026.

## DIRECTORS

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

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

In accordance with Article 96(1) of the Company's Constitution, Azlan Bin Abdullah, Roshan Mahendran Bin Abdullah and Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah 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 | 12,254,905 | 336,786 |

# Directors' Report

For the Financial Year Ended 30 June 2026 (Continued)

## RESERVES AND PROVISIONS

All material transfers to or from reserves 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 2026.

## DIRECTORS' BENEFITS

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

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

## DIRECTORS' INTERESTS

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

| | Number of ordinary shares | | | |
|---|---|---|---|---|
| | At 01.07.2025 | Acquired | Disposed | At 30.06.2026 |
| **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 one of the beneficiaries of a trust known as Khyra Legacy Berhad ("KLB"), being the holding company of Melewar Equities (BVI) Ltd. ("MEBVI") and Melewar Khyra Sdn. Bhd. ("MKSB") who are the Major Shareholders of Melewar Industrial Group Berhad ("MIGB"), a Major Shareholder of Mycron Steel Berhad and his major interests in Melewar Group Berhad who holds 0.02% in the total issued share capital of Mycron Steel Berhad.

# Directors' Report

For the Financial Year Ended 30 June 2026 (Continued)

## DIRECTORS' INTERESTS (CONTINUED)

| | Number of ordinary shares | | | |
|---|---|---|---|---|
| | At 01.07.2025 | Acquired | Disposed | At 30.06.2026 |
| **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 one of the beneficiaries 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 which holds 0.02% in the total issued share capital of Mycron Steel Berhad.

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

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

## DIVIDENDS

No dividend has been paid, declared or proposed since the end of the Company's previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2026.

## 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 |
|---|---|---|---|
| Non-Executive Directors | | | |
| - fees | 408,000 | - | 408,000 |
| - other emoluments | 42,926 | - | 42,926 |
| Executive Directors | | | |
| - salaries, bonuses and other emoluments | 2,520,000 | 3,289,214 | 5,809,214 |
| - defined contribution plan | 378,000 | 493,386 | 871,386 |
| - estimated monetary value of benefits-in-kind | 17,491 | 43,741 | 61,232 |
| | 3,366,417 | 3,826,341 | 7,192,758 |

## 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 RM19,550 (2025: RM22,500).

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

## OTHER STATUTORY INFORMATION

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

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of loss allowance for impairment of receivables and satisfied themselves that all known bad debts had been written off and that adequate loss allowance for impairment of receivables had been made for doubtful debts; and

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected to be realised.

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

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

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

# Directors' Report

For the Financial Year Ended 30 June 2026 (Continued)

## OTHER STATUTORY INFORMATION (CONTINUED)

In the opinion of the Directors:

(a) except as disclosed in the financial statements, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

## IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

## SUBSIDIARIES

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

## AUDITORS' REMUNERATION

Auditors' remuneration for the financial year ended 30 June 2026 is as follows:

| | Group RM | Company RM |
|---|---|---|
| KPMG PLT | | |
| - Statutory audit | 369,000 | 126,000 |
| - Non-audit services | 12,000 | 12,000 |

# Directors' Report

For the Financial Year Ended 30 June 2026 (Continued)

## 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 2026. 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 90 to 159 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 2026 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 2026.

**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 90 to 159 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 2026.

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 2026 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 90 to 159.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their 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"), as applicable to audits of financial statements of public interest entities, 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 6 - Revenue | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| 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.<br><br>We identified the recognition of revenue as key audit matter due to risk that revenue may be overstated arising from pressures faced by the Group in achieving performance targets as revenue recognition has a direct impact on the results of the Group. | Our audit procedures, among others, included the following:<br><br>• We tested the design and implementation as well as the operating effectiveness of the Group's controls relevant to recognition of revenue.<br><br>• We tested sales transactions recorded to the acknowledged delivery documents as indication of transfer of control on goods to ascertain validity of sales.<br><br>• We tested sales transactions on either side of the statement of financial position date as well as credit notes issued after year end are recognised in the correct period.<br><br>• We circularised trade receivables' confirmation for selected debtors, on sample basis, and checked to relevant sales invoices and delivery documents when debtors are unresponsive.<br><br>• 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. |

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

# Independent Auditors' Report

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements 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 with 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) (Continued)

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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Other Matter**

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

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

**Vengadesh A/L Jogarajah**
Approval Number: 03337/12/2027 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 22 October 2026

# Statements of Comprehensive Income

For the Financial Year Ended 30 June 2026

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Revenue | 6 | 763,995,464 | 721,882,950 | 7,749,362 | 7,960,346 |
| Cost of sales | | (708,566,518) | (678,982,957) | (6,144,349) | (6,411,537) |
| Gross profit | | 55,428,946 | 42,899,993 | 1,605,013 | 1,548,809 |
| Other operating income | | 879,090 | 601,791 | 10,000 | - |
| Net foreign exchange loss | | (453,858) | (1,918,661) | - | - |
| Selling and distribution expenses | | (10,037,821) | (8,068,785) | - | - |
| Administrative expenses | | (27,886,701) | (27,520,282) | (1,021,552) | (1,012,487) |
| Impairment on property, plant and equipment | 13 | (33,964) | (690,903) | - | - |
| Operating profit | | 17,895,692 | 5,303,153 | 593,461 | 536,322 |
| Gain/(Loss) on investment in quoted shares | | 600,000 | (800,000) | - | - |
| Interest income | 7 | 1,818,320 | 1,583,333 | 4,999 | 3,207 |
| Profit before financing and income taxes | | 20,314,012 | 6,086,486 | 598,460 | 539,529 |
| Interest on borrowings | 7 | (3,565,805) | (6,167,953) | - | - |
| Interest on lease liabilities | 7 | (479,899) | (661,903) | - | - |
| Profit/(Loss) before tax | 8 | 16,268,308 | (743,370) | 598,460 | 539,529 |
| Tax expense | 11 | (4,013,403) | (551,701) | (261,674) | (215,359) |
| Net profit/(loss) for the financial year | | 12,254,905 | (1,295,071) | 336,786 | 324,170 |
| Other comprehensive income: | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| - Revaluation surplus on property, plant and equipment and right-of-use assets, net of tax | 30 | 2,627,808 | 6,494,555 | - | - |
| Total comprehensive income for the financial year | | 14,882,713 | 5,199,484 | 336,786 | 324,170 |
| Net profit/(loss) for the financial year attributable to owners of the Company | | 12,254,905 | (1,295,071) | 336,786 | 324,170 |
| Total comprehensive income for the financial year attributable to owners of the Company | | 14,882,713 | 5,199,484 | 336,786 | 324,170 |
| Earnings/(Loss) per share attributable to owners of the Company | | | | | |
| - basic and diluted (sen) | 12 | 3.75 | (0.40) | | |

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

# Statements of Financial Position

As at 30 June 2026

| | Note | Group 2026 RM | Group 2025 RM | Company 2026 RM | Company 2025 RM |
|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | | |
| Property, plant and equipment | 13 | 296,925,647 | 303,192,384 | 183,369 | 243,128 |
| Right-of-use assets | 14 | 36,555,642 | 41,019,455 | - | - |
| Investment in subsidiaries | 15 | - | - | 221,973,850 | 221,973,850 |
| Intangible assets | 16 | 20,000,000 | 20,000,000 | - | - |
| Deferred tax assets | 17 | 801,837 | 809,670 | - | - |
| | | 354,283,126 | 365,021,509 | 222,157,219 | 222,216,978 |
| **CURRENT ASSETS** | | | | | |
| Inventories | 18 | 178,122,878 | 199,331,241 | - | - |
| Receivables, deposits and prepayments | 19 | 84,246,373 | 86,944,002 | 6,733 | 51,908 |
| Financial assets at fair value through profit or loss | 20 | 2,400,000 | 1,800,000 | 2,400,000 | 1,800,000 |
| Amounts due from ultimate holding company | 27 | 1,204,789 | 1,685,000 | - | - |
| Amounts due from subsidiaries | 21 | - | - | 701,760 | 960,930 |
| Derivative financial assets | 23 | 1,303,514 | 473,723 | - | - |
| Cash and cash equivalents | 24 | 63,995,262 | 56,173,663 | 999,862 | 1,012,499 |
| Current tax recoverable | | 1,186,151 | 3,095,832 | 56,536 | 122,888 |
| | | 332,458,967 | 349,503,461 | 4,164,891 | 3,948,225 |
| **LESS: CURRENT LIABILITIES** | | | | | |
| Payables and accrued liabilities | 25 | 39,709,462 | 55,173,440 | 441,991 | 403,044 |
| Contract liabilities | 26 | 10,460,226 | 66,775 | - | - |
| Amount due to ultimate holding company | 27 | - | 6,561 | - | - |
| Amounts due to subsidiaries | 21 | - | - | 5,158,335 | 5,377,273 |
| Amounts due to a related company | 22 | 91,998 | 212,123 | - | - |
| Derivative financial liabilities | 23 | 396,073 | 566,693 | - | - |
| Borrowings | 28 | 39,890,448 | 77,992,518 | - | - |
| Lease liabilities | 14 | 4,749,672 | 4,560,101 | - | - |
| Current tax provision | | 15,214 | - | - | - |
| | | 95,313,093 | 138,578,211 | 5,600,326 | 5,780,317 |
| **NET CURRENT ASSETS/(LIABILITIES)** | | 237,145,874 | 210,925,250 | (1,435,435) | (1,832,092) |
| | | 591,429,000 | 575,946,759 | 220,721,784 | 220,384,886 |

# Statements of Financial Position

As at 30 June 2026 (Continued)

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| **CAPITAL AND RESERVE ATTRIBUTABLE TO OWNERS OF THE COMPANY** | | | | | |
| Share capital | 29 | 219,417,315 | 219,417,315 | 219,417,315 | 219,417,315 |
| Asset revaluation reserve | 30 | 64,896,755 | 62,268,947 | - | - |
| Retained profits | | 248,057,297 | 235,802,392 | 1,297,468 | 960,682 |
| **TOTAL EQUITY** | | 532,371,367 | 517,488,654 | 220,714,783 | 220,377,997 |
| **NON-CURRENT LIABILITIES** | | | | | |
| Borrowings | 28 | 3,543,013 | 1,422,247 | - | - |
| Lease liabilities | 14 | 4,527,124 | 9,276,797 | - | - |
| Deferred income on grant | 31 | 7,408,935 | 7,756,435 | - | - |
| Deferred tax liabilities | 17 | 43,578,561 | 40,002,626 | 7,001 | 6,889 |
| | | 59,057,633 | 58,458,105 | 7,001 | 6,889 |
| | | 591,429,000 | 575,946,759 | 220,721,784 | 220,384,886 |

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

# Statements of Changes in Equity

For the Financial Year Ended 30 June 2026

**GROUP**

| | Note | Attributable to owners of the Company | | | |
|---|---|---|---|---|---|
| | | Share capital RM | Asset revaluation reserve RM | Retained profits RM | Total RM |
| At 1 July 2025 | | 219,417,315 | 62,268,947 | 235,802,392 | 517,488,654 |
| Net profit for the financial year | | - | - | 12,254,905 | 12,254,905 |
| **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 | - | 2,627,808 | - | 2,627,808 |
| **Total comprehensive income for the financial year** | | - | 2,627,808 | 12,254,905 | 14,882,713 |
| At 30 June 2026 | | 219,417,315 | 64,896,755 | 248,057,297 | 532,371,367 |

**GROUP**

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

# Statements of Changes in Equity

For the Financial Year Ended 30 June 2026 (Continued)

**COMPANY**

| | Note | Share capital RM | Retained profits RM | Total RM |
|---|---|---|---|---|
| At 1 July 2024 | | 219,417,315 | 636,512 | 220,053,827 |
| **Total comprehensive income for the financial year** | | - | 324,170 | 324,170 |
| At 30 June 2025 | | 219,417,315 | 960,682 | 220,377,997 |
| At 1 July 2025 | | 219,417,315 | 960,682 | 220,377,997 |
| **Total comprehensive income for the financial year** | | - | 336,786 | 336,786 |
| At 30 June 2026 | | 219,417,315 | 1,297,468 | 220,714,783 |

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

# Statements of Cash Flows

For the Financial Year Ended 30 June 2026

| | Note | Group 2026 RM | Group 2025 RM | Company 2026 RM | Company 2025 RM |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Operating profit | | 17,895,692 | 5,303,153 | 593,461 | 536,322 |
| Adjustments for: | | | | | |
| Property, plant and equipment: | | | | | |
| - depreciation | 8 | 14,304,139 | 13,757,551 | 75,377 | 73,194 |
| - (gain)/loss on disposals | 8 | (4,376) | 35,631 | - | - |
| - write-off | 8 | 10,082 | - | - | - |
| - impairment | 8 | 33,964 | 690,903 | - | - |
| Depreciation on right-of-use assets | 8 | 4,996,301 | 4,950,905 | - | - |
| Net unrealised foreign exchange (gain)/loss | 8 | (96,233) | 51,515 | - | - |
| Amortisation of deferred income on grant | 8 | (347,500) | (347,500) | - | - |
| Writeback on receivables | 4(c) | (3,000) | (12,000) | - | - |
| | | 36,789,069 | 24,430,158 | 668,838 | 609,516 |
| Changes in working capital: | | | | | |
| - inventories | | 21,208,363 | 66,564,237 | - | - |
| - receivables, deposits and prepayments | | 2,631,218 | 22,015,017 | 45,175 | 781,524 |
| - payables and accrued liabilities | | (16,347,209) | (51,832,825) | 38,947 | 1,668 |
| - contract liabilities | | 10,393,451 | (272,030) | - | - |
| - intercompany balances | | 353,525 | (215,713) | (559,768) | (1,018,782) |
| Cash generated from operation | | 55,028,417 | 60,688,844 | 193,192 | 373,926 |
| Tax paid | | (766,976) | (1,394,769) | (257,663) | (296,519) |
| Tax refunded | | 1,985,034 | - | 62,453 | - |
| Net cash generated from operating activities | | 56,246,475 | 59,294,075 | (2,018) | 77,407 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Property, plant and equipment: | | | | | |
| - Purchases | | (5,227,803) | (6,038,897) | (15,618) | (19,809) |
| - Proceeds from disposals | | 56,101 | 91,702 | - | - |
| Interest received | | 1,818,320 | 1,583,333 | 4,999 | 3,207 |
| Net used in investing activities | | (3,353,382) | (4,363,862) | (10,619) | (16,602) |

# Statements of Cash Flows

For the Financial Year Ended 30 June 2026 (Continued)

| | Note | Group 2026 RM | Group 2025 RM | Company 2026 RM | Company 2025 RM |
|---|---|---|---|---|---|
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Drawdown of borrowings | | 220,610,000 | 344,070,000 | - | - |
| Repayment of borrowings | | (257,124,152) | (402,089,551) | - | - |
| Lease payments | | (4,560,102) | (4,378,097) | - | - |
| Interest paid: | | | | | |
| - interest on borrowings and suppliers' credit | | (3,517,341) | (4,987,870) | - | - |
| - interest on lease liabilities | | (479,899) | (661,903) | - | - |
| Net cash used in financing activities | | (45,071,494) | (68,047,421) | - | - |

| | Note | Group 2026 RM | Group 2025 RM | Company 2026 RM | Company 2025 RM |
|---|---|---|---|---|---|
| **NET MOVEMENT IN CASH AND CASH EQUIVALENTS** | | 7,821,599 | (13,117,208) | (12,637) | 60,805 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR** | | 56,173,663 | 69,290,871 | 1,012,499 | 951,694 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR** | 24 | 63,995,262 | 56,173,663 | 999,862 | 1,012,499 |

During the financial year, the Group has a non-cash purchase of plant, machinery and electrical installation of RM532,848 (2025: RM3,034,310) by means of hire-purchase arrangements.

# Statements of Cash Flows

For the Financial Year Ended 30 June 2026 (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 | Hire-purchase creditors RM | Mortgage loan RM | Total RM |
|---|---|---|---|---|---|
| Group | | | | | |
| At 1 July 2025 | 68,430,000 | 13,836,898 | 2,946,187 | 8,038,578 | 93,251,663 |
| Cash flows: | | | | | |
| Drawdown of borrowings | 220,610,000 | - | - | - | 220,610,000 |
| Repayment of borrowings | (253,130,000) | - | (1,676,392) | (2,317,760) | (257,124,152) |
| Interest paid | (2,957,876) | (479,899) | (161,258) | (398,207) | (3,997,240) |
| Lease payments | - | (4,560,102) | - | - | (4,560,102) |
| Working capital changes | (48,464) | - | - | - | (48,464) |
| Non-cash changes: | | | | | |
| Interest charged | 3,006,340 | 479,899 | 161,258 | 398,207 | 4,045,704 |
| Additions during the year | - | - | 532,848 | - | 532,848 |
| At 30 June 2026 | 35,910,000 | 9,276,796 | 1,802,643 | 5,720,818 | 52,710,257 |

| | Bankers' acceptance RM | Lease liabilities RM | Term loan RM | Hire-purchase creditors RM | Mortgage loan RM | Total RM |
|---|---|---|---|---|---|---|
| Group | | | | | | |
| At 1 July 2024 | 118,960,000 | 18,214,995 | 4,347,552 | 873,781 | 10,218,673 | 152,615,001 |
| Cash flows: | | | | | | |
| Drawdown of borrowings | 344,070,000 | - | - | - | - | 344,070,000 |
| Repayment of borrowings | (394,600,000) | - | (4,347,552) | (961,904) | (2,180,095) | (402,089,551) |
| Interest paid | (4,268,069) | (661,903) | (100,353) | (76,733) | (542,715) | (5,649,773) |
| Lease payments | - | (4,378,097) | - | - | - | (4,378,097) |
| Working capital changes | (307,949) | - | - | - | - | (307,949) |
| Non-cash changes: | | | | | | |
| Interest charged | 4,576,018 | 661,903 | 100,353 | 76,733 | 542,715 | 5,957,722 |
| Additions during the year | - | - | - | 3,034,310 | - | 3,034,310 |
| At 30 June 2025 | 68,430,000 | 13,836,898 | - | 2,946,187 | 8,038,578 | 93,251,663 |

# Notes to the Financial Statements




| | | |
|---|---|---|
| 1 | General Information | 99 |
| 2 | Basis of Preparation | 99 - 100 |
| 3 | Critical Accounting Estimates and Judgements | 101 |
| 4 | Financial Risk Management Objectives and Policies | |
| | (a) Capital Risk | 102 |
| | (b) Liquidity Risk | 103 - 106 |
| | (c) Credit Risk | 107 - 110 |
| | (d) Interest Rate Risk | 110 - 111 |
| | (e) Foreign Currency Exchange Risk | 111 - 114 |
| 5 | Fair Value | 114 - 115 |
| 6 | Revenue | 116 - 117 |
| 7 | Finance Income and Costs | 117 |
| 8 | Profit/(Loss) Before Tax | 118 |
| 9 | Analysis of Operating Expenses | 119 - 120 |
| 10 | Directors' Remuneration | 121 |
| 11 | Tax Expense | 122 |
| 12 | Earnings/(Loss) Per Share | 122 |
| 13 | Property, Plant and Equipment | 123 - 130 |
| 14 | Leases | 131 - 133 |
| 15 | Investment in Subsidiaries | 133 - 134 |
| 16 | Intangible Assets | 135 |
| 17 | Deferred Tax Assets/(Liabilities) | 136 – 137 |
| 18 | Inventories | 137 |
| 19 | Receivables, Deposits and Prepayments | 138 |
| 20 | Financial Assets at Fair Value through Profit or Loss | 139 |
| 21 | Amounts Due from/(to) Subsidiaries | 139 |
| 22 | Amounts Due to Related Companies | 140 |
| 23 | Derivative Financial Assets/(Liabilities) | 140 - 143 |
| 24 | Cash and Cash Equivalents | 143 |
| 25 | Payables and Accrued Liabilities | 144 |
| 26 | Contract Liabilities | 144 |
| 27 | Amounts Due from/(to) Ultimate Holding Company | 145 |
| 28 | Borrowings | 145 - 147 |
| 29 | Share Capital | 147 |
| 30 | Asset Revaluation Reserve | 147 |
| 31 | Deferred Income on Grant | 148 |
| 32 | Significant Related Party Transactions And Balances | 148 - 150 |
| 33 | Segmental Analyses | 151 - 155 |
| 34 | Financial Guarantees | 155 |
| 35 | Litigation, Commitment and Contingency | 155 - 156 |
| 36 | Financial Instruments by Category | 157 - 158 |
| 37 | Management-Defined Performance Measure (MPM) | 159 |
| 38 | Subsequent Event | 159 |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026

## 1 GENERAL INFORMATION

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

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

The address of the registered office of the Company is:
Suite 11.05, 11th Floor
No. 566 Jalan Ipoh
51200 Kuala Lumpur

The address of the principal place of business of the Company is:
Lot 717, Jalan Sungai Rasau
Seksyen 16
40200 Shah Alam
Selangor Darul Ehsan

As at 30 June 2026, 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 2026.

## 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 2026 (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 3 to the financial statements.

Amendments to published standards that are effective

The Group has applied the following amendments for the first time for the financial year beginning on 1 July 2025:

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

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

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 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

- Amendments that are part of Annual Improvements - Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statement*
  - Amendments to MFRS 107, *Statement of Cash Flows*

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

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

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

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.

As reported in the preceding financial period, the Group had elected to early adopt MFRS 18, Presentation and Disclosure in Financial Statements (in replacement of MFRS 101, Presentation of Financial Statements effective for annual reporting period beginning on or after 1 January 2027) -for the first time in the preceding financial year beginning on 1 July 2024.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

As disclosed in Notes 13 and 14 to the financial statements, the Group carries its freehold and leasehold land (classified as right-of-use assets) and buildings, plant, machinery and electrical installation at their fair values. On an annual basis, the Group appoints an independent professional firm to determine the fair valuation of these property, plant and equipment and right-of-use assets which generally do not have quoted prices in active markets for identical assets. The Group also conducts an annual review, as required under MFRS 116, on the assumed useful life and residual value applied on its Property, Plant & Equipment to ensure these do not materially depart from the fair values and underlying assumptions determined by the independent valuer-firm. The Directors on 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 their recoverable amount, measured at the higher of fair value less costs to sell and the value-in-use. In measuring the value-in-use based on the CGU's discounted cash flows, certain assumptions and estimates are applied as disclosed in Notes 13, 15 and 16 to the financial statements.

(c) Deferred tax assets

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

(d) Lease options

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Capital risk

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

The Group views its adjusted-equity (shareholders' fund less intangible assets including deferred tax if any) plus interest bearing debts as capital resources (which totalled to RM599 million at the close of the current financial year), and has a policy to maintain the debt-equity ratio below 1.0 or in accordance with its financial covenants - whichever is lower. Capital deployment amongst the Group's subsidiaries and/or business units is at the purview of the Board, but each of its subsidiaries and/or business units is primarily responsible for the management of its allocated capital subject to the oversight by the Executive Committee and the Board.

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

For the reporting period, the Group's subsidiaries complied with their respective debenture-imposed capital covenants and generally have been capital-sufficient in meeting peak business needs. Over the current reporting period, working capital deployed in the Group has decreased by around RM17 million (from adjusted-capital up RM18 million; and interest-bearing debt capital down RM36 million or by 45%).

The Group's debt-equity ratio closed lower at 0.08 times for the current reporting period compared to the preceding period's close at 0.15, mainly due to lower trade-facilities drawn to finance lower inventory and trade-receivables.

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

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 61% and 92% respectively. The said subsidiaries have comfortable level of short-term assets to meet short-term liabilities as reflected in the Group's current ratio of 3.48 times at the close of the current reporting period (compared to 2.52 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 primary 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 with limits of RM32.0 million and RM15.0 million (denominated in Ringgit and USD) respectively as backup. However, the subsidiaries have not drawn on any of these suppliers' credit-lines in the last 12 months due to their higher borrowing cost. The total balance undrawn banking trade-line facilities for the subsidiaries at the reporting date of around RM235.2 million (2025: RM211.6 million) accords ample headroom.

At the reporting date, the Company's exposure to liquidity risk arises from corporate guarantees issued on the Steel Tube subsidiary's outstanding bank debts of RM41.6 million (2025: RM36.5 million). The Cold-Rolled subsidiary does not have any outstanding bank debts at the close of the current financial period which is guaranteed by the Company. The Directors are of the opinion that the default risk by the subsidiaries on both the aforementioned is negligible.

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

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

| GROUP | Carrying amount RM | Contractual Interest rate Per annum | Contractual cash flows RM | Current RM | 1 - 2 years RM | 2 - 3 years RM | >3 years RM |
|---|---|---|---|---|---|---|---|
| At 30 June 2026 | | | | | | | |
| Non-derivative financial liabilities: | | | | | | | |
| Bankers' acceptance | 35,910,000 | 4.14% - 4.64% | 36,242,576 | 36,242,576 | - | - | - |
| Hire-purchase creditors | 1,802,643 | 1.75% - 2.72% (flat) | 1,898,723 | 1,304,976 | 509,680 | 55,320 | 28,747 |
| Mortgage loan | 5,720,818 | 5.65% | 5,873,236 | 2,874,779 | 2,350,400 | 648,057 | - |
| Payables and accrued liabilities (excluding derivatives and payroll liabilities) | 35,692,717 | - | 35,692,717 | 35,692,717 | - | - | - |
| Amount due to a related company | 91,998 | - | 91,998 | 91,998 | - | - | - |
| Lease liabilities | 9,276,796 | 4.08% (implicit) | 9,660,000 | 5,040,000 | 4,620,000 | - | - |
| | 88,494,972 | | 89,459,250 | 81,247,046 | 7,480,080 | 703,377 | 28,747 |

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

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

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

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

| COMPANY | Carrying amount RM | Contractual Interest rate Per annum | Contractual cash flows RM | Current RM | 1 - 2 years RM | 2 - 3 years RM | >3 years RM |
|---|---|---|---|---|---|---|---|
| At 30 June 2026 | | | | | | | |
| Payables and accrued liabilities (excluding payroll liabilities) | 151,806 | - | 151,806 | 151,806 | - | - | - |
| Amounts due to subsidiaries | 5,158,335 | - | 5,158,335 | 5,158,335 | - | - | - |
| Financial guarantee contracts | - | - | 41,630,818 | 41,630,818 | - | - | - |
| | 5,310,141 | | 46,940,959 | 46,940,959 | - | - | - |

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

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

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

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

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

At the reporting date, the Group has significant concentration of credit risk in its trade receivables where the top 10 corporate customers' outstanding of the Cold Rolled Coil and the Steel Tube segments represent about 86% (2025: 78%) and 75% (2025: 65%) 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 (2025: 2) external customers that contributes to more than 10% of the respective segments' revenue. The revenue contributed by the said customers amounted to RM147 million (2025: RM179 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 36 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 2026 (Continued)

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

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

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

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

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

Refer to Note 19 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.

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

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

| | Net exposure RM | Collateral and credit enhancement RM | Maximum exposure (net of impairment) RM |
|---|---|---|---|
| 2026 | | | |
| Trade receivables | 25,678,858 | 55,649,584 | 81,328,442 |
| Other receivables | 1,290,897 | - | 1,290,897 |
| Refundable deposits | 1,195,366 | - | 1,195,366 |
| Derivative financial assets | 1,303,514 | - | 1,303,514 |
| Deposits with licensed banks | 47,011,464 | - | 47,011,464 |
| Cash and bank balances | 16,983,798 | - | 16,983,798 |
| Financial assets at fair value through profit or loss | 2,400,000 | - | 2,400,000 |
| | 95,863,897 | 55,649,584 | 151,513,481 |
| 2025 | | | |
| Trade receivables | 24,851,638 | 58,168,216 | 83,019,854 |
| Other receivables | 1,034,230 | - | 1,034,230 |
| Refundable deposits | 1,194,888 | - | 1,194,888 |
| Derivative financial assets | 473,723 | - | 473,723 |
| Deposits with licensed banks | 26,822,988 | - | 26,822,988 |
| Cash and bank balances | 29,350,675 | - | 29,350,675 |
| Financial assets at fair value through profit or loss | 1,800,000 | - | 1,800,000 |
| | 85,528,142 | 58,168,216 | 143,696,358 |

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

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Financial assets that are impaired

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

| GROUP | Trade receivables (Note 19) RM | Other receivables (Note 19) RM | Total RM |
|---|---|---|---|
| 1 July 2025 | - | 252,695 | 252,695 |
| Reversal of impairment during the financial year | - | (3,000) | (3,000) |
| 30 June 2026 | - | 249,695 | 249,695 |
| 1 July 2024 | 248,301 | 452,695 | 700,996 |
| Write-off | (248,301) | (188,000) | (436,301) |
| Reversal of impairment during the financial year | - | (12,000) | (12,000) |
| 30 June 2025 | - | 252,695 | 252,695 |

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 RM3,000 (2025: RM12,000) 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 trade receivables of RM248,301 and other receivables of RM188,000 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 has been recognised by the Company during the current or 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) and hire-purchase financing. 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.

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Interest rate risk (continued)

Bank Negara Malaysia has maintained the OPR in the current financial year at 2.75% (2025: 3.00%).

The Group also has interest-earning financial asset instruments which comprised mainly of fixed interest-bearing short-term deposits subject to frequent re-pricing. The Group's temporary cash holdings in Banks also earn interests at rates ranging between 1.0% to 3.6% (2025: 1.0% to 4.5%).

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

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

| | 2026 RM | 2025 RM |
|---|---|---|
| Current | | |
| Fixed rate borrowings, denominated in RM | 37,138,489 | 69,953,940 |
| Floating rate borrowings, denominated in RM | 2,751,959 | 8,038,578 |
| Non-current | | |
| Fixed rate borrowings, denominated in RM | 574,154 | 1,422,247 |
| Floating rate borrowings, denominated in RM | 2,968,859 | - |
| | 43,433,461 | 79,414,765 |

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 2026 would decrease by RM43,478 (2025: loss after tax increase by RM61,093). A 1% lower interest rate would have the equal but opposite effect to the aforementioned amounts. There is no interest-rate risk impact on the Company as it has no borrowings.

(e) Foreign currency exchange risk

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

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

The Group's Cold Rolled Coil (CRC) and Steel Tube segments' revenue stream are mainly denominated in their Ringgit Malaysia functional currency with export sales in USD and SGD, whilst, some raw material coils are imported from abroad 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. Natural-hedge is managed/matched at the Group level, as pairing may not prevail at the individual entity level.

For the current financial year, the Group reported a net FX-loss of RM0.4 million (FY 2025: net FX-loss of RM1.92 million) due to some unhedged positions. Over the current financial period, the Ringgit further strengthened against USD and SGD moderately by around 4.3% respectively (FY 2025: up 8.5% against USD and up 3.6% against SGD).

Further disclosures are made in Note 23 on derivatives.

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

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| **FX fair value** | **Unrealised RM'000** | **Realised RM'000** | **Total RM'000** | **Unrealised RM'000** | **Realised RM'000** | **Total RM'000** |
| Hedge Accounted | | | | | | |
| Hedge instruments: FX forwards | 907 | (676) | 231 | 90 | (2,722) | (2,632) |
| Hedge items: Financial obligations | (907) | 676 | (231) | (90) | 2,722 | 2,632 |
| | - | - | - | - | - | - |
| Natural Hedge | | | | | | |
| Rights: Cash/receivables | - | 151 | 151 | (34) | (915) | (949) |
| Obligations: Payables | - | (151) | (151) | 34 | 915 | 949 |
| | - | - | - | - | - | - |
| Not Hedge Accounted | | | | | | |
| FX Instruments | - | - | - | - | - | - |
| FX items | 96 | (550) | (454) | (52) | (1,867) | (1,919) |
| | 96 | (550) | (454) | (52) | (1,867) | (1,919) |
| Net FX gain/(loss) | 96 | (550) | (454) | (52) | (1,867) | (1,919) |

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

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

| | From USD RM | From SGD RM | Total RM |
|---|---|---|---|
| As at 30 June 2026 | | | |
| Financial assets | | | |
| Receivables, deposits and prepayments | - | 9,117,261 | 9,117,261 |
| Cash and bank balances | 190,098 | 989,449 | 1,179,547 |
| | 190,098 | 10,106,710 | 10,296,808 |
| Net financial assets | 190,098 | 10,106,710 | 10,296,808 |
| Off balance sheet | | | |
| Contracted commitments | (108,496,581) | - | (108,496,581) |
| Group foreign currency natural hedge for contracted rights | 41,292 | - | 41,292 |
| Group foreign currency natural hedge for contracted obligations | (41,292) | - | (41,292) |
| Forward foreign currency contracts at notional value at closing rate | 84,658,034 | - | 84,658,034 |
| Net currency exposure | (23,648,449) | 10,106,710 | (13,541,739) |
| As at 30 June 2025 | | | |
| Financial assets | | | |
| Receivables, deposits and prepayments | 6,082,084 | 7,608,170 | 13,690,254 |
| Cash and bank balances | 3,877,611 | 828,601 | 4,706,212 |
| | 9,959,695 | 8,436,771 | 18,396,466 |
| Net financial assets | 9,959,695 | 8,436,771 | 18,396,466 |
| Off balance sheet | | | |
| Contracted commitments | (80,247,065) | - | (80,247,065) |
| Group foreign currency natural hedge for contracted rights | (9,783,407) | - | (9,783,407) |
| Group foreign currency natural hedge for contracted obligations | 9,783,407 | - | 9,783,407 |
| Forward foreign currency contracts at notional value at closing rate | 67,074,563 | - | 67,074,563 |
| Net currency exposure | (3,212,807) | 8,436,771 | 5,223,964 |

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 2026 (Continued)

## 4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's profit after tax (2025: loss after tax) to a reasonably possible change in the US Dollar ("USD") and Singapore Dollar ("SGD") exchange rates against RM, with all other variables in particular interest rates held constant.

| | Increase/ (Decrease) in Profit after tax 2026 RM | Increase/ (Decrease) in Loss after tax 2025 RM |
|---|---|---|
| GROUP | | |
| RM appreciates against USD by 2% (2025: 2%) | 359,456 | (48,835) |
| RM appreciates against SGD by 2% (2025: 2%) | (153,622) | 128,239 |

A 2% (2025: 2%) depreciation of the foreign exchange rate would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

## 5 FAIR VALUE

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

Fair value estimation

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

## 5 FAIR VALUE (CONTINUED)

Fair value estimation (continued)

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

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|---|---|---|---|---|
| 30 June 2026 | | | | |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | 2,400,000 | - | - | 2,400,000 |
| Derivative financial assets | - | 1,303,514 | - | 1,303,514 |
| Total financial assets | 2,400,000 | 1,303,514 | - | 3,703,514 |
| Financial liability | | | | |
| Derivative financial liabilities | - | (396,073) | - | (396,073) |
| 30 June 2025 | | | | |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | 1,800,000 | - | - | 1,800,000 |
| Derivative financial assets | - | 473,723 | - | 473,723 |
| Total financial assets | 1,800,000 | 473,723 | - | 2,273,723 |
| Financial liability | | | | |
| Derivative financial liabilities | - | (566,693) | - | (566,693) |

The 'financial assets at fair value through profit or loss' comprise of investment in quoted shares (see Note 20), 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 are classified as derivative financial assets, whilst those with marked-to-market negative fair value are 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 2026 (Continued)

## 6 REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Revenue from: | | | | |
| - sale of goods | 760,394,192 | 719,659,556 | - | - |
| - processing service income | 3,601,272 | 2,223,394 | - | - |
| - management fees income | - | - | 7,749,362 | 7,960,346 |
| | 763,995,464 | 721,882,950 | 7,749,362 | 7,960,346 |

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 |
| Group | | | | |
| 2026 | | | | |
| Sale of steel products: | | | | |
| - cold rolled coils | 442,096,151 | 31,653,828 | - | 473,749,979 |
| - steel tube and pipes | 231,391,052 | 41,742,543 | - | 273,133,595 |
| - scraps | 13,510,618 | - | - | 13,510,618 |
| Processing service income | - | - | 3,601,272 | 3,601,272 |
| | 686,997,821 | 73,396,371 | 3,601,272 | 763,995,464 |
| 2025 | | | | |
| Sale of steel products: | | | | |
| - cold rolled coils | 327,696,801 | 137,603,800 | - | 465,300,601 |
| - steel tube and pipes | 210,504,652 | 30,771,203 | - | 241,275,855 |
| - scraps | 13,083,100 | - | - | 13,083,100 |
| Processing service income | - | - | 2,223,394 | 2,223,394 |
| | 551,284,553 | 168,375,003 | 2,223,394 | 721,882,950 |

| | 2026 RM | 2025 RM |
|---|---|---|
| Company | | |
| Revenue from contracts with customers | | |
| Management fees income | | |
| - recognised over time | 7,749,362 | 7,960,346 |

There were no specific costs incurred to obtain the contracts which contributed to the above revenue.

## 6 REVENUE (CONTINUED)

Nature of goods and services

(i) Sale of steel products

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

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

(ii) Processing-service income

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

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

(iii) Management fees income

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

## 7 FINANCE INCOME AND COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Finance income on: | | | | |
| Interest on deposits & cash balances with licensed banks *[(a)] | (1,818,320) | (1,583,333) | (4,999) | (3,207) |
| Finance costs on: | | | | |
| - borrowings | 3,404,547 | 5,219,087 | - | - |
| - suppliers' credit | - | 872,133 | - | - |
| - hire-purchase | 161,258 | 76,733 | - | - |
| | 3,565,805 | 6,167,953 | - | - |
| - lease liabilities *[(b)] | 479,899 | 661,903 | - | - |
| | 4,045,704 | 6,829,856 | - | - |

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

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 8 PROFIT/(LOSS) BEFORE TAX

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Profit/(Loss) before tax is arrived at after charging/(crediting): | | | | |
| Auditors' remuneration: | | | | |
| - statutory audit | | | | |
| - KPMG PLT | 369,000 | 358,000 | 126,000 | 122,000 |
| - non-audit services | | | | |
| - KPMG PLT | 12,000 | 12,000 | 12,000 | 12,000 |
| - Local affiliates of KPMG PLT | - | 6,000 | - | - |
| Changes in inventories of finished goods and work-in-progress | 5,624,924 | 9,033,818 | - | - |
| Raw materials consumed | 608,076,988 | 584,029,464 | - | - |
| Consumables (inventories) consumed | 20,602,402 | 20,240,633 | - | - |
| (Reversal of inventory written down)/Inventory write-down to net realisable value | (169,747) | 169,747 | - | - |
| Property, plant and equipment (Note 13): | | | | |
| - depreciation | 14,304,139 | 13,757,551 | 75,377 | 73,194 |
| - (gain)/loss on disposals | (4,376) | 35,631 | - | - |
| - write-off | 10,082 | - | - | - |
| - impairment | 33,964 | 690,903 | - | - |
| Depreciation on right-of-use assets *[(a)] | 4,996,301 | 4,950,905 | - | - |
| Fair value (gain)/loss on financial assets at fair value through profit or loss (Note 20) | (600,000) | 800,000 | (600,000) | 800,000 |
| Share of fair value gain/(loss) on financial assets at fair value through profit or loss by subsidiaries (Note 20) | - | - | 600,000 | (800,000) |
| Reversal of impairment on receivables (Note 4(c)) | (3,000) | (12,000) | - | - |
| Maintenance of plant and machinery | 13,191,116 | 11,063,454 | - | - |
| Amortisation of deferred income on grant (Note 31) | (347,500) | (347,500) | - | - |
| Staff costs (excluding remuneration of Directors): | | | | |
| - salaries, bonuses and allowances | 37,777,710 | 32,936,048 | 2,322,931 | 1,920,984 |
| - defined contribution plan | 4,701,268 | 4,238,134 | 312,188 | 268,770 |
| - others | 2,430,973 | 2,182,549 | 152,716 | 95,080 |
| Net unrealised foreign exchange (gain)/loss | (96,233) | 51,515 | - | - |
| Net realised foreign exchange loss | 550,091 | 1,867,146 | - | - |

[(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 2026 (Continued)

## 9 ANALYSIS OF OPERATING EXPENSES

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

| Operating expenses by nature | Depreciation RM | Employee remunerations and benefits RM | Impairment losses of property, plant and equipment RM | (Reversal of inventory written down)/ Inventory write-down to net realisable value RM |
|---|---|---|---|---|
| Group | | | | |
| 2026 | | | | |
| Total amount recognised in the period | 19,300,440 | 52,041,481 | 33,964 | (169,747) |
| Total amount included in: | | | | |
| Cost of sales | 17,804,922 | 28,421,377 | - | (169,747) |
| Administrative expenses | 1,495,518 | 23,620,104 | - | - |
| Impairment on property, plant and equipment | - | - | 33,964 | - |
| Total amount included in the operating category | 19,300,440 | 52,041,481 | 33,964 | (169,747) |
| 2025 | | | | |
| Total amount recognised in the period | 18,708,456 | 47,887,862 | 690,903 | 169,747 |
| Total amount included in: | | | | |
| Cost of sales | 17,232,350 | 23,365,683 | - | 169,747 |
| Administrative expenses | 1,476,106 | 24,522,179 | - | - |
| Impairment on property, plant and equipment | - | - | 690,903 | - |
| Total amount included in the operating category | 18,708,456 | 47,887,862 | 690,903 | 169,747 |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 9 ANALYSIS OF OPERATING EXPENSES (CONTINUED)

| Operating expenses by nature | Depreciation RM | Employee remunerations and benefits RM |
|---|---|---|
| Company | | |
| 2026 | | |
| Total amount recognised in the period | 75,377 | 6,136,761 |
| Total amount included in: | | |
| Administrative expenses | 75,377 | 6,136,761 |
| Total amount included in the operating category | 75,377 | 6,136,761 |
| 2025 | | |
| Total amount recognised in the period | 73,194 | 6,410,683 |
| Total amount included in: | | |
| Administrative expenses | 73,194 | 6,410,683 |
| Total amount included in the operating category | 73,194 | 6,410,683 |

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

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

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

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (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 | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Non-Executive Directors: | | | | |
| - fees | 408,000 | 367,849 | 408,000 | 367,849 |
| - other emoluments | 42,926 | 38,998 | 42,926 | 38,998 |
| Executive Directors: | | | | |
| - salaries, bonuses and other emoluments | 5,809,214 | 7,070,680 | 2,520,000 | 3,240,000 |
| - defined contribution plan | 871,386 | 1,060,602 | 378,000 | 486,000 |
| - estimated monetary value of benefits-in-kind | 61,232 | 62,780 | 17,491 | 17,491 |
| | 7,192,758 | 8,600,909 | 3,366,417 | 4,150,338 |

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

| | Number of Directors | | | |
|---|---|---|---|---|
| | Executive | | Non-Executive | |
| | 2026 | 2025 | 2026 | 2025 |
| Range of remuneration | | | | |
| Less than RM50,000 | - | - | - | 1 |
| RM50,001 to RM100,000 | - | - | 6 | 5 |
| RM2,900,001 to RM2,950,000 | 1 | - | - | - |
| RM3,700,001 to RM3,750,000 | - | 1 | - | - |
| RM3,800,001 to RM3,850,000 | 1 | - | - | - |
| RM4,450,001 to RM4,500,000 | - | 1 | - | - |
| | 2 | 2 | 6 | 6 |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 11 TAX EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Current Malaysian tax: | | | | |
| - current tax expense | 706,837 | 453,129 | 261,562 | 249,576 |
| - over provision in prior financial year | - | (608,164) | - | (36,206) |
| | 706,837 | (155,035) | 261,562 | 213,370 |
| Deferred tax: (Note 17) | | | | |
| - origination and reversal of temporary differences | 4,631,838 | 256,644 | 3,852 | 1,989 |
| - (over)/under provision in prior financial year | (1,325,272) | 450,092 | (3,740) | - |
| | 3,306,566 | 706,736 | 112 | 1,989 |
| Tax expense | 4,013,403 | 551,701 | 261,674 | 215,359 |

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Profit/(Loss) before tax | 16,268,308 | (743,370) | 598,460 | 539,529 |
| Tax calculated at the Malaysian tax rate of 24% (2025: 24%) | 3,904,394 | (178,409) | 143,630 | 129,487 |
| Tax effects of: | | | | |
| - expenses not deductible for tax purposes | 1,589,681 | 1,167,595 | 121,784 | 122,078 |
| - income not subject to tax | (155,400) | (279,413) | - | - |
| - over provision in prior financial year | (1,325,272) | (158,072) | (3,740) | (36,206) |
| Tax expense | 4,013,403 | 551,701 | 261,674 | 215,359 |

## 12 EARNINGS/(LOSS) PER SHARE

| | Group | |
|---|---|---|
| | 2026 RM | 2025 RM |
| Net profit/(loss) attributable to owners of the Company (RM) | 12,254,905 | (1,295,071) |
| Weighted average number of ordinary shares | 327,057,599 | 327,057,599 |
| Basic earnings/(loss) per share (sen) | 3.75 | (0.40) |

## 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 |
|---|---|---|---|---|---|---|---|
| GROUP | | | | | | | |
| Cost/Valuation | | | | | | | |
| At 1 July 2025 | | | | | | | |
| - cost | - | - | - | 2,811,677 | 7,923,867 | 2,867,747 | 13,603,291 |
| - valuation | 80,900,000 | 47,600,000 | 203,893,883 | - | - | - | 332,393,883 |
| | 80,900,000 | 47,600,000 | 203,893,883 | 2,811,677 | 7,923,867 | 2,867,747 | 345,997,174 |
| Additions | - | 125,145 | 3,957,143 | 655,956 | 451,353 | 571,054 | 5,760,651 |
| Disposals | - | - | (46,903) | - | (22,002) | - | (68,905) |
| Write-off | - | - | (9,944) | - | (5,150) | - | (15,094) |
| Revaluation during the financial year | 3,000,000 | (909,035) | 281,557 | - | - | - | 2,372,522 |
| Transfers | - | - | 2,392,746 | 59,000 | - | (2,451,746) | - |
| Effects of elimination of accumulated depreciation on revaluation | - | (1,416,110) | (12,095,135) | - | - | - | (13,511,245) |
| At 30 June 2026 | 83,900,000 | 45,400,000 | 198,373,347 | 3,526,633 | 8,348,068 | 987,055 | 340,535,103 |
| Less: Accumulated depreciation | | | | | | | |
| At 1 July 2025 | - | - | - | 1,492,071 | 5,442,307 | - | 6,934,378 |
| Charge for the financial year (Note 8) | - | 1,416,110 | 12,100,811 | 261,847 | 525,371 | - | 14,304,139 |
| Disposals | - | - | (5,275) | - | (11,905) | - | (17,180) |
| Write-off | - | - | (401) | - | (4,611) | - | (5,012) |
| Effects of elimination of accumulated depreciation on revaluation | - | (1,416,110) | (12,095,135) | - | - | - | (13,511,245) |
| At 30 June 2026 | - | - | - | 1,753,918 | 5,951,162 | - | 7,705,080 |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (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 |
|---|---|---|---|---|---|---|---|
| GROUP | | | | | | | |
| Less: Accumulated impairment losses | | | | | | | |
| At 1 July 2025 | - | - | 35,867,700 | 2,385 | 327 | - | 35,870,412 |
| Charge for the financial year (Note 8) | - | - | 33,964 | - | - | - | 33,964 |
| At 30 June 2026 | - | - | 35,901,664 | 2,385 | 327 | - | 35,904,376 |
| Net book value | | | | | | | |
| At 30 June 2026 | 83,900,000 | 45,400,000 | 162,471,683 | 1,770,330 | 2,396,579 | 987,055 | 296,925,647 |
| Representing: | | | | | | | |
| - cost | - | - | - | 1,770,330 | 2,396,579 | 987,055 | 5,153,964 |
| - valuation | 83,900,000 | 45,400,000 | 162,471,683 | - | - | - | 291,771,683 |
| | 83,900,000 | 45,400,000 | 162,471,683 | 1,770,330 | 2,396,579 | 987,055 | 296,925,647 |
| Cost/Valuation | | | | | | | |
| At 1 July 2024 | | | | | | | |
| - cost | - | - | - | 2,502,959 | 7,851,376 | 807,356 | 11,161,691 |
| - valuation | 77,000,000 | 48,500,000 | 207,987,430 | - | - | - | 333,487,430 |
| | 77,000,000 | 48,500,000 | 207,987,430 | 2,502,959 | 7,851,376 | 807,356 | 344,649,121 |
| Additions | - | 17,222 | 6,517,424 | 309,718 | 168,452 | 2,060,391 | 9,073,207 |
| Disposals | - | - | (112,921) | (1,000) | (95,961) | - | (209,882) |
| Revaluation during the financial year | 3,900,000 | 447,774 | 1,092,182 | - | - | - | 5,439,956 |
| Effects of elimination of accumulated depreciation on revaluation | - | (1,364,996) | (11,590,232) | - | - | - | (12,955,228) |
| At 30 June 2025 | 80,900,000 | 47,600,000 | 203,893,883 | 2,811,677 | 7,923,867 | 2,867,747 | 345,997,174 |

## 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 |
|---|---|---|---|---|---|---|---|
| GROUP | | | | | | | |
| Less: Accumulated depreciation | | | | | | | |
| At 1 July 2024 | - | - | - | 1,210,041 | 5,004,563 | - | 6,214,604 |
| Charge for the financial year (Note 8) | - | 1,364,996 | 11,590,611 | 282,979 | 518,965 | - | 13,757,551 |
| Disposals | - | - | (379) | (949) | (81,221) | - | (82,549) |
| Effects of elimination of accumulated depreciation on revaluation | - | (1,364,996) | (11,590,232) | - | - | - | (12,955,228) |
| At 30 June 2025 | - | - | - | 1,492,071 | 5,442,307 | - | 6,934,378 |
| Less: Accumulated impairment losses | | | | | | | |
| At 1 July 2024 | - | - | 35,176,797 | 2,385 | 327 | - | 35,179,509 |
| Charge for the financial year (Note 8) | - | - | 690,903 | - | - | - | 690,903 |
| At 30 June 2025 | - | - | 35,867,700 | 2,385 | 327 | - | 35,870,412 |
| Net book value | | | | | | | |
| At 30 June 2025 | 80,900,000 | 47,600,000 | 168,026,183 | 1,317,221 | 2,481,233 | 2,867,747 | 303,192,384 |
| Representing: | | | | | | | |
| - cost | - | - | - | 1,317,221 | 2,481,233 | 2,867,747 | 6,666,201 |
| - valuation | 80,900,000 | 47,600,000 | 168,026,183 | - | - | - | 296,526,183 |
| | 80,900,000 | 47,600,000 | 168,026,183 | 1,317,221 | 2,481,233 | 2,867,747 | 303,192,384 |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Motor vehicles RM | Furniture, fittings and office equipments RM | Total RM |
|---|---|---|---|
| COMPANY | | | |
| At 30 June 2026 | | | |
| Cost | | | |
| At 1 July 2025 | 726,155 | 200,321 | 926,476 |
| Additions | - | 15,618 | 15,618 |
| As at 30 June 2026 | 726,155 | 215,939 | 942,094 |
| Less: Accumulated depreciation | | | |
| At 1 July 2025 | 502,258 | 181,090 | 683,348 |
| Charge for the financial year (Note 8) | 72,615 | 2,762 | 75,377 |
| At 30 June 2026 | 574,873 | 183,852 | 758,725 |
| Net book value | | | |
| At 30 June 2026 | 151,282 | 32,087 | 183,369 |
| At 30 June 2025 | | | |
| Cost | | | |
| At 1 July 2024 | 726,155 | 180,512 | 906,667 |
| Additions | - | 19,809 | 19,809 |
| At 30 June 2025 | 726,155 | 200,321 | 926,476 |
| Less: Accumulated depreciation | | | |
| At 1 July 2024 | 429,642 | 180,512 | 610,154 |
| Charge for the financial year (Note 8) | 72,616 | 578 | 73,194 |
| At 30 June 2025 | 502,258 | 181,090 | 683,348 |
| Net book value | | | |
| At 30 June 2025 | 223,897 | 19,231 | 243,128 |

## 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 2026 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 RM2,372,522 (2025: RM5,439,956) and revaluation surplus on ROU asset (Note 14) amounting to RM532,488 (2025: RM2,387,092) were recognised during the financial year, with a corresponding revaluation reserve, adjusted for deferred tax, amounting to RM2,627,808 (2025: RM6,494,555) been recognised in the other comprehensive income.

The net revaluation deficit amounting to RM33,964 was taken up as impairment in profit or loss while deficit in-relation to brought forward impairment amounting to RM690,903 was taken up as impairment in prior periods' profit or loss.

Property, plant and equipment amounting to RM296,742,278 (2025: RM302,949,256) of the steel subsidiaries are pledged for banking facilities.

At the close of the current financial year, the fair value of 'Buildings' and 'Plant, Machinery and Electrical Installation' located on leasehold land and rented properties classified under ROU assets totalled to RM24,380,000 (2025: RM24,036,000).

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 | |
|---|---|---|
| | 2026 RM | 2025 RM |
| Freehold land | 31,300,000 | 31,300,000 |
| Buildings | 36,499,987 | 39,144,391 |
| Plant, machinery and electrical installation | 168,675,636 | 174,984,813 |
| | 236,475,623 | 245,429,204 |

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 2026 (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 RM532,848 (2025: RM3,034,310).

As at 30 June 2026, the net book value of the property, plant and equipment under hire-purchase arrangements in the Group is RM4,908,141 (2025: RM4,498,877) and in the Company is RM Nil (2025: RM Nil).

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

| | 2026 RM | 2025 RM |
|---|---|---|
| Plant, machinery and electrical installation | | |
| At 1 July | 168,026,183 | 172,810,633 |
| Additions | 3,957,142 | 6,517,424 |
| Disposals/Write offs | (51,171) | (112,542) |
| Revaluation during the financial year | 281,558 | 1,092,182 |
| Impairment charge for the financial year | (33,964) | (690,903) |
| Depreciation charged during the year | (12,100,811) | (11,590,611) |
| Transfer from construction/installation in progress | 2,392,746 | - |
| At 30 June | 162,471,683 | 168,026,183 |

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 2026 | Valuation technique | Unobservable inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|---|
| Plant, machinery and electrical installation | RM162,471,683 | 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 2026, 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 RM12.1 million (2025: RM11.6 million) respectively.

## 13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

| | 2026 RM | 2025 RM |
|---|---|---|
| Land and buildings | | |
| At 1 July | 128,500,000 | 125,500,000 |
| Additions | 125,145 | 17,222 |
| Revaluation during the financial year | 2,090,965 | 4,347,774 |
| Depreciation charged during the year | (1,416,110) | (1,364,996) |
| At 30 June | 129,300,000 | 128,500,000 |

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 RM133 to RM160 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 RM175 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 | 2026 rates | | 2025 rates | |
|---|---|---|---|---|
| | MCRC | MST | MCRC | MST |
| Projection period | 25 years | 16 years | 26 years | 17 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 2026 (Continued)

## 13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Material accounting policy information

(i) Recognition and measurement

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

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

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

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

(ii) Depreciation

Freehold land is not depreciated as it has infinite life. Other property, plant and equipment are depreciated on the straight-line basis based on cost of the assets or their revalued amounts, to their residual values, over their estimated useful lives as follows:

| | |
|---|---|
| Buildings | 60 years |
| Plant, machinery and electrical installation | 4-40 years |
| Motor vehicles | 10 years |
| Furniture, fittings, and office equipment | 10 years |

Depreciation on assets under construction commences when the assets are ready for its intended use.

In financial year 2025, the Group conducted a capital asset review of its building, resulting in revision to the expected useful life and its residual value. Following this review, management extended the remaining useful life of the buildings by 10 years, aligning it with the useful life adopted by the independent professional valuer. The effect of these changes on depreciation expense is immaterial for presentation.

## 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 | |
|---|---|---|---|---|---|
| | | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| At 1 July | | | | | |
| Leasehold land | (a) | 28,000,000 | 26,100,000 | - | - |
| Rented properties | (b) | 13,019,455 | 17,483,268 | 13,836,898 | 18,214,995 |
| Total | | 41,019,455 | 43,583,268 | 13,836,898 | 18,214,995 |
| Changes to ROU assets | | | | | |
| Revaluation of leasehold land | (c) | 532,488 | 2,387,092 | | |
| Depreciation (Note 8): | (d) | | | | |
| - leasehold land | (a) | (532,488) | (487,092) | | |
| - rented properties | (b) | (4,463,813) | (4,463,813) | | |
| Total | | (4,463,813) | (2,563,813) | | |
| Changes to lease liabilities | | | | | |
| Interest expense (Note 7) | (e) | | | 479,899 | 661,903 |
| Interest payments | (f) | | | (479,899) | (661,903) |
| Lease payments | (f) | | | (4,560,102) | (4,378,097) |
| Total | | | | (4,560,102) | (4,378,097) |
| At 30 June | | | | | |
| Leasehold land | | 28,000,000 | 28,000,000 | - | - |
| Rented properties | | 8,555,642 | 13,019,455 | 9,276,796 | 13,836,898 |
| Total | (g) | 36,555,642 | 41,019,455 | 9,276,796 | 13,836,898 |

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 52 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 RM16,796,227 (2025: RM17,121,840).

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 14 LEASES (CONTINUED)

Notes: (continued)

(b) The Group's Steel Tube subsidiary rents two plots of factory land and buildings from its ultimate holding company with leases details as outlined below. As a tenant, the subsidiary does not have ownership rights to full 'risk and reward' of the property.

| | Description | Monthly fixed rent RM | Deposits paid RM | Next expiry date | Next renewal option period |
|---|---|---|---|---|---|
| i) | HSD 168510, Town of Shah Alam | 245,000 | 300,000 | 31 May 2028 | 3 years |
| ii) | Lot 10461 Sec 15, Town of Shah Alam | 175,000 | 154,000 | 31 May 2028 | 3 years |

The deposits paid are refundable and not intended to be applied against rent instalments towards termination/ expiry of lease; and as such, were not included in the discounted lease payment cash flow stream in computing the 'Lease Liabilities'. The discount rate applied in the computation of the lease liabilities at 4.08% p.a. (previously at 4.08% p.a.) corresponds to the lessee's current estimated incremental borrowing rate.

(c) This amount represents the revaluation gain on the leasehold land which is subjected to monthly depreciation based on its remaining lease life, and re-measured at fair value at Level 3 of the fair value hierarchy towards the close of the financial year. The assumptions used in the valuation of ROU assets are consistent with the assumptions used for land and buildings as disclosed in Note 13 to the financial statements.

(d) This amount represents the depreciation of the ROU assets on straight-line basis over the term of the lease and assumed renewal period where applicable.

(e) This amount represents the implicit effective interest charged on the carrying amount of lease liabilities on a 'reducing balance monthly rest' basis. This implicit interest expense - equivalent to the assumed discount rate used - is excluded from any financial covenant ratios computation.

(f) This amount represents the contractual rent payments for the rented properties which denotes as settlement of the amortised lease liabilities and corresponding implicit interest expense over the current financial year.

(g) The ROU assets are classified under non-current assets in the statement of financial position, whilst the lease liabilities are segregated into current and non-current liabilities as follows:

| Lease liabilities | 2026 RM | 2025 RM |
|---|---|---|
| Current | 4,749,672 | 4,560,101 |
| Non-current | 4,527,124 | 9,276,797 |
| At 30 June | 9,276,796 | 13,836,898 |

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'.

## 14 LEASES (CONTINUED)

Notes: (continued)

Material accounting policy information

(a) Recognition and measurement

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Initial direct costs; and
- Decommissioning or restoration costs, if any.

ROU assets that are leasehold land properties are subsequently remeasured based on 'fair value' determination by independent certified real-estate valuers. The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as a separate line item in the statement of financial position. The Company does not have ROU assets that meet the definition of investment properties.

(b) Recognition exemption

Exempted from lease recognition are short-term leases (i.e. with a lease term of 12 months or less) and low value assets (e.g. such as office equipment). Payments associated with short term leases of equipment and vehicles and all leases of low value assets, are recognised on a straight-line basis as an expense in profit or loss.

## 15 INVESTMENT IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2026 RM | 2025 RM |
| Unquoted shares, at cost | | |
| - Mycron Steel CRC Sdn. Bhd. ("MCRC") | 166,765,998 | 166,765,998 |
| - Melewar Steel Tube Sdn. Bhd. ("MST") | 55,201,472 | 55,201,472 |
| - Silver Victory Sdn. Bhd. | 6,380 | 6,380 |
| Investments in subsidiaries, at cost | 221,973,850 | 221,973,850 |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 15 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

| | | Group's equity interest | |
|---|---|---|---|
| | Principal activities | 2026 % | 2025 % |
| Mycron Steel CRC Sdn. Bhd. ("MCRC") | Manufacturing and trading of steel cold rolled coils | 100 | 100 |
| Melewar Steel Tube Sdn. Bhd. ("MST") | Manufacturing and trading of steel tubes and pipes | 100 | 100 |
| Silver Victory Sdn. Bhd. | Trading and export of steel related products | 100 | 100 |

All subsidiaries' principal place of business and country of incorporation are in Malaysia and are audited by KPMG PLT, Malaysia.

Investments in Mycron Steel CRC Sdn. Bhd. ("MCRC") and Melewar Steel Tube Sdn. Bhd. ("MST")

The cost of investment in MCRC and the cost of investment in MST have been assessed for impairment based on a VIU model to determine its recoverable amount. The indicative recoverable amount (based on its VIU) of the respective investments is higher than their carrying amount.

The VIU assessments were performed based on a 5-year cashflow projection extrapolated to perpetuity using a terminal growth rate which was based on the following key assumptions:

| Assumption | Rates | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | MCRC | MST | MCRC | MST |
| Terminal growth rate | 0% | 0% | 0% | 0% |
| Pre-tax discount rate | 16.0% | 16.0% | 16.0% | 16.0% |

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

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

Material accounting policy information

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

## 16 INTANGIBLE ASSETS

The Group's intangible assets amounting to RM20 million represent the carrying amount of registered licences, patents and trademarks with the rights to use and sell under the licences, patents and trademarks of Aurora and MIG-Melewar which were acquired (from the ultimate holding company) and held by Melewar Steel Tube Sdn. Bhd. ("MST") since May 2014.

These licences, patents and trademarks are renewable perpetually at minimal cost. Accordingly, they are determined to have indefinite useful lives, and as such are not subjected to periodic amortisation but annual impairment tests. In this regard, an impairment test using 'Fair Value Less Cost To Sell' ("FVLCTS"), determined by relief-from-royalty method was carried out. This valuation technique is categorised under Level 3 of the fair value hierarchy. A 5-year cashflow forecast has been performed which takes into consideration of the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks being owned. It was determined that no impairment was necessary as the indicative recoverable amount is higher than its carrying amount.

The FVLCTS computation adopted the following assumptions:

| Assumption | Rate | | Approach used to determine value |
|---|---|---|---|
| | 2026 % | 2025 % | |
| Royalty in-lieu rate | 1.19% of revenue | 1.19% of revenue | Based on the agreed rate between seller and buyer, after taking into consideration of industry average rate |
| Pre-tax discount rate | 11.50% | 11.50% | Reflects the specific risk relating to the relevant industries and country in which the company operates |
| Growth rate | 0% | 0% | Conservative scenario |

The Group has also performed a VIU assessment to determine the recoverable amount of the intangible assets as part of the Steel Tube subsidiary's CGU. The key assumptions applied in the said VIU assessment is disclosed in Note 13(c) to the financial statements.

Material accounting policy information

Licences, patents and trademarks that can be renewed perpetually with nominal sums are treated as having an indefinite useful life and are not subjected to amortisation but annually assessed for impairment.

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 17 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Deferred tax assets | | | | |
| - deferred tax assets to be settled after more than 12 months | 801,837 | 809,670 | - | - |
| Deferred tax liabilities | | | | |
| - deferred tax liabilities to be settled after more than 12 months | (43,578,561) | (40,002,626) | (7,001) | (6,889) |
| **Deferred tax assets** | | | | |
| At 1 July | 809,670 | - | - | - |
| (Debited)/Credited to profit or loss (Note 11): | | | | |
| - unutilised tax losses | (7,833) | 809,670 | - | - |
| | 801,837 | 809,670 | - | - |
| **Deferred tax liabilities** | | | | |
| At 1 July | (40,002,626) | (37,153,727) | (6,889) | (4,900) |
| (Debited)/Credited to profit or loss (Note 11): | | | | |
| - property, plant and equipment | 1,198,185 | (627,068) | (112) | (1,989) |
| - unutilised tax losses | (1,354,490) | 625,926 | - | - |
| - unutilised reinvestment allowance | (3,123,432) | (1,549,558) | - | - |
| - right-of-use assets | 1,075,429 | 1,085,037 | - | - |
| - lease liabilities | (1,094,425) | (1,050,743) | - | - |
| | (3,298,733) | (1,516,406) | (112) | (1,989) |
| Debited to equity: | | | | |
| - property, plant and equipment | (149,405) | (759,590) | - | - |
| - right-of-use assets | (127,797) | (572,903) | - | - |
| | (277,202) | (1,332,493) | - | - |
| Deferred tax liabilities | (43,578,561) | (40,002,626) | (7,001) | (6,889) |
| Subject to income tax: | | | | |
| Deferred tax assets (before offsetting): | | | | |
| - unutilised tax losses | 2,668,100 | 4,030,423 | - | - |
| - unutilised reinvestment allowance | 5,719,541 | 8,842,973 | - | - |
| - lease liabilities | 2,226,431 | 3,320,856 | - | - |
| | 10,614,072 | 16,194,252 | - | - |
| Offsetting | (9,812,235) | (15,384,582) | - | - |
| Deferred tax assets (after offsetting) | 801,837 | 809,670 | - | - |

## 17 DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Deferred tax liabilities (before offsetting): | | | | |
| - property, plant and equipment | (36,755,754) | (38,104,535) | (7,001) | (6,889) |
| - intangible assets | (4,800,000) | (4,800,000) | - | - |
| - right-of-use assets | (4,864,016) | (5,811,648) | - | - |
| | (46,419,770) | (48,716,183) | (7,001) | (6,889) |
| Offsetting | 9,812,235 | 15,384,582 | - | - |
| | (36,607,535) | (33,331,601) | (7,001) | (6,889) |
| Subject to real property gain tax: | | | | |
| Deferred tax liability: | | | | |
| - property, plant and equipment | (6,971,026) | (6,671,025) | - | - |
| Deferred tax liabilities (after offsetting) | (43,578,561) | (40,002,626) | (7,001) | (6,889) |
| Deferred tax liabilities (cumulative amount charged to equity) | (11,033,892) | (10,756,690) | - | - |

Based on the Malaysia Finance Act 2022 gazetted on 31 December 2022, the allowable carry forward period for 'unutilised tax losses' is 10 consecutive years. The Group's 'unutilised tax losses' will mainly expires in year of assessment ("YA") 2028 and YA 2029. The allowable carry forward period for 'unutilised reinvestment allowance' will mainly expires in YA 2029. Our recognition of deferred tax assets in relation to these deductibles is to the extent of foreseeable taxable profits for offset within the legislated time limits.

On that ground, we have not recognised in the statement of financial position imputable deferred tax asset amounting to RM312,701 on unutilised capital allowances of RM1,302,920 due to the lack of foreseeable taxable profits from the allowable income stream.

## 18 INVENTORIES

| | Group | |
|---|---|---|
| | 2026 RM | 2025 RM |
| Raw materials | 96,676,911 | 113,042,172 |
| Consumables | 11,353,170 | 10,571,348 |
| Work-in-progress | 6,610,710 | 12,984,995 |
| Finished goods | 63,482,087 | 62,732,726 |
| | 178,122,878 | 199,331,241 |

Included in raw materials are goods-in-transit amounting to RM15,808,626 (2025: RM35,975,497).

Inventories expensed to 'cost of sales' and inventories written down to net realisable value during the current financial year amounted to RM634,134,567 (2025: RM613,473,662).

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 2026 (Continued)

## 19 RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Trade receivables | 81,328,442 | 83,019,854 | - | - |
| Other receivables | 1,501,290 | 1,263,763 | 2,233 | 47,408 |
| Less: Accumulated impairment | (249,695) | (252,695) | - | - |
| | 1,251,595 | 1,011,068 | 2,233 | 47,408 |
| Staff loans | 39,302 | 23,162 | - | - |
| Deposits | 1,195,366 | 1,194,888 | 4,500 | 4,500 |
| Prepayments | 431,668 | 1,695,030 | - | - |
| | 1,666,336 | 2,913,080 | 4,500 | 4,500 |
| Total receivables, deposits and prepayments | 84,246,373 | 86,944,002 | 6,733 | 51,908 |

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 |
|---|---|---|---|---|
| Group | | | | |
| 2026 | | | | |
| Gross carrying amount | 1,251,595 | - | 249,695 | 1,501,290 |
| Loss allowance | - | - | (249,695) | (249,695) |
| Net carrying amount | 1,251,595 | - | - | 1,251,595 |
| 2025 | | | | |
| Gross carrying amount | 1,011,068 | - | 252,695 | 1,263,763 |
| Loss allowance | - | - | (252,695) | (252,695) |
| Net carrying amount | 1,011,068 | - | - | 1,011,068 |

Information about the impairment and exposure to credit risk is disclosed in Note 4(c) to the financial statements.

## 20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Group/Company | |
|---|---|---|
| | 2026 RM | 2025 RM |
| Quoted shares | | |
| At 1 July | 1,800,000 | 2,600,000 |
| Gain/(Loss) in fair value (Note 8) | 600,000 | (800,000) |
| At 30 June | 2,400,000 | 1,800,000 |

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 24 sen per share on 30 June 2026 (2025: 18 sen), resulting in a mark-to-market gain of RM0.6 million (2025: RM0.8 million loss) credited to the Group's and Company's statements of comprehensive income in the current financial year. In the Company's statement of comprehensive income, the mark-to-market gain/(loss) was taken-up by the respective steel subsidiaries in 'Gain on investment in quoted shares'.

This investment is also reflected in Note 5 as a financial instrument fair valued at Level 1 hierarchy. There is no holding-period moratorium on the investment, and the Company is free to deal as it sees fit.

## 21 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Amounts due from subsidiaries which arose mainly from management fee charges and reimbursable payments are unsecured, interest free and repayable upon demand.

The amounts due to subsidiaries also include the balance of RM3.3 million due to the Steel Tube subsidiary being the assumed debt as part of the purchase consideration for the acquisition of the former in April 2015. This amount owing is unsecured, interest free and repayable upon demand.

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 22 AMOUNTS DUE TO A RELATED COMPANY

| | Group | |
|---|---|---|
| | 2026 RM | 2025 RM |
| Amounts due to a related company | 91,998 | 212,123 |

The amounts due to a related company which arose from both trade transactions and expenditures paid-on-behalf is unsecured, interest free and repayable upon demand.

## 23 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

| | Group | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Assets RM | Liabilities RM | Assets RM | Liabilities RM |
| Forward foreign currency exchange contract - fair value hedge (designated) | 1,284,751 | (375,336) | 472,390 | (558,772) |
| Forward foreign currency exchange contract - fair value through profit and loss (not designated) | 18,763 | (20,737) | 1,333 | (7,921) |
| | 1,303,514 | (396,073) | 473,723 | (566,693) |

The Group's derivatives comprise solely of Currency Exchange Forward Contracts incepted to hedge its foreign currency exposures arising mainly from purchases of raw materials in USD and partially from export sales in SGD, as disclosed in Note 4(e) to the financial statements. These Currency Exchange Forward Contracts generally have a maturity period of less than 6 months and their fair values are classified under current assets/(liabilities) by way of marking-to-market.

Material accounting policy information

Foreign currency hedges which meet qualifying criteria under MFRS 9 are designated on inception for fair value hedge accounting where the changes in fair value for both the hedge items and the hedge instruments are charged to the statement of comprehensive income and closing fair values are recognised in the statement of financial position as either current financial assets or liabilities.

## 23 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Details on the Group's unrealised currency derivatives are outlined below:

(i) Derivatives designated and fair value hedge accounted

As at 30 June 2026

| Forward foreign currency exchange contracts as hedge instrument | | | | | Contracted payment obligation and/or trade payables as hedge item | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Fair value | | | | | Fair value | |
| Maturity period of contract | Notional value long USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM | Maturity period of contract | Notional value short USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM |
| July 2026 | 13,459,971 | 3.9827 | 1,236,636 | (76,500) | July 2026 | 13,459,971 | 3.9827 | 76,500 | (1,236,636) |
| August 2026 | 7,080,000 | 4.0679 | 45,762 | (162,255) | August 2026 | 7,080,000 | 4.0679 | 162,255 | (45,762) |
| September 2026 | 319,000 | 4.1103 | 2,353 | (21,741) | September 2026 | 319,000 | 4.1103 | 21,741 | (2,353) |
| Total | 20,858,971 | | 1,284,751 | (260,496) | Total | 20,858,971 | | 260,496 | (1,284,751) |

Net fair value gain from the hedging instruments of RM1.02 million and the corresponding net fair value loss from the hedged item of RM1.02 million are taken-up in the statement of comprehensive income as net off-set.

As at 30 June 2026

| Forward foreign currency exchange contracts as hedge instrument | | | | | Contracted receivables and/or trade receivables as hedge item | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Fair value | | | | | Fair value | |
| Maturity period of contract | Notional value short USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM | Maturity period of contract | Notional value long USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM |
| August 2026 | 990,000 | 3.9332 | - | (114,840) | August 2026 | 990,000 | 3.9332 | 114,840 | - |
| Total | 990,000 | | - | (114,840) | Total | 990,000 | | 114,840 | - |

Net fair value loss from the hedging instruments of RM115 thousand and the corresponding net fair value gain from the hedged item of RM115 thousand are taken-up in the statement of comprehensive income as net off-set.

As at 30 June 2025

| Forward foreign currency exchange contracts as hedge instrument | | | | | Contracted payment obligation and/or trade payables as hedge item | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Fair value | | | | | Fair value | |
| Maturity period of contract | Notional value long USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM | Maturity period of contract | Notional value short USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM |
| July 2025 | 9,638,000 | 4.2753 | 3,340 | (488,165) | July 2025 | 9,638,000 | 4.2753 | 488,165 | (3,340) |
| August 2025 | 6,190,000 | 4.2314 | - | (70,607) | August 2025 | 6,190,000 | 4.2314 | 70,607 | - |
| Total | 15,828,000 | | 3,340 | (558,772) | Total | 15,828,000 | | 558,772 | (3,340) |

Net fair value loss from the hedging instruments of RM555 thousand and the corresponding net fair value gain from the hedged item of RM555 thousand are taken-up in the statement of comprehensive income as net off-set.

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 23 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Details on the Group's unrealised currency derivatives are outlined below: (continued)

(i) Derivatives designated and fair value hedge accounted (continued)

As at 30 June 2025 (continued)

| Forward foreign currency exchange contracts as hedge instrument | | | | | Contracted payment obligation and/or trade payables as hedge item | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Fair value | | | | | Fair value | |
| Maturity period of contract | Notional value short USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM | Maturity period of contract | Notional value long USD | Average contracted rate USD/RM | Financial assets RM | Financial liabilities RM |
| July 2025 | 1,900,000 | 4.4149 | 371,450 | - | July 2025 | 1,900,000 | 4.4149 | - | (371,450) |
| August 2025 | 1,000,000 | 4.2196 | 97,600 | - | August 2025 | 1,000,000 | 4.2196 | - | (97,600) |
| Total | 2,900,000 | | 469,050 | - | Total | 2,900,000 | | - | (469,050) |

Net fair value gain from the hedging instruments of RM469 thousand and the corresponding net fair value loss from the hedged item of RM469 thousand are taken-up in the statement of comprehensive income as net off-set.

(ii) Derivatives not designated and not hedge accounted

As at 30 June 2026

**Forward foreign currency exchange contracts as hedge instrument**

| | | | Fair value | |
|---|---|---|---|---|
| Maturity period of contract | Notional value short SGD | Average contracted rate SGD/RM | Financial assets RM | Financial liabilities RM |
| July 2026 | 285,000 | 3.1279 | 12,330 | (1,013) |
| August 2026 | 285,000 | 3.1321 | - | (4,344) |
| September 2026 | 285,000 | 3.1355 | - | (7,880) |
| October 2026 | 280,000 | 3.1394 | 3,204 | (636) |
| November 2026 | 280,000 | 3.1436 | - | (5,134) |
| December 2026 | 280,000 | 3.1457 | 3,229 | (1,730) |
| Total | 1,695,000 | | 18,763 | (20,737) |

## 23 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Details on the Group's unrealised currency derivatives are outlined below: (continued)

(ii) Derivatives not designated and not hedge accounted (continued)

As at 30 June 2025

**Forward foreign currency exchange contracts as hedge instrument**

| | | | Fair value | |
|---|---|---|---|---|
| **Maturity period of contract** | **Notional value short SGD** | **Average contracted rate SGD/RM** | **Financial assets RM** | **Financial liabilities RM** |
| July 2025 | 175,000 | 3.3147 | 878 | (281) |
| August 2025 | 125,000 | 3.2875 | 180 | (3,530) |
| September 2025 | 125,000 | 3.2898 | 125 | (3,810) |
| October 2025 | 125,000 | 3.3198 | 150 | (300) |
| Total | 550,000 | | 1,333 | (7,921) |

## 24 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 RM** | **2025 RM** | **2026 RM** | **2025 RM** |
| Cash in hand | 1,713 | 7,145 | 2 | 2 |
| Bank balances | 16,982,085 | 29,343,530 | 999,860 | 262,497 |
| Deposits with licensed banks | 47,011,464 | 26,822,988 | - | 750,000 |
| Cash and cash equivalents | 63,995,262 | 56,173,663 | 999,862 | 1,012,499 |

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2026 per annum %** | **2025 per annum %** | **2026 per annum %** | **2025 per annum %** |
| Bank balances | 1.46 | 2.47 | - | - |
| Deposits with licensed banks | 2.75 | 3.01 | - | 2.76 |

Bank balances are deposits held at call with licensed banks, where interest ranging between 1.0% to 3.6% (2025: 1.0% to 4.5%) are paid. The Group's and Company's deposits with licensed banks have placement periods ranging between 7 to 57 days (2025: 10 to 64 days).

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 25 PAYABLES AND ACCRUED LIABILITIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Trade payables | 21,759,828 | 38,989,185 | - | - |
| Other payables | 8,800,261 | 8,121,241 | 315,991 | 285,044 |
| Accruals | 6,023,620 | 7,402,905 | 126,000 | 118,000 |
| Deposit received | 3,125,753 | 660,109 | - | - |
| | 39,709,462 | 55,173,440 | 441,991 | 403,044 |

Trade payables do not include any interest bearing suppliers' credit as none was utilised in the current financial year (2025: RM Nil).

The payables and accrued liabilities are generally interest free and within accorded interest free credit periods ranging between 7 to 60 days (2025: 7 to 60 days).

## 26 CONTRACT LIABILITIES

| | Group | |
|---|---|---|
| | 2026 RM | 2025 RM |
| Contract liabilities | 10,460,226 | 66,775 |

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 | |
|---|---|---|
| | 2026 RM | 2025 RM |
| At 1 July | 66,775 | 338,805 |
| - deposit received during the financial year | 13,568,441 | 1,952,944 |
| - revenue recognised during the financial year | (3,174,990) | (2,224,974) |
| At 30 June | 10,460,226 | 66,775 |
| Composition of closing contract liabilities: | | |
| - payment received or receivable for work not performed | 10,460,226 | 66,775 |

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 includes RM66,775 (2025: RM338,805) relating to brought forward contract liabilities.

## 27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY

The amounts due from ultimate holding company comprise of interest free advance on factory-rental and management fees which would be fully offset against future billings in roughly four months' time.

The amounts due to ultimate holding company comprise of payments-on-behalf which are unsecured, interest free and repayable upon demand.

## 28 BORROWINGS

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

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Current | | | | | |
| Bankers' acceptance | (i) | 35,910,000 | 68,430,000 | - | - |
| Hire-purchase creditors | (ii) | 1,228,489 | 1,523,940 | - | - |
| Mortgage loan | (iii) | 2,751,959 | 8,038,578 | - | - |
| | | 39,890,448 | 77,992,518 | - | - |
| Non-current | | | | | |
| Hire-purchase creditors | (ii) | 574,154 | 1,422,247 | - | - |
| Mortgage loan | (iii) | 2,968,859 | - | - | - |
| | | 3,543,013 | 1,422,247 | - | - |
| Combined | | | | | |
| Bankers' acceptance | | 35,910,000 | 68,430,000 | - | - |
| Hire-purchase creditors | | 1,802,643 | 2,946,187 | - | - |
| Mortgage loan | | 5,720,818 | 8,038,578 | - | - |
| Total | | 43,433,461 | 79,414,765 | - | - |

The Group's total interest cost attributed to the above borrowings for the current financial year is RM3.6 million (2025: RM5.3 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 2026 (Continued)

## 28 BORROWINGS (CONTINUED)

Contractual terms of borrowings

| | Contractual interest rate at reporting date per annum | Functional currency/ currency exposure | Total carrying amount RM | Maturity profile < 1 year RM | 1 - 2 years RM | 2 - 3 years RM | 3 - 4 years RM | 4 - 5 years RM | > 5 years RM |
|---|---|---|---|---|---|---|---|---|---|
| Group | | | | | | | | | |
| At 30 June 2026 | | | | | | | | | |
| Secured | | | | | | | | | |
| Bankers' acceptance | 4.14% - 4.64% | RM | 35,910,000 | 35,910,000 | - | - | - | - | - |
| Hire-purchase creditors | 1.75% - 2.72% | RM | 1,802,643 | 1,228,489 | 493,368 | 52,643 | 28,143 | - | - |
| Mortgage loan | 5.65% | RM | 5,720,818 | 2,751,959 | 2,322,289 | 646,570 | - | - | - |
| | | | 43,433,461 | 39,890,448 | 2,815,657 | 699,213 | 28,143 | - | - |
| At 30 June 2025 | | | | | | | | | |
| Secured | | | | | | | | | |
| Bankers' acceptance | 4.45% - 5.04% | RM | 68,430,000 | 68,430,000 | - | - | - | - | - |
| Hire-purchase creditors | 1.75% - 2.70% | RM | 2,946,187 | 1,523,940 | 982,910 | 378,642 | 32,205 | 28,490 | - |
| Mortgage loan | 5.91% | RM | 8,038,578 | 8,038,578 | - | - | - | - | - |
| | | | 79,414,765 | 77,992,518 | 982,910 | 378,642 | 32,205 | 28,490 | - |

(i) The bankers' acceptance are secured with fixed and floating charge under separate debenture of the Cold Rolled Coil subsidiary and the Steel Tube subsidiary respectively.

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Future minimum payments of hire-purchase creditors: | | | | |
| Payable within one year | 1,304,976 | 1,668,480 | - | - |
| Payable between one and two years | 509,680 | 1,040,878 | - | - |
| Payable between two and three years | 55,320 | 389,764 | - | - |
| Payable between three and four years | 28,747 | 34,320 | - | - |
| Payable between four and five years | - | 29,093 | - | - |
| | 1,898,723 | 3,162,535 | - | - |
| Less: Future finance charges | (96,080) | (216,348) | - | - |
| Carrying amount | 1,802,643 | 2,946,187 | - | - |
| Carrying amount of hire-purchase creditors: | | | | |
| Payable within one year | 1,228,489 | 1,523,940 | - | - |
| Payable between one and two years | 493,368 | 982,910 | - | - |
| Payable between two and three years | 52,643 | 378,642 | - | - |
| Payable between three and four years | 28,143 | 32,205 | - | - |
| Payable between four and five years | - | 28,490 | - | - |
| | 1,802,643 | 2,946,187 | - | - |

Hire-purchase creditors are effectively secured as the rights to assets revert to the lessors in the event of default.

## 28 BORROWINGS (CONTINUED)

(iii) The mortgage loan drawn down by the Steel Tube subsidiary is secured against a first party fixed charge on the leasehold land and building, and a corporate guarantee from the Company.

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2026 % per annum | 2025 % per annum | 2026 % per annum | 2025 % per annum |
| Bankers' acceptance | 4.51 | 4.64 | - | - |
| Hire-purchase creditors | 2.43 | 2.45 | - | - |
| Mortgage loan | 5.65 | 5.91 | - | - |

The stated contractual interest rate for the hire-purchase is at 'flat-rate', whilst the rest are on 'reducing balance' basis.

## 29 SHARE CAPITAL

| | Group/Company | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Number of shares | Nominal value RM | Number of shares | Nominal value RM |
| Issued and fully paid with no par value | | | | |
| At 1 July/30 June | 327,057,599 | 219,417,315 | 327,057,599 | 219,417,315 |

## 30 ASSET REVALUATION RESERVE

| | Group | |
|---|---|---|
| | 2026 RM | 2025 RM |
| At 1 July | 62,268,947 | 55,774,392 |
| Revaluation surplus on: | | |
| - property, plant and equipment | 2,372,522 | 5,439,956 |
| - right-of-use assets | 532,488 | 2,387,092 |
| Deferred tax | (277,202) | (1,332,493) |
| Credited to other comprehensive income | 2,627,808 | 6,494,555 |
| At 30 June | 64,896,755 | 62,268,947 |

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.

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 31 DEFERRED INCOME ON GRANT

| | Group | |
|---|---|---|
| | 2026 RM | 2025 RM |
| At 1 July | 7,756,435 | 8,103,935 |
| Recognised in profit or loss (Note 8) | (347,500) | (347,500) |
| At 30 June | 7,408,935 | 7,756,435 |
| Analysed as: | | |
| - Non-current | 7,408,935 | 7,756,435 |

In financial year 2021, the Group received the 1st tranche of the government grant of RM6,100,000 under the Domestic Investment Strategic Fund for qualifying 'high technology' investments incurred on plant and equipment by CRC subsidiary. The 2nd and final tranche of the government grant on the aforesaid subject matter amounting to RM3,900,000 was received in the financial year 2024. These grants received are recorded as 'deferred income on grant' under non-current liabilities and would be amortised to profit or loss over the useful life of the underlying assets on a straight-line basis in tandem with their depreciation. There are no further outstanding unrecognised grants under application or processing in the current period.

## 32 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 Metal Trading Sdn. Bhd. [formerly known as Melewar Steel Mills Sdn. Bhd.] | Related company |
| Mycron Steel CRC Sdn. Bhd. | Subsidiary |
| Melewar Steel Tube Sdn. Bhd. | Subsidiary |
| Silver Victory Sdn. Bhd. | Subsidiary |
| Trace Management Services Sdn. Bhd. | A company which certain Directors have deemed financial interests |

## 32 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):

| | | Group | |
|---|---|---|---|
| | | 2026 | 2025 |
| Entity | Type of transaction | RM | RM |
| **Non-trade related: received/receivable** | | | |
| Ultimate holding company | | | |
| Melewar Industrial Group Berhad | Prepayment of rents & management fees | 204,789 | 685,000 |
| Melewar Industrial Group Berhad | Advances | 1,000,000 | 1,000,000 |
| **Trade related: paid/payable** | | | |
| Ultimate holding company | | | |
| 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 | (197,706) | (395,412) |
| Melewar Industrial Group Berhad | Payment made | 7,757,706 | 7,955,412 |
| Related party | | | |
| Melewar Metal Trading Sdn. Bhd. | Scrap handling commission | (1,169,539) | (1,437,145) |
| Melewar Metal Trading Sdn. Bhd. | Payment made | 1,076,053 | 1,386,707 |
| **Non-trade related: paid/payable** | | | |
| Related parties | | | |
| Trace Management Services Sdn. Bhd. | Corporate secretarial services | (203,805) | (182,150) |

| | | Company | |
|---|---|---|---|
| | | 2026 | 2025 |
| Entity | Type of transaction | RM | RM |
| **Trade related: received/receivable** | | | |
| Subsidiaries | | | |
| Mycron Steel CRC Sdn. Bhd. | Management fees | 5,872,477 | 6,002,169 |
| Mycron Steel CRC Sdn. Bhd. | Payment received | (4,418,118) | (2,861,517) |
| Melewar Steel Tube Sdn. Bhd. | Management fees | 1,876,885 | 1,958,177 |
| Melewar Steel Tube Sdn. Bhd. | Payment received | (1,706,491) | (1,395,902) |
| **Non-trade related: paid/payable** | | | |
| Related parties | | | |
| Trace Management Services Sdn. Bhd. | Corporate secretarial services | (197,599) | (174,977) |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

| | Group | | Company | |
|---|---|---|---|---|
| Entity | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Amount due from ultimate holding company | | | | |
| Melewar Industrial Group Berhad | 1,204,789 | 1,685,000 | - | - |
| Amounts due from a subsidiary | | | | |
| Melewar Steel Tube Sdn. Bhd. | - | - | 701,760 | 960,930 |
| Amount due to ultimate holding company | | | | |
| Melewar Industrial Group Berhad | - | 6,561 | - | - |
| Amounts due to subsidiaries | | | | |
| Mycron Steel CRC Sdn. Bhd. | - | - | 1,903,263 | 2,122,201 |
| Melewar Steel Tube Sdn. Bhd. | - | - | 3,255,072 | 3,255,072 |
| | - | - | 5,158,335 | 5,377,273 |
| Amount due to a related company | | | | |
| Melewar Metal Trading Sdn. Bhd. | 91,998 | 212,123 | - | - |

There are no material outstanding balances with other related parties as at financial year end.

(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 | |
|---|---|---|---|---|
| | 2026 RM | 2025 RM | 2026 RM | 2025 RM |
| Non-Director Executives: | | | | |
| - salaries, and bonuses | 2,492,220 | 3,241,926 | 362,200 | 383,800 |
| - allowances | 211,033 | 247,200 | 54,000 | 54,000 |
| - defined contribution plan | 395,797 | 511,507 | 59,730 | 62,970 |
| Executive Directors: | | | | |
| - fees, salaries, and bonuses | 5,809,214 | 7,070,680 | 2,520,000 | 3,240,000 |
| - defined contribution plan | 871,386 | 1,060,602 | 378,000 | 486,000 |
| - estimated monetary value of benefits-in-kind | 61,232 | 62,780 | 17,491 | 17,491 |
| | 9,840,882 | 12,194,695 | 3,391,421 | 4,244,261 |

Remuneration details on the Non-Executive Directors are disclosed in Note 10 to the financial statements.

## 33 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 |
|---|---|---|---|---|
| 2026 | | | | |
| Revenue | | | | |
| Total revenue | 512,269,921 | 278,415,605 | 7,749,362 | 798,434,888 |
| Inter segment | (26,690,062) | - | (7,749,362) | (34,439,424) |
| External revenue | 485,579,859 | 278,415,605 | - | 763,995,464 |
| Segmented by steel products: | | | | |
| - cold rolled coils | 473,749,979 | - | - | 473,749,979 |
| - steel tube and pipes | - | 273,133,595 | - | 273,133,595 |
| - scraps | 11,346,035 | 2,164,583 | - | 13,510,618 |
| Processing service income | 483,845 | 3,117,427 | - | 3,601,272 |
| External revenue | 485,579,859 | 278,415,605 | - | 763,995,464 |

| | Cold Rolled Coil RM | Steel Tube RM | Total RM |
|---|---|---|---|
| 2026 | | | |
| Year-to-Date Revenue by Geographic Areas | | | |
| Malaysia | 453,926,032 | 236,673,062 | 690,599,094 |
| ASEAN | - | 41,478,353 | 41,478,353 |
| Non-ASEAN | 31,653,827 | 264,190 | 31,918,017 |
| Total External Revenue | 485,579,859 | 278,415,605 | 763,995,464 |

* 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 2026 (Continued)

## 33 SEGMENTAL ANALYSES (CONTINUED)

| | Cold Rolled Coil RM | Steel Tube RM | Others RM | Total RM |
|---|---|---|---|---|
| 2026 | | | | |
| Segment results | | | | |
| Profit from operations | 14,377,339 | 3,256,767 | 593,461 | 18,227,567 |
| Gain on investment in quoted shares | 300,000 | 300,000 | - | 600,000 |
| Finance income | 1,102,765 | 710,556 | 4,999 | 1,818,320 |
| Interest on borrowings | (1,224,196) | (2,341,609) | - | (3,565,805) |
| Interest on lease liabilities | - | (479,899) | - | (479,899) |
| Total profit before tax | 14,555,908 | 1,445,815 | 598,460 | 16,600,183 |
| Consolidation elimination ^ | (331,875) | - | - | (331,875) |
| External profit before tax | 14,224,033 | 1,445,815 | 598,460 | 16,268,308 |
| Tax expense | (3,409,502) | (342,227) | (261,674) | (4,013,403) |
| Net profit after tax | 10,814,531 | 1,103,588 | 336,786 | 12,254,905 |
| Total segment assets | 427,718,280 | 276,541,063 | 226,265,574 | 930,524,917 |
| Consolidation elimination * | (4,334,371) | (20,064,345) | (222,675,610) | (247,074,326) |
| Net segment assets | 423,383,909 | 256,476,718 | 3,589,964 | 683,450,591 |

^ Related to elimination of unrealised profit on closing inventories (RM0.3 million).

* Major items included intercompany balances elimination (RM15.3 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 (RM0.7 million) and elimination of deposit (RM1.6 million).

| | Cold Rolled Coil RM | Steel Tube RM | Others RM | Total RM |
|---|---|---|---|---|
| 2026 | | | | |
| Other information | | | | |
| Depreciation on property, plant and equipment | 10,696,026 | 3,532,736 | 75,377 | 14,304,139 |
| Depreciation on ROU assets | - | 4,996,301 | - | 4,996,301 |
| Impairment/(Reversal) on property, plant and equipment | 117,583 | (83,619) | - | 33,964 |
| Additions of property, plant, and equipment | 3,336,901 | 2,408,131 | 15,619 | 5,760,651 |

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 33 SEGMENTAL ANALYSES (CONTINUED)

| | Cold Rolled Coil RM | Steel Tube RM | Others RM | Total RM |
|---|---|---|---|---|
| 2025 | | | | |
| Revenue | | | | |
| Total revenue | 498,743,290 | 244,983,954 | 7,960,346 | 751,687,590 |
| Inter segment | (21,844,294) | - | (7,960,346) | (29,804,640) |
| External revenue | 476,898,996 | 244,983,954 | - | 721,882,950 |
| Segmented by steel products: | | | | |
| - cold rolled coils | 465,300,601 | - | - | 465,300,601 |
| - steel tube and pipes | - | 241,275,855 | - | 241,275,855 |
| - scraps | 11,228,802 | 1,854,298 | - | 13,083,100 |
| Processing service income | 369,593 | 1,853,801 | - | 2,223,394 |
| External revenue | 476,898,996 | 244,983,954 | - | 721,882,950 |

| | Cold Rolled Coil RM | Steel Tube RM | Total RM |
|---|---|---|---|
| 2025 | | | |
| Year-to-Date Revenue by Geographic Areas | | | |
| Malaysia | 339,295,196 | 214,212,751 | 553,507,947 |
| ASEAN | - | 28,964,374 | 28,964,374 |
| Non-ASEAN | 137,603,800 | 1,806,829 | 139,410,629 |
| Total External Revenue | 476,898,996 | 244,983,954 | 721,882,950 |

* ASEAN: Association of South East Asian Nations

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

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 33 SEGMENTAL ANALYSES (CONTINUED)

| | Cold Rolled Coil RM | Steel Tube RM | Others RM | Total RM |
|---|---|---|---|---|
| 2025 | | | | |
| Segment results | | | | |
| Profit from operations | 7,780,398 | (3,830,826) | 536,322 | 4,485,894 |
| Loss on investment in quoted shares | (400,000) | (400,000) | - | (800,000) |
| Finance income | 1,095,459 | 484,667 | 3,207 | 1,583,333 |
| Interest on borrowings | (2,926,634) | (3,241,319) | - | (6,167,953) |
| Interest on lease liabilities | - | (661,903) | - | (661,903) |
| Total profit/(loss) before tax | 5,549,223 | (7,649,381) | 539,529 | (1,560,629) |
| Consolidation elimination ^ | 817,259 | - | - | 817,259 |
| External profit/(loss) before tax | 6,366,482 | (7,649,381) | 539,529 | (743,370) |
| Tax expense | (1,703,723) | 1,367,381 | (215,359) | (551,701) |
| Net profit/(loss) after tax | 4,662,759 | (6,282,000) | 324,170 | (1,295,071) |
| Total segment assets | 481,716,248 | 271,054,647 | 226,042,313 | 978,813,208 |
| Consolidation elimination * | (26,227,264) | (19,505,420) | (222,934,779) | (268,667,463) |
| Net segment assets | 455,488,984 | 251,549,227 | 3,107,534 | 710,145,745 |

^ Related to elimination of unrealised profit on closing inventories (RM0.8 million).

* Major items included intercompany balances elimination (RM37.2 million), elimination of cost of investment (RM222.0 million), elimination of goodwill from the Steel Tube subsidiary (RM7.5 million), elimination of unrealised profit on closing inventories (RM0.4 million) and elimination of deposit (RM1.6 million).

| | Cold Rolled Coil RM | Steel Tube RM | Others RM | Total RM |
|---|---|---|---|---|
| 2025 | | | | |
| Other information | | | | |
| Depreciation on property, plant and equipment | 10,245,032 | 3,439,325 | 73,194 | 13,757,551 |
| Depreciation on ROU assets | - | 4,950,905 | - | 4,950,905 |
| Impairment/(Reversal) on property, plant and equipment | 1,011,621 | (320,718) | - | 690,903 |
| Additions of property, plant, and equipment | 5,766,884 | 3,286,868 | 19,455 | 9,073,207 |

## 33 SEGMENTAL ANALYSES (CONTINUED)

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

| | 2026 RM | 2025 RM |
|---|---|---|
| Segment assets | 683,450,591 | 710,145,745 |
| Deferred tax assets | 801,837 | 809,670 |
| Derivative financial assets | 1,303,514 | 473,723 |
| Current tax recoverable | 1,186,151 | 3,095,832 |
| | 686,742,093 | 714,524,970 |

Information about major customers

Revenue from two major customers amounting to RM49.5 million (2025: RM92.4 million) and RM97.6 million (2025: RM86.5 million) contributed to 19% (2025: 25%) of the Group's revenue. These two major customers are each from the Cold Rolled Coil segment and the Steel Tube segment.

## 34 FINANCIAL GUARANTEES

As at 30 June 2026, 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 RM Nil (2025: RM40.0 million) and RM41.6 million (2025: RM36.5 million) respectively.

## 35 LITIGATION, COMMITMENT AND CONTINGENCY

(a) Litigation

(i) Cold Rolled Coil (700-1,300mm) (South Korea & Vietnam)

On 29 November 2023, the Company's Cold Rolled Coil subsidiary ("CRC Subsidiary") was granted leave by the Kuala Lumpur High Court to commence judicial review proceedings challenging the decision of the Ministry of Investment, Trade and Industry ("MITI") to remove the anti-dumping duties imposed on CRC imported from South Korea and Vietnam. Concurrently, the High Court granted a stay of MITI's decision pending the final outcome of the proceedings. Following the filing, certain South Korean and Vietnamese parties (which were not originally named in the action) applied to intervene and for redaction. The Court subsequently set timelines for the applicants, respondents and interveners to complete the filing of affidavits, affidavits in reply and written submissions. The hearing of the judicial review application, originally fixed for 8 May 2025, has since been re-scheduled on several occasions, with case management sessions held in between (8 December 2025; 11 March 2026 case management; 18 May 2026 case management; and hearings on 22 June 2026 and 22 July 2026). It is presently fixed for hearing on 21 September 2026.

(ii) Narrow Cold Rolled Coil (below 700mm) (China)

On 29 September 2025, the CRC Subsidiary filed an anti-dumping petition with MITI in respect of imports of narrow cold rolled coil (below 700mm) originating from China, that circumvents existing antidumping duties on larger sizes. MITI rejected the petition on 28 October 2025 on the grounds that the petitioner does not produce such smaller sizes. On 27 January 2026, the CRC Subsidiary filed an application for judicial review at the Kuala Lumpur High Court in respect of MITI's determination. On 23 June 2026, the High Court granted the CRC Subsidiary leave to proceed with the judicial review and the hearing has been scheduled for 23 February 2027.

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 35 LITIGATION, COMMITMENT AND CONTINGENCY (CONTINUED)

(a) Litigation (continued)

(iii) Anti-Dumping Investigation (Mexico)

On 16 February 2026, the Mexican investigating authority (Unidad de Prácticas Comerciales Internacionales, "UPCI") initiated an anti-dumping investigation into imports of cold rolled coil from three countries, including Malaysia, covering the period of investigation from 1 April 2024 to 31 March 2025. Although the Group's presence in the Mexican market has been limited since 2025, following Mexico's broad revision of its steel mill registrations which gave rise to uncertainty among importers on the importation requirements, the CRC Subsidiary elected to participate in the proceedings, having regard to the Group's interests and Malaysia's position under the CPTPP, to which both nations are parties. As advised by the Group's Mexican counsel, the mill-registration requirement applies only to primary mills and not to the CRC Subsidiary as a re-roller. The CRC Subsidiary has appointed trade counsel in Mexico and, on 24 April 2026, filed its exporter's questionnaire response setting out its fair-trade and market-aligned pricing position. Based on the current procedural timeline, a preliminary determination is expected around October/November 2026 (which may be subject to change), with a final determination due by 16 August 2027. The matter is progressing in the ordinary course, with the final determination expected in due course.

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.

(b) Commitment

On 15 June 2026, the Group's Steel Tube subsidiary entered into a conditional Sale and Purchase Agreement (SPA) with its ultimate parent -Melewar Industrial Group Bhd (MIGB or the Vendor)- to acquire a parcel of leasehold industrial land held under PN 121387, Lot 10461 together with factory-buildings erected thereon ("the Property") for a cash consideration of RM30.00 million. The Property is currently tenanted on rental-basis by the Steel Tube subsidiary for its pipe-manufacturing operations known as Factory-3 (See Note 14).

Approximately 80% of the purchase consideration will be financed through external borrowings, while the remaining 20% will be settled under a deferred payment arrangement. The proposed acquisition was approved by the Board of Directors on 17 April 2026. See Note 38 for Subsequent Event update.

Besides the above, the Group's Cold Rolled Coil subsidiary and Steel Tube subsidiary have outstanding capital commitments that have been approved and contracted for of around RM1.4 million and RM0.9 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.

(c) Contingency

The Directors are not aware of any other circumstances or developments giving rise to contingent liabilities or assets warranting disclosure.

# Notes to the Financial Statements

For the Financial Year Ended 30 June 2026 (Continued)

## 36 FINANCIAL INSTRUMENTS BY CATEGORY

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | At amortised cost RM | Fair value through profit or loss RM | At amortised cost RM | Fair value through profit or loss RM |
| Group | | | | |
| Financial assets per statement of financial position: | | | | |
| Current assets: | | | | |
| Financial assets at fair value through profit or loss | - | 2,400,000 | - | 1,800,000 |
| Derivative financial assets | - | 1,303,514 | - | 473,723 |
| Receivables and deposits | 83,814,705 | - | 85,248,975 | - |
| Cash and cash equivalents | 63,995,262 | - | 56,173,663 | - |
| Amount due from ultimate holding company | 1,204,789 | - | 1,685,000 | - |
| Total financial assets | 149,014,756 | 3,703,514 | 143,107,638 | 2,273,723 |
| Financial liabilities per statement of financial position: | | | | |
| Current liabilities: | | | | |
| Derivative financial liabilities | - | 396,073 | - | 566,693 |
| Payables and accrued liabilities (excluding derivatives and payroll liabilities) | 35,692,717 | - | 52,503,590 | - |
| Borrowings | 39,890,448 | - | 77,992,518 | - |
| Lease liabilities* | 4,749,672 | - | 4,560,101 | - |
| Amount due to ultimate holding company | - | - | 6,561 | - |
| Amount due to a related company | 91,998 | - | 212,123 | - |
| Non-current liabilities: | | | | |
| Borrowings | 3,543,013 | - | 1,422,247 | - |
| Lease liabilities* | 4,527,124 | - | 9,276,797 | - |
| Total financial liabilities | 88,494,972 | 396,073 | 145,973,937 | 566,693 |

* 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 2026 (Continued)

## 36 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | At amortised cost RM | Fair value through profit or loss RM | At amortised cost RM | Fair value through profit or loss RM |
| Company | | | | |
| Financial assets per statement of financial position: | | | | |
| Current assets: | | | | |
| Financial assets at fair value through profit or loss | - | 2,400,000 | - | 1,800,000 |
| Receivables and deposits | 6,733 | - | 51,908 | - |
| Cash and cash equivalents | 999,862 | - | 1,012,499 | - |
| Amounts due from subsidiaries | 701,760 | - | 960,930 | - |
| Total financial assets | 1,708,355 | 2,400,000 | 2,025,337 | 1,800,000 |
| Financial liabilities per statement of financial position: | | | | |
| Current liabilities: | | | | |
| Payables and accrued liabilities (excluding payroll liabilities) | 151,806 | - | 117,294 | - |
| Amounts due to subsidiaries | 5,158,335 | - | 5,377,273 | - |
| Total financial liabilities | 5,310,141 | - | 5,494,567 | - |

## 37 MANAGEMENT-DEFINED PERFORMANCE MEASURE (MPM)

Management uses earnings before interest, taxes, depreciation and amortisation (EBITDA) as a MPM to monitor operating performance and assess the cash-generating ability of the Group's core business. It provides a clearer view of operational profitability by eliminating the effect of non-cash items from earnings. Management believes this MPM provides valuable insight into the Group's core operational profitability and allows stakeholders to better evaluate the Group's ability to generate cash from its core business.

The reconciliation of EBITDA to Operating Profit for the Group is as follows:

| | 2026 RM'000 | Tax effect [(a)] RM'000 | 2025 RM'000 | Tax effect [(a)] RM'000 |
|---|---|---|---|---|
| EBITDA (MPM) | 33,363 | | 19,427 | |
| Total Depreciation (excluding right-of-use assets for rented properties) | (14,836) | (3,433) | (14,245) | (3,419) |
| Impairment on property, plant and equipment | (34) | (8) | (691) | (166) |
| Reversal of impairment of other debtors | 3 | 1 | 12 | 3 |
| (Gain)/Loss on investment in quoted shares | (600) | (144) | 800 | 192 |
| | (15,467) | (3,584) | (14,124) | (3,390) |
| Operating profit | 17,896 | | 5,303 | |

[(a)] The tax effect is calculated based on the statutory tax rate applicable in Malaysia at the end of 2026 and 2025, at 24%.

## 38 SUBSEQUENT EVENT

Further to the Group's Steel Tube subsidiary's SPA to acquire the Factory-3 Property from its ultimate holding company on 15 June 2026 (see Note 35(b)), the Group has on 8 September 2026 obtained its shareholders' approval for the acquisition; and has on 15 September 2026 secured a bank loan of RM24 million (with a repayment tenure over 120 instalments) to finance 80% of the purchase price. On 2 October, the SPA becomes unconditional when the last of the Condition Precedents relating to the Selangor State's consent to charge the land-title to the lending bank was granted. The management expects the transaction to complete within October 2026.

# Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the SC. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

**(a) Group Total Income and Total Assets**

| | Group | |
|---|---|---|
| | 2026 | 2025 |
| **Total Income** | RM | RM |
| Revenue | 763,995,464 | 721,882,950 |
| Other income | 879,090 | 601,791 |
| Interest income | 1,818,320 | 1,583,333 |
| **Total** | 766,692,874 | 724,068,074 |
| **Total Assets** | 686,742,093 | 714,524,970 |

**(b) Business Activities**

| | Group | |
|---|---|---|
| | 2026 | 2025 |
| **Shariah Non-Compliant Activities** | RM | RM |
| Interest income (conventional) | 1,486,389 | 1,312,702 |
| **Total** | 1,486,389 | 1,312,702 |

**(c) Component of Financial Position**

**(i) Cash Component**

| | Group | |
|---|---|---|
| | 2026 | 2025 |
| **Islamic Account/Instruments** | RM | RM |
| Cash at bank (exclude cash in hand) | 1,831,348 | 2,510,329 |
| **Total** | 1,831,348 | 2,510,329 |

| | Group | |
|---|---|---|
| | 2026 | 2025 |
| **Conventional Account/Instruments** | RM | RM |
| Cash at bank (exclude cash in hand) | 15,150,737 | 26,833,201 |
| Cash in hand | 1,713 | 7,145 |
| Deposit with licensed bank | 47,011,464 | 26,822,988 |
| **Total** | 62,163,914 | 53,663,334 |

# Disclosure of Financial Data for Shariah Screening

**(c) Component of Financial Position (continued)**

**(ii) Debt Component**

| Islamic Financing | Group 2026 RM | Group 2025 RM |
|---|---|---|
| **Current** | | |
| Banker's acceptances | 6,230,000 | 9,280,000 |
| Bank borrowings | 2,751,959 | 8,038,578 |
| **Non-Current** | | |
| Bank borrowings | 2,968,859 | - |
| **Total** | 11,950,818 | 17,318,578 |

| Conventional Borrowing | Group 2026 RM | Group 2025 RM |
|---|---|---|
| **Current** | | |
| Banker's acceptances | 29,680,000 | 59,150,000 |
| Hire purchase payables | 1,228,489 | 1,523,940 |
| **Non-Current** | | |
| Hire purchase payables | 574,154 | 1,422,247 |
| Total | 31,482,643 | 62,096,187 |

# 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) | 36 | 123,300,000 |
| Lot 53, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor | 22.5.2078 | Factory cum office building | 196,301 sq.ft. (4.51 acres) | 35 | 34,000,000 |

Note: The above property was revalued in 2026

* Based on surveyed land area.

^ From the date of Certificate of Fitness for Occupation.

PART 2

MYCRON STEEL BERHAD

# **Advancing** Steel.
# **Sustaining** Tomorrow.




## Sustainability Report FY2026

# INSIDE THIS REPORT

Who We Are 3
About This Report 4
Message From Leadership 5
Awards, Recognitions & Certifications 7
FY2026 Sustainability Highlights 8
Our Sustainability Journey 9

**Our Sustainability Approach**

Sustainability Governance Structure 10
Sustainability Framework 12
Sustainability Policy 13
Creating Value Through Stakeholder Engagement 14
Materiality Assessment 18
Managing Our Sustainability-related Risks and Opportunities 20
FY2026 Sustainability Targets and Performance 29

**Driving the Transition Towards Carbon Neutral Steel Manufacturing**

Climate Change and Energy Management 32
Circular Economy and Waste Management 52
Pollution and Effluent Management 56
Water Stewardship 63

**Advancing Workforce Well-Being & Positive Community Impact**

Occupational Health and Safety 68
Human Rights and Labour Standards 75
Employee Development and Well-Being 79
Community Engagement 87

**Upholding Transparency, Integrity & Strong Governance Culture**

Corporate Governance and Business Ethics 93
Regulatory Compliance 96
Risk Management 97
Data Privacy and Cybersecurity 99

**Delivering Sustainable Business Value through Responsible Supply Chain & Quality Excellence**

Economic Performance 101
Responsible Supply Chain Management 102
Product Quality and Customer Responsibility 104

**Appendices**

Independent Assurance Statement 106
GHG Verification Statement 108
Bursa Prescribed Table 110
GRI Content Index 114
IFRS Content Index 117
SASB Disclosure Index 121



# Who We Are

Mycron Steel Berhad ("Mycron" or "the Group") encompasses the combined operations of three subsidiaries, namely Mycron Steel CRC Sdn Bhd ("MCRC"), Melewar Steel Tube Sdn Bhd ("MST") and Silver Victory Sdn Bhd ("SV"). MCRC is Malaysia's first Cold Rolled Coil ("CRC") manufacturer, while MST is a leading producer of steel pipes and tubes. Together with SV's steel trading activities, the Group provides a comprehensive range of midstream and downstream steel products to diverse industries, including automotive, electrical and electronics, furniture, construction and engineering.

Since its listing on Bursa Malaysia in 2004, Mycron has established a strong market presence, supported by integrated manufacturing operations and value-added services such as customised slitting and shearing. Guided by our core values of integrity, reliability and innovation, we remain focused on operational excellence, product quality and customer-centric solutions while building enduring relationships with our stakeholders. Building on our established industrial capabilities, Mycron continues to strengthen its position within Malaysia's steel value chain while advancing responsible and sustainable growth to create long-term value for our stakeholders.




# Our Sustainability **Positioning**

As a steel manufacturer operating within an energy-intensive industry, Mycron recognises the importance of strengthening the resilience and sustainability of our operations as the transition towards a low-carbon economy accelerates. Our sustainability approach focuses on reducing the environmental footprint of our operations, improving resource and energy efficiency, strengthening responsible business practices and progressively supporting the transition towards carbon neutral manufacturing.

Sustainability considerations are progressively integrated into the Group's Enterprise Risk Management ("ERM") processes, operational practices and strategic planning. This includes managing our climate and environmental impacts, promoting circularity, safeguarding our workforce, strengthening responsible supply chain practices and maintaining oversight of material sustainability-related risks and opportunities ("SRROs") and climate-related risks and opportunities ("CRROs").

In FY2026, we advanced our identification of CRROs through the qualitative climate scenario analysis across global warming pathways to better understand how climate developments may influence our business resilience, operational performance and long-term financial planning. We also established our Climate Transition Pathway, supported by defined emissions reduction targets and decarbonisation initiatives across energy efficiency, renewable energy, electrification and emerging low-carbon technologies.

Our progress is complemented by greater product-level environmental transparency, including Life Cycle Assessments ("LCAs"), independently verified Environmental Product Declarations ("EPDs") and the European Union's Carbon Border Adjustment Mechanism ("CBAM"), enabling customers and stakeholders to better understand the environmental performance of our steel products. Together, these efforts strengthen Mycron's readiness for evolving sustainability expectations while supporting the Group's long-term resilience, competitiveness and sustainable growth.

# About this **Report**

## Reporting Scope and Boundary

This Mycron Sustainability Report FY2026 presents the Group's performance across Economic, Environmental, Social and Governance ("EESG") matters for the reporting period from 1 July 2025 to 30 June 2026 ("**FY2026**"), with three years of historical performance data presented where available to provide meaningful comparison and track progress over time.

The reporting scope encompasses all of the Group's business activities and operations in Malaysia, covering the cold-rolled coil, steel tubes and pipes, and trading business segments. The sustainability reporting boundary is aligned with the Group's financial reporting boundary and encompasses the same group of entities included in Mycron's financial statements, providing consistency across the Group's corporate reporting.




## Reporting Frameworks & Guidelines

The Sustainability Report has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements ("MMLR") and with reference to the Global Reporting Initiative ("GRI") Standards 2021, FTSE Russell ESG Data Model, International Financial Reporting Standards ("IFRS") S1 and S2, Sustainability Accounting Standards Board ("SASB"), and the United Nations Sustainable Development Goals ("UN SDGs").

## Memberships & Associations

We maintain active participation in relevant industry associations to stay abreast of sector developments, strengthen industry collaboration, and contribute to the continued advancement and sustainable growth of Malaysia's iron and steel industry.

| Industry Association | Key Personnel | Role |
|---|---|---|
| **Malaysian Iron and Steel Industry Federation ("MISIF")** | Mr Roshan M. Abdullah | President |
| **Federation of Malaysian Manufacturers ("FMM")** | | Member |

## Statement of Assurance

To support the accuracy and reliability of the Sustainability Report, Mycron engaged SGS Malaysia to provide independent limited assurance on selected sustainability indicators covering the following in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), ISAE 3410 and GHG Protocol Corporate Accounting and Reporting Standard: -

1) Total energy consumption (GJ)
2) Total waste generated (tonnes)
3) Total volume of water used (ML)
4) Scope 1 GHG emissions ($tCO_2e$)
5) Scope 2 GHG emissions ($tCO_2e$)
5) Scope 3 GHG emissions ($tCO_2e$)
   - Category 6: Business travel
   - Category 7: Employee commuting

## Feedback

Mycron welcomes feedback of our stakeholders as we continue to strengthen our sustainability practices and reporting. Please feel free to contact us at:

**Address:**
Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor

**Email:**
sustainability@mycronsteel.com
**Tel:** 03-5510 6608

# MESSAGE FROM LEADERSHIP



**At Mycron, sustainability is integral to how we strengthen our operations, advance responsible steel manufacturing and build a more resilient business for the future.**

**Roshan M. Abdullah**
Group Chief Executive Officer
Mycron Steel Berhad

## Dear Valued Stakeholders,

The steel industry continues to navigate a challenging operating environment, shaped by persistent global overcapacity, intense import competition, rising energy costs and increasingly stringent environmental and trade requirements. These developments are reshaping the competitive landscape and reinforcing the importance of operational efficiency, adaptability and long-term business resilience.

Against this backdrop, Mycron remained resilient, delivering strong operational and financial performance in FY2026 while advancing our sustainability priorities. Our focus remains on strengthening operational efficiency, pursuing economically viable decarbonisation initiatives, enhancing workplace health and safety, and reducing the environmental footprint of our operations.

A notable achievement this year was the Group's 4-star FTSE4Good ESG Rating, reflecting our continued progress in strengthening sustainability practices and governance.

## Advancing Our Climate Transition

A significant milestone during the year was the establishment of Mycron's Climate Transition Pathway, setting out a structured approach towards our ambition of achieving net zero emissions by 2050. The pathway established measurable targets to reduce Scope 1 and Scope 2 emissions intensity by 25% by FY2029, 40% by FY2035 and 90% by FY2050, relative to our FY2019 baseline.

Our approach to decarbonisation prioritises technically feasible and commercially viable solutions, focusing on energy efficiency, renewable energy and the progressive adoption of low-carbon technologies. Through continued investments to reduce the carbon intensity of our operations, we aim to create long-term value, contribute to Malaysia's decarbonisation goals, and advance our ambition to produce low-carbon steel products.

In FY2026, our Scope 1 and Scope 2 emissions intensity decreased by 6% year-on-year to 0.107 $tCO_2e$/t, representing a cumulative reduction of 18% against our FY2019 baseline. This improvement reflects continued progress in improving the carbon efficiency of our operations.

As climate regulations and market expectations evolve, we are moving towards a more structured approach to climate action. In FY2026, we conducted our first qualitative climate scenario analysis to assess climate risks and their potential implications on our operations, value chain and financial resilience. These insights strengthen the integration of climate considerations into our business strategy, risk management and investment decisions.

To reinforce our long-term commitments, the Group established its Sustainability Policy, setting out our principles in environmental stewardship, responsible business practices and sustainable growth.

**5000 MWh** renewable energy generated, contributing **2,925 $tCO_2e$** carbon avoidance

**99%** waste diversion achieved in FY2026

# MESSAGE FROM LEADERSHIP

## Strengthening Sustainability Governance and Business Resilience

In FY2026, we continued to strengthen our sustainability governance framework, embedding sustainability- and climate-related considerations into our strategic planning, risk management and investment decisions. This includes integrating relevant sustainability performance indicators into management scorecards and remuneration-linked KPIs, reinforcing accountability across the Group.

In parallel, we enhanced our sustainability disclosures in line with the NSRF and progressively aligned our reporting with IFRS S1 and IFRS S2. Supported by stronger data governance and regular oversight of climate-related matters, these efforts aim to improve reporting transparency, strengthen stakeholder confidence and support the Group's long-term resilience.

In FY2026, both our manufacturing subsidiaries, MCRC and MST, successfully attained ISO 45001:2018 certification, reinforcing our commitment to a safe and healthy working environment. Both subsidiaries also maintain ISO 9001 and ISO 14001 certifications, while MCRC additionally holds ISO 50001 Energy Management System certification.

## Putting Our People and Safety First

Our people remain central to Mycron's success, and above all our priorities, their health and safety remain paramount. We are committed to fostering a safe, respectful and inclusive workplace.

In FY2026, we regrettably recorded a work-related fatality involving one of our employees during product delivery at a third-party premises, outside the Group's operational sites. My thoughts and deepest sympathies are with the family affected by this loss. Following the incident, corrective and preventive measures were implemented to address the identified risks and prevent recurrence. We remain committed to achieving zero fatalities and serious injuries through continuous improvements in our safety practices.

**1.75**
Lost Time Injury Rate ("LTIR") in FY2026

Beyond workplace safety, we continued to prioritise employee development, well-being and responsible labour practices, while extending our commitment to the wider community through initiatives that benefitted over 2,000 individuals in FY2026.

## Building Confidence Through Product Transparency

As sustainability expectations increasingly influence purchasing decisions and international trade, the ability to provide credible and transparent environmental information is becoming an important aspect of competitiveness.

During the year, Mycron advanced its product-level environmental disclosures through independently verified EPDs and the European Union's CBAM.

## Looking Forward

As an active participant in Malaysia's steel industry, we recognise that decarbonisation and the transition towards carbon neutrality require collective action across the entire steel value chain. The success of this transition depends not only on steel manufacturers, but also on the commitment of both the public and private sectors to specify and procure low-carbon steel. Creating market demand is critical to making this transition commercially viable and sustainable. Through our involvement in MISIF and FMM, we continue to advocate for policies that strengthen local competitiveness, support industry decarbonisation and address emerging carbon-related trade requirements.

Building on the progress made in FY2026, we will continue investing in decarbonisation initiatives, improving resource efficiency, and adapting to evolving market expectations, while balancing our sustainability ambitions with business competitiveness and long-term value creation.

On behalf of the Board and Management, I extend my sincere appreciation to our employees, shareholders, customers, business partners and other stakeholders for their continued trust and support.

Together, we will continue building a more resilient, competitive and sustainable Mycron.

# Awards, Recognitions & Certifications

Mycron remains committed to advancing responsible and sustainable business practices across our operations. Our continued progress in strengthening EESG performance has been recognised through various external assessments, industry awards, and certifications over the years. These achievements reflect the Group's ongoing efforts to enhance sustainability performance, strengthen transparency, and create long-term value for our stakeholders.

## FY2026 ESG Performance

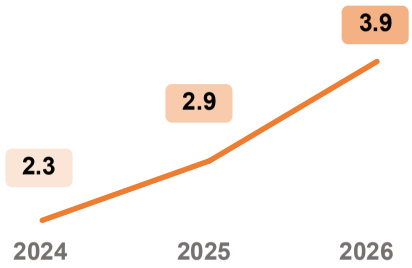
FTSE4Good

**FTSE4Good Recognition**

★★★★

Achieved a **4-Star** FTSE4Good ESG Rating in 2026, reflecting a 35% improvement from the previous year and placing Mycron among the **Top 25%** of companies globally.

**Our ESG Progress**




**International Organisation for Standardisation**

- ✓ ISO 9001:2015
- ✓ ISO 14001:2015
- ✓ ISO 45001:2018
- ✓ ISO 50001:2018

## Past Awards




**National Energy Awards ("NEA") 2021 & 2024**
***Energy Management in Large Industry Category***

Mycron's wholly-owned subsidiary, MCRC, received national recognition at the National Energy Awards ("NEA") in 2021 and 2024 under the Energy Management in Large Industry category. These achievements reflect the Group's continued efforts to strengthen operational energy efficiency and its management, supporting Malaysia's energy transition agenda and Mycron's Climate Transition Pathway.

**NEA 2024 | Compressed Air & System Upgrade**

- **RM 1.26 million** *Annual Energy Cost Savings*
- **2,532 t$CO_2e$** *Annual Carbon Savings*

**NEA 2021 | Continuous Pickling Line ("CPL") Automation**

- **RM 1.8 million** *Annual Energy Cost Savings*
- **9,386 t$CO_2e$** *Annual Carbon Savings*



# FY2026 Sustainability **Highlights**

## ENVIRONMENTAL

### Overall Emissions Intensity

**107 kg$CO_2$e/tonne**
representing an 18% decrease compared to FY2019 baseline

### Annualised Energy & Carbon Savings

**5000 MWh** generated across our solar panel installations, resulting in **2925 t$CO_2$e** carbon avoidance

### Waste Diversion

**67 kg/t**
of waste generation intensity

Diverted **99%** of waste from landfills

### Water

**0.34 $m^3/t$**
of net water consumption intensity

**44%**
municipal water dependency reduction

## ECONOMIC

### Procurement

**89%** of total local procurement, amounting to **RM 41.8 million**

**100%**
of Tier 1 suppliers assessed against ESG criteria

**15 products**
certified with SIRIM Eco-Labelling Scheme and MyHIJAU Mark

**5 products**
certified with SustainBuild Mark

## GOVERNANCE

**100%**
operations assessed for corruption-related risks

**Zero** human rights violations

**100%** employees trained on anti-corruption

**Zero** substantiated complaints related to customer privacy breaches and data loss

**100%**
manufacturing sites certified with
**ISO 45001:2018 – OHSMS**
**ISO 14001:2015 – EMS**
**ISO 9001:2015 - QMS**

**MCRC**
certified with
**ISO 50001:2018 – EnMS**

## SOCIAL

### Community Investment

**RM 73,170** invested in local communities, impacting **2,197 beneficiaries**

### Safety

**1.75**

### Employee Turnover Rate

**15.9%**

### Training Hours

**5,076** hours invested in employee training and development programmes, achieving **11.13** hours per employee

# Our Sustainability Journey

## 2014 – 2020
### Building The Foundation

- Achieved ISO 14001 Environmental Management System certification in 2014
- Published Mycron's inaugural Sustainability Statement in 2019, aligned with Bursa Malaysia's Main Market Listing Requirements and GRI Standards
- Obtained SIRIM Eco-Label certification

## 2021
### Advancing Resource Efficiency

- Achieved MyHIJAU certification
- Commissioned the Acid Regeneration Plant ("ARP"), reducing generated waste
- Commissioned the first phase of solar PV operation
- Awarded the NEA 2021 award

## 2022 - 2023
### Embedding Sustainability

- Commenced operations of Rainwater Harvesting System
- Commenced second phase of solar PV operation
- Published inaugural stand-alone Sustainability Report, aligning with TCFD
- Obtained ISO 50001 Energy Management certification
- Further enhanced Sustainability Report, aligning with UN SDG goals
- Conducted the first formal materiality assessment, expanding to 11 material matters

## 2024 - 2025
### Accelerating ESG Integration

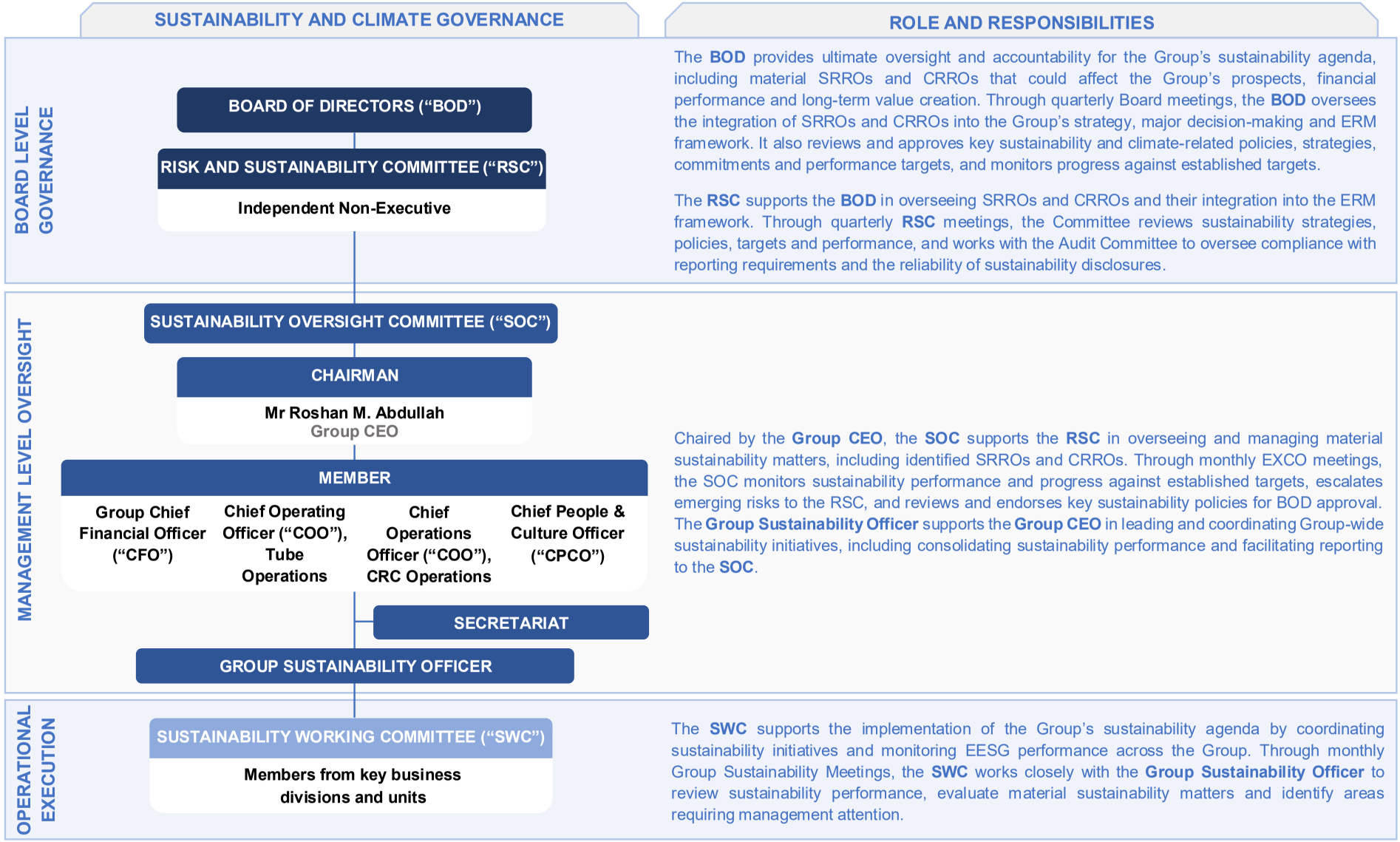
- Awarded the NEA 2024 award for Large Industry category
- Collaborated with Universiti Teknologi Malaysia ("UTM") for the development of the GHG Accounting System
- Signed a MoU with JFE Steel for supplying green steel products
- Launched the Supplier ESG Assessment Programme, prioritising Tier 1 suppliers
- Improved FTSE ESG Rating from 2.3 to 2.9
- Commenced alignment with IFRS S1 and S2 standard disclosure requirements

## 2026
### Transitioning Towards a Low-Carbon Future

- Developed Mycron's Climate Transition Pathway, establishing Scope 1 and 2 emissions reduction targets across defined time horizons
- Completed a comprehensive financial materiality assessment, expanding to 15 material matters
- Established emissions, water and waste reduction targets with defined baseline years
- Published the first pre-verified CBAM, EPD and LCA reports
- Improved FTSE ESG Rating from 2.9 to 3.9, achieving a 4-star rating
- MST became Malaysia's first steel pipe manufacturer to achieve SustainBuild Mark certification

# Sustainability **Governance Structure**

Our sustainability governance structure ensures that sustainability is embedded into strategy, operations, and risk management, led by the Board of Directors, Risk and Sustainability Committee, and Sustainability Oversight Committee. This structure enables us to address EESG risks while upholding transparency, accountability and long-term value creation. With clear oversight, we ensure our actions align with stakeholder expectations, national priorities, and global standards.

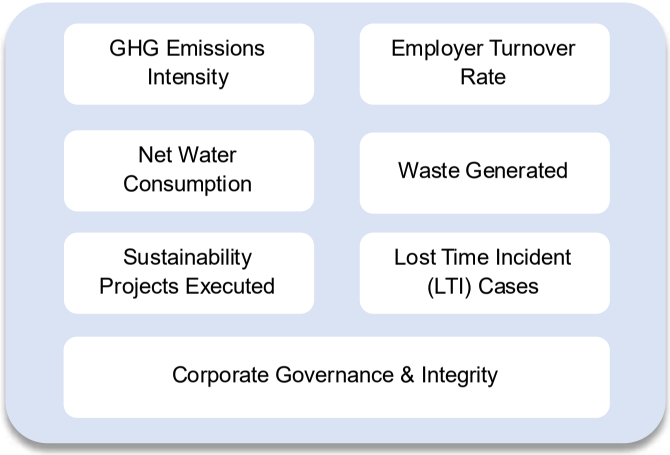


## Building Competencies

Mycron's BOD members continue to strengthen their sustainability and climate-related competencies through relevant training and development programmes, supporting effective oversight, and informed decision-making. This includes participation in the Mandatory Accreditation Programme Part II, which enhances directors' understanding of sustainability governance, risks and opportunities, and evolving sustainability reporting requirements.

## Linking ESG to Remuneration

Selected sustainability and climate-related performance metrics are incorporated into the performance assessments of the Group CEO, relevant executive and operating management, and the Group Sustainability Officer.




Moving forward, the Group intends to further formalise the integration of climate-related considerations within its remuneration framework, including clearer role-specific climate performance measures and defined linkages between performance outcomes and remuneration. Additionally, progress towards our established emissions reduction targets will also be included as part of performance-linked compensation considerations. This will strengthen accountability for the delivery of the Group's Climate Transition Pathway and long-term climate objectives.

# SUSTAINABILITY **FRAMEWORK**

Our Sustainability Framework aligns Mycron's strategic objectives with our broader sustainability goals, guiding the integration of sustainability considerations into business activities and decision-making. The Framework is structured around four pillars, EESG, reflecting the key areas of impact across our operations and supporting long-term value creation for our stakeholders.




**Our Key Stakeholders**

Government & Regulatory Authorities | Industry Association | Shareholders & Investors | Financial Institutions | Suppliers | Customers | Employees & Unions | Local Communities

# SUSTAINABILITY **POLICY**

At Mycron, sustainability means producing high-quality products safely, efficiently and responsibly. We are committed to creating long-term value by integrating EESG considerations into our operations and decision-makings.

## OUR SUSTAINABILITY GOAL

**Safe People. Quality Products. Greener Operations. Responsible Business**

## OUR SUSTAINABILITY TARGETS

- **↓ 25%** in Scope 1 and 2 net emissions **BY 2029**
- **↓ 40%** in Scope 1 and 2 net emissions **BY 2035**
- **Net Zero** emissions **BY 2050**
- **Zero Waste** to Landfill **BY 2050**

## OUR KEY SUSTAINABILITY COMMITMENTS

**E**

- Meet customer requirements by preventing defects, delays, reworks and unnecessary costs
- Work with responsible and ethical suppliers, vendors and contractors
- Consider cost, quality, safety and environmental impacts in business and investment decisions

**E**

- Save energy and support renewable solutions, where possible
- Use hot-rolled coils (“HRC”), consumables and water responsibly and efficiently
- Reduce, reuse and recycle materials to support our Zero Waste to Landfill goal
- Follow all applicable environmental laws, regulations and other obligations in your daily work

**S**

- Follow safety protocols, attend training and help prevent workplace injuries and risks
- Treat everyone fairly and respectfully, and speak up against discrimination, harassment and unfair treatment
- Support community initiatives and volunteer activities that benefit local communities

**G**

- Follow the law, company policies and ethical business practices
- Identify and report sustainability risks promptly and take appropriate action
- Consider sustainability and climate impacts in business decisions and planning

## CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

At Mycron, we recognise that meaningful stakeholder engagement is essential to understanding the expectations, concerns, and priorities of those who influence or are affected by our operations. Through regular engagement, we maintain open communication, identify emerging matters, and incorporate relevant stakeholder perspectives into our decision-making and sustainability priorities, supporting responsible and sustainable growth.

### SHAREHOLDERS & INVESTORS

**Why They Matter?**

Shareholders and investors provide the capital and confidence that support the Group's financial resilience, strategic investments, and long-term value creation.

**Key Concerns**

- Financial and operational performance, profitability, and return on investment
- Business strategy, growth prospects, and long-term value creation
- Corporate governance, regulatory compliance, and effective risk management
- Transparent sustainability performance
- Sustainability strategy, including climate-

**Our Responses**

- Provide transparent and timely updates on financial and sustainability performance through Annual Report
- Maintain sound corporate governance practices, internal controls, and regulatory compliance
- Engage shareholders and investors through annual general meetings and corporate announcements
- Communicate key business developments, strategic initiatives, and operational performance
- Identify and manage sustainability and climate risks through the Group's ERM

**Engagement Platform**

- A Annual reports
- Q Financial reports
- A General meetings
- AR Analyst and investor briefings
- AR Corporate website

### GOVERNMENT & REGULATORY AUTHORITIES

**Why They Matter?**

Government and regulatory authorities establish the legal and regulatory frameworks that govern the Group's operations. Ongoing engagement enables Mycron to maintain compliance, stay informed of evolving requirements, and align its operations with applicable industry and sustainability standards.

**Key Concerns**

- Compliance with applicable laws, regulations, licences, and permits
- Health, safety, and environment ("HSE") regulatory compliance
- Corporate governance, ethical business conduct, and anti-corruption practices
- Transparent reporting and disclosures

**Our Responses**

- Ensure compliance with applicable laws and regulations
- Maintain required product and operational certifications, licences, and permits
- Periodically update policies and procedures in response to regulatory changes
- Uphold ethical business and anti-corruption practices through adherence to the Group's Anti-Corruption/Anti-Fraud Framework, supported by awareness and training
- Engage with relevant regulators to support timely adaptation to evolving regulatory requirements

**Engagement Platform**

- AR Compliance audits
- AR Site inspections
- AR Regulatory engagements and meetings
- ON HSE regulatory reporting and system updates (DOE e-SWIS and DOSH)

## CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

### INDUSTRY ASSOCIATION

**Why They Matter?**

Industry associations provide a platform for collaboration, knowledge-sharing, and collective engagements on developments affecting the steel industry.

**Key Concerns**

- Steel industry outlook, market conditions, and competitiveness
- Regulatory and policy developments affecting the industry
- Climate transition and evolving requirements
- Industry standards, certifications, and responsible business practices
- Technology advancements

**Our Responses**

- Maintain active participation in MISIF and FMM
- Participate in industry dialogues, conferences, forums, and knowledge-sharing sessions
- Engage on regulatory and policy developments affecting the steel industry
- Support industry initiatives that strengthen the competitiveness of Malaysia's steel sector
- Collaborate with industry stakeholders on sustainability, decarbonisation, and responsible steel initiatives

**Engagement Platform**

- AR Meetings and committee engagements
- AR Industry conferences, forums, and workshops
- AR Policy dialogues
- ON Emails, circulars and industry updates

### FINANCIAL INSTITUTION

**Why They Matter?**

Financial institutions provide access to financing and financial solutions that support the Group's operations, strategic investments and long-term growth, while strengthening financial flexibility and resilience.

**Key Concerns**

- Financial stability and sound financial management
- Compliance with financing terms, loan covenants, and financial obligations
- Effective financial risk management
- Sustainability- and climate-related risks and their potential financial implications
- Governance and transparency in financial disclosures

**Our Responses**

- Monitor compliance with loan covenants and financial obligations
- Provide transparent financial and operational performance updates
- Integrate sustainability- and climate-related risks into the Group's ERM
- Maintain prudent financial management and sound risk management practices

**Engagement Platform**

- Q Financial reports
- ON Engagements with financial institutions
- ON Financing and risk management discussions

## CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

### SUPPLIERS

**Why They Matter?**

Suppliers, contractors and service providers provide essential materials and services that support supply continuity, product quality, and operational efficiency.

**Key Concerns**

- Fair and transparent procurement practices
- Fair payment terms and timely payments
- Long-term and mutually beneficial business relationships
- Ethical business conduct and responsible sourcing requirements
- Business continuity and supply chain resilience

**Our Responses**

- Conduct supplier evaluation and performance reviews against established criteria
- Uphold ethical procurement practices through adherence to our Supplier Code of Conduct
- Integrate ESG criteria into supplier evaluation and due diligence to strengthen responsible sourcing practices
- Ensure timely payments in accordance with agreed terms
- Maintain regular supplier communication and engagement
- Foster fair and responsible supplier relationships without undue commercial pressure

**Engagement Platform**

- A Supplier evaluation and due diligence
- AR Supplier meetings
- AR Contract agreements
- AR Email communication

### CUSTOMERS

**Why They Matter?**

Customers drive demand for our products and services, supporting revenue generation, business growth, and continuous improvement in product quality and customer experience.

**Key Concerns**

- Product quality, safety and reliability
- Competitive pricing
- Timely delivery
- Customer satisfaction and service quality
- Effective handling of customer feedback and complaints
- Product environmental performance

**Our Responses**

- Maintain ISO 9001:2015-certified QMS
- Implement quality control and product inspection processes
- Conduct annual customer satisfaction surveys and address customer feedback
- Continuously improve delivery reliability and service quality
- Provide transparent product and environmental information
- Strengthen supply chain and logistics processes to support timely delivery and competitive pricing

**Engagement Platform**

- A Customer satisfaction survey
- ON Corporate website and social media platforms
- AR Direct feedback

## CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

### EMPLOYEES

**Why They Matter?**

Employees contribute the skills, expertise and commitment essential to operational efficiency, product quality and the Group's long-term growth.

**Key Concerns**

- Occupational health and safety ("OHS")
- Competitive remuneration and employee benefits
- Career development and training opportunities
- Employee engagement and well-being
- Fair, diverse and equitable employment practices

**Our Responses**

- Provide continuous training, upskilling and career development opportunities
- Offer competitive remuneration and employee benefits
- Maintain a safety and healthy workplace through the implementation of the OHS Policy, risk assessments and safety trainings
- Promote employee well-being through appropriate welfare and support programmes
- Foster diverse, equity and inclusion through non-discriminatory employment practices

**Engagement Platform**

- AR Employee engagement programmes
- A Employee performance appraisal
- A Training programmes
- A Employee surveys

### LOCAL COMMUNITIES

**Why They Matter?**

Local communities are important to maintaining positive relationships, supporting our workforce, and strengthening the Group's social licence to operate and long-term sustainable

**Key Concerns**

- Environmental, climate change, and social impacts from Mycron's operations
- Surrounding community well-being and quality of life
- Local employment and economic opportunities
- Meaning community engagement and partnerships

**Our Responses**

- Engage regularly with local communities and NGOs
- Support community development through donations, sponsorships, and social initiatives
- Encourage employee volunteerism and community participation
- Implement environmental-related initiatives
- Prioritise local hiring and engagement with local vendors where practicable

**Engagement Platform**

- ON Corporate website and social media platforms
- Q Corporate Social Responsibility ("CSR") programmes and community outreach
- ON Stakeholder grievance and feedback channels

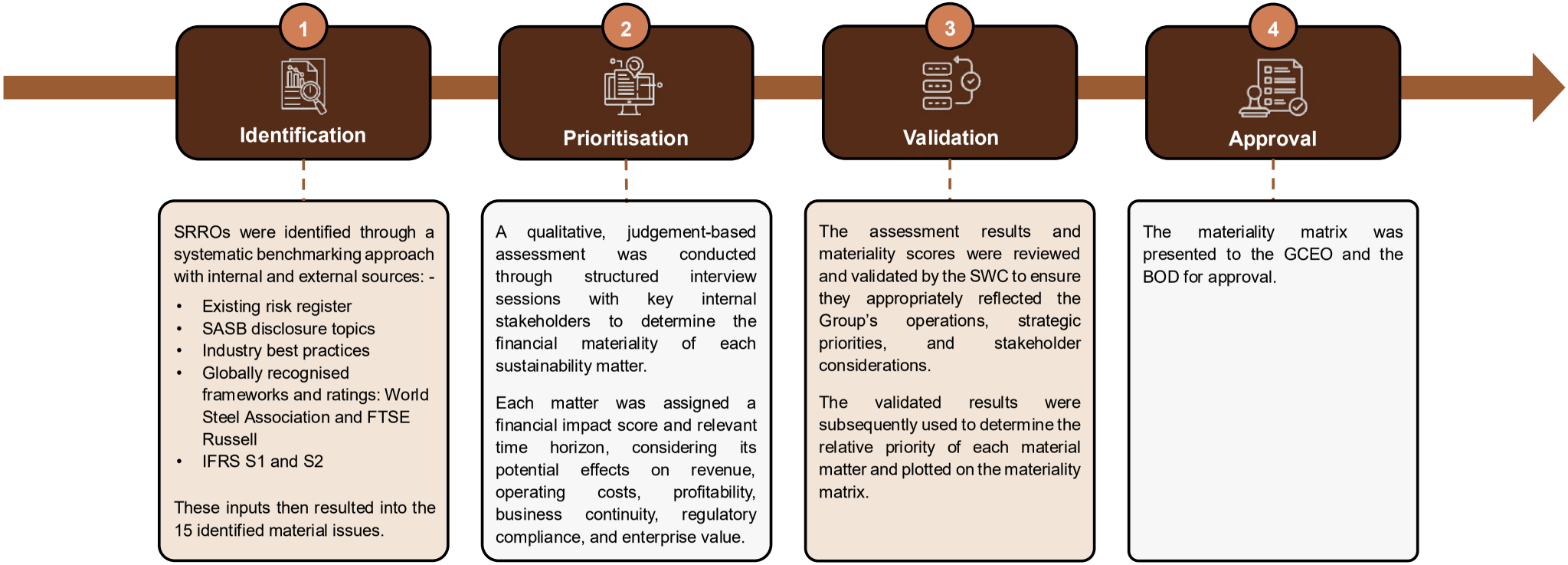
## MATERIALITY ASSESSMENT

**Materiality assessment supports the integration of sustainability considerations into the Group's strategy and decision-making processes, enabling us to prioritise resources and actions on matters that are most significant to our business and stakeholders. The assessment provides a foundation for identifying and evaluating material SRROs across our operations, supporting proactive risk management and long-term value creation.**

### Our Approach to Materiality

Our approach to identifying and prioritising material sustainability matters is anchored in a four-step structured assessment and stakeholder engagement process that considers the Group's strategic priorities, evolving regulatory requirements, and stakeholder expectations. We reassess our materiality matrix every two years to reflect changes in our operations and the external environment, while ensuring that identified matters remain relevant to the Group and our stakeholders.

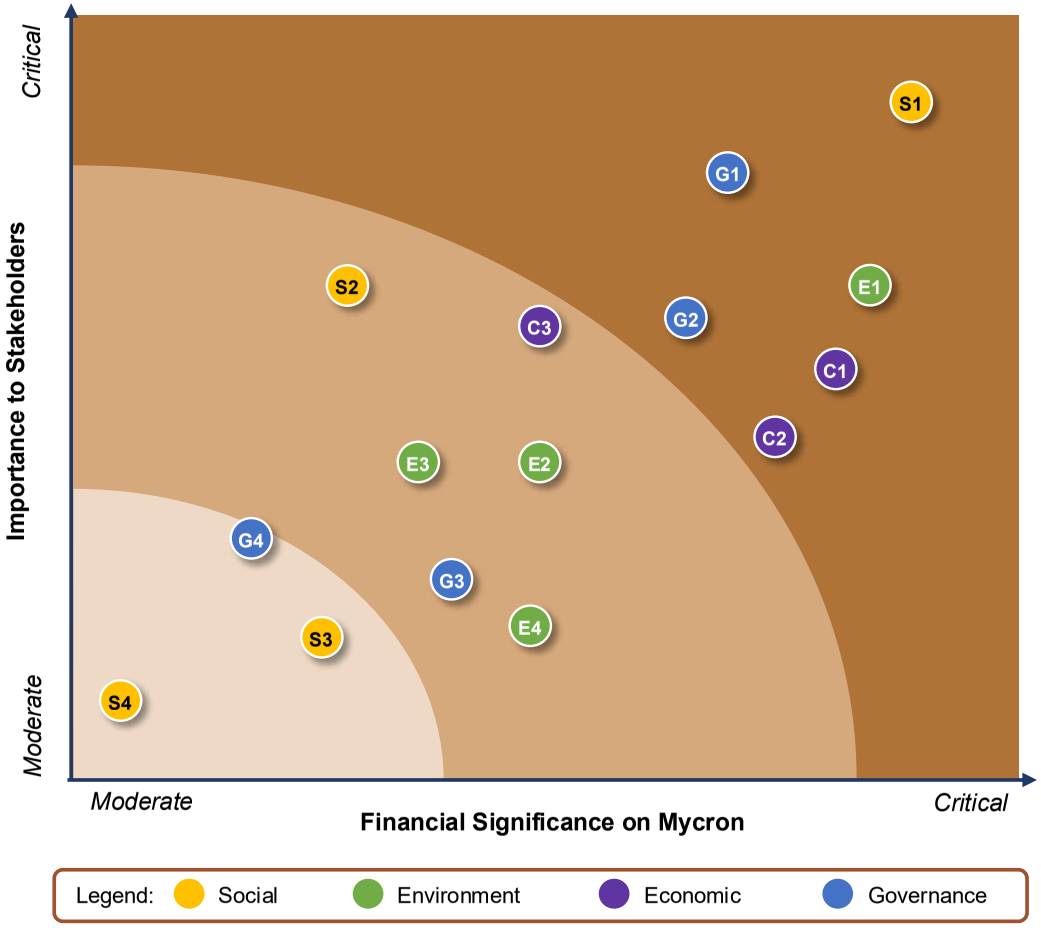
In FY2026, we conducted our Group-wide reassessment adopting a financial materiality approach, in line with the direction of the IFRS Sustainability Disclosure Standards. The assessment considered sustainability matters that could reasonably be expected to affect the Group's financial performance, alongside their importance to our stakeholders. This approach supports Mycron's progressive journey towards double materiality perspective, which considers both the financial implications and the Group's impacts on the economy, environment, and society.



# MATERIALITY ASSESSMENT

## Prioritisation of Our Material Matters

The FY2026 reassessment identified three additional material sustainability matters, namely Regulatory Compliance, Economic Performance, and Product Quality and Customer Responsibility, bringing the Group's total number of material matters to 15. Based on the assessment results, six matters emerged as having the highest financial relevance to the Group: **Occupational Health and Safety**, **Corporate Governance and Business Ethics**, **Climate Change and Energy Management**, **Regulatory Compliance**, **Responsible Supply Chain Management**, and **Product Quality and Customer Responsibility**. These matters were prioritised based on their potential implications for the Group's financial performance, business continuity, and long-term resilience, together with their significance to stakeholders.




**Our Material Sustainability Matters**

| | |
|---|---|
| **Critical Importance** | |
| S1 | Occupational Health & Safety |
| G1 | Corporate Governance & Business Ethics |
| E1 | Climate Change & Energy Management |
| C1 | Responsible Supply Chain Management |
| G2 | Regulatory Compliance |
| C2 | Product Quality & Customer Responsibility |
| **High Importance** | |
| C3 | Economic Performance |
| S2 | Human Rights & Labour Standards |
| E2 | Circular Economy & Waste Management |
| E3 | Pollution & Effluent Management |
| G3 | Risk Management |
| E4 | Water Stewardship |
| **Moderate Importance** | |
| G4 | Data Privacy & Cybersecurity |
| S3 | Employee Development & Well-being |
| S4 | Community Engagement |

## MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

The Group adopts a structured approach to identifying, assessing, and managing SRROs across our operations and value chain. Material sustainability matters are integrated into our risk management, strategic planning and decision-making processes, enabling us to mitigate potential risks, capitalise on emerging opportunities, and strengthen long-term business resilience.

Legend:

Value Chain: UP Upstream | D Downstream | OO Own Operation

Stakeholder Group: Government & Regulatory Authorities | Suppliers | Local Communities | Shareholders & Investors | Industry Association | Customers | Employees & Unions | Financial Institution

**Environmental Pillar** — Driving the Transition towards Carbon Neutral Steel Manufacturing

### 1 Climate Change & Energy Management

**Why It Matters?**

Due to the energy-intensive nature of steel manufacturing, Mycron is exposed to climate-related risks, evolving carbon regulations, energy price volatility, and increasing market demand for low-carbon steel products, which may impact operating costs and long-term profitability.

**Value Chain:** UP, D, OO

**GRI Standards:** GRI 302: Energy; GRI 305: Emissions

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Increased compliance and operational costs arising from climate-related regulations and carbon-pricing mechanisms (e.g., EU CBAM)<br>• Damage to physical assets, supply chain disruptions and production downtime resulting from climate-related physical hazards<br>• Increased energy costs due to inefficient energy consumption and volatility in electricity and fuel prices | • Improved energy efficiency and long-term cost savings through energy optimisation initiatives, deployment of renewable energy, and low-carbon technologies<br>• Enhanced market competitiveness by supplying low-carbon steel products that meet evolving customer and regulatory expectations<br>• Increased business resilience through proactive climate adaptation measures<br>• Stronger investor confidence and access to sustainable financing through transparent climate disclosures and credible transition planning | • Conduct a qualitative climate scenario analysis to identify CRROs, supporting informed decision-making, strategic planning, and long-term business resilience<br>• Develop a centralised sustainability data management system to enhance the collection and monitoring of sustainability-related metrics across Mycron<br>• Invest in renewable energy solutions and energy-efficient technologies to reduce emissions and support Mycron's climate transition pathway<br>• Publish EPD, LCA, and CBAM disclosures to enhance product transparency and regulatory readiness<br>• Collaborate with industry stakeholders to accelerate the development of green steel solutions<br>• Implement flood prevention measures, including maintaining proper drainage systems and retention pond systems |

# MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

## 2 Circular Economy & Waste Management

**Why It Matters?**

Effective waste management and circularity improve resource efficiency, minimise waste disposal and environmental impacts, support regulatory compliance, and contribute to more efficient and sustainable operations.

**Value Chain:** OO

**GRI Standards:** GRI 306: Waste

**Stakeholder Groups:**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Non-compliance with waste disposal regulations may result in penalties, legal action, and increased compliance costs<br>• Ineffective waste management practices may lead to environmental pollution and reputational damage<br>• Loss of environmental certifications may reduce customer confidence and limit access to green procurement schemes, potentially impacting revenue | • Circular economy practices improve resource efficiency, reduce environmental impact, and generate cost savings<br>• Responsible waste management strengthens corporate reputation and stakeholder confidence<br>• Regulatory compliance reduces legal and licensing risks<br>• Integration of recycling and circular production processes enhance operational efficiency<br>• Improved waste management supports reduction of Scope 3 emissions planning | • Implement proper waste segregation, storage and disposal practices across Mycron<br>• Conduct regular environmental audits and inspections, supported by DOE-certified competent persons<br>• Monitor waste generation and material consumption to identify opportunities for reduction, reuse, recovery and recycling through the 6R approach<br>• Prioritise waste diversion from landfill through recycling, recovery and beneficial reuse of appropriate waste streams<br>• Progressively advance circular economy practices in support of Mycron's long-term Zero Waste to Landfill ambition<br>• Recover and reuse materials and by-products, where feasible, to retain materials within the value chain and reduce waste disposal<br>• Integrate responsible waste and resource management principles within the Sustainability Policy |

## 3 Water Stewardship

**Why It Matters?**

Responsible water stewardship enhances Mycron's operational resilience and financial performance by improving resource efficiency, managing water-related risks and reducing potential impacts from future water supply disruptions and increasing water costs.

**Value Chain:** OO

**GRI Standards:** GRI 303: Water and Effluents

**Stakeholder Groups:**

| Key Risks | Opportunities | Current & Planned Mitigation Strategies |
|---|---|---|
| • Inefficient water management may increase operating costs and increase resource scarcity risk<br>• Water supply disruptions may lead to production losses and higher cost<br>• Climate-related water variability may impact operational continuity | • Implementation of responsible water management plans that drive water saving and reduce operational cost<br>• Increase water supply reliability | • Promote employee awareness on responsible water use<br>• Progressively expand rainwater harvesting capacity to reduce reliance on municipal water supply<br>• Utilise underground water as an alternative water source to strengthen water security<br>• Optimise water-intensive processes to improve water-use efficiency and reduce freshwater consumption<br>• Explore alternative water sources and water recycling opportunities |

## 4 Pollution & Effluent Management

**Why It Matters?**

Effective pollution and effluent management help ensure regulatory compliance, prevent operational disruptions, support cost efficiency, and long-term business continuity.

**Value Chain**

OO

**GRI Standards**

GRI 303: Water and Effluents

**Stakeholder Groups**

| Key Risks | Opportunities | Current & Planned Mitigation Strategies |
|---|---|---|
| • Non-compliance with effluent discharge standards and clean air regulation may result in regulatory penalties<br>• Adverse health effect for employees and surrounding community, leading to operational disruptions and reputational damage | • Reduced exposure to regulatory actions, remediation costs, and operational disruptions arising from environmental incidents<br>• Protect employee health and safety and enhance Mycron's reputation as a responsible corporate citizen | • Maintain an ISO 14001-certified Environmental Management System to strengthen pollution prevention, effluent management, and regulatory compliance<br>• Operate and maintain effluent treatment systems and pollution control equipment to ensure effective treatment prior to discharge<br>• Implement robust emergency response procedures to minimise the likelihood and impact of pollution incidents<br>• Monitor pollution and effluent performance trends to identify opportunities for continuous improvement and process optimisation |

# MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

**Governance Pillar** — Upholding Transparency, Integrity and Strong Governance Culture

## 5 Corporate Governance & Business Ethics

**Why It Matters?**

Effective governance and ethical business practices strengthen accountability and transparency, safeguard business integrity, and support regulatory compliance and long-term stakeholder confidence.

| Value Chain | GRI Standards | Stakeholder Groups |
|---|---|---|
| UP, OO | GRI 205: Anti-Corruption | |

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Governance failures, unethical conduct or non-compliance may lead to financial penalties, reputational damage, and loss of stakeholder trust<br>• Bribery, corruption, and conflicts of interest may undermine business integrity and market confidence<br>• Inadequate governance and oversight may weaken the management of SRROs | • Strong governance and ethical business practices enhance stakeholder confidence and support responsible investment<br>• Effective BOD oversight strengthens strategic decision-making and integration of sustainability into business planning<br>• Robust anti-corruption and ethical practices strengthen business integrity and support trusted relationships with customers, suppliers, and other business partners | • Enforce the Group's Anti-Corruption and Anti-Fraud Policy across operations and business dealings<br>• Conduct regular ethics, anti-corruption, and compliance training for employees<br>• Conduct corruption risk assessments and monitoring to identify and manage risks<br>• Maintain confidential whistleblowing and grievance channels for reporting misconduct<br>• Enforce the Supplier Code of Conduct across suppliers, contractors and business partners to uphold ethical practices and regulatory compliance<br>• Conduct targeted briefings and training to strengthen BOD oversight of sustainability-related risks |

## 6 Data Privacy & Cybersecurity

**Why It Matters?**

Robust data privacy and cybersecurity practices protect critical systems and sensitive information from digital threats, while safeguarding business continuity, regulatory compliance, and stakeholder trust.

| Value Chain | GRI Standards | Stakeholder Groups |
|---|---|---|
| D, OO | GRI 418: Customer Privacy | |

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Cyberattacks and data breaches may disrupt business operations, result in financial losses, and regulatory consequences<br>• Unauthorised access, loss or misuse of sensitive information may compromise employee, customer and supplier data and expose the Group to legal risks | • Strengthened cybersecurity and data governance can enhance stakeholder confidence and support secure digitalisation across the Group | • Implement robust IT security controls, including access management, system monitoring, and data protection protocols, to safeguard sensitive information<br>• Maintain and periodically review the IT Security Policy to address evolving digital risks<br>• Maintain incident response and recovery procedures to enable timely response to cyber incidents and minimise operational disruption<br>• Conduct periodic cybersecurity risk assessments and vulnerability reviews to identify and address potential security gaps |

## MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

### 7 Regulatory Compliance

**Why It Matters?**

Compliance with applicable laws, regulations and recognised management standards is essential to maintaining operational integrity, safeguarding business continuity, and minimising legal, financial and reputational risks.

**Value Chain**



**Stakeholder Groups**



| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Non-compliance with applicable laws and regulations may result in penalties, enforcement actions, or potential reputational damage<br>• Failure to maintain required licences, permits, and certifications may disrupt operations and the Group's ability to meet customer requirements<br>• Evolving regulatory requirements may increase compliance costs | • Strong regulatory compliance and ISO-certifications can enhance stakeholder confidence and strengthen Mycron's reputation as a responsible manufacturer<br>• Proactive monitoring of evolving regulatory requirements enables early adaptation, reduce disruption, and support informed investment | • Maintain ISO-certified management systems and conduct periodic audits to support continual compliance<br>• Provide regular training and awareness programmes to ensure employees understand relevant regulatory and compliance obligations<br>• Monitor changes in applicable laws, regulations, and industry requirements to enable timely adaptation across business operations |

### 8 Risk Management

**Why It Matters?**

Effective risk management strengthens business resilience by enabling timely identification and management of risks that may affect operations, financial performance, and long-term value creation.

**Value Chain**



**Stakeholder Groups**



| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Failure to identify and respond to emerging risks may result in operational disruptions and potential financial losses<br>• Inadequate risk assessment and monitoring system may lead to ineffective mitigation measures<br>• Ineffective integration of sustainability risks into the ERM may affect the Group's ability to respond to ESG challenges<br>• Weak risk governance may result in inconsistent risk management practices across operations | • Integration of SRROs and CRROs into Mycron's ERM can strengthen business resilience and support effective capital and resource allocation<br>• Early identification of emerging risks and opportunities can enable proactive mitigation and more informed strategic decision-making<br>• Effective oversight of risks strengthens management accountability | • Maintain a structured ERM framework to identify, assess, prioritise, and manage material business, sustainability-, and climate-related risks<br>• Periodically update the Risk Register to reflect emerging risks, changes in risk exposure, and the effectiveness of mitigation measures<br>• Conduct scenario analysis to assess exposure to emerging and longer-term risks |

## MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

**Social Pillar** — Advancing Workforce Well-Being and Positive Community Impact

### 9 Human Rights & Labour Standards

**Why It Matters?**

Upholding human rights and fair labour practices protects employee well-being and fosters a respectful and inclusive workplace, strengthening employee trust, and workforce stability.

**Value Chain:** UP, OO

**GRI Standards:** GRI 402: Labour/Management Relations

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Non-compliance with applicable labour laws and employment regulations may result in regulatory penalties, legal liabilities, and reputational damage<br>• Human rights violations across the Group's operations or value chain may result in legal liabilities and regulatory non-compliance<br>• Unfair labour practices may negatively affect employee well-being, morale and retention | • Strong labour and human rights practices can enhance employee well-being, engagement, and retention, supporting a stable and productive workforce<br>• A diverse and inclusive workplace can broaden access to talent and strengthen workforce capabilities<br>• Effective employee engagement and grievance mechanisms can support the early identification and resolution of workplace concerns, strengthening employee trust | • Uphold human rights and fair labour standards through established policies, procedures, and contractual requirements<br>• Maintain accessible grievance and whistleblowing channels with clear investigation and resolution procedures<br>• Integrate human rights requirements into supplier due diligence processes to identify labour and human rights risks<br>• Conduct periodic employee engagement and consultation sessions to identify labour-related concerns |

### 10 Employee Development & Well-being

**Why It Matters?**

Investing in employee development and well-being strengthens workforce capabilities, engagement and retention, supporting productivity, innovation, and long-term organisation resilience.

**Value Chain:** OO

**GRI Standards:** GRI 401: Employment, GRI 405: Diversity & Equal Opportunity, GRI 404: Training & Education

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Insufficient training and skills development may lead to competency gaps, reduced productivity, and limited workforce readiness<br>• High employee turnover may increase recruitment and training costs as well as disrupt operations<br>• Inadequate employee well-being and engagement may affect morale, productivity and workforce retention | • A skilled and diverse workforce strengthens innovation, productivity, and operational performance<br>• Continuous learning and development enhance workforce capabilities and adaptability to evolving technologies and business needs<br>• A supportive and inclusive workplace strengthens Mycron's reputation and ability to attract skilled talent | • Implement fair and inclusive recruitment practices to support equal employment opportunities and workforce diversity<br>• Provide targeted technical and professional upskilling to address competency gaps and evolving operational requirements<br>• Conduct employee engagement and well-being programmes to support employee welfare, morale, and workplace satisfaction<br>• Provide career development and progression opportunities to strengthen employee retention |

## MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

### 11 Occupational Health & Safety

**Why It Matters?**

A safe and healthy workplace protects employee well-being, prevents workplace injuries, and supports workforce productivity, operational continuity, and regulatory compliance.

**Value Chain**: OO

**GRI Standards**: GRI 403: Occupational Health & Safety

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Unsafe working conditions and inadequate safety controls may lead to injuries, illnesses, or even fatalities, leading to potential operational disruptions<br>• Non-compliance with OHS requirements may result in regulatory penalties and legal liabilities<br>• Inadequate hazard identification, risk assessment, and control measures may increase employee exposure to workplace hazards | • Enhance workforce productivity and operational continuity by reducing lost-time disruptions<br>• Strengthen employee engagement, morale, and retention by fostering a safe and supportive working environment<br>• Reduce incident-related costs and financial exposure by preventing workplace injuries, fatalities, including costs associated with medical treatment, compensation, and regulatory penalties | • Conduct regular 6S audits across operations to identify and address potential OHS risks<br>• Conduct Hazard Identification, Risk Assessment, and Opportunity (“HIRAO”) assessments to systematically identify hazards, assess risks and opportunities, and establish appropriate controls<br>• Ensure employees are equipped with job-specific safety training and competency programmes, particularly for high-risk activities<br>• Conduct regular emergency preparedness and response drills to strengthen readiness for workplace emergencies<br>• Maintain an ISO 45001-certified OHSMS to systematically manage OHS risks and drive continual improvement in OHS performance |

### 12 Community Engagement

**Why It Matters?**

Meaningful engagement with local communities strengthens trust, supports positive stakeholder relationships and reinforces the Group’s social licence to operate.

**Value Chain**: OO

**GRI Standards**: GRI 413: Local Communities

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Environmental and operational impacts, including noise, air emissions, and traffic, may lead to community complaints and reputational risks<br>• Ineffective community engagement may weaken stakeholder trust and the Group’s responsiveness to local concerns | • Continuous community engagement can strengthen stakeholder relationships, build trust, and reinforce Mycron’s social licence to operate<br>• Proactive engagement can enable early identification and resolution of community concerns, reducing the potential for disputes | • Maintain regular engagement with surrounding communities and local community representatives to understand and address concerns related to the Group’s operations<br>• Maintain accessible grievance channels to enable community concerns to be raised and addressed in a timely manner<br>• Collaborate with local organisations and community representatives to implement community development and social impact initiatives |

# MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

**Economic Pillar** — Delivering Sustainable Business Value through Responsible Supply Chain and Quality Excellence

## 13 Economic Performance

**Why It Matters?**

Sustained economic performance enables Mycron to strengthen operational resilience, invest in business growth and sustainability initiatives, and maintain competitiveness amid evolving market conditions.

**Value Chain:** OO

**GRI Standards:** GRI 201: Economic Performance; GRI 203: Indirect Economic Impacts

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Weak or volatile financial performance may constrain the Group's ability to reinvest in operational improvements, sustainability initiatives, and future growth<br>• Fluctuations in steel demand, selling prices, raw material, and energy costs may affect margins and overall financial performance<br>• Limited market and customer diversification may increase exposure to shifts in demand | • Strong financial performance supports investment in operational efficiency, decarbonisation, and strategic growth<br>• Growing demand for low-carbon steel creates new market opportunities<br>• Market and customer diversification expands revenue opportunities<br>• Strategic investment in technology and process improvements enhances productivity and long-term business resilience | • Strengthen financial planning through strategic risks management and disciplined capital allocation<br>• Apply the Group's ERM and internal controls to identify and manage financial, market, and operational risks<br>• Diversify customer segments, markets, and product offerings to reduce exposure to demand fluctuations and strengthen revenue resilience |

## 14 Product Quality & Customer Responsibility

**Why It Matters?**

Consistent delivery of high-quality, reliable and safe steel products is essential to meeting customer, product standards and certification requirements, maintaining customer satisfaction and strengthening long-term business relationships.

**Value Chain:** D OO

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Product defects, delivery delays, or failure to meet customer specifications may result in customer complaints, product rejection, and additional costs<br>• Non-compliance with applicable product standards and certification may result in penalties and loss of certification | • Consistent product quality and reliability can strengthen customer satisfaction, trust, and long-term relationships<br>• Strong product certifications and compliance with recognised standards can enhance market credibility and support access to new markets | • Maintain an ISO 9001-certified QMS to ensure consistent product quality and continuous improvement<br>• Conduct compliance audits to maintain applicable product certifications and standards requirements<br>• Maintain effective customer complaint and feedback mechanisms to identify quality issues and drive continuous improvement |

## MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

### 15 Responsible Supply Chain Management

**Why It Matters?**

A reliable and responsible supply chain supports uninterrupted production, consistent product quality, and timely customer delivery, while strengthening resilience to supply disruptions and sustainability-related risks.

**Value Chain**

UP

**GRI Standards**

GRI 204: Procurement Practices
GRI 308: Supplier Environmental Assessment
GRI 414: Supplier Social Assessment

**Stakeholder Groups**

| Key Risks | Opportunities | Our Mitigation Strategies |
|---|---|---|
| • Inadequate supplier evaluation and engagement may affect production efficiency and product quality<br>• Global supply chain disruptions may increase procurement costs and disrupt production<br>• Supplier non-compliance with ESG requirements may expose the Group to reputational, compliance, and operational risks | • Strengthening local sourcing and supplier diversification reduces lead times and logistics disruptions<br>• Sustainability criteria integration into supplier due diligence strengthens responsible sourcing<br>• Closer supplier collaboration improves material quality and delivery reliability | • Maintain a transparent and fair supplier evaluation process to assess quality, reliability, and compliance performance<br>• Integrate ESG criteria into supplier assessment and due diligence processes to strengthen responsible sourcing<br>• Apply the Supplier Code of Conduct to business partners and suppliers to communicate expectations on ESG practices<br>• Promote local sourcing, where feasible, to strengthen supply chain resilience and support the domestic economy |

## FY2026 SUSTAINABILITY TARGETS AND PERFORMANCE

We monitor our sustainability performance through a defined set of sustainability- and climate-related KPIs and targets across our material sustainability matters. These measures enable us to track progress against our commitments, evaluate performance, and identify areas requiring further improvement.

In FY2026, we further strengthened our approach to target-setting by establishing short-, medium- and long-term emissions reduction targets under our Climate Change and Energy Management material matter. The introduction of defined time horizons enhances accountability and provides a clearer pathway for measuring progress towards our Climate Transition Pathway, while supporting our progressive alignment with IFRS S2 climate-related disclosure requirements.

Legend: Ongoing Achieved

### GOVERNANCE

| Material Sustainability Matters | Key Performance Indicators | FY2026 Performance |
|---|---|---|
| **Corporate Governance & Business Ethics** | Maintain **zero (0)** incidents related to corruption and bribery | **Zero (0)** substantiated cases |
| | Maintain **100%** employee completion of anti-corruption training | **100%** of employees trained on anti-corruption |

### ENVIRONMENT

| Material Sustainability Matters | Key Performance Indicators | FY2026 Performance |
|---|---|---|
| **Climate Change & Energy Management** | **Short-Term Target:** Reduce **25%** of Scope 1 and Scope 2 emissions intensity by FY2029 relative to FY2019 baseline | **18%** decrease in Scope 1 and Scope 2 net emissions intensity compared to FY2019 baseline |
| | **Medium-Term Target:** Reduce **40%** of Scope 1 and Scope 2 emissions intensity by FY2035 relative to FY2019 baseline | |
| | **Long-Term Target:** Reduce **90%** of Scope 1 and Scope 2 emissions intensity by FY2050 relative to FY2019 baseline | |
| | Achieve at least **5%** of electricity sourced from renewable energy | **4.81%** of renewable energy share achieved |
| | Review and initiate disclosures of Scope 3 emissions where relevant to Mycron by FY2028 | **2** out of 15 Scope 3 emissions categories have been disclosed |

# FY2026 SUSTAINABILITY TARGETS AND PERFORMANCE

## ENVIRONMENT

| Material Sustainability Matters | Key Performance Indicators | FY2026 Performance |
|---|---|---|
| **Circular Economy & Waste Management** | Maintain a total waste directed rate below **2%** through FY2029 | Only **0.97%** waste is directed to landfill from overall waste generated |
| **Water Stewardship** | Achieve a **50%** reduction in Mycron's municipal water supply reliance by FY2029 relative to FY2019 baseline | **44%** municipal water reduction achieved, with sources diversified to rainwater and underground water |

## SOCIAL

| Material Sustainability Matters | Key Performance Indicators | FY2026 Performance |
|---|---|---|
| **Occupational Health & Safety** | Maintain our LTIR below **2.11** by FY2026 | Achieved an LTIR of **1.75** |
| **Human Rights & Labour Standards** | Maintain **zero (0)** substantiated labour, human rights, and union violations | **Zero (0)** substantiated violations |
| | Maintain an annual turnover rate of below **24%** | Recorded a turnover rate of **15.91%** |
| | Achieve **100%** of human rights-related policies communication to all new joiners during onboarding | **100%** human rights-related policies communicated to all new employees |
| | Achieve an average of at least **8** training hours per employee annually | **11.13** hours per employee |
| **Community Engagement** | Organise at least **5** community engagement initiatives annually | Conducted **15** community engagement programmes, donations and sponsorships, reaching **2,197** beneficiaries across individuals, organisations, associations, educational institutions and wildlife |

## ECONOMIC

| Material Sustainability Matters | Key Performance Indicators | FY2026 Performance |
|---|---|---|
| **Product Quality & Customer Responsibility** | Achieve at least **80%** customer satisfaction rate | **79.3%** positive rating on customer satisfaction |
| **Supply Chain Management** | Achieve **100%** response rate from Tier 1 approved suppliers for the ESG Supplier Assessment | **100%** responses obtained from Tier 1 approved suppliers for ESG assessments |
| | Maintain more than **70%** local procurement spending | **89%** spending on local suppliers |

# Driving the Transition Towards Carbon Neutral Steel Manufacturing

## Material Sustainability Matters

- E1 Climate Change & Energy Management
- E2 Circular Economy & Waste Management
- E3 Pollution & Effluent Management
- E4 Water Stewardship

## Stakeholder Groups

Government & Regulatory Authorities | Industry Association | Suppliers | Customers | Local Communities

## Contribution to UN SDGs



## CLIMATE CHANGE AND ENERGY MANAGEMENT

Climate change presents risks and opportunities that may affect Mycron's operations, infrastructure, business continuity, and financial performance. To strengthen long-term resilience, the Group is progressively integrating climate-related considerations into its strategic and operational decision-making.

Our approach is guided by the IFRS S2 Climate-related Disclosures Standard, as implemented through Malaysia's NSRF, covering governance, strategy, risk management, and metrics and targets. During FY2026, Mycron established climate scenarios and time horizons to support the identification and assessment of CRROs and its climate scenario analysis.

### GOVERNANCE

Our sustainability governance structure provides clear oversight and accountability for climate matters, integrating these considerations into our strategy, operations, and risk management. Oversight is exercised through the BOD, RSC and SOC.

*Refer to the 'Sustainability Governance Structure' on page 10 for details on roles and responsibilities on climate oversight.*

### STRATEGY

We conducted qualitative assessments of physical and transition climate-related risks across our operations to evaluate their potential impacts on our business model, value chain, and financial performance over the short, medium and long term.

### RISK MANAGEMENT

Our business divisions have integrated CRROs into our ERM enabling climate-related risks to be identified, prioritised, and monitored alongside other enterprise and sustainability risks. CRROs are assessed based on their likelihood and impact over the defined time horizons.

*For further details on the ERM processes, please refer to page 97.*

### METRICS & TARGETS

Key climate-related metrics and targets are established and monitored to track the Group's performance and progress against its climate objectives. Defined methodologies, data inputs, and assumptions are applied to support consistent and transparent measurement and disclosure.

*For further details, please refer to pages 49 - 51.*

### Climate Governance

The BOD has ultimate oversight of the Group's climate-related strategy and CRROs, including their integration into the Group's strategy, risk management, and long-term value creation. The BOD is kept informed of evolving climate-related matters through relevant external engagements and quarterly updates from senior management.

The RSC supports the BOD in overseeing the identification, assessment, and management of physical and transition risks, including their integration into the Group's ERM framework. Material CRROs and related risk management measures are reviewed by the RSC and reported to the BOD on a quarterly basis to support strategic oversight and decision-making.

At the management level, the Group CEO, as Chairman of the SOC, leads the implementation of the Group's climate agenda and decarbonisation plans. The SOC reviews climate-related performance on a monthly basis, including progress against established targets and decarbonisation initiatives, and considers the resources required to support implementation. This facilitates timely management action and enables progress to be monitored against the Group's climate objectives.

### Integrating Climate Performance in Remuneration

The Group integrates climate-related considerations into the performance management and remuneration framework for Key Senior Executives, where relevant to their respective roles and responsibilities. For FY2026, climate-related performance indicators accounted for approximately 3% to 10% of the applicable performance assessment of Key Senior Executives, depending on their respective roles, responsibilities, and areas of influence.

These climate-related performance indicators include measures relating to GHG intensity, energy consumption, and other relevant sustainability priorities. Performance against the applicable indicators is assessed as part of the annual performance evaluation process and contributes to the determination of performance-linked remuneration, including annual bonuses and salary increments.

The variation in weighting reflects the differing levels of responsibility and ability of individual Key Senior Executives to influence the Group's climate-related performance. Through this approach, the Group seeks to strengthen management accountability and further embed climate-related considerations into its performance and remuneration framework.

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Resilience of our Climate Strategy

Climate considerations are incorporated into the Group's strategic planning and decision-making, particularly in relation to energy efficiency and emissions performance. Mycron is committed to managing its greenhouse gas ("GHG") emissions through its established Climate Transition Pathway, which outlines the Group's strategic direction towards low-carbon steel production, in alignment with key national policies and roadmaps, including the Malaysian National Energy Transition Roadmap ("NETR"), National Energy Policy 2022–2040 and Steel Industry Roadmap 2035.

The Climate Transition Pathway supplements Mycron's business strategy and financial planning in addressing climate change mitigation. Mycron's decarbonisation efforts will progressively focus on improving energy efficiency, expanding renewable energy, upgrading technologies, and offsetting residual carbon emissions. By capitalising on climate-related opportunities, the Group seeks to strengthen its resilience while creating long-term business value.

### Time Horizons

Mycron establishes climate targets across three defined time horizons to support their integration into the Group's strategic planning and decision-making processes.

*Baseline*

*FY2019* **FY2029** **FY2035** **FY2050**

**Short Term (FY26 – FY29)**

Focuses on implementing near-term decarbonisation and operational efficiency measures, while responding to evolving regulations, energy price volatility, market conditions, and stakeholder expectations.

1

**Medium Term (FY29 – FY35)**

Aligns Mycron's growth and decarbonisation efforts with industry developments, national policies and global climate ambitions to support the transition towards a lower-carbon steel industry.

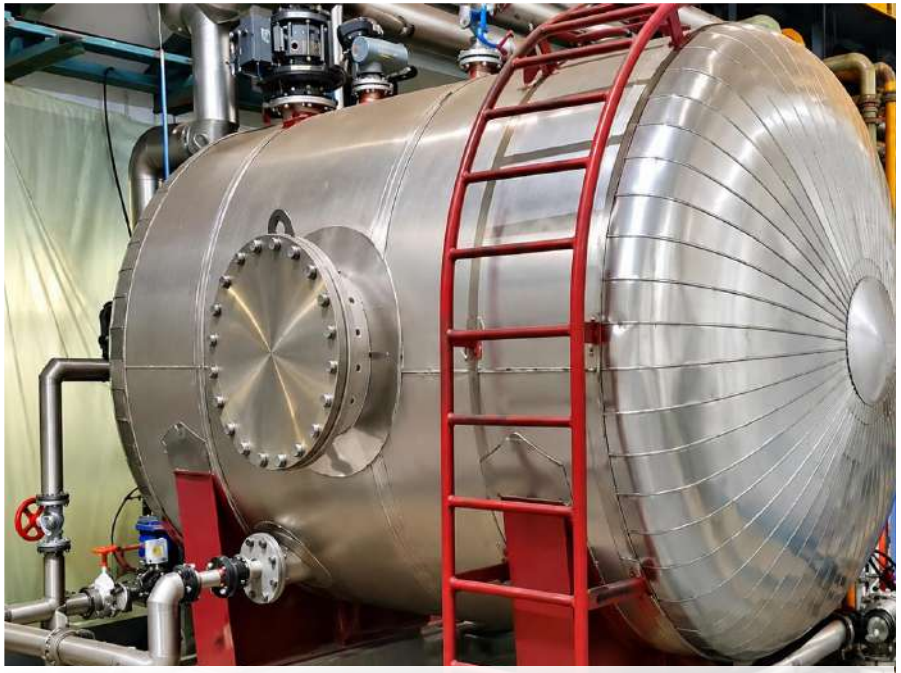
2

**Long Term (FY35 – FY50)**

Advances Mycron's Net Zero by 2050 pathway through long-term decarbonisation, climate risk mitigation, and emissions abatement measures, supporting the transition towards low-carbon steel manufacturing.

3

FY2019 was selected as the baseline year as it provides sufficiently complete and reliable emissions data and represents business-as-usual operating conditions prior to COVID-19-related disruptions and the implementation of major plant and process efficiency improvements. This provides a consistent and representative reference point for measuring Mycron's emissions reduction progress and the impact of subsequent decarbonisation initiatives.



*MCRC's CPL Automation and Process System Upgrade, recognised at the NEA 2021 awards, delivers annual energy savings of approximately 16,045 MWh and avoids approximately 9,386 $tCO_2e$ of emissions annually.*

# Mycron's Climate Transition Pathway

**Interim Emission Targets:**

| Short Term | Medium Term | Long Term |
|---|---|---|
| Achieve a **25% reduction** in Scope 1 and 2 net emissions by 2029 compared to 2019 baseline | Achieve a **40% reduction** in Scope 1 and 2 net emissions by 2035 compared to 2019 baseline | Achieve a **90% reduction** in net emissions by 2050 compared to 2019 baseline* |

*In alignment with the Science Based Targets initiative (SBTi) and the International Energy Agency's (IEA) 1.5°C pathway, MSB aims to achieve approximately 90% gross emissions reduction by 2050, with carbon netting measures applied only to the remaining hard-to-abate residual emissions.*

**Strategic Lever:**

- Operational decarbonisation
- Energy Transition
- Process technology upgrades
- Value chain decarbonisation
- Carbon Neutralisation

**Current Mitigation & Adaptation Strategies**

- Progressive deployment of solar energy infrastructure
- Retrofit and upgrade air compressors and overhead cranes with inverters
- Deployment of LED lighting across MSB's offices and manufacturing facilities

**Strategic Key Enablers**

- Integration of SRROs and CRROs into business strategy and financial planning, in alignment with IFRS S1 and IFRS S2 principles
- Implementation of an internal GHG accounting to support robust Measurement, Reporting and Verification (MRV) processes
- Enhanced carbon transparency and disclosure through CBAM, EPD and LCA developments
- Certified to ISO 50001 Energy Management System (EnMS)

YTD Achievement: ▽ 18% in Scope 1 and 2 net emissions from the 2019 baseline

**Strategic Key Actions**

- Deployment of Battery Energy Storage System (BESS)
- Expansion of on-site solar energy generation across all facilities
- Accelerate electrification via the deployment of hybrid systems across MSB's operations
- Further retrofit and upgrade remaining critical assets with energy-efficient technologies
- Implementation of waste heat recovery solutions across operations

**Strategic Key Enablers**

- Full operationalisation of IFRS S1 and S2 principles

**Strategic Key Actions**

- Transition from grey to green hydrogen
- Integrate low-carbon fuels across MSB's operations
- Initiate procurement of low-carbon raw materials from $H_2$-DRI-EAF-centric production routes
- Scale up renewable electricity procurement via green tariff programmes

**Strategic Key Actions**

- Offset residual emissions through verified carbon offset projects
- Progressive transition toward 100% $H_2$-DRI-EAF-based HRC production routes
- Increase renewable energy share to 60% across operations

*Legend:*

*Indicative Business-as-Usual (BAU) GHG emission projection*

*Indicative GHG emissions reduction pathway*

2026 | 2029 | 2035 | 2050

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Key Assumptions and Dependencies

Mycron's Climate Pathway is underpinned by assumptions and dependencies relating to market conditions, regulatory developments, technological advancements, and stakeholder expectations, which may influence the effectiveness of the Group's transition.

**Assumptions**

- Malaysia's regulatory and policy landscape is expected to continue supporting the country's transition towards a low-carbon economy, guided by its net-zero aspiration by 2050 and key frameworks such as the NETR
- Carbon pricing and other climate-related regulatory measures are expected to be introduced and strengthened progressively, providing sufficient policy certainty to support long-term transition planning and investment
- Low-carbon technologies, including hydrogen-based direct reduced iron and electric arc furnace ($H_2$-DRI-EAF) technologies, as well as potential carbon capture and storage ("CCS") solutions, are expected to become increasingly commercially viable and scalable over the transition period
- The national electricity grid is expected to progressively decarbonise, supported by greater renewable energy availability, corporate power purchase agreements ("PPAs"), renewable energy certificates ("RECs") and continued improvements to energy infrastructure, while maintaining reliable energy supply

**Dependencies**

- The progressive decarbonisation of Mycron's upstream supply chain, particularly the transition of key HRC suppliers towards low-carbon technologies, including EAF and hydrogen-based DRI
- Continued access to reliable and competitively priced renewable energy to support the progressive decarbonisation of the Group's operations
- Continued availability of green financing at viable terms to support investments in decarbonisation initiatives
- A stable and supportive policy and regulatory environment that facilitates long-term investment and implementation of the Group's initiatives

## Planned Use of Carbon Credits

The Group intends to use carbon credits to offset the remaining 10% of hard-to-abate residual emissions that cannot be eliminated through direct emissions reduction measures.

Mycron intends to prioritise high-integrity carbon removal credits, including nature-based solutions such as reforestation, afforestation, and ecosystem restoration. Technology-based carbon removal solutions may also be considered as these technologies mature and become commercially viable.

Any carbon credits used will be subject to appropriate due diligence, including consideration of recognised third-party verification or certification standards, registry traceability, additionality, permanence and the risk of double counting. The specific crediting programme, type, and volume of carbon credits will be determined as the Group progresses along its Climate Transition Pathway.



## CLIMATE CHANGE AND ENERGY MANAGEMENT

### Climate Risk Management Process

The Group recognises that climate change may give rise to physical and transition risks and opportunities that could affect the Group's operations, assets, value chain, and financial performance. To assess the resilience of our business under different climate futures, we consider both physical and transition risks across a range of climate scenarios and time horizons, with consideration of their potential operational, asset, and financial implications and are integrated into the Group's ERM framework. Material developments are incorporated into the Risk Register, which is reviewed quarterly to support management oversight, risk mitigation, resource allocation, and strategic decision-making.

Our scenario analysis currently applies a predominantly qualitative approach to evaluate how different transition and physical climate pathways could affect the resilience of Mycron's operations, assets and value chain. Based on the assessment, Mycron's current financial exposure to the identified physical risks remains relatively limited, although potential increases in energy costs arising from regulatory developments have been identified as a more significant transition-related consideration.

#### Transition Risk Methodology

Transition risks refer to the potential financial and operational impacts arising from the shift towards a lower-carbon economy, including changes in climate-related policies and regulations, technologies, market demand, and stakeholder expectations.

For Mycron, policy and regulatory risks represent a key area of transition exposure, given the energy-intensive nature of steel manufacturing. Changes in electricity tariffs and the potential introduction of carbon pricing mechanisms may increase operating costs and affect the cost competitiveness of the Group's operations.

Market risks are also becoming increasingly relevant as customer preferences shift towards lower-carbon steel products. Customers are placing greater emphasis on products with higher recycled content, lower embodied carbon, and greater carbon transparency, driven by their own decarbonisation commitments and supply chain requirements.

#### Physical Risk Methodology

Mycron has identified three primary physical climate hazards with the potential to affect the Group's assets and operations, namely extreme heat, flooding, and water stress and drought. A scenario-based risk screening approach was undertaken to assess the exposure and sensitivity of the Group's assets to these hazards under different climate scenarios.

The assessment considers asset locations, operational characteristics, and susceptibility to climate hazards, drawing on historical information, past operational records, climate projections, and location-specific data, including the World Resources Institute's ("WRI") Aqueduct Water Risk Atlas. These inputs support the evaluation of potential changes in physical climate risks across the relevant time horizons.

The findings inform the identification of potential vulnerabilities and the development of appropriate mitigation and adaptation measures to strengthen operational resilience. Physical climate risk considerations are progressively integrated into the Group's risk management and investment planning processes to safeguard the long-term resilience and value of its assets.

Short-term measures, such as routine maintenance, are incorporated into the Group's annual operating budgets, while medium- to long-term initiatives requiring capital investment are evaluated and prioritised based on financial feasibility, operational requirements and their contribution to climate resilience.

## Transition Climate Scenario Analysis

Mycron's transition risk assessment considers two scenarios from the International Energy Agency's ("IEA") World Energy Outlook 2024: the Stated Policies Scenario ("STEPS") and the Net Zero Emissions by 2050 Scenario ("NZE").

| | |
|---|---|
| **Scenario 1**<br>**IEA STEPS** | Represents a future where the energy transition progresses in line with current and stated government policies. It reflects a more gradual transition, allowing Mycron to assess potential climate-related risks as regulations, technologies, and market conditions continue to evolve. |
| **Scenario 2**<br>**IEA NZE** | Represents a more rapid and ambitious transition towards a net zero energy system by 2050. It allows Mycron to assess the potential implications of stronger climate policies, accelerated adoption of low-carbon technologies, and increasing market demand for low-carbon products. |

## Physical Climate Scenario Analysis

The Group assesses physical climate risks using the IPCC's Shared Socioeconomic Pathways ("SSPs"), considering SSP2-4.5 and SSP5-8.5 to evaluate potential impacts under intermediate and very high-emissions scenarios.

| | |
|---|---|
| **Scenario 1**<br>**SSP2 – 4.5** | Represents an intermediate climate pathway with continued reliance on fossil fuels and inconsistent policy implementation. |
| **Scenario 2**<br>**SSP5 – 8.5** | Represents a very high-emissions pathway characterised by slower adoption of climate mitigation and adaptation measures, and is used to assess Mycron's resilience to more severe physical climate impacts. |

As our climate risk management practices mature, we are progressively strengthening our data collection, internal processes, and analytical capabilities to improve the robustness and comparability of our assessment. This will support the gradual development of more quantitative and decision-useful climate-related financial information and strengthen the integration of climate considerations into strategic and investment decisions.

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Transition Risk Scenario Analysis

### POLICY AND LEGAL RISK

Mycron's key transition risk arises from evolving climate regulations, including carbon pricing and low-carbon trade requirements such as CBAM. As an energy-intensive steel manufacturer, these developments may increase energy, carbon, and compliance costs, while requiring additional investment in decarbonisation to maintain regulatory compliance, market competitiveness, and long-term resilience.

| Key Driver | Time Horizon | Risk Level | |
|---|---|---|---|
| | | STEPS | NZE |
| Introduction and tightening of carbon pricing mechanisms such as the domestic carbon tax and Emission Trading Systems ("ETS") | S M L | Medium | Low |
| Changes in energy and climate-related policies and electricity tariff mechanisms | S M L | Medium | Low |
| Increased climate-related regulatory and disclosure requirements across domestic and international markets, including the EU CBAM and product carbon footprint requirements | S M L | Low to Medium | Low |

**Potential Impact on Our Business and Value Chain**

- Increased stakeholder expectations for stronger climate governance, transparency and sustainability performance
- Greater legal, compliance, and reputational exposure from non-compliance with evolving climate-related regulations and disclosure requirements
- Changes in procurement and supplier selection practices as sustainability-related requirements become increasingly integrated into supply chain standards
- Potential impacts on market access and customer relationships where climate requirements form part of purchasing decisions

**Current Financial Effects**

- Increased OPEX from higher electricity tariffs and climate-related compliance activities (e.g., EPD, CBAM)

**Anticipated Financial Effects**

- Margin compression if higher electricity and carbon costs cannot be passed on through product pricing
- Increased OPEX due to carbon pricing, higher electricity tariffs, and climate-related compliance requirements
- Increased CAPEX for decarbonisation initiatives, including renewable energy, Battery Energy Storage Systems ("BESS") and fuel optimisation

**Opportunities**

- Early compliance with evolving climate regulations strengthens market competitiveness and stakeholder confidence
- Improved access to sustainable financing and government incentives for decarbonisation projects
- Early adoption of low-carbon technologies and energy efficiency initiatives reduces long-term operating cost and carbon cost exposure.
- Verified climate disclosures and product carbon footprints strengthen credibility with customers, regulators and financiers

**Mitigation and Adaptation Strategies**

**Direct**

- Expand renewable energy deployment (e.g., rooftop solar) to reduce grid electricity dependence
- Integrate carbon pricing and electricity tariff scenarios into the ERM
- Enhance energy efficiency and process optimisation to reduce energy consumption and emissions
- Strengthen climate governance and regulatory readiness through IFRS S1 and S2 implementation and robust compliance management
- Enhance product transparency through independently verified EPDs and CBAM reports

**Indirect**

- Engage with government and industry associations to support a fair and phased climate transition

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Transition Risk Scenario Analysis

### MARKET AND REPUTATIONAL RISK

Growing customer, investor, and stakeholder expectations for low-carbon steel products and transparent climate disclosures may affect Mycron's competitiveness and reputation. Failure to demonstrate decarbonisation progress, verified climate disclosures, CBAM and EPD could reduce market opportunities, limit access to sustainable financing, and weaken stakeholder confidence.

| Key Driver | Time Horizon | Risk Level | |
|---|---|---|---|
| | | STEPS | NZE |
| Shift in market demand and customer preferences towards low-carbon steel products and verified sustainability performance | S M L | Low to Medium | Low |
| Elevated cost and limited availability of low-carbon raw material due to constrained supply | S M L | Medium | Low |

**Potential Impact on Our Business and Value Chain**

- Reduced competitive positioning if Mycron's product carbon performance and decarbonisation progress fall behind evolving market and customer requirements.
- Growing demand from investors, financiers, and customers for credible climate disclosures and evidence of progress towards climate commitments.
- Increasing value-chain requirements for emissions data, responsible sourcing, and climate-related information from suppliers and business partners.
- Heightened reputational risk where climate commitments, governance, or performance do not meet stakeholder expectations, including risks arising from the practices of suppliers and other third parties.

**Current Financial Effects**

- Limited financial impact on Mycron's financial performance and prospects in the short-term

**Anticipated Financial Effects**

- Reduced revenue and loss of market share if Mycron fails to meet customer demand for low-carbon steel products
- Higher procurement costs and supply chain constraints for low-carbon HRC
- Limited access to sustainable financing if climate-related requirements are not met

**Opportunities**

- Expand market opportunities by offering low-carbon steel products that support customers' decarbonisation and climate compliance objectives
- Strengthen access to sustainable financing through sustainability-linked loans and green financing
- Enhance Mycron's reputation as a transparent and responsible steel manufacturer

**Mitigation and Adaptation Strategies**

**Direct**

- Invest in energy efficiency technologies (e.g., BESS, waste heat recovery, electrification) to strengthen competitiveness
- Strengthen procurement of low-carbon HRC through supplier engagement and strategic sourcing
- Enhance product transparency through LCA and EPDs

**Indirect**

- Build strategic partnerships with universities, technology providers, and industry associations to accelerate low-carbon innovation and technology adoption
- Strengthen customer and investor engagement to understand evolving market requirements

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Transition Risk Scenario Analysis

### TECHNOLOGICAL RISK

The transition to low-carbon technologies may require significant capital investment to maintain operational efficiency, reduce emissions, and meet evolving market expectations. Delays in technology adoption could increase transition costs and affect the Group's long-term competitiveness.

| Key Driver | Time Horizon | Risk Level | |
|---|---|---|---|
| | | STEPS | NZE |
| Unable to adopt low-carbon and energy-efficient technologies due to limited access to affordable green electricity in Malaysia, coupled with rising energy costs | S M L | Medium | Low |

**Potential Impact on Our Business and Value Chain**

- Risk of technology obsolescence as conventional equipment and processes become less competitive against more energy- and carbon-efficient alternatives
- Uncertainty over the technical and commercial viability of emerging decarbonisation technologies, including its implementation and integration challenges
- Indirect exposure to upstream technology transition, as the availability and cost of low-carbon HRC is influenced by suppliers' adoption of low-carbon steelmaking technologies
- Potential competitive disadvantage if the adoption of viable low-carbon technologies does not keep pace with customer and market expectations

**Current Financial Effects**

- Increased CAPEX for energy efficiency improvements and low-carbon technology investments
- Increased OPEX associated with technology implementation, maintenance, and workforce capability development

**Anticipated Financial Effects**

- Reduced revenue and market competitiveness if commercially viable low-carbon technologies are not in line with evolving customer, regulatory, and market expectations
- Potential asset impairment or accelerated depreciation of existing equipment
- Additional CAPEX for process upgrades to support Mycron's decarbonisation pathway

**Opportunities**

- Long-term reduction in OPEX through lower fuel and electricity consumption
- Optimised capital allocation by prioritising high-impact decarbonisation and energy efficiency investments
- Enhance operational resilience through timely adoption of low-carbon technologies, reducing future equipment upgrade and replacement costs
- Improved access to green financing and government incentives supporting low-carbon technologies

**Mitigation and Adaptation Strategies**

**Direct**

- Invest in energy-efficient and low-carbon technologies to improve operational efficiency and reduce emissions
- Implement energy efficiency programmes, process optimisation, and digitalisation initiatives to improve resource efficiency
- Strengthen workforce capabilities through upskilling and training on emerging low-carbon technologies
- Leverage available government incentives, grant and tax incentives to support low-carbon technology investments

**Indirect**

- Build strategic partnerships with universities, technology providers, and industry associations to evaluate and adopt emerging low-carbon technologies

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Physical Risk Scenario Analysis

### EXTREME HEAT

Rising temperatures and frequent extreme heat events may increase thermal stress across Mycron's manufacturing operations. Employees at the production, maintenance, and logistics divisions may experience greater exposure to heat stress, increasing the risk of heat-related illnesses and fatigue, causing lower labour productivity and elevated risk of workplace incidents.

| Key Driver | Time Horizon | Risk Level | |
|---|---|---|---|
| | | IPCC SSP2-4.5 | IPCC SSP5-8.5 |
| Increasing frequency, intensity, and duration of extreme heat events and prolonged high ambient temperatures due to climate change | S M L | Low | Low to Medium |

**Potential Impact on Our Business and Value Chain**

- Increased OHS risks for outdoor employees, potentially leading to heat stress, reduced productivity and higher absenteeism
- Disruptions to maintenance, operations and logistics activities due to unsafe working conditions during prolonged periods of extreme heat
- Higher electricity consumption and operating costs resulting from increased demand for cooling and ventilation
- Supply chain disruptions affecting the timely delivery of raw materials and products

**Current Financial Effects**

- Increased OPEX due to higher electricity consumption for cooling and ventilation
- Higher OPEX resulting from thermal stress on electrical equipment, cooling systems, and solar PV assets
- Additional OHS expenditure for heat stress management including personal protective equipment ("PPE"), hydration and employee welfare measures

**Anticipated Financial Effects**

- Higher CAPEX for cooling system upgrades, insulation, and climate-resilient infrastructure
- Potential revenue loss from more frequent production downtimes and equipment failures

**Opportunities**

- Enhance operational resilience by investing in heat-resilient infrastructure, cooling systems, and equipment to maintain reliable operations
- Demonstrate proactive climate risk management to strengthen stakeholder confidence in Mycron's operations reliability
- Strengthen workforce well-being and productivity through heat stress management and workplace conditions

**Mitigation and Adaptation Strategies**

**Direct**

- Integrate climate resilience considerations into project planning and asset management processes
- Apply heat stress protocols aligned with DOSH, DOE guidelines, and ISO 45001:2018
- Strengthen climate risk assessments and scenario analysis to support long-term resilience planning
- Implement roof cooling, improved ventilation, and reflective materials to lower factory heat buildup
- Increase green landscaping and shaded rest areas

**Indirect**

- Review work schedules and operational planning during periods of extreme heat to minimise heat exposure and productivity impacts
- Strengthen heat-stress awareness and training for employees and contractors

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Physical Risk Scenario Analysis

### FLOODING

The increasing frequency and severity of flooding and flash floods may disrupt Mycron's operations and supply chain over the long term. The Group's four factories are located within approximately 18 km of Port Klang, at elevations ranging from 8 to 22 metres above sea level, resulting in exposure to flood-related risks. Climate projections indicate that this exposure may increase under the very high-emissions SSP5-8.5 scenario.

| Key Driver | Time Horizon | Risk Level | |
|---|---|---|---|
| | | IPCC SSP2-4.5 | IPCC SSP5-8.5 |
| Increasing intensity of extreme rainfall and flooding over a longer term | S M L | Low | Low to Medium |

**Potential Impact on Our Business and Value Chain**

- Temporary operational disruptions and reduced operational efficiency arising from flooding and water ingress
- Physical damage to Mycron's assets and infrastructure
- Potential relocation of offices and facilities need due to prolonged exposure to flood
- Disruption to supplier operations, transportation routes, and raw material delivery schedules

**Current Financial Effects**

- Increased OPEX associated with preventive maintenance and upkeep of drainage and flood-control infrastructure
- Additional expenditure on emergency preparedness measures to minimise potential operational disruption

**Anticipated Financial Effects**

- Potential revenue loss and increased OPEX from temporary production stoppages during severe flooding
- Increased CAPEX for flood adaptation and resilience measures, including flood barriers and protection of critical equipment
- Potential repair or replacement costs for damaged equipment, electrical systems, and infrastructure
- Increases in insurance premiums and insurance coverage as flood risk intensify

**Opportunities**

- Integration of flood risk considerations into asset upgrades, infrastructure planning, and future capital investments can strengthen long-term asset resilience across Mycron's operations
- Strengthen contingency planning and alternative logistics arrangements can reduce exposure to flood-related transportation and supply disruptions, supporting continuity of raw material supply and customer deliveries

**Mitigation and Adaptation Strategies**

**Direct**

- Conduct preventive maintenance of drainage systems and critical infrastructure to reduce flood-related risks
- Deploy monitoring systems and emergency response procedures ("ERP") to enable timely response to potential flood incidents
- Integrate flood risk assessments into asset management, infrastructure upgrades, and capital investment planning
- Implement flood mitigation measures for critical equipment and electric systems, as well as retention ponds, sump pumps and debris-clearing protocols
- Scale up rainwater harvesting system as flood control and industrial operation use

**Indirect**

- Engage with local authorities and relevant stakeholders on flood preparedness, drainage management, and emergency response
- Incorporate climate-related flood risks into supplier risk assessments and business continuity planning

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Physical Risk Scenario Analysis

### WATER STRESS & DROUGHT

Increasing variability and potential water supply disruptions may heighten water stress and drought risks. MCRC is particularly vulnerable due to its reliance on water-intensive processes and approximately 24 hours of water reserve capacity, potentially resulting in production disruptions and higher operating costs.

| Key Driver | Time Horizon | Risk Level | |
|---|---|---|---|
| | | IPCC SSP2-4.5 | IPCC SSP5-8.5 |
| Changing rainfall patterns, prolonged dry periods, and increasing water demand from other nearby industrial users may cause disruptions to municipal water supply | S M L | Low | Low to Medium |

**Potential Impact on Our Business and Value Chain**

- Insufficient water supply may constrain water-dependent processes, such as CPL, resulting in reduced production capacity or temporary shutdowns
- Limited water availability may affect cooling systems
- Water scarcity affecting key suppliers may constrain availability or increase the cost of raw materials
- Prolonged water shortages may affect sanitation, hygiene, and access to adequate water at manufacturing facilities

**Current Financial Effects**

- Increased OPEX associated with water supply, storage, and treatment
- Additional CAPEX and OPEX associated with water resilience initiatives, such as alternative water sources, rainwater harvesting, and water recycling systems

**Anticipated Financial Effects**

- Daily production stoppages could result in financial losses of up to RM160,000 per factory site
- Potential revenue loss from production disruptions or reduced production capacity during prolonged water shortages
- Potential higher supply chain costs where suppliers are similarly affected by water scarcity

**Opportunities**

- Diversification of water sources through rainwater harvesting, groundwater, and water reclamation reduces reliance on municipal water supply, strengthening business continuity during periods of water scarcity
- Investing in additional water storage can enhance Mycron's ability to maintain critical operations during prolonged supply disruptions
- Improving water efficiency through recycling and water-saving technologies can reduce exposure to rising water costs

**Mitigation and Adaptation Strategies**

**Direct**

- Expand rainwater harvesting and utilisation to reduce reliance on municipal water
- Increase utilisation of alternative water sources including underground water to further strengthen water security
- Improve water-use efficiency through process optimisation and water-saving measures
- Implement water recycling and reuse initiatives across manufacturing processes
- Conduct preventive maintenance and leak detection to minimise water losses

**Indirect**

- Integrate water stress and drought risks into business continuity and capital investment planning
- Engage with water authorities and relevant stakeholders on water availability and supply reliability

## CLIMATE CHANGE AND ENERGY MANAGEMENT

### Mycron's Mitigation and Adaptation Strategies Addressing Our Climate Transition Risks

**Key Focus Areas**

**01** Operational Energy Efficiency

**02** Deployment of Renewable Energy

**03** Employee Awareness Programme

**04** Emissions Management

#### 01) Operational Energy Efficiency



Replaced conventional lighting, including halogen spotlights, with energy-efficient LED lighting, and introduced solar-powered spotlights to further reduce electricity consumption.



Installed inverter-driven air compressors to optimise compressed air generation and reduce energy consumption.



Installed inverters on overhead crane motors to optimise energy use and improve operational efficiency.



Installed transparent roofing to maximise natural daylight and reduce electricity consumption.

In FY2026, the Group invested RM49,900 in sustainability-related CAPEX and incurred RM217,019 in OPEX to support initiatives which includes energy efficiency improvements, ESG compliance, enhanced product transparency, and the implementation of decarbonisation initiatives across our operations.

**Moving Forward**

Mycron is actively progressing key initiatives to further strengthen energy efficiency and renewable energy adoption across its operations. These include the installation of BESS to optimise peak demand and energy costs, the replacement of existing air compressors with higher-efficiency 110 kW units, and the deployment of heat pump systems to improve energy utilisation and overall operational efficiency.

**Sustainability-Related Investment Allocation:**

**RM5.1 million**

# CLIMATE CHANGE AND ENERGY MANAGEMENT

## Mycron's Mitigation and Adaptation Strategies Addressing Our Climate Transition Risks

### 01) Deployment of Renewable Energy

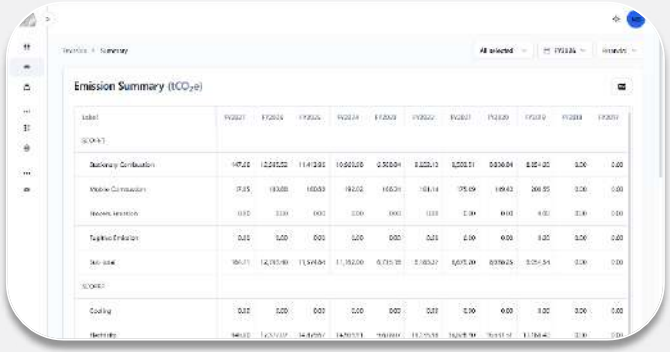



**Moving Forward**

The Group will expand solar PV capacity across MCRC and MST to further reduce reliance on grid electricity.

### 02) Emissions Management

Mycron utilises the GHG COPE System to centrally manage its Group-wide GHG inventory and support the monitoring, reporting, and verification ("MRV") of emissions data. The system consolidates GHG activity data and emissions information across the Group, with relevant supporting documents and records uploaded to provide an auditable train and strengthen data traceability, consistency, and reliability.




### 03) Employee Awareness Programme

The Group promotes responsible energy use across its operations through the ongoing Energy Conservation Programme. Internal guidelines are in place to encourage efficient energy consumption, including maintaining air-conditioning temperatures at 24℃ or above, and unplugging unused electrical equipment. This programme reinforces practical energy conservation behaviours among employees, fostering greater awareness and shared responsibility for creating a more energy-efficient workplace.

### 04) Low-Carbon Operations

Phased out diesel-powered material handling equipment and transitioned to electric forklifts, resulting in the **complete elimination of diesel use** for material handling at MCRC.



## CLIMATE CHANGE AND ENERGY MANAGEMENT

### Mycron's Mitigation and Adaptation Strategies Addressing Our Climate Physical Risks

To strengthen resilience to climate-related physical risks, the Group continues to integrate climate adaptation measures across its operations. These initiatives are designed to reduce exposure to climate hazards, particularly flooding, while supporting business continuity, operational resilience, and long-term productivity.

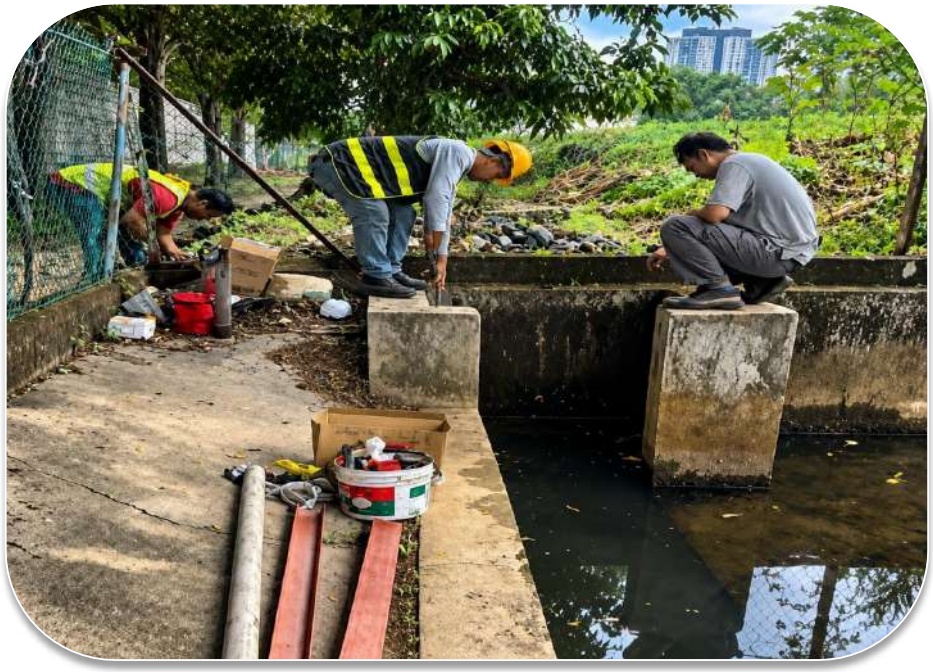
**Retention Pond System**

MCRC has implemented a retention pond system as part of its climate adaptation measures to enhance resilience against heavy rainfall and flooding. The system temporarily retains excess stormwater during periods of intense rainfall, helping to regulate water discharge and reduce flood risks on-site. Where appropriate, the collected water is reused for dust suppression at the scrap yard, reducing dependence on municipal supply.

**Regular Drainage Inspection & Maintenance**

The Group maintains a systematic inspection, maintenance, and desilting of its drainage systems on a biannual basis to maintain effective stormwater flow during heavy rainfall. This preventive measure reduces the risk of drainage blockages and flooding, minimising potential operational disruptions, safeguards critical assets, and strengthens resilience to flood risks





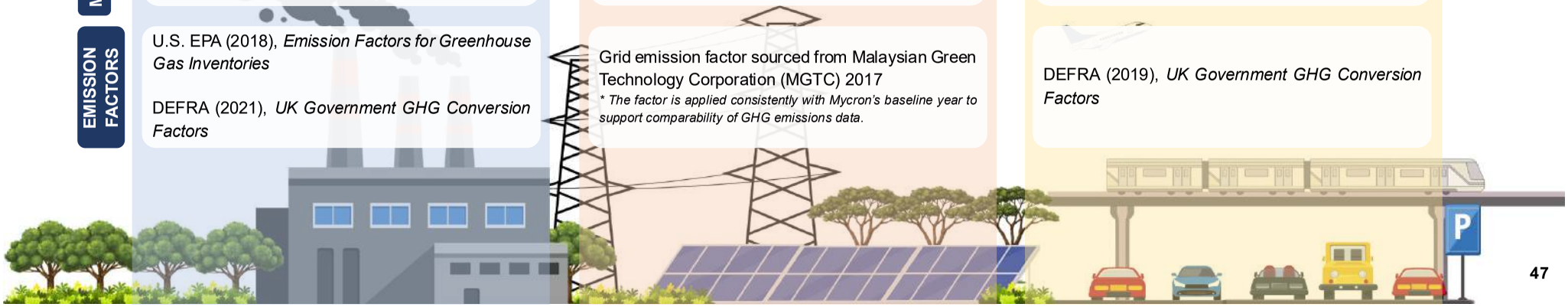
## CLIMATE CHANGE AND ENERGY MANAGEMENT

### GHG Emissions Calculation Methodology

Mycron's GHG inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard for Scope 1 and Scope 2 emissions, and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Scope 3 emissions. This serves as a preparatory step towards adopting IFRS S1 and S2, and supports readiness for future carbon pricing implementation. Emissions are reported in tonnes of carbon dioxide equivalent ($tCO_2e$), using 100-year time horizon global warming potential ("GWP") values from the IPCC Sixth Assessment Report (AR6, 2020). The inventory covers three of the seven Kyoto Protocol GHGs ($CO_2, CH_4, N_2O$), which represents the most relevant and material emissions arising from our operational activities.

Mycron applies the operational control approach to define its organisational boundary, accounting for 100% of emissions from entities under its operational control. These include MCRC and MST.

| | SCOPE 1<br>Direct Emissions | SCOPE 2<br>Indirect Emissions | SCOPE 3<br>Indirect Emissions |
|---|---|---|---|
| ACTIVITY DATA | **Stationary Combustion:** Natural gas, diesel, and liquified petroleum gas ("LPG") consumed by onsite furnaces, generators, and machinery<br>**Mobile Combustion:** Diesel and petrol consumed by company fleet vehicles | Electricity purchased across Mycron operations | **Category 6 (Business Travel):** Total mileage claimed by employees by transportation mode<br>**Category 7 (Employee Commute):** Estimated distances travelled by employees and transport mode distribution |
| METHODOLOGY | Emissions are calculated using the amount of fuel purchased using the purchase records and the appropriate emission factors and GWP.<br>Emissions ($kgCO_2e$) = Fuel used × Emission Factor (EF) | Location-based method using the average grid emission factor ("GEF") for purchased electricity. No contractual instruments are held for market-based reporting.<br>Emissions ($kgCO_2e$) = Electricity consumed × GEF | Emissions are estimated using distanced-based (km) methods, where mode-specific emission factors are applied. |
| EMISSION FACTORS | U.S. EPA (2018), *Emission Factors for Greenhouse Gas Inventories*<br>DEFRA (2021), *UK Government GHG Conversion Factors* | Grid emission factor sourced from Malaysian Green Technology Corporation (MGTC) 2017<br>** The factor is applied consistently with Mycron's baseline year to support comparability of GHG emissions data.* | DEFRA (2019), *UK Government GHG Conversion Factors* |



## CLIMATE CHANGE AND ENERGY MANAGEMENT

### Measurement Uncertainties and Assumptions

To best reflect our performance alongside production growth, the Group determined that carbon intensity would be the best, as tracking its emissions per unit activity shows our improved efficiency even as the production expands, providing a fair and consistent measurement.

For Scope 1 emissions, Mycron has determined that fugitive emissions are immaterial, contributing less than 1% of total emissions. Accordingly, this source has been excluded from material reporting.

GHG emissions are subject to inherent uncertainties arising from activity data, measurement accuracy, emission factors, and estimation methodologies. Where primary data is unavailable, reasonable estimates or secondary data are applied based on available data. Published emission factors and 100-year GWP values are applied based on the selected reporting methodology.

### Quality Control and Assurance

The Group adopts a multi-level review process to maintain the accuracy and reliability of our GHG emissions data. Activity data and supporting records from MCRC and MST are reviewed at the respective operational level before being consolidated and validated by the Group Sustainability function, including checks for completeness, consistency, and alignment with the Group's GHG accounting methodology.

To further enhance data credibility, Scope 1, Scope 2, and Scope 3 : Category 6 (Business Travel) and Category 7 (Employee Commuting) emissions are subject to independent external verification against the GHG Protocol. This provides greater assurance over the reliability and transparency of the Group's climate-related disclosures.

## CLIMATE CHANGE AND ENERGY MANAGEMENT

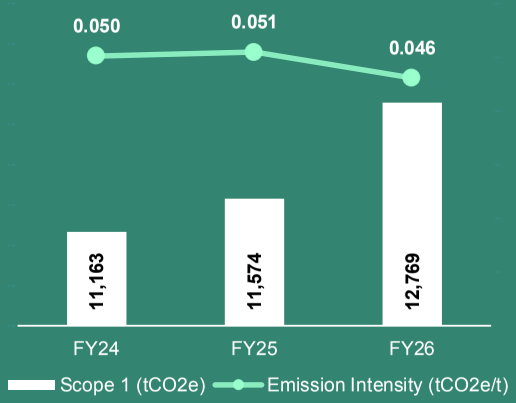
### Our GHG Emissions Performance

In FY2026, Mycron recorded 30,146 $tCO_2e$ in total absolute GHG emissions, representing a 14% increase from FY2025, primarily attributable to a 22% increase in production activity, which resulted in higher fuel consumption and electricity demand.

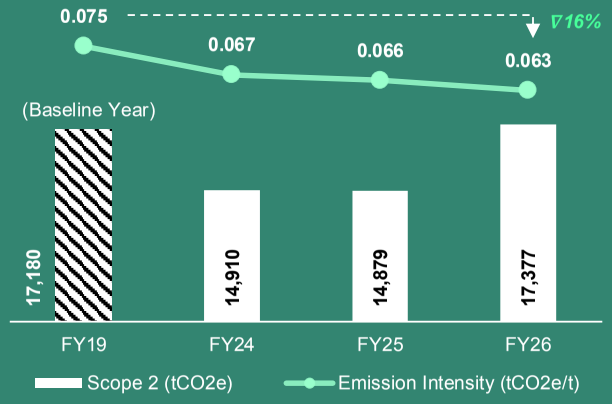
Despite the increase in absolute emissions, overall emissions intensity reduced by 6%, from 0.114 $tCO_2e$/tonne to 0.107 $tCO_2e$/tonne, meeting our target of 0.110 $tCO_2e$/tonne. The improvement was supported by enhanced operational efficiency and process optimisation, particularly in the Batch Annealing Furnace ("BAF") and ARP processes.

**5,000 MWh** solar energy generated, resulting in **2,925 $tCO_2e$** carbon avoidance

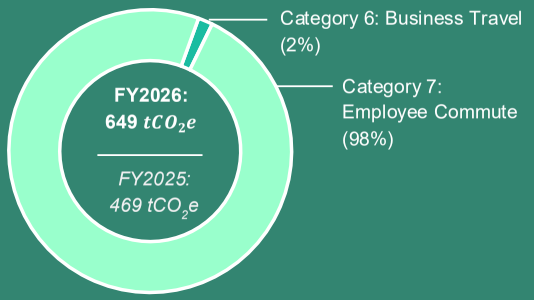
**SCOPE 1 GHG EMISSIONS & INTENSITY**




**SCOPE 2 GHG EMISSIONS & INTENSITY**




**SCOPE 3 GHG EMISSIONS BREAKDOWN**




**TOTAL GHG EMISSIONS**

| | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **Total GHG Emissions ($tCO_2e$)** | 26,072 | 26,453 | 30,146 |
| **Total Emissions Intensity ($tCO_2e$/tonne)** | 0.115 | 0.114 | 0.107 |

***Notes:***

1. *GHG emissions were calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard*
2. *Scope 1 EFs were sourced from U.S. EPA (2018) and UK DEFRA Conversion Factors (2021)*
3. *Scope 2 GHG EFs were sourced from the Malaysian Green Technology Corporation (MGTC) 2017*
4. *Scope 3 EFs were sourced from the UK DEFRA Conversion Factors (2019)*
5. *FY2025 Scope 3 GHG emissions were restated following the correction of distance data used in the emissions calculation*

Scope 1, Scope 2 and Scope 3 GHG emissions were subject to independent limited level assurance in accordance with ISAE 3410 and GHG Protocol. Refer to the Appendix for the Independent Assurance Statement.

## ENERGY MANAGEMENT

**As a steel manufacturer, effective energy management remains a key focus area in Mycron's sustainability strategy, making efficient energy use important to both operational performance, cost competitiveness and our carbon footprint. Accordingly, the Group is committed to strengthening energy efficiency, managing energy-related costs, reducing greenhouse gas emissions and supporting a more resilient and sustainable business.**

### Our Management Approach

Energy management across Mycron's operations is guided through our Energy Policy, which is operationalised through ISO 50001:2018 EnMS at MCRC. The policy reinforces energy conservation awareness through the workforce, strengthening shared accountability for energy performance. The ISO 50001:2018 certification provides a systematic framework for monitoring energy performance, identifying opportunities for improvement, and implementing appropriate energy management measures.

**100%** of Mycron's manufacturing subsidiaries have implemented an **EnMS**, with **MCRC's EnMS certified to ISO 50001**

**MYCRON'S ENERGY POLICY COMMITMENTS**

- To constantly seek achievable energy performance improvement based on the established objective and target
- To apply the latest technology as well as energy efficiency practices in all aspects of organisational operations
- To provide necessary resources, training, and information for relevant staff in energy efficiency management
- To utmost support in energy efficiency design and the procurement of energy-efficient products and services
- To use eco-friendly equipment pertaining to the economic feasibility and availability
- To contribute to the efforts of the government in reducing greenhouse gas emissions to achieve the carbon neutrality target


SIRIM QAS INTERNATIONAL

CERTIFICATE

SIRIM QAS International Sdn. Bhd. hereby certifies that

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR
MALAYSIA

has implemented a management system complying with

ISO 50001:2018
ENERGY MANAGEMENT SYSTEMS - REQUIREMENTS WITH GUIDANCE FOR USE

Scope of Certification

OPERATION OF A PLANT FOR THE MANUFACTURING OF COLD ROLLED STEEL SHEET IN COIL AND PICKLED & OILED.

Issue date : 05 April 2026
Original certification date : 10 April 2023
Expiry date : 09 April 2029
Certificate no. : EnMS 00131

MALAYSIA

Ts. Md. Adha Bin Katni @ Rahmat
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

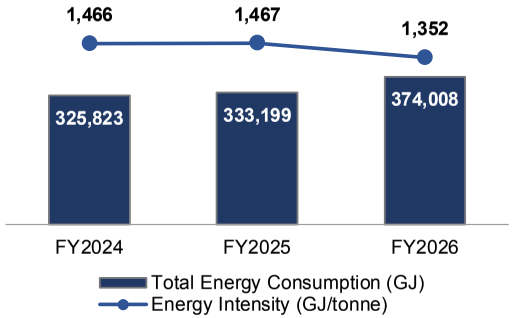
Both entities are subject to the applicable requirements of the Energy Efficiency and Conservation Act ("EECA") 2024 as energy consumers exceeding the prescribed annual energy consumption threshold of 21,600 GJ. Registered Energy Managers ("REM") Type 2 are appointed at each subsidiary to oversee energy management activities and support regulatory compliance, including the submission of annual Energy Efficiency and Conservation Reports to the Energy Commission. Continuous improvement is reinforced through regular internal audits, where enhancement opportunities are identified, corrective and preventive actions are implemented and tracked to completion.

*Refer to the 'Mycron's Mitigation and Adaptation Strategies' section on pages 44 – 45 for the key energy efficiency and renewable energy initiatives.*

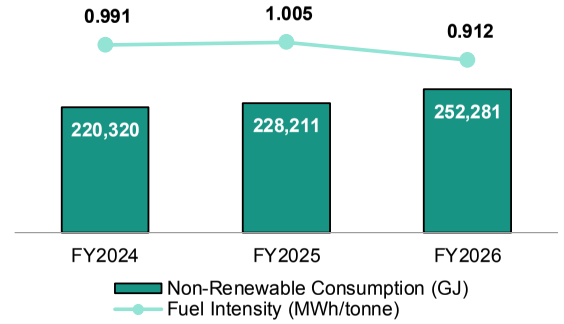
## Our Energy Performance

During the reporting period, the Group recorded net total energy consumption of 374,008 GJ, representing an 8% decrease in energy intensity to 1,352 MJ/tonne compared with FY2025. This marks the lowest energy intensity achieved by Mycron over the past three financial years, remaining below our target of 1,400 MJ/tonne, reflecting continued efforts in energy efficiency, process optimisation, and electrification across our operations. The Group's non-renewable energy consumption increased by 13% to 356,010 GJ, primarily due to higher electricity, and natural gas consumption associated with increased production activity. Despite the increase in absolute consumption, electricity intensity decreased by 4%, while fuel intensity decreased by 9% compared with FY2025, indicating improved energy performanc

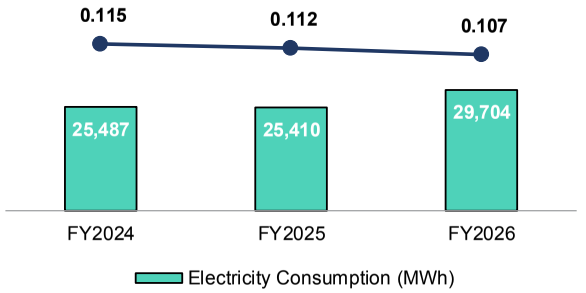
**ENERGY INTENSITY (GJ/TONNE)**



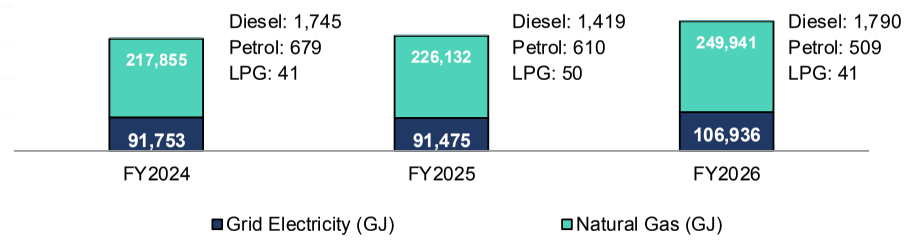

**FUEL INTENSITY (GJ/TONNE)**



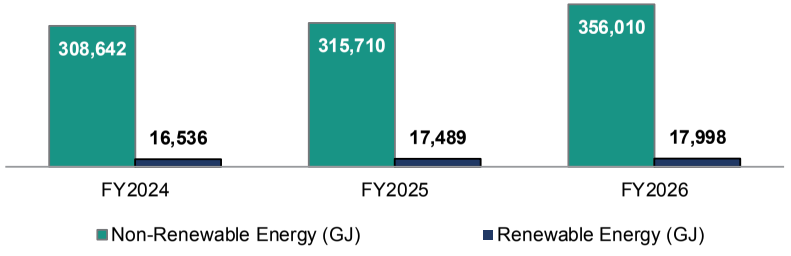

**TOTAL ELECTRICITY CONSUMPTION & INTENSITY**




**NON-RENEWABLE ENERGY CONSUMPTION PROFILE (GJ)**




**TOTAL ENERGY CONSUMPTION (GJ)**




***Notes:***

1. *FY2024 to FY2026 presents an aggregated energy data from all our operations across Mycron*

Energy management data, which is the total energy consumption, was subject to independent limited level assurance in accordance with ISAE 3000 (Revised). Refer to the Appendix for the Independent Assurance Statement.

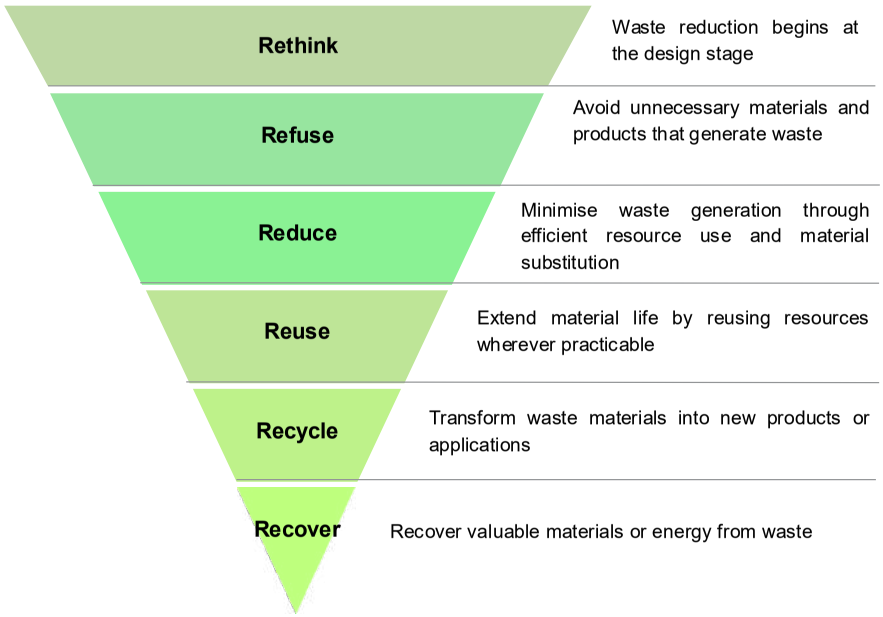
## CIRCULAR ECONOMY & WASTE MANAGEMENT

**Mycron adopts a responsible approach to managing waste generated across its operations, with a focus on minimising waste generation, mitigating environmental impacts, and maximising resource recovery. Our approach supports the circular economy aspirations of Malaysia's New Industrial Master Plan 2030 (NIMP 2030), while ensuring compliance with applicable waste management requirements.**

### Our Management Approach

**6R Waste Framework**

In line with the MITI Circular Economy Policy Framework for Manufacturing Sector, our waste diversion strategy is guided by the waste hierarchy approach, using the 6R principles which provides a structured guide for responsible waste management, emphasising waste diversion and environmentally sound disposal.




The Group identified waste generated based on their characteristics and potential to adversely affect public health and environment, and categorised them into:







Our approach focuses on recovery initiatives to extract value from discarded materials and extend their lifecycle. Only when all other options have been exhausted, do we proceed with responsible disposal, ensuring it remains a last resort.

The Group affirms its commitment to waste management through its Environmental Policy and Sustainability Policy, which establishes a clear long-term commitment to achieve Zero Waste-to-Landfill by 2050, reinforcing our responsibility to move towards a more circular and sustainable production system.

We encourage our suppliers and contractors to uphold ESG standards and collaborate with external partners to promote waste recovery, recycling, and reuse across the value chain, supporting the Group's circular economy and waste diversion objectives.

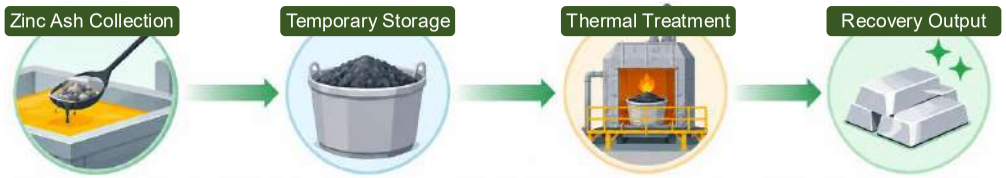
**Moving Forward**

Mycron plans to pursue Zero Waste-to-Landfill certification to independently validate its waste diversion performance and further strengthen its circular economy practices, in alignment with the Circular Economy Blueprint for Solid Waste in Malaysia (2025 – 2035).

## CIRCULAR ECONOMY & WASTE MANAGEMENT

### Key Strategies for Hazardous Waste Management

Beyond regulatory compliance, Mycron focuses on extracting greater value from waste and keeping materials in use for as long as practicable. We continue to explore recovery, recycling, and reuse opportunities for scheduled and non-hazardous waste and co-products through process improvements and external collaborations, while ensuring scheduled waste is managed in accordance with the Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005.

| | |
|---|---|
| ***Recovery of Spent Alkalis*** | Spent alkalis are sent to a licensed recovery facility for treatment and resource recovery. The waste undergoes wastewater treatment and the resulting sludge is dried and tested for suitability for cement co-processing. Compliant recovered material is subsequently utilised in cement co-processing, supporting waste diversion and resource recovery. |
| ***Recovery of Metal Hydroxide Sludge*** | Waste metal hydroxide generated from our IETS operations is sent to a licensed recovery facility, where metal oxide is extracted for further use and suitable residual materials are utilised for cement co-processing, maximising resource recovery and minimise waste directed to final disposal. |
| ***Recovery of Zinc Ash*** | Zinc ash generated during the galvanising process undergoes thermal recovery to extract residual zinc, which is subsequently reused in the galvanising process. This closed-loop approach maximises resource recovery, reduces material waste, and supports circularity within our operations.   |
| ***Recovery of Waste Acid*** | At MCRC, spent acid from the CPL is regenerated through the ARP and returned to the pickling process for reuse, creating a closed-loop acid recovery system that reduces fresh acid requirements and waste generation. |
| ***Recovery of Waste Oil*** | Waste oil generated from operational and maintenance activities, is sent to a licensed recovery facility for treatment and recovery as an alternative fuel, supporting resource recovery and reducing waste directed to final disposal. |
| ***Utilisation of Carbide Lime as an Alternative Treatment Material*** | Carbide lime, a by-product generated by an external company, is utilised as an alternative treatment material in its IETS operations. This industrial symbiosis initiative promotes resource circularity, reduces reliance on virgin materials, and extends the useful life of materials across value chains. |

## CIRCULAR ECONOMY & WASTE MANAGEMENT

### Key Strategies for Non-Hazardous Waste Management

The Group prioritises the diversion of non-hazardous waste from disposal through recycling and resource recovery. Recyclable waste streams, including scrap metal, iron oxide and paper/cardboard, are segregated and directed for recycling or recovery, while residual general waste that cannot be recovered is sent for appropriate disposal.

| | |
|---|---|
| ***Recycling of Scrap Metal*** | Scrap metals are collected and sold to licensed scrap collectors for downstream recycling and recovery, including processing by smelters, supporting material circularity, and reducing waste directed to landfill. |
| ***Recycling of Iron Oxide*** | Iron oxide generated from the ARP process as a by-product is diverted from disposal and supplied to a paint factory for use in protective coating applications, promoting beneficial reuse of industrial by-products and supports material circularity. |
| ***Recycling of Plastics*** | Plastic offcuts are reprocessed into resin and recycled as raw material in the production of plastic caps, creating a closed-loop process that eliminates plastic waste.   |

**6R Programme & Waste Segregation**



Guided by the 6R principles, Mycron practices systematic waste segregation at source to facilitate proper handling, recycling, and resource recovery. Designated recycling bins are provided across operational sites to separate recyclable materials from general waste. Monthly internal audits are conducted to monitor waste management practices and identify areas for improvement.

**Textile Recycling Drive**



In collaboration with Kloth Malaysia, Mycron organised a Textile Recycling Drive that collected approximately 210 kg of used clothing and linens for recycling, encouraging employee participation in waste reduction and promoting a culture of environmental responsibility.

**Take-Back Programme**

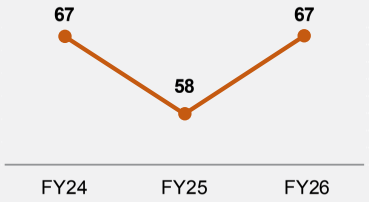


The Group continues to implement a Take-Back Programme where used chemical drums are returned to suppliers for reuse, extending the useful life of industrial containers and reducing waste directed to disposal. This initiative promotes resource efficiency and supports circularity across the supply chain.

# CIRCULAR ECONOMY & WASTE MANAGEMENT

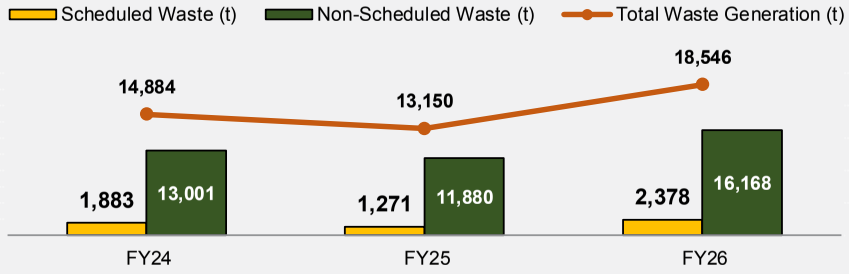
## Our Waste Performance

### Total Waste Generation Intensity (kg/t)




In FY2026, Mycron's waste generation intensity increased by 16% year-on-year, primarily due to higher IETS-related scheduled waste generated alongside increased production activity. Despite the increase, waste intensity remained within the Group's target of 70 kg/tonne, underscoring our continued commitment to effective waste management.

### Waste Generation by Category (MT)




The Group generated 16,168 tonnes of non-scheduled waste and 2,378 tonnes of scheduled waste, with non-scheduled waste accounting for the majority of total waste generated, comprising scrap metal and iron oxide.

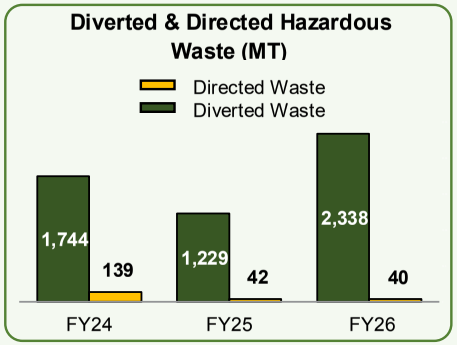
### Recycled Waste (MT)

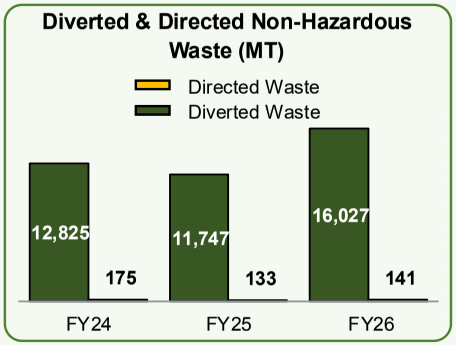
| Scrap Metal | Iron Oxide | Boxes | Paper |
|---|---|---|---|
| **15,369** tonnes | **650** tonnes | **4** tonnes | **4** tonnes |

**86%** Waste Recycled

In FY2026, a total of 16,027 tonnes of waste were recycled, which is equivalent to 86% of total waste generated. With 99% of non-hazardous waste recycled, the Group continues to advance circular economy by maximising resource recovery and minimising waste directed to disposal.

### Diverted and Directed Waste



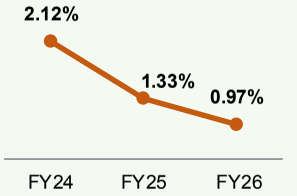




| Type of Disposal Operation | Hazardous Waste (MT) | | | Non-Hazardous Waste (MT) | | |
|---|---|---|---|---|---|---|
| | FY2024 | FY2025 | FY2026 | FY2024 | FY2025 | FY2026 |
| Incineration | 0 | 0 | 0 | 0 | 0 | 0 |
| Secured landfill | 139 | 42 | 40 | 175 | 133 | 141 |
| Other disposal methods | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Directed Waste** | **139** | **42** | **40** | **175** | **133** | **141** |
| **Type of Recovery Operation** | | | | | | |
| Reuse | 0 | 0 | 0 | 0 | 0 | 0 |
| Recycling | 0 | 0 | 0 | 12,825 | 11,747 | 16,027 |
| Offsite recovery | 1,233 | 897 | 1,630 | 0 | 0 | 0 |
| Onsite recovery | 511 | 331 | 709 | 0 | 0 | 0 |
| **Total Diverted Waste** | **1,744** | **1,229** | **2,338** | **12,825** | **11,747** | **16,027** |

### Directed Waste to Disposal Target

Mycron has established a target to maintain waste directed to disposal at below 2% from FY2026 to FY2029, supporting the Group's long-term ambition of achieving Zero Waste to Landfill by 2050. In FY2026, the Group outperformed this target, achieving a **99% waste diversion rate**, with only 0.97% directed to disposal.

**Directed Waste to Landfill (%)**



## POLLUTION & EFFLUENT MANAGEMENT

**We recognise the importance of responsible pollution and effluent management in minimising the environmental impacts associated with its manufacturing operations. Our production processes may generate wastewater, air emissions and other pollutants that, if not appropriately managed, could affect the surrounding environment. The Group therefore proactively adopts appropriate treatment, monitoring, and pollution control measures to manage these impacts and ensure compliance with applicable environmental requirements.**

### Our Management Approach

The Group is committed to minimising pollution and managing the environmental impacts arising from our manufacturing operations through effective controls, monitoring, and responsible operational practices. Guided by our Environmental Policy and Sustainability Policy, Mycron maintains oversight of air emissions and industrial effluent across its operations, supported by established pollution control and treatment systems.

Environmental performance is regularly monitored to ensure that emissions and effluent remain within applicable regulatory limits. The Group appoints DOE-certified competent personnel to oversee key environmental monitoring activities, including the operation and performance of pollution control and effluent treatment systems, ensuring adherence to environmental standards. Through these measures, we seek to prevent and minimise pollution, safeguard the surrounding environment and maintain compliance with applicable environmental requirements.

Mycron's pollution and effluent management practices are guided by and conducted in accordance with the following key environmental regulatory requirements:

- ✓ Environmental Quality Act (EQA) 1974
- ✓ Environmental Quality (Clean Air) Regulations 2009
- ✓ Environmental Quality (Industrial Effluent) Regulations 2009, Standard B

As part of our commitment to strong environmental governance, the Group has established an internal benchmark to limit regulatory penalties related to environmental compliance, including waste and emissions management, to no more than one (1) per financial year. In FY2026, we maintained our record of zero environmental fines and penalties and zero non-compliance with discharge limits.

**Environmental Non-Compliance Record**

| | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **Number of environmental fines and penalties** | **0** | **0** | **0** |
| **Incidents of non-compliance related to effluent Standard B discharge limits** | **0** | **0** | **0** |

# POLLUTION & EFFLUENT MANAGEMENT

## Managing Air Emissions & Improving Air Quality

### Air Emissions Management Strategies

The Group has implemented targeted initiatives to refine air emissions capture across our operations, ensuring to mitigate exposure to environmental incidents and regulatory interventions. These engineering controls are supported by periodic monitoring and equipment maintenance to ensure the continued effectiveness of emission control systems.

| Strategy | Key Strategies Implemented |
|---|---|
| **Acid Fume Control** | An acid scrubber was installed at the CPL line to capture and treat acid fumes using a scrubbing solution before discharge. Rainwater is utilised for solution top-up where practicable. |
| **Alkaline Fume Control** | An alkaline scrubber at the Electrolytic Cleaning Line ("ECL") treats alkaline fumes generated during operations through a scrubbing process. |
| **Metal Dust & Particular Control** | A bag filtration system is used for shot blasting activities to capture metal dust and particular emissions. The system has been enhanced with a plastic-coated surface filter to improve filtration performance. |





### Air Emissions Performance

**ISO 14001 – Environmental Management System (EnMS)**

| FY2024 | FY2025 | FY2026 |
|---|---|---|
| 100% Certified | 100% Certified | 100% Certified |

100% certification coverage for three consecutive years

It is the practices of the Group to engage DOE-accredited laboratories to conduct isokinetic stack and air emissions monitoring. These assessments are performed periodically, with results monitored to maintain full compliance with the Clean Air Regulations. We actively monitor air emissions by measuring Nitrogen Oxides ($NO_x$), Sulphur Oxides ($SO_x$) and Volatile Organic Compound ("VOC") emissions across all our operational sites.

**MCRC Air Emissions (mg/$m^3$)**

| Pollutants | FY2024 | FY2025 | FY2026 | Limit Value (mg/$m^3$) |
|---|---|---|---|---|
| Isokinetic Dust Particulate ("PM") | 7.10 | 8.81 | 7.82 | 50 |
| $NO_x$ | 2.05 | 2.05 | 2.05 | 500 |
| $SO_x$ | 10 | 10 | 10 | 500 |
| VOC | 0.01 | 0.01 | 0.01 | N/A |

**MST Air Emissions (mg/$m^3$)**

| Pollutants | FY2024 | FY2025 | FY2026 | Limit Value (mg/$m^3$) |
|---|---|---|---|---|
| Isokinetic Dust Particulate ("PM") | 11.85 | - | 15.46 | 50 |
| $NO_x$ | 20.5 | 17.5 | 8.2 | 500 |
| $SO_x$ | ND (<10) | ND (<10) | ND (<10) | 500 |
| VOC | 0 | 0 | 0 | N/A |

In FY2026, Mycron has achieved its target of maintaining key air pollutant concentrations below 50% of the applicable regulatory limits prescribed under the Environmental Quality (Clean Air) Regulations 2014.

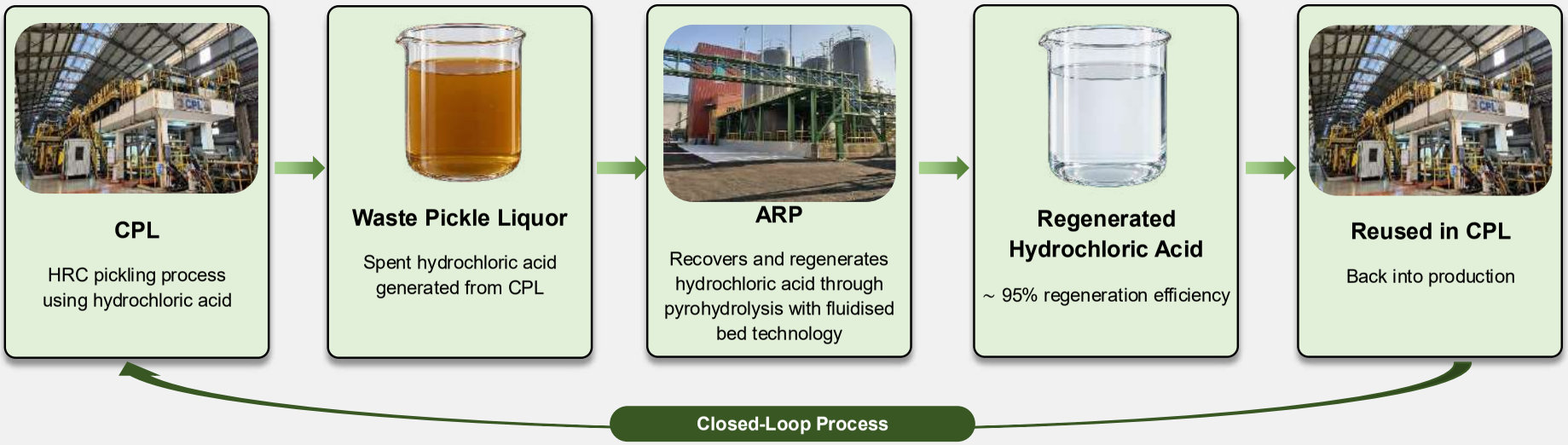
## POLLUTION & EFFLUENT MANAGEMENT

### Effluent Management & Resource Recovery

**Effluent and Resource Management Strategies**

**Reducing Waste Acid through a Closed-Loop Recovery System**

MCRC operates an ARP as part of its integrated effluent and resource management approach. Waste pickle liquor generated from the Continuous Pickling Line (CPL) is treated through the ARP to recover and regenerate hydrochloric acid for reuse within the production process. With a regeneration efficiency of approximately 95%, the system reduces the volume of waste acid requiring treatment or disposal while lowering reliance on virgin hydrochloric acid.




**Key Highlights**

**~ 95%**
Acid Regeneration Efficiency

**1500**
**litres per hour**
Waste Acid Regeneration Capacity

**Environmental Benefits**

- Reduces waste acid requiring treatment or disposal
- Lower reliance on virgin hydrochloric acid
- Supports circular economy

# POLLUTION & EFFLUENT MANAGEMENT

## Effluent & Resource Use Performance

### Effluent Performance

As part of the Group's commitment to responsible environmental management, DOE-certified competent persons are appointed to oversee the operation and performance of the IETS at both MCRC and MST. Process effluent is treated onsite prior to discharge in accordance with Standard B requirements under the Environmental Quality (Industrial Effluent) Regulations 2009. Treated effluent is subsequently discharged into the drainage system and ultimately to nearby waterways, in compliance with applicable regulatory requirements.

**Total Effluent Discharge ($m^3$)**

| Entity | Discharge by Destination | FY2024 | FY2025 | FY2026 |
|---|---|---|---|---|
| MCRC | Surface Water | 74,007 | 75,443 | 113,465 |
| MST | | 2,458 | 1,446 | 1,298 |
| **Total** | | **76,456** | **76,889** | **114,763** |

**MCRC Effluent Discharge Result (mg/l)**

| Parameter | FY2024 | FY2025 | FY2026 | Standard B (mg/l) |
|---|---|---|---|---|
| Biochemical Oxygen Demand | 33 | 30 | 24 | < 50 |
| Chemical Oxygen Demand | 166 | 122 | 92 | < 200 |
| Suspended Solids | 26 | 24 | 6 | < 100 |
| Zinc | < 0.5 | 0.06 | - | < 2.0 |
| Iron | 1.34 | < 0.05 | 0.17 | < 5.0 |

**MST Effluent Discharge Result (mg/l)**

| Parameter | FY2024 | FY2025 | FY2026 | Standard B (mg/l) |
|---|---|---|---|---|
| Biochemical Oxygen Demand | 6 | 5 | 6 | < 50 |
| Chemical Oxygen Demand | 26 | 21 | 27 | < 200 |
| Suspended Solids | 12 | 7 | 9 | < 100 |
| Zinc | 0.74 | 0.68 | 0.49 | < 2.0 |
| Iron | 0.28 | 0.40 | 0.37 | < 5.0 |



*IETS at MCRC*



*IETS at MST Factory 2*

# POLLUTION & EFFLUENT MANAGEMENT

## Effluent & Resource Use Performance

### Resource Use and Efficiency Performance

At Mycron, resource efficiency is embedded across our manufacturing operations through process optimisation and responsible material management. Guided by the Group's Environmental Policy and Sustainability Policy, we focus on improving resource efficiency, minimising material losses, and advancing circular economy practices where practicable.

Material efficiency is supported through monitoring of key operating parameters, preventive maintenance and loss analysis to optimise material utilisation and minimise production losses. Steel scrap generated from our manufacturing processes is segregated and recovered for recycling, supporting the continued circulation of steel within the wider value chain, as illustrated below.

Water efficiency is another key focus. During FY2026, initiatives included the rectification of water leaks, particularly within cooling tower systems, and the installation of an underground water abstraction system as an alternative water source. Together with rainwater utilisation, these initiatives support more efficient freshwater use and progressively reduce reliance on municipal water.






*Metal scrap yard at MCRC where steel scrap generated is collected and segregated before being sent for external recycling*

| Resource Use | | | | |
|---|---|---|---|---|
| **Resource Type** | **Unit** | **FY2024** | **FY2025** | **FY2026** |
| **Steel Scrap Recovered for Recycling** | tonnes | 12,214 | 10,880 | 15,369 |
| **Municipal Water Consumption** | $m_3$ | 254,180 | 195,157 | 206,266 |

## POLLUTION & EFFLUENT MANAGEMENT

### Enhancing Operational Sustainability through Life Cycle Assessment

The Group adopts LCA to systematically evaluate the environmental impacts associated with its steel products across relevant stages of their life cycle, including raw material sourcing, inbound transportation, manufacturing, packaging, and end-of-life. The assessment provides insights into key impacts, including GHG emissions, energy consumption, and resource use, enabling the Group to identify opportunities to improve resource efficiency and reduce the environmental footprint of its products.

In FY2026, we further strengthened product-level environmental transparency through the development and publication of four independently verified EPDs for selected steel products across MCRC and MST. Developed based on LCA principles and in accordance with ISO 14025:2006 and EN 15804:2012, the EPDs provide standardised and credible information on the environmental performance of our products across their life cycle.

This milestone enhances Mycron's product stewardship and carbon transparency, while providing customers and other stakeholders with verified environmental data to support informed procurement, carbon accounting, and sustainability reporting. It also strengthens the Group's readiness to participate in green building projects, ESG-driven supply chains and markets with increasing demand for transparent product-level environmental information.

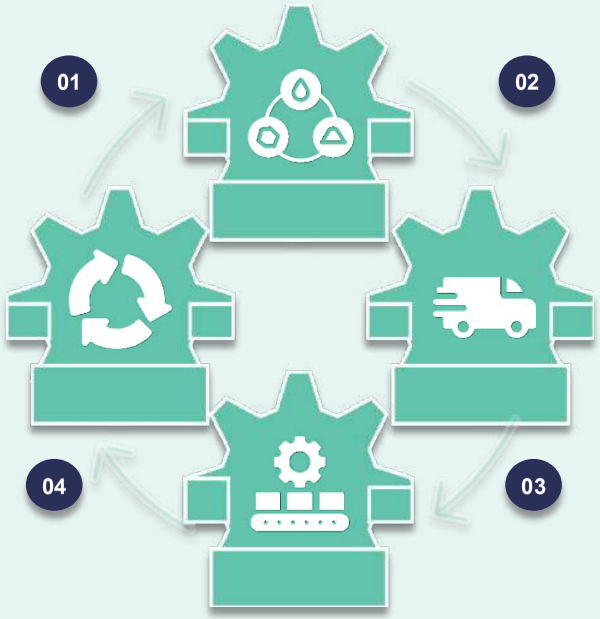
**PRODUCTS ASSESSED**

**MCRC**

- SPCC-1B Cold-Rolled Coil
- SPCC-SD Cold-Rolled Coil
- Hot-Rolled Pickled and Oiled Coil (HRPO)

**MST**

- Welded Steel Structural and Formed Section Products




**Raw Material Supply**
Sources steel coils and other production inputs from Malaysian and international suppliers. Supplier-specific environmental data is incorporated into the LCA where available to assess upstream environmental impacts.

**Inbound Transportation**
Assesses the transportation of steel coils and other production inputs to our manufacturing facilities, including relevant road and sea freight.

**Manufacturing**
Covers raw material handling, slitting, forming, finishing, inspection and packaging, together with electricity, water, ancillary materials, waste generation and waste treatment associated with production.

**End-of-Life & Beyond the Life Cycle**
Assesses end-of-life impacts from deconstruction, transportation, recycling and disposal, including the potential benefits of recovered steel, based on an 85% recycling and 15% disposal scenario.

## POLLUTION & EFFLUENT MANAGEMENT




**Moving Forward**

We will continue to strengthen the Group's air emissions and effluent management through technological improvements, enhanced monitoring, and preventive controls. Over the longer term, continued investment in cleaner technologies and improvements to monitoring systems are expected to strengthen regulatory compliance and operational resilience as environmental requirements evolve.

While these initiatives may require capital investment, they are intended to mitigate regulatory and operational risks, prevent potential disruptions and minimise environmental impacts associated with our operations.

## WATER STEWARDSHIP

**The Group recognises water as a vital natural resource and an important input to its steel manufacturing operations. Water is primarily used for cooling systems, processes, equipment maintenance, and other auxiliary activities. The Group is committed to responsible water stewardship by promoting efficient water use, complying with applicable requirements, and managing potential impacts on water supply, in line with its Sustainability Policy and Environment Policy.**

### Water-Related Risk Assessment

In FY2026, the Group conducted a water stress assessment across its operations using the WRI Aqueduct Water Risk Atlas. All current operating sites are located in areas of low water stress.

However, under the pessimistic scenario (SSP5 RCP 8.5), both sites are projected to experience low to medium water stress by 2030. The Group has therefore implemented proactive measures to strengthen long-term water security and resilience to future water-related risks, as this may result in higher water procurement costs, supply constraints, and potential operational disruptions.

| Entity | Location | Current Basin Water Stress in FY2026 | Forecasted Basin Water Stress in 2030 |
|---|---|---|---|
| **MCRC** | Shah Alam | Low (< 10%) | Low-Medium (10 – 20%) |
| **MST** | Shah Alam | Low (< 10%) | Low-Medium (10 – 20%) |

*[1] Source: World Resources Institute, Aqueduct Water Risk Atlas*
*[2] Assessment conducted based on the "pessimistic" scenario (SSP5 RCP 8.5)*

| Category | Cost (RM) | Description |
|---|---|---|
| **Costs associated with water-related risks** | 0 | No material costs arising for water-related disruptions or crisis were incurred as there we no incidents in FY2026. |
| **Investment in R&D to mitigate water-related risks** | 0 | No specific R&D expenditure for water-risk mitigation was incurred during FY2026 |
| **Investment in water-related risk mitigation** | RM83,200 | Investment in the underground water system to diversify water sources and reduce reliance on municipal water. |

### Our Management Approach

Water is essential to Mycron's manufacturing operations, with the majority sourced from municipal potable water supplies. Our approach focuses on improving water efficiency, increasing water reuse, and diversifying water sources to strengthen long-term water security and reduce reliance on municipal water.

Water performance is regularly monitored across our operations to identify opportunities for improvement. The Group targets a 50% reduction in municipal water consumption by FY2029 against the FY2019 baseline, supported by ongoing water conservation and alternative water sourcing initiatives.

*Further information on our commitment to water management is set out in the Group's Sustainability Policy and Environmental Policy, available at https://www.mycronsteel.com/corporate-governance.php*

## WATER STEWARDSHIP

### 1 Rainwater Harvesting System

Integrated rainwater harvesting technology with a total storage capacity 333,000 litres at both operating sites. The collected rainwater is reused for cleaning acid fume scrubbers, landscaping, toilet cleaning, pipe cleaning, and chemical dilution for industrial processes.

In FY2026, a total of 2,373,000 litres of harvested rainwater was utilised for our daily operations.

### 2 Underground Water System

In FY2026, MCRC completed the installation and testing of an underground water abstraction system as part of efforts to diversify its water sources and reduce reliance on municipal water. The system is designed to supply up to 60 $m^3/day$, subject to the abstraction limits and conditions stipulated by the Lembaga Urus Air Selangor ("LUAS"). The abstracted water will progressively support suitable operational and non-potable uses, reducing the demand for municipal water.

### 3 Embedding Water Efficiency Across Our Operations

| | |
|---|---|
| **Water-Efficient Fixtures** | Installation of self-closing and motion-sensor taps, as well as waterless urinals, to minimise unnecessary water consumption. |
| **Leak Detection & Rectification** | Regular inspections are conducted to identify and promptly rectify water leaks, reducing avoidable water losses across our facilities. |
| **Water Management Audits** | Monthly water management audits are conducted across operations to monitor conservation practices, with recognition and incentives for teams demonstrating strong performance. |
| **Aware & Engagement** | Water conservation awareness programmes are conducted to encourage responsible water-use practices among employees and relevant stakeholders. |

### 4 Wastewater Discharge

Both MCRC and MST are equipped with Industrial Effluent Treatment Systems ("IETS") to ensure wastewater is appropriately treated prior to discharge. Discharge is management in accordance with the Environmental Quality Act 1974 and Environmental Quality (Industrial Effluent) Regulations 2009, including applicable DOE discharge limits.

Daily monitoring is conducted by our Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (CePIETSO) personnel, covering key effluent parameters such as pH, dissolved oxygen, and relevant pollutants. In FY2026, all monitored parameters remained within applicable regulatory limits, demonstrating Mycron's commitment to responsible wastewater management.

### Moving Forward

The Group will develop a Water Management Plan and Reduction Roadmap to provide a structured pathway towards our FY2029 target of reducing municipal water consumption by 50%. Having achieved a 44% reduction to date, our focus will be on sustaining this progress while pursuing further opportunities to improve water efficiency across our operations.

Moving forward, the Group will prioritise process optimisation, increased water recycling and reuse, expansion of rainwater harvesting, and alternative water sources, supported by continuous monitoring and targeted infrastructure improvements. We will also continue to strengthen closed-loop water systems and optimise water-intensive processes to reduce reliance on municipal water, enhance operational resilience, and support the Group's long-term water security.

## WATER STEWARDSHIP

### Our Management Approach




*Rainwater harvesting system at MCRC*




*Installation of self-closing taps at MST*




*Newly installed underground water system at MCRC*

# WATER STEWARDSHIP

## Our Water Management Performance

Reduced net water consumption intensity by **36%** vs FY2025

Reduced total freshwater withdrawal by **44%** vs FY2019 baseline

Total rainwater harvested amounts to **2373 $m^3$**

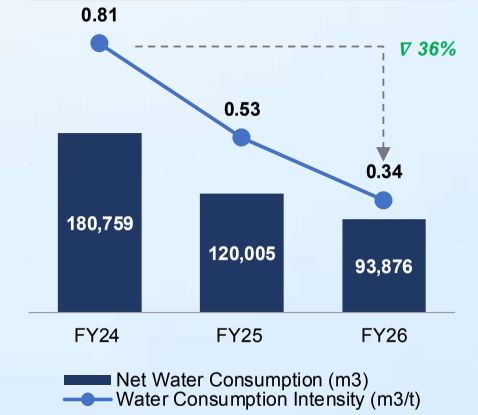
**Zero incidents** of non-compliance with water quality, quantity permits, standards, and regulatory requirements

In FY2026, Mycron's freshwater usage decreased by 43% against the FY2019 baseline, demonstrating continued progress towards the Group's target of a 50% reduction by FY2030.

The Group also recorded a 36% year-on-year improvement in net water intensity, decreasing from 0.53 $m^3$/tonne in FY2025 to 0.34 $m^3$/tonne in FY2026. This represents the lowest water intensity recorded over the past three financial years and surpassed the FY2026 target of 0.40 $m^3$/tonne. The improvement reflects ongoing efforts to enhance water-use efficiency and optimise water management across our operations.

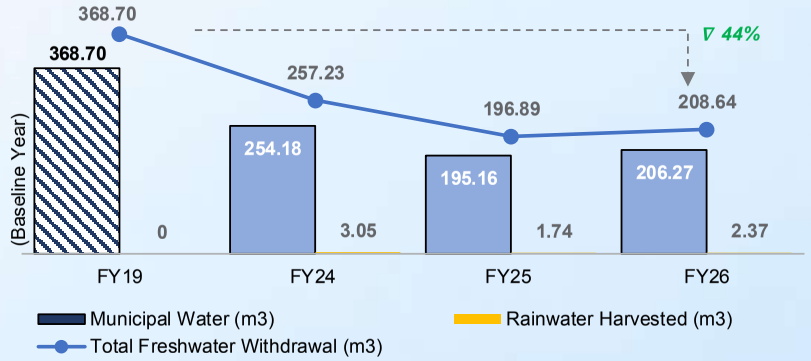
In FY2026, Mycron recorded total wastewater discharge of 114,763 $m^3$, an increase from FY2025, primarily attributable to higher production activity during the reporting year.

**Net Water Consumption Intensity ($m^3$/tonne)**

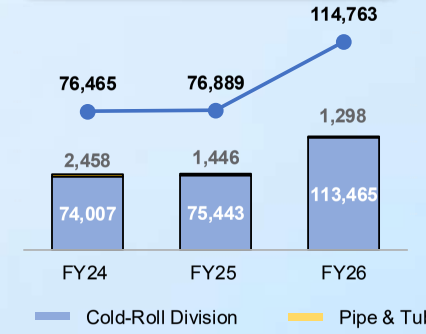



*[1] FY2025 data has been restated to account for the latest calculation methodology*
*[2] The net water consumption intensity is calculated by summing up the total freshwater withdrawn minus off with the discharged water divide by production tonnage*

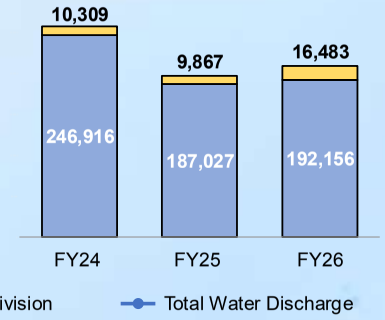
**Freshwater Withdrawal by Source (Megalitres)**




**Total Wastewater Discharge by Business Division ($m^3$)**




**Water Withdrawal by Business Division ($m^3$)**




*[1] FY2025 data has been restated to account for the latest calculation methodology*
*[2] Freshwater withdrawal represents the total amount of water withdrawn from harvested rainwater sources*

Total water use data was independently assured to a limited level in accordance with ISAE 3000 (Revised). Refer to the Appendix for the Independent Assurance Statement.

# Advancing Workforce Well-being & Positive Community Impact




## Material Sustainability Matters

- S1 Occupational Health & Safety
- S2 Human Rights & Labour Standards
- S3 Employee Development & Well-being
- S4 Community Engagement

## Stakeholder Groups

- Employees & Unions
- Suppliers
- Local Communities

## Contribution to UN SDGs

## OCCUPATIONAL HEALTH AND SAFETY

**OHS is fundamental to Mycron's operations, given the inherent risks associated with steel manufacturing. As operating conditions evolve due to asset ageing, process complexities, and changing regulatory requirements, effective management of health and safety risks is essential to safeguarding our employees, contractors and visitors, protecting our assets and maintaining operational continuity.**

The Group manages OHS in compliance with Malaysia's Occupational Safety and Health Act 1994, as amended by the Occupational Safety and Health (Amendment) Act 2022, the Factories and Machinery Act 1967, and applicable Department of Occupational Safety and Health ("DOSH") regulations, while incorporating recognised international practices across our operations.

Guided by the Group's OHS Policy, our structured OHS management system encompasses governance and accountability, hazard identification and risk assessment, operational controls, training, performance monitoring, and continuous improvement. Through this approach, we seek to strengthen a generative safety culture, systematically prevent workplace incidents, and advance towards our long-term goal of zero major accidents by 2030.

### OHS MANAGEMENT STRUCTURE

#### Governance & Oversight

- Group-wide OHS Policy
- HSE Committee
- Periodic management reviews of OHS performance

#### Monitoring & Reporting

- Work authorisation processes
- Operational safety procedures
- ERP
- Incident and accident reporting
- Safety trend monitoring
- Risk management and assessment
- Internal and external audits
- Periodic HSE site

#### Training & Awareness Programmes

- Structured safety training programmes
- Employee participation in health and safety improvements

#### Performance

- LTIR tracking
- Corrective and preventive actions

**Zero fatalities**

**Zero fines and penalties from DOSH**

**Zero occupational illnesses and lost time injuries**

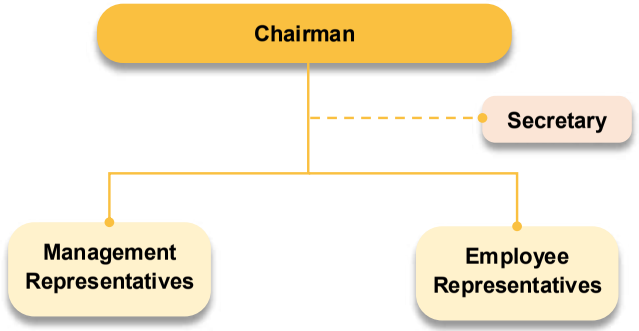
# OCCUPATIONAL HEALTH AND SAFETY

## Governance and Oversight

The BOD holds ultimate oversight of Mycron's OHS performance and the management of health and safety risks, with oversight supported by RSC. The BOD and RSC receive regular updates on OHS performance, key risks, and corresponding management measures through the Group's established governance and reporting structure.

At the operational level, HSE Committee is established for each business division in accordance with the Occupational Health and Safety Regulations 1994, chaired by COO and comprising both management and employee representatives. The committees meet quarterly to review incidents and emerging risks, strengthen preventive measures, and oversee the implementation of the Group's OHS Policy. The Policy is reviewed annually through Management Review meetings to ensure its continued relevance, effectiveness and compliance with applicable requirements.

**HSE Committee Organisational Chart**




**Roles and Responsibilities of the HSE Committee**

- Establish and oversee workplace health and safety procedures and practices
- Identify and implement appropriate corrective actions to prevent injuries, minimise asset damage, and address occupational illnesses
- Promote strong safety culture through employee awareness and Group-wide campaigns
- Evaluate the implementation and effectiveness of OSH management system programmes
- Drive 100% compliance with all mandatory and compulsory training
- Address HSE concerns and unsafe conditions raised by employees and HSE Committee members, ensuring appropriate follow-up actions are taken
- Adopt and maintain ISO 45001 certification




**HSE Working Committee**

The HSE Committee is supported by dedicated working committees, each focusing on specific areas of health and safety management, to ensure effective implementation and continuous improvement across the Group.

| Legal & Document Committee | Emergency Response & Preparedness Committee | Training Committee | Internal Auditor Committee | Risk & Communication Committee | Aspect, Impact & HIRARC Committee | Chemical & Waste Committee |
|---|---|---|---|---|---|---|
| Ensures compliance with regulations and proper documentation | Develops and coordinated emergency response plans | Plans and implements HSE training and awareness programmes | Monitors and audits HSE compliance | Manages risk assessments, hazard communication and employee engagement | Identifies hazards, assesses risks and implements controls | Oversees chemical handling, storage and waste management |

# OCCUPATIONAL HEALTH AND SAFETY

## Monitoring & Reporting

### Hazard Risk Assessment and Management

In FY2026, Mycron transitioned from Hazard Identification, Risk Assessment and Risk Control ("HIRARC") to HIRAO, strengthening the Group's approach to OHS risk management in line with its ISO 45001 management system. HIRAO enables the Group to move beyond hazard and risk management by systematically identifying opportunities to strengthen controls and improve safety performance.

HIRAO assessments are conducted across the Group's operational processes, work activities and any potential new operations by designated assessment teams. Hazards are evaluated across routine, non-routine activities, emergency situations and past relevant incidents, and classified into six categories: physical, mechanical, chemical, biological, ergonomic, and psychosocial. The likelihood and severity of identified hazards are assessed to determine its risk level.

Based on the assessed risk level, appropriate controls are established according to the Hierarchy of Controls, prioritising elimination, substitution, isolation, engineering controls, administrative controls, and PPE. Opportunities for improvement are incorporated into action plans, with assigned responsibilities and timelines for implementation. This approach strengthens proactive risk management, reinforces accountability and drives continual improvement in OHS performance across the Group.

**Key OHS Risks Identified:**
**Material & Machinery Handling | Workplace Exposure | Fire & Electrical hazards**

### OUR HIRAO PROCESS

1. **IDENTIFY HAZARDS**
2. **ASSESS HAZARD RISKS**
3. **IMPLEMENT CONTROLS AND IMPROVEMENTS**
4. **IDENTIFY OPPORTUNITIES**
5. **MONITOR AND REVIEW**

### ASSESSMENT SCOPE

**Routine Activities**
Day-to-day operations

**Non-Routine Activities**
e.g., maintenance

**Emergency Situations**
e.g., fire, chemical spill

**Past Relevant Incidents**
To capture lessons learned

### Incident and Near-Miss Reporting

A dedicated team comprising the Safety and Health Officer ("SHO") and HSE representatives from the respective business divisions oversees the reporting and investigation of workplace incidents and accidents. Incidents occurring on-site are promptly communicated through WhatsApp to facilitate timely reporting.

Investigations are led by the relevant area owner with support from the HSE team to establish the circumstances, identify root cause, and determine appropriate corrective and preventive actions. The investigation process includes:

- Conducting root cause analysis using methodologies such as 5-Why and 4M1E
- Establishing appropriate corrective and preventive actions
- Monitoring the implementation and effectiveness of corrective measures
- Reviewing and, where necessary, strengthening existing controls, procedures, and OHS risk assessments

Investigations into workplace incidents during FY2026 found that the majority of injuries involved the hands, primarily arising from caught-in or caught-between machinery and materials, struck-by incidents and material-handling activities. Key contributing factors identified included unsafe work practices, gaps in work instructions, and opportunities to strengthen operational controls.

In response, corrective and preventive measures were implemented, including reviewing HIRAO and work instructions, strengthening engineering and isolation controls, reinforcing Lockout/Tagout ("LOTO") practices, conducting targeted employee training and enhancing supervision of high-risk activities. The lessons learned were communicated through toolbox talks and the effectiveness of corrective actions is subsequently monitored to support continuous improvement and prevent recurrence.

## OCCUPATIONAL HEALTH AND SAFETY

### Safety Controls for Suppliers and Contractors

We extend our OHS expectations to suppliers and contractors through our Supplier Code of Conduct, reinforcing consistent HSE standards and practices across our supply chain.

**Contractors** undertaking work at our premises are subject to site-specific safety controls. Prior to commencing work, the scope of work and associated hazards are assessed through a Job Safety Analysis ("JSA"), followed by HSE review and Permit-to-Work ("PTW") approval. Safety induction and pre-job briefings are conducted, where applicable, to ensure relevant hazards, controls, and responsibilities are understood. Compliance is monitored throughout the work, with stop-work orders and penalty actions imposed for HSE non-compliances where necessary.

**Suppliers** are required to comply with applicable OHS requirements, identify and mitigate workplace risks, provide appropriate PPE and safety training, and maintain mechanisms for reporting workplace hazards and accidents.



*Safety induction session conducted for contractors*

### Emergency Response and Preparedness

The Group maintains ERP measures to effectively manage potential incidents and minimise impacts on our employees, operations, assets, and the surrounding environment. Key emergency scenarios identified across our operations include fires and explosions, toxic gas releases, chemical spills, electrical incidents, natural disasters, and other operational emergencies, supported by established response procedures and dedicated Emergency Response Team ("ERT").

Annual emergency response exercises, including fire, spillage and evacuation drills, are conducted to strengthen preparedness, enhance employee awareness and familiarise employees with established emergency response protocols. Following each exercise, the ERT reviews the effectiveness of the response and identifies opportunities for improvement to strengthen safety and operational readiness.

Through our emergency preparedness framework, we seek to safeguard our people and assets, minimise operational disruption, strengthen business resilience, and maintain effective communication with relevant stakeholders during emergencies.


*Emergency Response Evacuation Drill at MST Factory 2*

## OCCUPATIONAL HEALTH AND SAFETY

### Training & Awareness Programmes

In FY2026, Mycron conducted targeted OHS training and awareness programmes to strengthen employee competency, promote safe work practices, and enhance preparedness across our operations. Training programmes are tailored to workplace risks, operational requirements, and relevant regulatory and management system requirements.

**3,427 hours**
**of total safety and health training hours in FY2026**

**330 employees**
**trained on health and safety standards in FY2026**

**Overview of OHS Training & Preparedness Programmes**

**HAZARD IDENTIFICATION AND ACCIDENT PREVENTION**
- HIRAO/HIRARC Training
- Accident Prevention and OHS Awareness

**EMERGENCY RESPONSE AND FIRST AID**
- Basic Occupational First Aid ("BOFA")
- Fire Safety and Emergency Response

**MACHINERY, LIFTING AND MATERIAL HANDLING SAFETY**
- Forklift and Overhead Crane Safety Training
- Rigging, Slinging, and Lifting Training
- Welding and Electrical Safety

**ENVIRONMENTAL AND SCHEDULED WASTE MANAGEMENT**
- Scheduled Waste Management
- Air Pollution Control
- ISO 14001 Environmental Management Awareness Training

**CHEMICAL AND OCCUPATIONAL EXPOSURE SAFETY**
- Chemical Handling and Safety
- Hearing Conservation and Noise Control
- Radiation Safety
- Ergonomics

**OHS SYSTEMS, AUDITING AND LEGAL COMPLIANCE**
- ISO 45001, ISO 1400, and ISO 19011 Awareness Training
- ISO 14001 and ISO 45001 Internal Auditing
- Environmental, Safety and Health Legal Compliance Obligations


*Hearing Conservation Training Programme*



*Welding Safety Training*


*BOFA Training*

## OCCUPATIONAL HEALTH AND SAFETY

### Employee Participation in Health & Safety Improvements

We ensure that all of our workforce, including employees and contractors, participate in the development, implementation, and evaluation of our HSE Management System, from policy formulation to strategic oversight, to on the ground execution. This inclusive approach helps cultivate a safety-first culture and shared commitment of safety that reinforces safe work practice implementation across the organisation.



*Safety toolbox briefing for operators*



*6S programme organised at the storeroom*

**Direct Participation**

Employees actively participate in workplace health and safety through the HSE Committee, which comprises employee and management representatives from various operational lines and departments. Regular meetings provide a two-way communication platform for employees to raise concerns, share feedback, and contribute to improvements in workplace health and safety.

**Programme 6S**

Employee participation is embedded in Mycron's 6S Programme, which integrates Safety into the principles of Sort, Set in Order, Shine, Standardise, and Sustain. Through the weekly 6S Day, employees take an active role in maintaining safe, organised and efficient work areas. Monthly audits further encourage engagement between the HSE and Sustainability Teams and line employees to identify safety concerns, discuss areas for improvement, and implement timely corrective actions.

**Toolbox Briefings & Safety Dialogues**

The Group engages employees and contractors on workplace health and safety through toolbox briefings, townhall sessions and on-site dialogues. These channels are used to disseminate HSE policies, procedures, safety requirements, workplace hazards, and incident learnings, while enabling employees to raise concerns, provide feedback, and contribute to a safer workplace.

## OCCUPATIONAL HEALTH AND SAFETY

### Employee Engagement in Health & Well-being Initiatives

We prioritise our employees' overall well-being by encouraging active participation in initiatives that promote physical and mental well-being, healthy lifestyles, and greater workplace health awareness.

**HSE Day**
MCRC conducts a monthly HSE Day involving employees across departments and operational lines to promote health, well-being, and HSE awareness. Activities include light exercises, sharing of HSE updates and learnings, and employee engagement on maintaining a safe and healthy workplace.

**Health Talks and Screening Activities**
A health screening was conducted in collaboration with Management and Science University ("MSU") to promote preventive healthcare and increase employees' awareness of their health and well-being. Employees are provided with outpatient medical treatment coverage for health screenings, medical check-ups and dental services. The Employee Handbook further reinforces our commitment to employee well-being by encouraging relevant departments to organise health talks, awareness campaigns and other health-related activities

**Flexible Working Options**
Employees may request time off up to twice a month, subject to superior's approval, providing greater flexibility to manage personal commitments and support work-life balance.


HSE Day

### Our HSE Performance

In FY2026, the Group recorded a LTIR of 1.75, remaining relatively consistent with the previous financial year and below the Group's target of 2.11. The Group continues to strengthen hazard and risk management, preventive controls, and organisational learning to reduce workplace injuries and improve OHS performance across our operations.

| Health and Safety Metrics | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **Total number of hours worked (hr)** | 1,264,132 | 1,261,750 | 1,485,904 |
| **Total number of lost-time injuries** | 16 | 11 | 13 |
| **Total number of work-related fatalities** | 0 | 0 | 1 |
| **LTIR[1]** | 2.53 | 1.74 | 1.75 |

[1] *LTIR is based on 200,000 hours worked*

During the reporting period, the Group recorded one work-related fatality across 1,485,904 man-hours worked. Recognising the importance of strengthening workplace safety performance, Mycron has established a target to achieve a fatal occupational injury rate of not more than 2.05 per 100,000 workers by 2030, benchmarked against Malaysia's 2023 national fatal occupational injury rate published by the Department of Statistics Malaysia ("DOSM"). In FY2026, the Group's fatal occupational injury rate exceeded this target. We continue to strengthen our preventive controls, incident investigation and organisational learning to improve OHS performance.

Following the incident, corrective and preventive measures include reinforcing safe work procedures, conducting refresher safety training, strengthening unloading requirements at delivery sites, and enhancing engineering controls on delivery vehicles. As part of the enhanced controls, secondary load-retention measures were introduced to minimise the risk of pipes rolling or falling during delivery activities, while relevant risk assessments and work procedures were reviewed to prevent recurrence. Lessons learned from the incident were also communicated to relevant personnel to reinforce awareness and strengthen safety practices across similar activities.

**Moving Forward**

Mycron will continue to strengthen OHS performance by reviewing HIRAO and safe work procedures, strengthening controls for material handling and delivery activities, and conducting targeted safety training based on identified incident trends. Greater emphasis will also be placed on incident investigation, corrective actions and contractor safety management to reduce workplace injuries.

# HUMAN RIGHTS AND LABOUR STANDARDS

**We are committed to respecting and upholding human rights and fundamental labour rights across our operations and value chain. The Group strives to foster a workplace founded on dignity, fairness, and respect by promoting equal opportunity and non-discrimination, fair employment practices, freedom of association, safe and healthy working conditions, and the prohibition of child labour, forced labour, and all forms of exploitation.**

## Our Management Approach

Respect for human rights is integral to the way Mycron conducts its business and supports the long-term well-being of our workforce, responsible business practices, and sustainable value creation. Our approach is guided by applicable Malaysian employment and labour legislation and internationally recognised human rights principles, including the Universal Declaration of Human Rights ("UDHR"), the International Labour Organization ("ILO") Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights ("UNGPs").

Our human rights and labour practices are supported by the Group's governance framework and relevant policies, including our Sustainability Policy, Diversity Policy and Supplier Code of Conduct. Our Diversity Policy, in particular, establishes Mycron's commitment to diversity and equality in employment and opposition to unlawful and unfair discrimination.

These codes and policies are communicated via emails, the company website, and internal intranet and provided in English and Bahasa Malaysia.

### Mycron Human Rights Instruments

**Internal Human Rights Instruments**

1. Code of Conduct and Ethics for all directors, senior officers and employees
2. MSB Sustainability Policy
3. Supplier Code of Conduct
4. OHS Policy
5. Diversity Policy
6. Employee Handbook
7. Child and Labour Policy

**External Human Rights Instruments**

1. Universal Declaration of Human Rights ("UDHR")
2. International Labour Organization ("ILO") Fundamental Principles and Rights at Work
3. United Nations Guiding Principles on Business and Human Rights ("UNGPs")
4. Employment Act 1955 (Act 265)
5. Minimum Wages Order 2022
6. Industrial Relations Act 1967
7. United Nations Global Compact ("UNGC")

## Board Oversight

The BOD holds ultimate oversight of human rights matters across Mycron's operations and value chain, ensuring that material human rights risks are appropriately considered within the Group's sustainability, risk management and decision-making processes.

The RSC supports the BOD in fulfilling this responsibility by providing quarterly oversight of human rights-related risks, performance and emerging issues, including the effectiveness of relevant policies, controls and mitigation measures. Material matters requiring further attention are escalated to the BOD, where appropriate.

At the management level, the SOC, chaired by the Group CEO, provides strategic direction and oversees the implementation of human rights commitments and initiatives. The SOC reviews performance, emerging risks, and management responses to ensure that human rights considerations are integrated into the Group's sustainability priorities and operational practices.

Supporting this governance structure, the Group Sustainability Officer and SWC coordinate the identification and assessment of human rights risks, consolidate relevant performance data, monitor initiatives and corrective actions, and facilitate the escalation of material matters through the SOC and RSC to the BOD.

### Human Rights-Related Performance

| | | |
|---|---|---|
| **Zero** substantiated complaints regarding human rights violations | **Zero** incidents of violations involving human rights of indigenous people | **100%** employees trained on Code of Conduct and Ethics and internal Human Rights Policies |

## HUMAN RIGHTS AND LABOUR STANDARDS

### Embedding Human Rights Principles Across Value Chain

Mycron extends its human rights and labour standards oversight across its supply chain through the Supplier Code of Conduct, which establishes minimum standards of responsible business conduct for suppliers and relevant third parties across the Group, including contractors, sub-contractors, consultants, vendors and agents. For new business partners, we evaluate their commitment to upholding human rights and require them to sign our Supplier Code of Conduct as a demonstration of compliance with relevant laws and regulations.

**Key Human Rights and Labour Standards Applicable to Suppliers**

**Forced Labour**

Suppliers must not use any form of forced, coerced, bonded, indentured or involuntary labour. Employment must be voluntary and workers must be provided with valid employment contracts clearly setting out their terms and conditions, including wages and benefits.

**Child Labour**

Suppliers are expected to prohibit child labour and comply with applicable Malaysian laws and international labour standards on minimum working age. Given the hazardous nature of manufacturing activities, Mycron does not employ persons below 18 years of age.

**Responsible Working Hours**

Suppliers must comply with applicable legal limits on regular and overtime working hours. Overtime must be voluntary and appropriately compensated, and employees must be provided with at least one rest day within every seven-day period.

**Safe and Appropriate Workplace Conditions**

Suppliers are expected to provide safe and conducive workplace and accommodation conditions that meet employees' basic needs, including access to potable water and appropriate sanitary facilities.

**Humane Treatment**

Suppliers must maintain workplace practices that prohibit harsh or inhumane treatment, including sexual harassment, sexual abuse, mental or physical coercion, and verbal abuse.

**Non-Discrimination and Equal Opportunity**

Suppliers must provide a workplace free from discrimination in hiring and other employment practices, including discrimination based on race, gender, age, nationality, ethnicity, disability, religion, union membership, marital status, or other protected characteristics. Equal opportunities must be provided for promotion and career development.

**Freedom of Association and Collective Bargaining**

Suppliers must respect workers' rights to freely associate, seek representation, and collectively bargain in accordance with applicable laws. Workers must be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

**Fair Wages and Benefits**

Suppliers must provide the minimum or prevailing wage, whichever is higher, and comply with legal requirements. Wages and compensation must be paid in a timely manner, with deductions permitted only where legally allowed.

# HUMAN RIGHTS AND LABOUR STANDARDS

## Assessing Human Rights Issues through a Risk Assessment

The identification, management, and mitigation of potential salient and business-specific human rights issues form part of Mycron's approach to responsible business conduct and sustainable value creation. Human rights and labour-related considerations are integrated into the Group's risk management processes, enabling potential impacts on our workforce and value chain to be considered alongside other business risks. Identified risks are reviewed during quarterly Risk and Sustainability Committee meetings, with appropriate mitigation measures implemented where necessary.

### Managing Our Potential Salient Human Rights Issues

Recognising the nature of our manufacturing operations, the Group continues to focus on five potential salient human rights and labour matters and strengthens preventive controls across operations and supply chain. Through this structure approach, we reinforce our commitment to responsible business conduct and ethical labour standards.

**Promoting Equal Opportunity and Non-Discrimination**

Mycron is committed to fostering an inclusive and respectful workplace where employees are treated fairly, with dignity and respect. The Group adopts a fair and merit-based approach to recruitment and employment, promoting equal opportunities and prohibiting discrimination based on race, religion, gender, age, sexuality, disability, and nationality. These principles are reinforced through the Group's Diversity Policy and Employee Handbook, covering recruitment, performance evaluation and workplace interactions. We do not tolerate discriminatory behaviour, bullying, harassment, or victimisation.

Established grievance mechanisms enable employees to raise concerns confidentially. Managers are trained to manage bullying, harassment, and workplace misconduct reports.

**Prohibiting Child and Forced Labour**

We remain resolute to a zero-tolerance approach towards child, forced, and indentured labour within our operations. The risk of human violations arising from such labour practices is incorporated into the Group's risk management process, with established preventative controls including compliance with the Children and Young Persons (Employment) Act 1966 (Act 350) and a quarterly employee age verification by the Department of People & Culture.

The Group further extends these expectations to our supply chain through contractual provisions, as set out in the Supplier Code of Conduct.

**Zero** cases of child, forced or indentured labour identified within our operations in FY2026

**Ensuring Fair Working Hours, Wages and Employment Conditions**

The Group maintains fair and responsible employment conditions in accordance with applicable labour requirements. To prevent excessive working hours and support employee well-being, working hours and overtime are governed through established controls, with all overtime requiring prior management approval. Employees are also encouraged to fully utilise their annual leave entitlements to maintain a healthy and balanced lifestyle. In FY2026, Mycron employees recorded an average of 42.75 working hours per week, below the regulatory maximum of 45 hours per week. During the year, flexible working arrangements were also introduced to promote work-life balance.

The Group promotes fair and equitable remuneration, with remuneration determined based on job scope, qualifications, skills, and performance. These principles are extended to the supply chain through the Supplier Code of Conduct, which requires suppliers to provide the minimum or prevailing wage.

**Supporting Freedom of Association and Collective Bargaining**

Mycron respects employees' rights to freedom of association and collective bargaining, in line with ILO principles. Employees are free to form or join trade unions and workers' committees without fear of intimidation, pressure or reprisal, with equal treatment regardless of union or committee membership. Grievance channels are available for employees to raise any related concerns. These principles are also extended to Mycron's supply chain through the Supplier Code of Conduct.

**Safeguarding Workplace Health and Safety**

We strive to provide a safe and healthy working environment, guided by the Group's OHS Policy. This is supported by established safety management practices, risk assessments, training, and employee participation to identify and manage workplace health and safety risks.

## HUMAN RIGHTS AND LABOUR STANDARDS

### Stakeholder Engagement on Human Rights Issues

Stakeholder engagement supports Mycron's identification and assessment of potential human rights and labour-related concerns. The Group engages with employees and local community representatives to understand workplace and community matters associated with its operations.

#### Employee Engagement

In FY2026, we conducted engagement sessions through "Sembang Teh Tarik" at MCRC and "Sembang Santai" at MST, providing employees with a safe and approachable platform to engage directly with People & Culture on workplace experiences, well-being, health and safety, and other employment-related concerns. A designated spokesperson also supports foreign workers in voicing concerns, promoting inclusive and equitable access to grievance channels. Matters raised are documented with appropriate confidentiality and escalated for follow-up.

#### Community Engagement

Mycron also engages with local community leaders to maintain open dialogue on potential community impacts and human rights-related concerns arising from its operations. Feedback from these engagements is documented and escalated through the SWC, where relevant, to inform appropriate mitigation measures and continuous improvement.

**Grievance Mechanism**

Employees, service providers, contractors, vendors and suppliers and local communities may raise concerns about any misconduct, inappropriate behaviour, fraud or corrupt practices through our grievance channel, which support confidential and anonymous reporting. Reported matters are reviewed and addressed through our internal grievance management process.

*Refer to page 94 - 95 for more information on our grievance mechanism and Whistleblowing Policy.*









**Moving Forward**

Mycron will continue to strengthen human rights and labour practices across our operations and supply chain, with a focus on fair employment practices, safe working conditions, and accessible grievance mechanisms. Moving forward, we will enhance supplier due diligence and monitoring, while strengthening engagement with employees, suppliers, and local communities to identify and address emerging human rights risks.

## EMPLOYEE DEVELOPMENT AND WELL-BEING

**Our people are fundamental to Mycron's ability to achieve sustainable growth and maintain safe, reliable, and efficient operations. A diverse and inclusive workforce brings together different perspectives, experiences, and capabilities that strengthen innovation, problem-solving, and effective decision-making. Providing fair and equitable opportunities for development, while fostering a workplace where employees feel respected, supported, and empowered, strengthens employee engagement and enables our people to contribute meaningfully to business performance.**

**The Group also recognises that developing a competent and future-ready workforce is essential to our long-term resilience. Through continuous learning and development, we seek to strengthen both technical capabilities and critical skills such as leadership, communication, problem-solving, and adaptability, while supporting our ability to attract, develop and retain diverse talent.**

### Workplace Diversity

We enforce strict zero-tolerance on discrimination, bullying, and harassment in line with our Diversity Policy and Code of Conduct and Ethics. Our Diversity Policy sets out the principles that guide our approach to building a workplace where everyone is treated fairly, respected, and given equal opportunities to contribute.

**Guiding Principles on Our Diversity Policy**

| Equal Opportunity | Merit-based Decisions | Respect for Diversity | Non-Discrimination | Shared-Responsibility |
|---|---|---|---|---|
| We provide fair and equal opportunities in employment, regardless of gender, race, ethnic origin, disability, age, nationality, religion or belief, marital status or social and cultural background. | We draw on diverse experience, skills, expertise and perspectives, while maintaining merit as the key criterion in appointments and career development. | We value the different perspectives, background and personal attributes our people bring, and foster a culture of respect, integrity, and openness. | We oppose all forms of unlawful and unfair discrimination and strive to maintain an inclusive and supportive workplace for all. | Our BOD, management and employees share responsibility in upholding the policy, promoting equal opportunities, and reporting any concerns or practices that may breach it. |





## EMPLOYEE DEVELOPMENT AND WELL-BEING

The Group strives to foster an inclusive workplace that upholds dignity, equality, and mutual respect, with zero tolerance for discrimination, bullying, harassment and victimisation, in line with our Code of Conduct and Ethics.

**Zero** cases of discrimination, bullying, harassment and victimisation were reported in FY2026

We are committed to providing equal opportunities and embracing diverse talent, including persons with disabilities. In FY2026, we continued to embrace diversity in ability by providing equitable employment opportunities for person with disabilities, recognising the valuable contributions of individuals of all abilities.

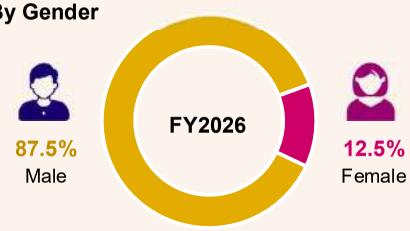
**0.18%** of Mycron workforce are **persons with disabilities**

Women hold 38% of all management positions at Mycron. While the overall workforce remains predominantly male, reflecting the nature of the steel industry, the Group continues to advance female representation by strengthening opportunities for women, particularly in executive and technical roles.

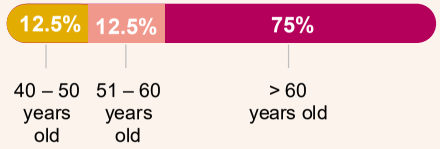
**14.3%** female representation among Mycron employees in FY2026

### BOARD AND LEADERSHIP COMPOSITION

**By Gender**




**By Age Group**




### MYCRON WORKFORCE PROFILE

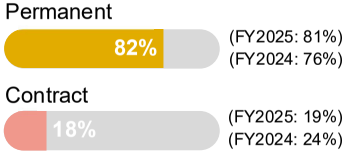
**Total Workforce Strength**

| | FY2026 | FY2025 | FY2024 |
|---|---|---|---|
| | 567 | 545 | 530 |
| Employees | 464 | 440 | 405 |
| Contract workers | 103 | 105 | 125 |

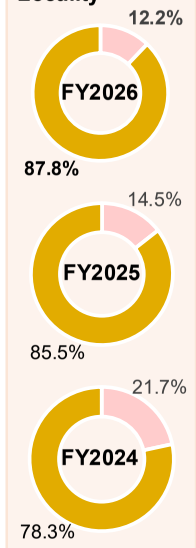
**Employee Gender Diversity**

| | | |
|---|---|---|
| FY2026 | 83% | 17% |
| FY2025 | 82% | 18% |
| FY2024 | 82% | 18% |

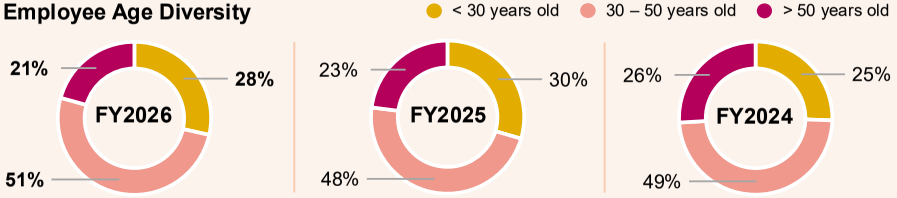
**Type of Employment**



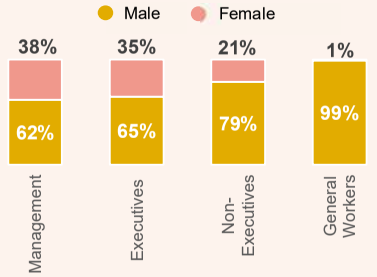

**Locality**




**Employee Age Diversity**

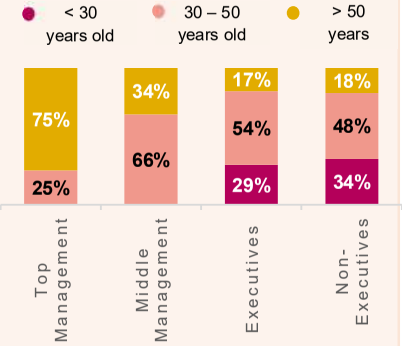



### GENDER DIVERSITY BY EMPLOYEE CATEGORY

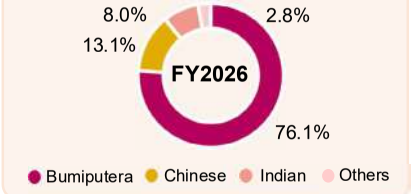



[1] *Management employee category includes top and middle management*

### AGE DIVERSITY BY EMPLOYEE CATEGORY




### ETHNICITY



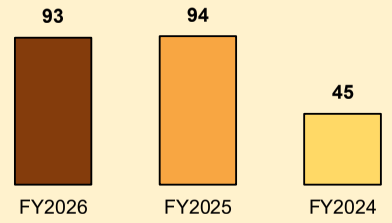
# EMPLOYEE DEVELOPMENT AND WELL-BEING

## Our Performance

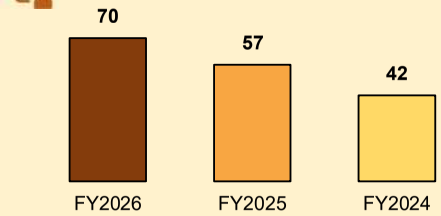
**Group Turnover Rate**

| FY2026 | FY2025 | FY2024 |
|---|---|---|
| 15.9% | 14.8% | 10.5% |

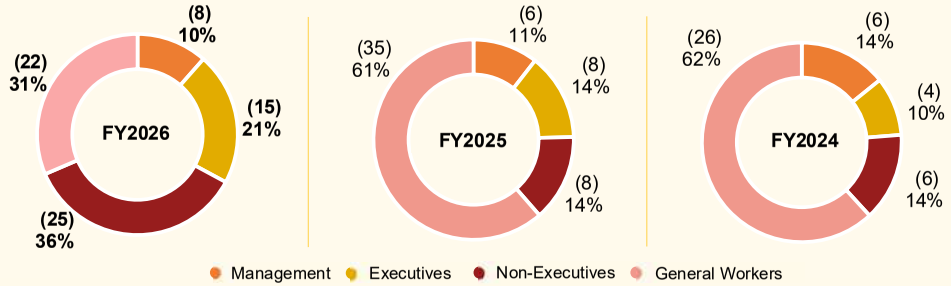
**Total New Hires**




**Total Turnover**




**Employee Turnover by Category**




**Parental Leave**

| | Gender | FY2026 | FY2025 | FY2024 |
|---|---|---|---|---|
| Number of employees who took parental leave | Male | 17 | 16 | 12 |
| | Female | 5 | 4 | 6 |
| Number of employees returned from parental leave | Male | 17 | 16 | 12 |
| | Female | 4 | 4 | 6 |
| Number of employees who returned to work after paternal leave ended and were still employed 12 months after returning to work | Male | 17 | 16 | 12 |
| | Female | 4 | 4 | 6 |

### Talent Recruitment and Retention

Operating within the iron and steel industry requires a workforce with strong technical capabilities and industry expertise. In FY2026, the Group onboarded 93 new employees, while 70 employees departed due to resignations and retirements. The Group recorded an annual employee turnover rate of 15.9%, slightly higher than the previous financial year.

We continue to monitor employee retention and turnover trends to support a stable, skilled, and productive workforce. Turnover is tracked across employee categories to identify workforce trends and inform talent retention initiatives, succession planning, and workplace planning, supporting the Group's ability to retain critical capabilities and meet its evolving business needs.

In FY2026, the Group's gender salary distribution comprised 78% male and 22% female. We remain committed to fair and equitable remuneration practices, with remuneration determined based on factors such as job responsibilities, experience, qualifications, and performance.

**Share of total employee salaries**

78% Male

22% Female



# EMPLOYEE DEVELOPMENT AND WELL-BEING

## Employee Benefits

Mycron provides a comprehensive range of employee benefits designed to promote mental well-being, workplace safety, employee engagement, long-term retention, and professional development. Our employee benefits framework supports career growth and personal development, while recognising outstanding contributions through various awards and incentives. Together, these initiatives contribute to a stable, supportive, and rewarding working environment

**Paid Leave Entitlements**

- Annual Leave
- Examination and Study Leave
- Compassionate Leave
- Emergency Leave
- Maternity Leave
- Paternity Leave
- Marriage Leave
- Time-Off
- Sick Leave
- Hospitalisation Leave
- Prolonged Illness Leave

***"Supporting work-life balance is our top-most priority"***

**Fringe Benefits**

- Company Vehicles and Petrol Cards
- Vehicle Substitution Allowance
- Travelling Allowance
- Parking Allowance/Reimbursement
- Job Relocation Allowance

**Healthcare and Insurance Benefits**

- Outpatient Medical Reimbursement for employees and immediate family members
- Group Hospitalisation and Surgical Insurance Scheme
- Group Personal Accident Insurance Scheme
- Group Term Life (GTL) Insurance Scheme

**Flexible Working Arrangements**

- Two-hour time-off entitlement, up to twice a month for each employee
- Work-from-home arrangement on a case-by-case basis
- Flexible clock-in and clock-out hours



*Presentation of the Long Service Award to 18 dedicated employees, in recognition of their loyalty, commitment, and valuable contribution throughout the years.*

**Employee Welfare Initiatives**

### Amenities and Gifts



We extend thoughtful gestures through donations, tokens, or contributions when employees experience life's milestones. From welcoming a child or marriage celebrations to times of illness, bereavement, and unforeseen disasters. These acts of support reflect our commitment to treating our employees as part of one family.

### Professional Memberships and Certifications




The Group sponsors or reimburses professional membership fees and certification renewals for eligible employees. This initiative recognises their commitment to maintaining professional excellence while enhancing their expertise, credibility, and networking opportunities within their respective fields.

### Health Talks and Activities




We organise health talks, awareness campaigns, free health screenings, mental health programmes, blood donation drives, and team-building activities to promote good health and work-life balance. These initiatives encourage employees to take charge of their well-being, nurture resilience and strengthen camaraderie across teams.

### Long Service Recognition



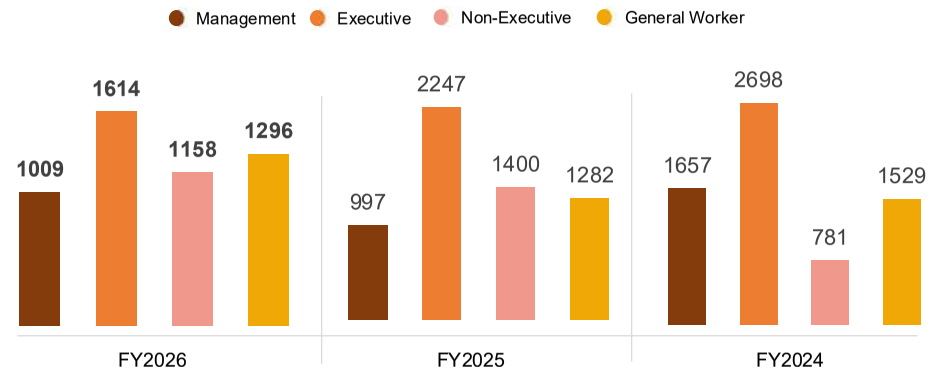

Long-serving employees are recognised through monetary awards and tokens of appreciation in acknowledgement of their dedication, loyalty, and valued contributions to Mycron.

# EMPLOYEE DEVELOPMENT AND WELL-BEING

## Training & Development Performance

| | FY2026 | FY2025 | FY2024 |
|---|---|---|---|
| Total Training Hours | 5,076 hours | 5,926 hours | 6,665 hours |
| Average Training Hours per Employee | 11.13 hours | 13.64 hours | 16.63 hours |
| Average Training Days per Employee | 1.37 days | 1.71 days | 2.08 days |

### Total Training Hours by Employee Category




[1] *Management employee category includes top and middle management*

## Empowering Talent through Continuous Development

Mycron is committed to building a skilled, capable and future-ready workforce through continuous learning and development. Guided by a people-first approach and the Group's Training Policy, career development opportunities are provided across career stages, from technical trainees to executives, to strengthen professional and technical capabilities while supporting career progression and evolving business needs.

To ensure learning initiatives remain relevant and targeted, the Group conducts an annual Training Needs Analysis across departments to identify competency and development needs. The findings inform the Group's Annual Training Plan, guiding training priorities and the effective allocation of resources towards employee development.

**Types of Training Programmes**

- Leadership Skills
- Soft Skills
- Technical and Operational Upskilling
- Environmental, Health and Safety
- Finance, Tax, and Compliance
- Digital and Technology Skills

***Mycron invested RM 275,404.41 on employee training and development programmes in FY2026, averaging RM 593.53 per employee***

During the reporting period, the Group recorded 1,016 training participations across 159 training programmes, amounting to 5,076 total training hours, or an average of 11.13 training hours per employee. Training participation increased by 42% from 717 in FY2025, reflecting the Group's continued investment in strengthening employee capabilities and supporting continuous professional development.

To support talent development, annual performance reviews are conducted to assess employee performance and development needs.

**100%** Mycron employees received performance review in FY2026

The Group also invests in early-career talent development through structured internship programmes for students and fresh graduates, supported by department-specific training and supervisor guidance. Upon completion, candidates may progress to on-the-job training and employment opportunities, subject to performance and available vacancies. In FY2026, 15 interns were placed across various functions.

## EMPLOYEE DEVELOPMENT AND WELL-BEING

### Celebrating Our Diverse Workforce



Mycron celebrates the diversity of our workforce by creating opportunities for employees to connect, celebrate, and appreciate different cultures and traditions. Through festive celebrations and inclusive activities throughout the year, we foster stronger relationships, mutual respect, and a shared sense of belonging across the Group.

#### Hari Raya Celebration & Employee Appreciation Night

In FY2026, Mycron brought together employees across the Group for its Hari Raya Aidilfitri celebration and Employee Appreciation Night, providing an opportunity for employees from diverse backgrounds and functions to connect and celebrate together. The event featured cultural performances, interactive activities and employee recognition, fostering inclusivity, camaraderie, and a stronger sense of belonging across Mycron.







#### Chinese New Year Celebration

In February 2026, MST celebrated Chinese New Year with employees, customers and suppliers, bringing together stakeholders from diverse backgrounds to celebrate the festive occasion. Featuring traditional cultural activities, including a lion dance, alongside performances and festive gatherings, the celebration provided an opportunity to foster inclusivity, strengthen employee connections, and build closer relationships with customers and business partners.







# EMPLOYEE DEVELOPMENT AND WELL-BEING

## Building Team Spirit through Sports

The Group promotes employee well-being and engagement through sports and recreational activities that encourage active lifestyles, strengthen relationships, and foster team spirit across the organisation.

### Mycron CEO Cup: *Sukan Rakyat "Jaguh Kampung"*

The annual Mycron CEO Cup brought together employees across the Group for *Sukan Rakyat: Jaguh Kampung*, featuring a series of traditional team-based games. Through friendly competition and shared experiences, the event fostered teamwork, camaraderie and stronger connections across the Group.





### Merdeka & Malaysia Day Hiking

In conjunction with Merdeka and Malaysia Day, a group hike was organised at Taman Tugu, providing employees with an opportunity to stay active while celebrating the occasion together. The activity promoted physical well-being and social connection beyond the workplace.






### MCRC Sports Club Activities

The MCRC Sports Club supports employee well-being and engagement through year-round sports activities. Pickleball sessions are organised weekly, with coaching provided to employees to encourage participation and skill development. These activities provide regular opportunities for employees to stay active, connect with colleagues, and strengthen team spirit outside the workplace.





## EMPLOYEE DEVELOPMENT AND WELL-BEING

### Promoting Health Awareness

Mycron promotes employee health and well-being through awareness programmes, health screenings, and wellness initiatives that encourage employees to better understand and manage their health. These initiatives support early detection, preventive care, and healthier lifestyle choices, contributing to a healthier and more informed workforce.

#### Mycron Pink October: Breast Cancer Awareness

In support of Pink October, Mycron collaborated with BCWA to raise awareness of breast cancer and the importance of early detection. The initiative provided employees with breast cancer awareness education and complimentary examinations, encouraging greater health awareness and proactive preventive care among employees.





#### Mycron Movember: Men's Health Awareness

In support of Movember, the Group organised a men's health awareness programme featuring a prostate health talk by a medical professional, followed by complimentary health screening for employees. This initiative aimed to increase awareness of men's health issues and promote proactive health management among employees.





## COMMUNITY ENGAGEMENT

**We recognise that meaningful community engagement plays an important role in fostering inclusive and sustainable development. Our community initiatives are guided by societal needs and the priorities of communities surrounding our operations, reflecting our sustainability values and broader role in nation-building. Through purposeful engagement and investment, we seek to strengthen community well-being, foster lasting relationships and contribute to long-term social and economic resilience.**

### OUR APPROACH

Mycron's targeted community investment strategy is built on four strategic pillars, prioritising the surrounding community well-being, education, and youth development, support for vulnerable groups and environmental awareness and volunteerism. These focus areas complement the Group's broader sustainability priorities by contributing to social development and strengthening relationships with communities surrounding our operations.

Our key community investment focus areas include:

| Focus Area | Objective |
|---|---|
| **Education & Youth Development** | To expand access to learning and educational opportunities while developing a future pipeline of skilled talent to support long-term workforce needs. |
| **Community Well-Being** | To support initiatives that address the social and essential needs of local communities. |
| **Support for Vulnerable Groups** | To provide assistance to children, persons with disabilities and other underprivileged members of the community. |
| **Environmental Awareness & Volunteerism** | To promote environmental awareness and encourage sustainable practices through employee participation and community-based initiatives. |
| **Industry & Stakeholder Engagement** | To strengthen industry collaboration and stakeholder relationships while supporting the continued development of Malaysia's iron and steel sector |

These initiatives are focused on communities surrounding our operations, enabling us to address local needs and create meaningful, long-term value creation.

Before establishing any community partnership, we undertake a due diligence assessment to evaluate the credibility, transparency, and suitability of the organisation. This enables us to direct our contributions towards genuine initiatives that are consistent with our internal requirements and capable of delivering meaningful and lasting benefits to the community.

To facilitate structured community engagement with charitable partners, the Group's Communications and Outreach Team oversees the planning, coordination, and implementation of community initiatives. Employee participation is fostered through a culture of volunteerism and shared social responsibility, with opportunities provided for employees to contribute directly to community initiatives and charitable activities.

In FY2026, we contributed **RM73,170** through sponsorships, donations, community engagement and employee-led initiatives, benefiting **2,197** individuals and supporting 7 organisations.

| Performance Metrics | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **Number of beneficiaries from community investments** | 2,055 | 3,218 | 2,197 |
| **Total amount invested (RM)** | 67,676 | 31,232 | 73,170 |
| **Number of community programmes organised** | 13 | 11 | 15 |

## COMMUNITY ENGAGEMENT

**July 2025**

### Sponsorship for a Community Gotong-Royong Programme

Mycron supported a community gotong-royong programme at Pangsapuri Taman Sri Rasau, promoting collective responsibility for maintaining a clean and pleasant living environment. The initiative also provided an opportunity to strengthen engagement and foster closer ties with the local community.

**Contribution: RM500** **Beneficiaries: Residents of Pangsapuri Taman Sri Rasau**



*Gotong-Royong at Pangsapuri Taman Sri Rasau*

**July 2025**

### Supporting Community Healthcare

The Group supported the Maaedicare Charitable Foundation through sponsorship of its fundraising gala dinner, contributing to the Foundation's efforts to support the healthcare needs of patients within the community.

**Contribution: RM10,000** **Beneficiaries: 750 patients**



*Table tennis set donation for Kampung Padang Jawa residents*

**August 2025**

### Promoting Active Lifestyles and Community Well-Being

Mycron supported the Kampung Padang Jawa community by contributing a table tennis set, providing residents with greater access to recreational activities. The initiative aims to encourage active lifestyles, social interaction, and community well-being.

**Contribution: RM880** **Beneficiaries: 50 residents of Kampung Padang Jawa**

**September 2025**

### Supporting Malayan Tiger Conservation

Mycron supported Persatuan Pelindung Harimau Malaysia (RIMAU) through sponsorship of its RIMAU Gala Dinner, contributing to efforts aimed at protecting and conserving the Malayan tiger and its natural habitat. The initiative reflects the Group's commitment to supporting biodiversity conservation and raising awareness of the importance of protecting Malaysia's endangered wildlife.

**Contribution: RM12,500** **Beneficiaries: RIMAU**



*Malayan tiger*

## COMMUNITY ENGAGEMENT

**September 2025**

### Strengthening Industry Engagement

The Group supported the MISIF Annual Dinner as part of its continued engagement with the local iron and steel industry. The initiative provided a platform to strengthen industry relationships, foster collaboration, and maintain engagement with key stakeholders across the sector.

**Contribution: RM30,000** **Beneficiaries: Industry Stakeholders**

**October 2025**

### Supporting Breast Cancer Welfare Association Malaysia

Recognising the importance of community health and well-being, Mycron provided sponsorship to the Breast Cancer Welfare Association Malaysia ("BCWA"), supporting the association's efforts to support the community.

**Contribution: RM1,500** **Beneficiaries: Individuals with breast cancer and the wider community**

**December 2025**

### Christmas Visit to Persatuan Kebajikan Sayap Kasih Malaysia (IQ70+)

The Group extended its community support to Persatuan Kebajikan Sayap Kasih Malaysia (IQ70+), a welfare organisation supporting children and senior citizens with intellectual disabilities. In conjunction with the festive season, our employees also engaged with residents through activities such as greeting sessions, colouring and interactive activities, fostering meaningful interaction and bringing festive cheer to the community.

**Contribution: RM3,102** **Beneficiaries: 68 residents**

**March 2026**

### MCRC *Ihya Ramadan* Programme

In conjunction with Ramadan, MCRC organised its *Ihya Ramadan* Programme on 16 March 2026, bringing together employees and the local community from Padang Jawa and Pangsapuri Taman Sri Rasau through the preparation and distribution of traditional dishes, including *bubur candil*, *rendang ayam* and *ketupat*.

**Contribution: RM3,109** **Beneficiaries: 200 local communities**



*Christmas visit to Persatuan Kebajikan Sayap Kasih Malaysia*




*Christmas visit to Persatuan Kebajikan Sayap Kasih Malaysia*



*Ihya Ramadan Programme*




*Ihya Ramadan Programme*

## COMMUNITY ENGAGEMENT

**February - March 2026**

### Celebrating Festive Traditions with our Local Communities

Mycron sponsored festive celebrations within its surrounding communities. This included a *Majlis Berbuka Puasa* organised by KRT Pangsapuri Taman Sri Rasau and a Hari Raya Aidilfitri celebration organised by JPKK Kampung Padang Jawa. These contributions supported community gatherings and strengthened engagement with residents in areas surrounding our operations.

**Contribution: RM1,500**

**Beneficiaries: 1000 residents**


Earth Warrior Programme held at MST HQ

**April 2026**

### Supporting a Child's Medical and Essential Needs

The Group provided financial assistance to support the medical needs of a one-year-old child requiring respiratory support. The contribution facilitated the purchase of a CPAP machine, alongside essential supplies including milk formula, diapers, feeding syringes, and feeding tubes. The assistance helped provide access to the necessary medical equipment and essential supplies required for the child's ongoing care and well-being.

**Contribution: RM2,000**

**Beneficiaries: Child under the care of Pusat Kebajikan Sayap Kasih Malaysia**


Earth Warrior Programme held at MCRC

**April 2026**

### Earth Warrior

In collaboration with Earth Warriors Association, the Group organised a clean-up programme across its premises and surrounding areas, bringing together employees from MCRC and MST and members of the local community. Participants collected and segregated waste for appropriate recycling and disposal, promoting environmental awareness and responsible waste management. The initiative also strengthened community engagement through collective environmental action.

**Beneficiaries: Employees across Mycron and local community members**


Earth Warrior Programme held at MST Factory 2

## COMMUNITY ENGAGEMENT

**June 2026**

### Educational Visit to Pusat Sains Negara

Mycron and MIGB organised an educational visit to Pusat Sains Negara for children aged 7 to 15 from Rumah Kasih Harmoni Paya Jaras. Through interactive science exhibits, the programme provided the children with an engaging learning experience designed to spark curiosity and encourage interest in science, technology, engineering and mathematics ("STEM"). The programme reflects Mycron's commitment to community enrichment and supporting educational development among underprivileged children.

**Contribution: RM2,901**

**Beneficiaries: 60 children**



*Educational visit to Pusat Sains Negara*

**June 2026**

### Employee Donation Drive

Mycron and MIGB employees came together through an employee-led donation drive in support of Rumah Kasih Harmoni Paya Jaras, a care home for children aged 10 months to 18 years. Employees contributed a range of essential items, including baby necessities, household supplies, and food provisions to support the day-to-day needs of the home and its residents. The initiative reflects our employees' spirit of giving and active participation in supporting the communities around us.

**Contribution: RM11,000 worth of items**

**Beneficiaries: 120 residents of the home**



*Educational visit to Pusat Sains Negara*

**Moving Forward**

The Group will continue to strengthen community engagement through targeted initiatives in education, community well-being, environmental awareness, and support for vulnerable groups. Greater emphasis will be placed on collaborating with local communities, NGOs and relevant stakeholders, encouraging employee volunteerism, and assessing programme outcomes to guide the continuation or expansion of initiatives that deliver meaningful community impact.



*Employee donation drive for Rumah Kasih Harmoni Paya Jaras*



# Upholding

## Transparency, Integrity & Strong Governance Culture

### Material Sustainability Matters

- G1 Corporate Governance & Business Ethics
- G2 Regulatory Compliance
- G3 Risk Management
- G4 Data Privacy & Cybersecurity

### Stakeholder Groups

- Government & Regulatory Authorities
- Shareholders & Investors
- Suppliers
- Employees & Unions
- Customers

### Contribution to UN SDGs

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

# CORPORATE GOVERNANCE AND BUSINESS ETHICS

**Mycron is committed to upholding strong corporate governance and ethical business practices, underpinned by integrity, transparency, accountability, and compliance with applicable laws and regulations. Clear policies, governance structures, and internal controls guide responsible decision-making and conduct across the Group. As an established player in Malaysia's cold-roll steel industry, maintaining high standards of business ethics strengthens stakeholder trust and business relationships while supporting long-term resilience, sustainable growth, and value creation.**

## Embedding Good Governance and Compliance

The Group embeds ethical conduct and responsible governance across its operations and value chain through a structured framework of policies, codes, and procedures that promote integrity, transparency and accountability.

The BOD provides oversight of the Group's Code of Conduct, reinforcing accountability at the highest level and setting expectations for ethical conduct across management and employees. Through this governance framework, Mycron seeks to safeguard stakeholder trust, mitigate legal, financial and operational risks, and support responsible and sustainable business practices.

### Codes and Policies

- Anti-Corruption Policy
- Anti-Fraud Policy
- Code of Conduct and Ethics
- Fit and Proper Policy
- Conflict of Interest Policy
- Whistleblowing Policy
- Supplier Code of Conduct
- Diversity Policy
- Procedure for Determining the Remuneration of Directors, Group Managing Director, C-Suite and Senior Officers
- Quality Policy
- Energy Policy
- Occupational Health and Safety (OHS) Policy
- Sustainability Policy
- Environment Policy

**The full policy is available on our official website at https://www.mycronsteel.com/corporate-governance.php*

**Zero** reported and confirmed incidents of corruption and bribery

**Zero** political contributions made in FY2026

**100%** of Mycron workforce received training on anti-corruption

## Combatting Anti-Corruption and Fraud

The Group adopts a zero-tolerance approach to bribery, corruption, and fraud, underpinned by the Group's Code of Conduct and Anti-Corruption/Anti-Fraud Framework. The framework comprises policies and procedures for the prevention, detection, reporting, and management of misconduct, supporting compliance with applicable laws and regulatory requirements.

Oversight of the Anti-Corruption Policy rests with the BOD, supported by the Audit and Governance Committee ("AGC") and Anti-Corruption Managing Committee ("ACMC"), which oversee the implementation and effectiveness of anti-corruption measures across the Group.

Mycron conducts Corruption Risk Assessments across its operations to systematically identify, assess, and manage corruption-related risks. Business divisions and departments are responsible for identifying and reporting key corruption risks within their respective areas, enabling appropriate controls and mitigation measures to be implemented.

**100%** of operations assessed for corruption-related risks

## Policy Communication and Training

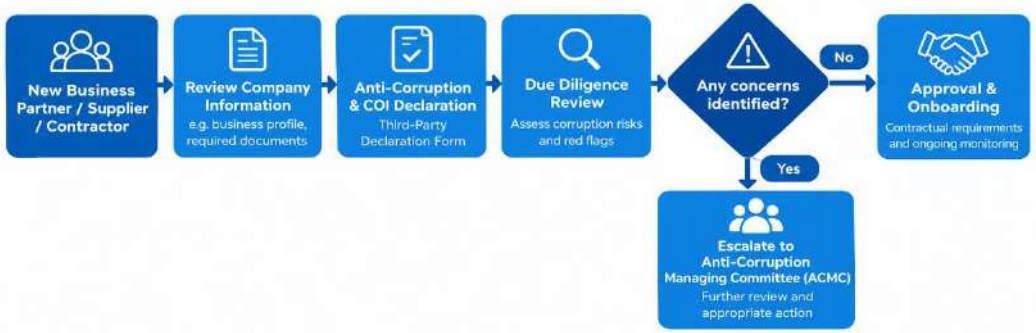
The Group communicates its anti-corruption requirements to Directors, Senior Management, employees, and business partners through induction programmes, awareness initiatives and the corporate website. Mandatory online anti-corruption training is provided to employees to strengthen awareness of bribery and corruption risks, regulatory requirements and expected standards of conduct, with refresher training conducted every two to three years. Senior personnel and employees in risk-exposed functions sign annual pledges to uphold compliance.

**RM 0** cost of corruption-related fines, penalties over the past three financial years

## CORPORATE GOVERNANCE AND BUSINESS ETHICS

### Due Diligence on Business Partners

The Group conducts due diligence on new business partners, suppliers, contractors, and other third parties to mitigate bribery, corruption and conflict-of-interest risks. Third parties are subject to established procurement and supplier selection procedures and are required to acknowledge the Group's anti-corruption requirements through the Third-Party Declaration Form. Any identified red flags or potential conflicts are escalated to the ACMC for further review and appropriate action.




### Whistleblowing Channel

Mycron provides a confidential reporting mechanism for employees, business partners, and members of the public to report suspected improper conduct or wrongdoing involving the organisation, including any: -

- Fraud, bribery and corruption;
- Abuse of authority or conflicts of interest;
- Financial or accounting irregularities;
- Breaches of laws, regulations or Group policies; and
- Health, safety and environmental concerns.

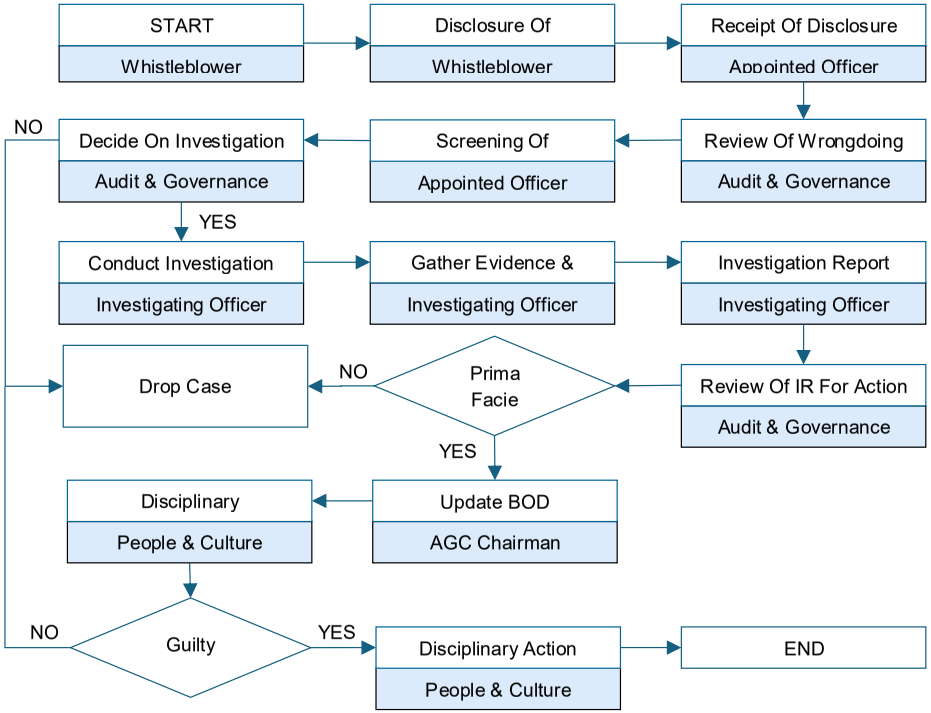
**Zero**
substantiated whistleblowing cases reported in FY2026

Any non-compliances with the Code of Conduct are addressed through established reporting, investigation, and disciplinary procedures. Suspected violations are reported through the Group's Whistleblowing channels, with appropriate action determined based on the nature and severity of the breach.

Disclosures are made to ACMC or AGC, depending on the personnel involved. Reports received are subject to appropriate review and investigation, with findings escalated through the established governance process for appropriate action.

Mycron's Whistleblowing Policy provides safeguards consistent with the principles of the Whistleblower Protection Act 2010 (Act 711), including confidentiality and protection against detrimental action for disclosures made in good faith. Any retaliation against a whistleblower is treated as a serious breach and may result in disciplinary action.

### Whistleblowing Process Flow Chart



## CORPORATE GOVERNANCE AND BUSINESS ETHICS

### Grievance Mechanism

The Group is committed to maintaining a fair, safe, and supportive working environment. A formal grievance mechanism is provided to enable employees to raise concerns relating to workplace matters, management practices and unethical conduct through established channels.

Our grievance framework provides employees with multiple channels to raise workplace concerns, including through their immediate superior, the Department of People & Culture or, where necessary, direct escalation to Senior Management. All grievances are handled through a fair, impartial, and confidential process, with safeguards against retaliation, and employees have the right to appeal where they are dissatisfied with the outcome of an investigation.

**RAISE**

Employees submit grievances through the **Grievance Management Form** available on the Employee Intranet.

**DOCUMENT**

All grievances and outcomes are properly **documented and reviewed** to support transparency, consistency and accountability.

**PROTECT**

**Strict confidentiality** is maintained throughout the process to protect the rights and dignity of all parties involved.

**Reporting Channels**

Mid-level management & below → ACMC: acmc@melewar-mig.com

Senior management & above → AGC: agc@melewar-mig.com



**Moving Forward**

Mycron will continue to strengthen its governance, ethical business practices and regulatory compliance by enhancing internal controls, reinforcing employee awareness and integrating sustainability considerations into decision-making and risk management. The Group will also progressively strengthen its governance expectations across suppliers and business partners, supporting greater accountability, transparency and long-term business resilience.

## REGULATORY COMPLIANCE

**Mycron maintains compliance across its operations and supply chain through adherence to applicable laws and regulatory requirements, supported by an established compliance framework and internal risk management processes.**

| Relevant Laws and Regulations | |
|---|---|
| 01 | Employment Act 1955 |
| 02 | Occupational Safety and Health Act 1994 |
| 03 | Factories and Machineries Act 1967 |
| 04 | Companies Act 2016 |
| 05 | Industrial Relations Act 1997 |
| 06 | Environmental Quality Act 1974 and its Amendments |
| 07 | Minimum Wages Order 2018 and its Amendments |
| 08 | Personal Data Protection Act 2010 |
| 09 | Children and Young Persons (Employment) Act 1966 |
| 10 | Bursa Main Market Listing Requirements |
| 11 | Malaysian Code on Corporate Governance ("MCCG") |



*Achievement of ISO 45001:2018 certification at MCRC and MST*

Mycron's commitment to regulatory compliance is supported by internationally recognised management systems that strengthen operational consistency, environmental management, and OHS practices. In FY2026, both manufacturing subsidiaries further strengthened its management systems by achieving ISO 45001 certification for OHS Management, reinforcing a systematic approach to managing workplace health and safety risks.

To support ongoing compliance, each department maintains a Legal Compliance Register, which is reviewed quarterly to identify applicable legal and regulatory requirements and monitor compliance status.

**ISO 9001:2015**
Quality Management System

Demonstrates our commitment to service quality and operational excellence.

100% — MCRC, MST

**ISO 14001:2015**
Environmental Management System

Strengthens our environmental risk management.

100% — MCRC, MST

**ISO 45001: 2018**
Occupational Health and Safety

Reinforces our commitment to a safe and healthy workplace for our workforce.

100% — MCRC, MST

**ISO 50001: 2018**
Energy Management System

Supports improved energy performance and efficient resource utilisation.

50% — MCRC

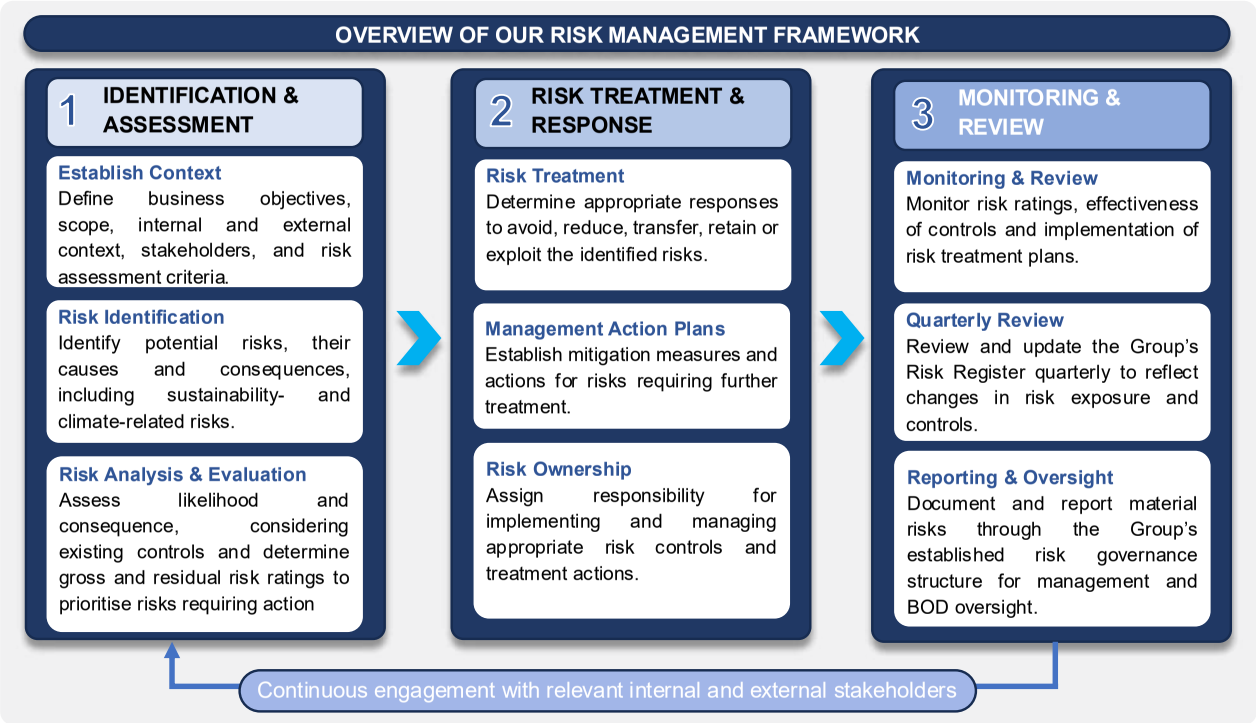
## RISK MANAGEMENT

**Effective risk management is integral to Mycron's strategic and operational decision-making. In alignment with IFRS S1 and IFRS S2, sustainability- and climate-related risks and opportunities are progressively integrated into the Group's overall risk management processes alongside principal business risks. This enables Mycron to better anticipate and respond to evolving regulatory requirements, climate-related risks, market dynamics, energy costs, potential carbon pricing mechanisms, and stakeholder expectations, while strengthening the Group's long-term resilience and supporting informed strategic decision-making.**

### Our ERM Framework and Processes

Guided by established risk management principles and industry practices, Mycron's ERM framework provides a structured approach to identify, analyse, evaluate, treat, monitor, and report risks across its operations and value chain. The framework supports informed decision-making by establishing clear risk ownership, assessment criteria, mitigation measures, and ongoing monitoring through the Group's Risk Register.

Material sustainability- and climate-related risks are integrated into the Group's ERM process and Risk Register, with risks reviewed periodically to reflect changes in operating conditions and the external environment. In FY2026, the Group further enhanced its climate risk assessment approach in alignment with IFRS S2, incorporating internal assessments, climate scenario analysis covering physical and transition risks, and consideration of relevant regulatory and market developments.




### Governance & Oversight

The BOD holds ultimate oversight of the Group's risk management, supported by the RSC, which oversees the effectiveness of processes for identifying, assessing, treating, and monitoring material risks. Significant matters are escalated to the BOD for deliberation, while coordination with the AGC supports alignment between key risk exposures and risk-based audit coverage.

At the management and operational levels, senior management provides direction on strategic and emerging risks, while respective business units are responsible for managing risks within their areas of operation. Risk ownership extends across the organisation, with employees expected to remain vigilant and accountable for risks relevant to their respective roles. This integrated approach enables Mycron to incorporate sustainability-related and other material risks into its ERM processes, strengthening informed decision-making and the Group's long-term resilience.

# RISK MANAGEMENT

## 1 Risk Identification

Risk identification is an ongoing and structure process embedded across Mycron's operations, supported by regular engagement between the RSC and Management. The Group assesses a broad range of risks, including strategic, operational, financial, legal and compliance risks, as well as sustainability- and climate-related physical and transition risks.

Relevant internal and external developments, including regulatory changes, market preferences, supply chain dependencies and reputational factors, are also considered. Identified risks are assessed based on their likelihood and potential consequences, taking into account existing controls.

## 2 Risk Assessment Methodology

Identified risks are assessed using Mycron's established risk assessment methodology, considering the likelihood of occurrence and potential consequences of each risk. The initial assessment determines the gross risk rating, after which existing controls and their effectiveness are considered to determine the residual risk exposure.

**Likelihood Assessment**

The likelihood of each identified risk is assessed based on its probability or frequency of occurrence, using the Group's established rating criteria, ranging from Rare to Almost Certain. Climate-related risks are evaluated to materialise over defined time horizons.

**Consequence Assessment**

The potential consequences of each risk are evaluated against defined impact criteria, taking into consider the following financial and non-financial potential effects:

- Financial performance in terms of revenue and profit before tax ("PBT")
- Legal, regulatory and compliance consequences
- Health and safety impacts
- Operational disruptions
- Company reputation

Impact levels range from Insignificant to Catastrophic, reflecting the potential severity of consequences.

**Existing Controls and Residual Risk**

Existing controls and mitigation measures are considered to determine the extent to which the risks are being managed, ranging from Satisfactory to Weak. The resulting residual risk rating reflects the Group's remaining exposure after considering these controls.

**Risk Evaluation and Prioritisation**

The assessed likelihood and consequences are evaluated using the Group's risk matrix and established risk criteria to determine the overall risk rating. This enables Mycron to prioritise risks according to their significance and determine whether additional treatment or management action is required. Higher-rated risks are prioritised for further mitigation and monitoring, while risks within acceptable levels may be retained and periodically reviewed.

## 3 Risk Treatment and Management

Risk responses may include avoiding, reducing, transferring, or accepting the risk, supported by appropriate controls and mitigation measures. Management and respective risk owners are responsible for implementing agreed actions, while the RSC monitors key risk exposures, the effectiveness of controls and progress of risk treatment plans. Action plans include strengthening workplace safety and health, implementing resource efficiency initiatives, investing in infrastructures, and enhancing supply chain resilience.

## 4 Risk Monitoring & Review

Risk management is an ongoing process, with Mycron's risk profile and Risk Register periodically reviewed to reflect changes in risk exposure, controls, and the operating environment. The RSC reviews the Risk Register quarterly, while material risks are reported through the Group's established governance structure for Management and BOD oversight. This process enables the Group to monitor emerging and evolving risks, including sustainability- and climate-related risks, evaluate the effectiveness of mitigation measures, and take appropriate action where necessary.

## DATA PRIVACY AND CYBERSECURITY

**Cybersecurity and data protection are integral to Mycron's governance approach and business resilience. The Group maintains data governance practices to safeguard the confidentiality, integrity, and availability of information across its operations and value chain. Personal data is managed in accordance with Mycron's Personal Data Privacy Notice and the Malaysian Personal Data Protection Act 2010 ("PDPA") and its amendments, supporting the lawful and transparent processing of personal data and the protection of individual rights. Cybersecurity protocols and controls are implemented to protect information from unauthorised access, disclosure, misuse, and other cyber threats, with data-related risks integrated into the Group's SRRO management framework.**

To further strengthen its cybersecurity posture and resilience against cyber and data privacy risks, the Group implements the following measures:

### Mycron's Strategies to Improve our Cybersecurity Resilience

**Secure Access and Stronger Controls**
Strengthen system and application security through secure Virtual Private Network ("VPN") access, Multi-Factor Authentication ("MFA"), password ageing controls and periodic reviews of user access and authorisation levels.

**Data Privacy and Cybersecurity Risk Management**
Identify, assess, and manage data privacy and cybersecurity risks through regular risk assessments, with identified risks incorporate into the Group's risk register for ongoing monitoring and mitigation.



**IT Security and Data Governance Framework**
Maintain an IT Security Policy governing the secure collection, processing, storage, and protection of personal data, applicable to employees and relevant third-party service providers.

**Cybersecurity Awareness and Preparedness**
Strengthen cybersecurity awareness and digital resilience through targeted email communications, periodic phishing simulations and cybersecurity assessments, fostering a security-conscious culture across the Group.

### Our Cybersecurity Performance

| Indicator | No. of Cases | | |
|---|---|---|---|
| | FY2024 | FY2025 | FY2026 |
| Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | 0 | 0 | 0 |

**Moving Forward**

Mycron will continue to strengthen its cybersecurity and data privacy capabilities in response to evolving digital risks and business needs. Moving forward, the Group plans to develop and strengthen its cybersecurity incident response and recovery framework to enhance preparedness, facilitate timely response to cyber incidents and support business continuity. We will also explore appropriate technologies and security solutions to support the evolving needs of its operations while safeguarding critical systems and stakeholder information.

# Delivering Sustainable Business Value through Responsible Supply Chain & Quality Excellence

## Material Sustainability Matters

- C1 Responsible Supply Chain Management
- C2 Product Quality & Customer Responsibility
- C3 Economic Performance

## Stakeholder Groups

- Government & Regulatory Authorities
- Shareholders & Investors
- Financial Institutions
- Employees & Unions
- Customers

## Contribution to UN SDGs



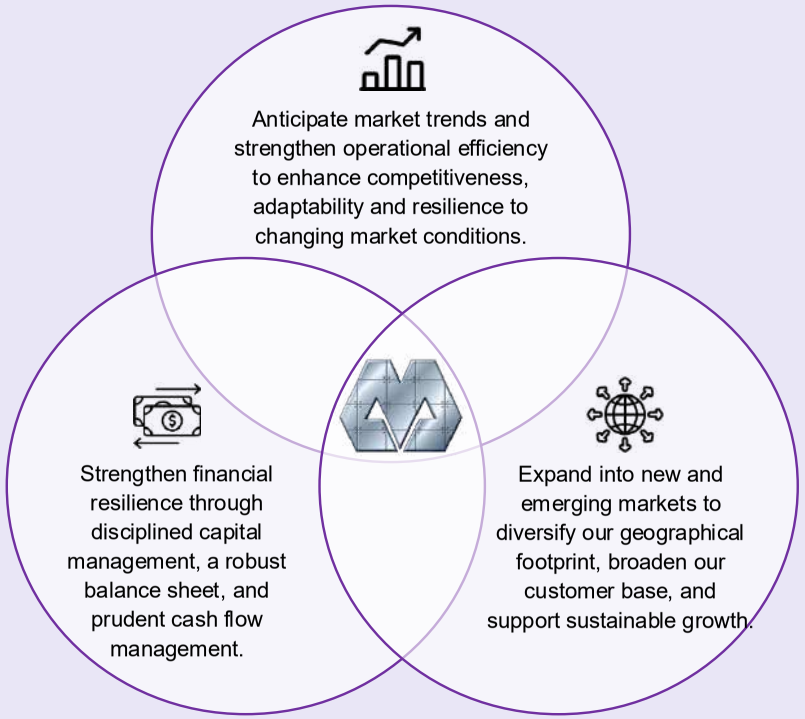
## ECONOMIC PERFORMANCE

**Economic performance remains fundamental to Mycron's ability to strengthen business resilience and create long-term value for our stakeholders. Through the manufacturing and supply of cold-rolled steel sheets and steel tube products, the Group generates economic value while supporting our customers, employees, suppliers, and the broader industrial value chain.**

We strengthen our economic resilience by sustaining diversified revenue streams, maintaining healthy cash flows, and exercising disciplined capital management. At the same time, we continue to pursue strategic opportunities to expand our presence across domestic and international markets, including Asia and Europe, broaden our customer base, and strengthen the competitiveness of our product portfolio.

Our business strategy is anchored on the following priorities to strengthen economic resilience, expand market presence, and position the Group for sustainable long-term growth.

### MANAGEMENT APPROACH TO ECONOMIC RESILIENCE




**Economic Value Generated (Revenue)**

**RM765.9 million**

*(FY2025: RM722 million)*

| Operating Costs | Employee Wages & Benefits | Payment to Government |
|---|---|---|
| RM746.1 million | RM44.9 million | RM1.2 million |

**Payment to Capital Providers**

**RM3.5 million**

**Revenue Growth**

**6.08%**

compared to FY2025

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

**As a key player in the midstream and downstream steel value chain, Mycron recognises that a responsible and ethical supply chain is essential to long-term business sustainability. Our suppliers play an important role in supporting labour and human rights standards, environmental performance, and the reliability of our operations.**

**Our value chain begins with strategic sourcing of raw materials, particularly HRC from domestic and international markets, followed by in-house manufacturing focused on operational efficiency, resource optimisation, and meeting customer requirements. We continue to strengthen supply chain resilience through supplier diversification, responsible sourcing, and ESG engagement, while regularly monitoring performance to identify emerging risks and opportunities for improvement.**

### SUPPLIER PRE-QUALIFICATION & DUE DILIGENCE PROCESS

In line with ISO 9001:2015 requirements, the Group applies a structured pre-qualification process to assess prospective suppliers prior to engagement, ensuring they meet the Group's established requirements and standards. 100% of new and existing approved suppliers underwent Mycron's supplier due diligence process in FY2026, achieving full assessment coverage.

**1 Supplier Information & Verification**

Suppliers' corporate information and supporting documents are reviewed, including company profiles and relevant *Suruhanjaya Syarikat Malaysia* ("SSM") records, to verify key company details prior to registration and further assessment.

**2 Supplier Performance Evaluation**

We conduct supplier performance evaluations for new and existing approved suppliers across four key criteria, incorporating sustainability-related considerations:

- Quality of Goods & Services | HSE Compliance
- Delivery | Administrative & Technical Support

Suppliers are required to achieve a minimum performance score of 80% to qualify for approval or continue engagement with Mycron.

**3 Code of Conduct Acknowledgement**

Suppliers are required comply and formally acknowledge Mycron's Supplier Code of Conduct, committing to uphold our expectations across labour practices, HSE, business ethics, and management systems throughout their operations and supply chain.

**4 Ethics & Anti-Corruption Compliance**

Suppliers are required to comply with Mycron's Anti-Corruption Policy, including the disclosure of any potential conflicts of interest.

**5 Supplier ESG Assessment**

We integrate sustainability criteria into our Tier 1 supplier due diligence process to promote a resilient, transparent and accountable supply chain while strengthening responsible sourcing practices.

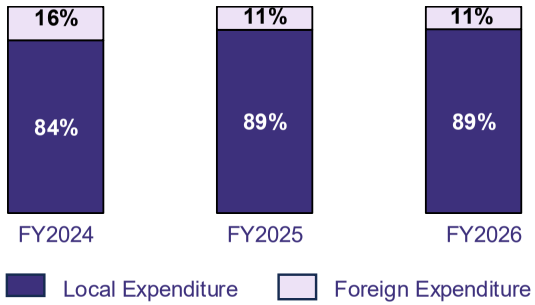
### Procurement Spending

We prioritise local sourcing wherever feasible to support domestic economic activity and strengthen supply chain efficiency. However, supply availability and cost competitiveness remain key sourcing considerations, requiring the Group to engage international suppliers where necessary.

In FY2026, 89% of the Group's procurement expenditure was directed to local suppliers, consistent with FY2025. Local sourcing remains an integral part of our supply chain strategy, supporting shorter lead times, reducing exposure to shipment delays and supply chain disruptions, while contributing to lower transportation-related carbon emissions. The Procurement Team oversees the sourcing of materials and continues to strengthen collaboration with local vendors to enhance overall supply chain resilience.

The Group targets to maintain more than 90% local procurement spending by FY2029.

**Procurement Spending on Suppliers (%)**



# RESPONSIBLE SUPPLY CHAIN MANAGEMENT

## Supplier ESG Assessment

As part of our responsible supply chain management approach, Mycron conducts a Supplier ESG Assessment covering Tier 1 approved suppliers with annual transaction values exceeding RM500,000. The assessment enables us to identify and monitor sustainability-related risks across our supply chain and evaluate suppliers' ESG practices.

Suppliers are assessed across key areas including environmental management and climate change, occupational health and safety, labour and human rights practices, governance and business ethics, and responsible sourcing. These sustainability requirements are integrated into the vendor pre-qualification process, ensuring that both newly registered and renewing Tier 1 suppliers are evaluated against established criteria. Assessment findings support the identification of potential ESG gaps and areas for further supplier engagement and continuous improvement, strengthening the resilience and sustainability of our supply chain.

### ESG ASSESSMENT CRITERIA

**ENVIRONMENT**

Assesses suppliers' approach to environmental management, including energy and fuel use, water and wastewater management, waste management and recycling, climate change awareness and mitigation measures, and GHG emissions tracking and reduction efforts.

**SOCIAL**

Assessment of suppliers' practices related to occupational health and safety, employee welfare, labour and human rights (including child and forced labour), talent development, and community engagement.

**GOVERNANCE**

Assesses suppliers' sustainability governance structure and oversight, integration of ESG considerations into business decisions, sustainability reporting practices, relevant policies (e.g., Code of Conduct, Anti-Corruption) and compliance with applicable laws and regulations.

**RESPONSIBLE SOURCING**

Assessment of suppliers' commitment to responsible sourcing of raw materials, management of suppliers and subcontractors, ESG monitoring performance and continuous improvement efforts to enhance sustainability across the value chain.

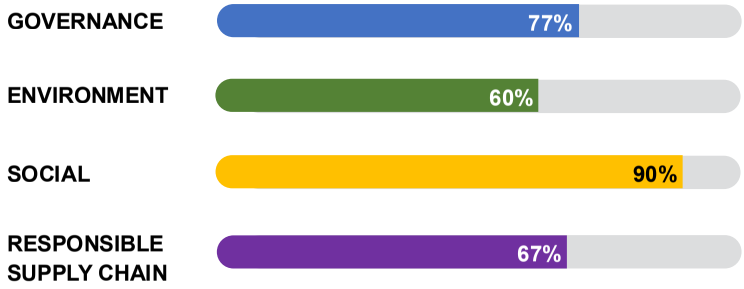
**ASSESSMENT PERFORMANCE**

**30** Tier 1 suppliers assessed

**100%** Response rate

### ESG ASSESSMENT RESULTS

Of the 30 Tier 1 suppliers invited, 30 responded, resulting in a 100% response rate. The assessment results based on the average scores across suppliers, are as follows:




**Key Findings**

The assessment indicates relatively strong social and governance practices among our Tier 1 suppliers, while environmental performance and responsible sourcing present opportunities for further engagement, particularly in climate action, GHG reduction target-setting, and decarbonisation planning.

**Moving Forward**

The Group will continue engaging suppliers to strengthen ESG practices, with particular emphasis on climate action, decarbonisation, and responsible supply chain management.

# PRODUCT QUALITY & CUSTOMER RESPONSIBILITY

## Driving Excellence in Quality Stewardship

**Delivering high-quality steel products that consistently meet customer requirements and applicable regulatory and industry standards remains a key priority for Mycron. Our Quality Management System, supported by the Group's Quality Policy, provides a structured framework for maintaining product quality and reliability throughout our manufacturing processes.**

Quality controls are embedded across each stage of production, from incoming HRC coil inspection through to final product inspection, enabling us to monitor product conformity and maintain consistent quality standards. Mycron maintains its ISO 9001:2015 Quality Management System certification, reinforcing our commitment to effective quality management, continual improvement, and consistent product and service delivery. Through robust quality assurance practices and adherence to recognised standards, we seek to strengthen customer confidence while delivering reliable and responsibly manufactured steel products.

**100%** of Mycron's manufacturing sites are ISO 9001:2015 certified

| Product Quality-related Metrics | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Number of substantiated incidents of non-compliance concerning the health and safety impacts of our products and services | 0 | 0 | 0 |
| Incidents of non-compliance with voluntary codes | 0 | 0 | 0 |

## OUR PRODUCT CERTIFICATIONS

The Group maintains relevant product licences, certifications, and accreditations to support compliance with applicable local and international product requirements. In FY2026, the Group achieved a significant milestone, with MST becoming the first steel pipe manufacturer to obtain the SustainBuild Mark certification, reinforcing our commitment to delivering more sustainable and environmentally responsible steel products.

| Entity | Product Name | Product Certification |
|---|---|---|
| *MCRC* | Cold-Reduced Carbon Steel Sheet and Strip of Commercial and Drawing Qualities | MS 2651:2020 |
| | Cold-Reduced Carbon Steel Strip | JIS G 3141:2017 |
| *MST* | Steel Conduit for Electrical Wiring | BS 31:1940 |
| | Carbon Steel Pipe for Ordinary Piping | JIS G 3452:2010 |
| | Cold Formed Welded Carbon Steel Structural Tubing in Round | ASTM A500/A500M:2013 |
| | Welded Steel Pipe | MS 863:2010 |
| | Carbon Steel Tube for General Structure | JIS G 3444:2015 |
| | Welded Steel Tube | BS EN 10255:2004 |
| | Carbon Steel Tube for Machine Structural Purpose | JIS G 3445:1988 |
| | Light Gauge Steel for General Structure | JIS G 3350:2009 |
| | Non-Alloy Steel Tube for Water and Sewerage | SPAN TS 21827: Part 2:2013 |
| | Cold Formed Welded Structural Hollow Sections of Non-Alloy Steel | MS EN 10219-1:2015 |
| | Rigid Steel Conduit for Cable Management | MS 61386-21:2010 |
| | Steel Tubes for Tubular Scaffolding | MS 1462-2-1:2010 |
| | Loose Steel Tubes for Tube and Couple Scaffolds | BS EN 39:2001 |

**15** **SIRIM-Certified Products** Licensed under the SIRIM QAS International Product Certification Scheme

**15** **Products Certified with Eco-Labelling & MyHIJAU Mark**

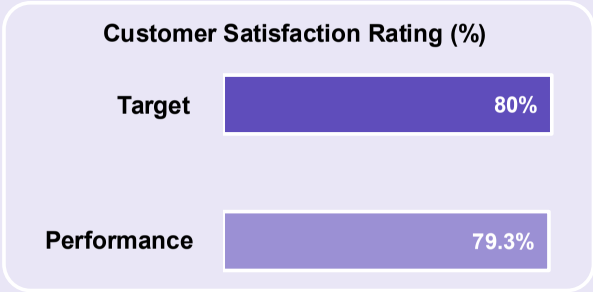
**5** **SustainBuild Mark-certified Products**

# PRODUCT QUALITY & CUSTOMER RESPONSIBILITY

## Customer Responsibility

Our Group remains committed to delivering quality products and services through operational excellence and responsive customer engagement. Our quality assurance processes support consistent product quality and service delivery, while customer feedback provides valuable insights to drive continuous improvement across our operations.

To better understand our customers' expectations and experiences, we conduct an annual Customer Satisfaction Survey covering key areas including product quality and range, order management, delivery performance, technical support, customer service, and pricing. In FY2026, the Group recorded an overall Customer Satisfaction Score of 79.3%, slightly below our 80% target.




## Prioritising Customer Satisfaction & Continuous Improvement

To strengthen customer satisfaction, Mycron maintains regular engagement with customers to understand their evolving needs, expectations, and market requirements. Our sales and technical teams conduct customer site visits to gain first-hand insights into how our steel products are used and integrated into customers' production processes. These engagements provide valuable insights into product performance and operational requirements, enabling us to identify areas for improvement and respond effectively to customer needs.

In parallel, the Group implements structured quality management measures across its operations to maintain product consistency, address quality issues and drive continuous improvement in product quality and operational performance.

1. **Strengthening Product Inspection and Quality Control:**
   Quality inspections and testing are conducted throughout our manufacturing processes, including final inspections prior to delivery, to ensure products meet established quality standards and customer specifications.

2. **Customer Complaint Management:**
   Customer complaints are promptly investigated by the relevant sales, technical, and quality teams to identify root causes, implement corrective actions, and prevent recurrence.

3. **Quality Audits:**
   Regular internal and external quality audits are conducted to assess compliance with established procedures and standards. Identified non-conformities are addressed through corrective and preventive actions, with follow-up monitoring to assess their effectiveness.

4. **Continuous Training and Competency Development:**
   Quality-related training, including inspection and testing, management of quality issues and ISO 9001 requirements, is conducted to strengthen employee competencies and reinforce consistent quality practices.

**Moving Forward**

Mycron will continue to strengthen product quality through enhanced quality control and inspection practices, process optimisation, and the effective management of product deviations and non-conformities. The Group will also leverage customer feedback and technical engagement to identify opportunities for continuous improvement and ensure that product performance remains aligned with evolving customer requirements. Moving forward, the Group will explore opportunities to further enhance process monitoring, automation and traceability across its manufacturing operations, with the aim of improving product consistency while reducing rejection, rework, and material wastage. These efforts will support operational efficiency, customer satisfaction and the long-term competitiveness of the Group's products.

# INDEPENDENT ASSURANCE STATEMENT

SGS (Malaysia) Sdn Bhd,
QT-7, Quayside Tower, Kompleks Perniagaan Gamuda,
Persiaran Freesia, Gamuda Kemuning 25.7,
42500 Telok Panglima Garang, Kuala Langat,
Selangor, Malaysia

## ASSURANCE STATEMENT

### Independent Limited Assurance Statement to the Board of Directors
### MYCRON STEEL BERHAD

***Subject Matters and Scope of The Limited Assurance Engagement***

SGS Malaysia Sdn. Bhd has been engaged by Mycron Steel Berhad to perform **Limited Assurance** engagement on selected sustainability information for the reporting period **July 2025 to June 2026,** as identified below.

| Subject Matters | |
|---|---|
| **Common Sustainability Matters** | **Common Indicators** |
| Energy Management | Total Energy Consumption |
| Waste Management | Total Waste Generated<br>*(Total Waste Diverted from Disposal)*<br>*(Total Waste Directed to Disposal)* |
| Water | Total Volume of Water Used |
| Emission Management | Scope 1 emissions in tonnes of $CO_2e$<br>Scope 2 emissions in tonnes of $CO_2e$<br>Scope 3 emissions in tonnes of $CO_2e$<br>(Categories for business travel and employee commuting only) |

***Management's Responsibilities***

Management of Mycron Steel Berhad is responsible for the preparation and presentation of the selected sustainability information in accordance with the applicable criteria set out on *page 2* of this report. This responsibility includes establishing and maintaining appropriate processes and internal controls, maintaining adequate records, supporting documentation, selecting appropriate measurement and calculation methods, and making estimates and judgements that are reasonable in the circumstances.

The management is also responsible for designing, implementing and maintaining internal control relevant to the preparation of the selected subject matters such that it is free from material misstatement, whether due to fraud and error.

***Practitioner's Responsibility***

SGS Malaysia is accountable to draw a conclusion on the selected sustainability information based on the procedures that have been obtained and performed. The engagement is in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and International Standard and Assurance Engagements (ISAE 3410)

That Standard requires us to plan and perform the engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.



A limited assurance engagement consists primarily of making enquiries of persons responsible for the preparation of the sustainability information, applying analytical and other procedures, and evaluating the evidence obtained. The procedures performed in a limited assurance engagement are substantially less in extent than those performed in a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

***Applicable Criteria***

The selected sustainability information has been prepared by management using the following criteria:

- ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. International. International Framework for Assurance Engagements and Related Conforming Amendments
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements
- GHG Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

***Summary of Procedures and Methodology Performed***

The assurance comprised a combination procedure and methodology as below:

- Obtaining an understanding of the processes used to prepare the selected sustainability information;
- Making enquiries about relevant management and personnel responsible for sustainability data and reporting;
- Reviewing selected supporting documentation, records and source data;
- Performing analytical procedures over selected sustainability information and investigating significant movements or variances;
- Performing selected recalculations and agreeing selected reported amounts to underlying records;
- Evaluating selected assumptions, estimates, emission factors and conversion factors used in the calculations;
- Considering the completeness of the reported energy, water, waste and GHG data within the stated reporting boundaries;
- Evaluating whether the selected sustainability information has been prepared consistently with the applicable criteria.

***Statement of Independence and Quality Management***

SGS Group of companies is the world's leading testing, inspection, and certification, operating in more than 140 countries. SGS is recognized as the global benchmark for sustainability, quality and integrity. SGS (Malaysia) Sdn. Bhd affirms our independence from Mycron Steel Berhad being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders.

SGS Malaysia Sdn. Bhd. have applied our firm's established system of quality management to this assurance engagement. The engagement was planned, performed, documented, reviewed and reported in accordance with our quality management policies and procedures and the applicable requirements of ISAE 3000 (Revised) and ISAE 3410.

The engagement team comprised personnel with appropriate professional competence, technical knowledge and experience relevant to the subject matter, including expertise in sustainability reporting and, where applicable, greenhouse gas emissions measurement, quantification and reporting. The verification team conducted the engagement in accordance with the SGS Code of Integrity.

# INDEPENDENT ASSURANCE STATEMENT

***Inherent Limitations***

Specific inherent limitations relevant to the engagement include the use of estimates, assumptions and employee-provided activity data in the calculation of GHG emissions. In particular, there is a risk that inaccurate employee commuting mileage or commuting frequency, emission factors that are not updated, used in GHG emissions. Such limitations and uncertainties may result in the reported GHG emissions being overstated or understated compared with the actual emissions.

The Scope 2 Electricity Indirect GHG Emission were calculated by using the emission factor for year 2017 of "2017 CDM Electricity Baseline for Malaysia" prepared by MGTC instead of latest emission factor published by Energy Commission applicable to the reporting period which may affect the comparability of the resulting emissions that is used for similar reporting purposes

***Limited Assurance Conclusion***

Nothing has come to our attention that causes us to believe that the selected subject matter information of Mycron Steel Berhad for the reporting period July 2025 to June 2026 has not been prepared, in all material respects, in accordance with the applicable criteria described on page 2 of this report.

***Restriction on Use***

This assurance report is intended solely for the use of Mycron Steel Berhad and its intended users in connection with the Company's sustainability reporting for the reporting period July 2025 to June 2026

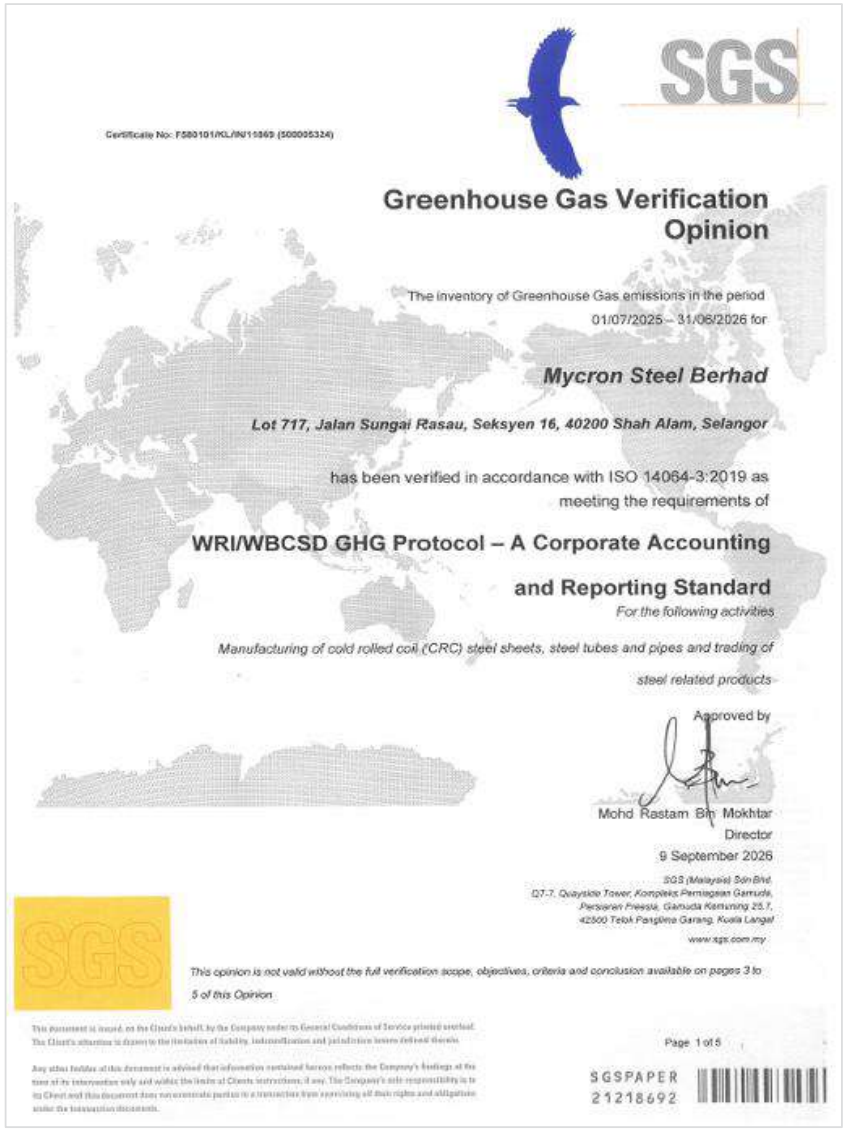
Naim Shaharman
Team Leader
Shah Alam
9 September 2026



**APPENDIX A – Subject Matters and Indicators**

| Common Sustainability Matters | Common Indicators | Value (July 25 – June 26) | Unit |
|---|---|---|---|
| Energy Management | Total Energy Consumption | 374,008 | GJ |
| Waste Management | Total Waste Generated<br>*(Total Waste Diverted from Disposal)*<br>*(Total Waste Directed to Disposal)* | 18,546.0<br>18,365.0<br>181.0 | *Tonne*<br>*Tonne*<br>*Tonne* |
| Water | Total Volume of Water Used | 93.87 | ML |
| Emission Management | Scope 1 emissions in tonnes of CO2e | 12,768.78 | $tCO_2e$ |
| | Scope 2 emissions in tonnes of CO2e | 17,377 .07 | $tCO_2e$ |
| | Scope 3 emissions in tonnes of CO2e<br>• Business travel<br>• Employee commuting | 649.45<br>10.85<br>638.60 | $tCO_2e$<br>$tCO_2e$<br>$tCO_2e$ |

## GHG VERIFICATION STATEMENT



Certificate No: FS80101/KL/IN11869 (S00005324)

SGS

### Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in the period 01/07/2025 – 31/06/2026 for

***Mycron Steel Berhad***

***Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor***

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

**WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard**

*For the following activities*

*Manufacturing of cold rolled coil (CRC) steel sheets, steel tubes and pipes and trading of steel related products*

Approved by

Mohd Rastam Bin Mokhtar
Director
9 September 2026

SGS (Malaysia) Sdn Bhd.
Q7-7, Quayside Tower, Kompleks Perniagaan Garuda,
Persiaran Freesia, Gamuda Kemuning 25.1,
42300 Telok Panglima Garang, Kuala Langat
www.sgs.com.my

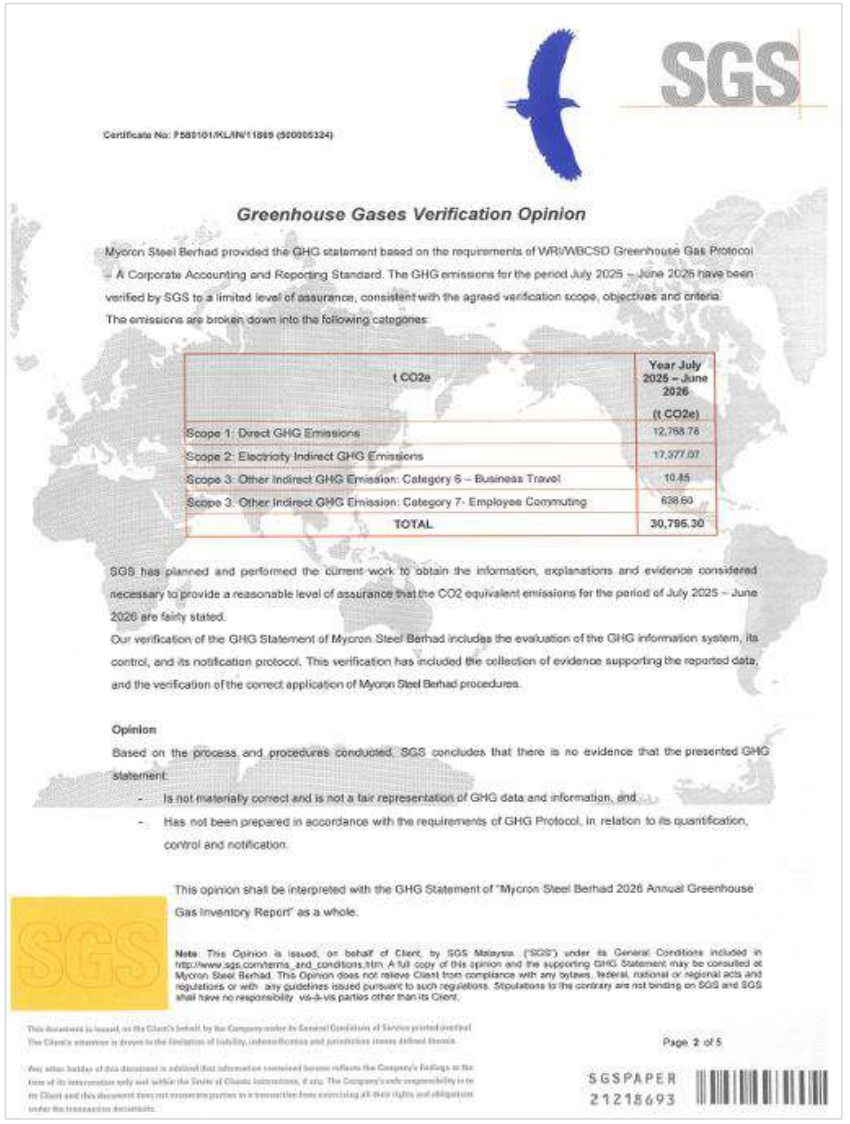
*This opinion is not valid without the full verification scope, objectives, criteria and conclusion available on pages 3 to 5 of this Opinion*

This document is issued, on the Client's behalf, by the Company under its General Conditions of Service printed overleaf. The Client's attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein.

Any other holder of this document is advised that information contained hereon reflects the Company's findings at the time of its intervention only and within the limits of Client instructions, if any. The Company's sole responsibility is to its Client and this document does not exonerate parties to a transaction from exercising all their rights and obligations under the transaction documents.



SGSPAPER 21218692



Certificate No: FS80101/KL/IN11869 (S00005324)

SGS

### Greenhouse Gases Verification Opinion

Mycron Steel Berhad provided the GHG statement based on the requirements of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard. The GHG emissions for the period July 2025 – June 2026 have been verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria.
The emissions are broken down into the following categories:

| t CO2e | Year July 2025 – June 2026 (t CO2e) |
|---|---|
| Scope 1: Direct GHG Emissions | 12,768.78 |
| Scope 2: Electricity Indirect GHG Emissions | 17,377.07 |
| Scope 3: Other Indirect GHG Emission: Category 6 – Business Travel | 10.85 |
| Scope 3: Other Indirect GHG Emission: Category 7- Employee Commuting | 638.60 |
| **TOTAL** | **30,795.30** |

SGS has planned and performed the current work to obtain the information, explanations and evidence considered necessary to provide a reasonable level of assurance that the CO2 equivalent emissions for the period of July 2025 – June 2026 are fairly stated.
Our verification of the GHG Statement of Mycron Steel Berhad includes the evaluation of the GHG information system, its control, and its notification protocol. This verification has included the collection of evidence supporting the reported data, and the verification of the correct application of Mycron Steel Berhad procedures.

**Opinion**

Based on the process and procedures conducted, SGS concludes that there is no evidence that the presented GHG statement:

- Is not materially correct and is not a fair representation of GHG data and information, and
- Has not been prepared in accordance with the requirements of GHG Protocol, in relation to its quantification, control and notification.

This opinion shall be interpreted with the GHG Statement of "Mycron Steel Berhad 2026 Annual Greenhouse Gas Inventory Report" as a whole.

**Note**: This Opinion is issued, on behalf of Client, by SGS Malaysia, ("SGS") under its General Conditions included in http://www.sgs.com/terms_and_conditions.htm. A full copy of this opinion and the supporting GHG Statement may be consulted at Mycron Steel Berhad. This Opinion does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

This document is issued, on the Client's behalf, by the Company under its General Conditions of Service printed overleaf. The Client's attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein.

Any other holder of this document is advised that information contained hereon reflects the Company's findings at the time of its intervention only and within the limits of Client instructions, if any. The Company's sole responsibility is to its Client and this document does not exonerate parties to a transaction from exercising all their rights and obligations under the transaction documents.



SGSPAPER 21218693

# GHG VERIFICATION STATEMENT



SGS

## *Schedule Accompanying Greenhouse Gas Verification Opinion*

SGS has been contracted by Mycron Steel Berhad for the verification of direct and indirect carbon dioxide ($CO_2$) equivalent emissions as provided by Mycron Steel Berhad in their GHG statement "Mycron Steel Berhad 2026 Annual Greenhouse Gas Inventory Report" covering the period 01/07/2025 – 31/06/2026 and considering the period of July 2017 – June 2018 as the base year.

**Responsibilities**

The Senior QMS of Mycron Steel Berhad is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS responsibility to express an independent GHG verification opinion on the GHG emissions as provided in their GHG Statement for the period 01/07/2025 – 31/06/2026.

SGS conducted a third-party verification following the requirements of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard and ISO 14064-3:2019 of the provided GHG Statement "Mycron Steel Berhad 2026 Annual Greenhouse Gas Inventory Report" for the period 01/07/2025 – 31/06/2026.

**Inherent Limitations**

Specific inherent limitations relevant to the engagement include the use of estimates, assumptions and employee-provided activity data in the calculation of GHG emissions. In particular, there is a risk that inaccurate employee commuting mileage or commuting frequency, emission factors that are not updated, used in GHG emissions. Such limitations and uncertainties may result in the reported GHG emissions being overstated or understated compared with the actual emissions.

The Scope 2 Electricity Indirect GHG Emission were calculated by using the emission factor for year 2017 of 2017 CDM Electricity Baseline for Malaysia instead of latest emission factor published by Energy Commission 2024 applicable to the reporting period which may affect the comparability of the resulting emissions that is used for similar reporting purposes.

**Level of Assurance**

The level of assurance agreed for the assignment is a Limited level of assurance.





SGS

**Scope**

Mycron Steel Berhad has commissioned an independent verification by SGS of reported CO2 equivalent emissions arising from their activities, to establish conformance with the requirements of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard in their facilities located in Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor.

The reporting boundaries have been:

Scope 1: Direct GHG emissions:
- Direct emission from stationary combustion
- Direct emission from mobile combustion

Scope 2: Electricity Indirect GHG Emission

Scope 3: Indirect GHG emission from transportation
- Employee commuting
- Business travel

The organizational boundaries were established following the **operational** control approach.

This engagement covers verification of emissions and removals of greenhouse gases included within the organization's boundaries and meets the requirements of ISO 14064-3:2019.

- **Title and description of activities**: Verification of the GHG statement for Mycron Steel Berhad
- **Location of the activities**: Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor
- **Activities of the organization:** Manufacturing of Cold Rolled Coil (CRC) steel sheets, steel tubes and pipes and trading of steel related products.
- **Types of GHGs included**: $CO_2$, $CH_4$, and $N_2O$
- **The verification period**: 01/07/2025 – 31/06/2026

## GHG VERIFICATION STATEMENT

Certificate No: FE80101/KL/IN/11859 (580005324)

SGS

**Objectives**

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the CO2 equivalent emissions are as declared by the organization's GHG Statement.
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission.
- Whether the inventory system complies with the criteria and scope established in the of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard

**Criteria**

Criteria against which the verification assessment is undertaken are the requirements of ISO 14064-3:2019.

**Materiality**

The materiality required of the verification was considered by SGS to be below 10 %.

Mohd Shahrosnaim bin Shaharman

Lead Verifier

SGS Malaysia Sdn. Bhd.

Note: This Opinion is issued, on behalf of Client, by SGS Malaysia ("SGS") under its General Conditions included in http://www.sgs.com/terms_and_conditions.htm. A full copy of this opinion and the supporting GHG Statement may be consulted at Mycron Steel Berhad. This Opinion does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

This Opinion is not valid without the full verification scope, objectives, criteria and conclusion available included in the schedule

Page 5 of 5

## BURSA PRESCRIBED TABLE

**MYCRON STEEL BHD**
BMLR Transition Period

Date & Time: 2026-10-14_11:36:45
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Corporate Governance and Business Ethics | Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Management | % | 100 | 100 | 100 | No assurance |
| Corporate Governance and Business Ethics | Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Executive | % | 100 | 100 | 100 | No assurance |
| Corporate Governance and Business Ethics | Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Non-Executive | % | 100 | 100 | 100 | No assurance |
| Corporate Governance and Business Ethics | Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - General Workers | % | 100 | 100 | 100 | No assurance |
| Corporate Governance and Business Ethics | Bursa C1 (b) Percentage of operations assessed for corruption-related risks | % | 100 | 100 | 100 | No assurance |
| Corporate Governance and Business Ethics | Bursa C1 (c) Confirmed incidents of corruption and actions taken | Number | 0 | 0 | 0 | No assurance |
| Data Privacy and Cybersecurity | Bursa C8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 | 0 | No assurance |
| Responsible Supply Chain Management | Bursa C7 (a) Proportion of spending on local suppliers | % | 88.89 | 89.04 | > 70 | No assurance |
| Climate Change and Energy Management | Bursa C4 (a) Total energy consumption | MWh | 92,728 | 103,891 | - | No assurance |

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Page 1 of 7

# BURSA PRESCRIBED TABLE

**MYCRON STEEL BHD**
BMLR Transition Period

Date & Time: 2026-10-15J9:33:46
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Climate Change and Energy Management | Bursa C7 (a) Total energy consumption | GJ | 333,821 | 334,008 | - | External Limited |
| Water Stewardship | Bursa C9 (a) Total volume of water used | ML | 12162 | 93.87 | - | External Limited |
| Circular Economy & Waste Management | Bursa C10 (a) Total waste generated | MT | 13150 | 18,546 | - | External Limited |
| Circular Economy & Waste Management | Bursa C10 (a)(i) Total waste diverted from disposal | MT | 12,975 | 18,385 | - | External Limited |
| Circular Economy & Waste Management | Bursa C10 (a)(ii) Total waste directed from disposal | MT | 175 | 181 | - | External Limited |
| Circular Economy & Waste Management | Percentage of waste disposal to refuse or landfills over total waste generated | % | 1.01 | 0.87 | Maintain a total waste directed rate below 2% through FY2029 | No assurance |
| Circular Economy & Waste Management | Total waste generated per tonne of output | kg/tonne | 5791 | 8302 | Achieve waste generation intensity of < 70 kg/tonne by FY2026 | No assurance |
| Climate Change and Energy Management | Bursa C11 (a) Scope 1 GHG emissions | Metric tonnes of carbon dioxide equivalents (tCO2e) | 11,574 | 12,769 | - | External Limited |
| Climate Change and Energy Management | Bursa C11 (b) Scope 2 GHG emissions | Metric tonnes of carbon dioxide equivalents (tCO2e) | 14,234 | 12377 | - | External Limited |
| Climate Change and Energy Management | Bursa C11 (c) Scope 3 GHG emissions (for Category 6: Business travel and Category 7: Employee commuting) | Metric tonnes of carbon dioxide equivalents (tCO2e) | * 469.22 | 649.45 | - | External Limited |
| Footnote 2025 | FY2025 Scope 3 GHG emissions have been restated following the correction of distance data used in the emissions calculation. | | | | | |
| Climate Change and Energy Management | Total Scope 1 and Scope 2 emissions per tonne of output | kg/tonne | 114 | 107 | Achieve a Scope 1 and Scope 2 total emissions intensity of < 110 kg/tonne | No assurance |
| Occupational Health and Safety | Bursa C5 (a) Number of work-related fatalities | Number | 0 | 1 | Zero work-related fatalities | No assurance |



MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-14J1:36:45
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Occupational Health and Safety | Bursa C5 (b) Lost time incident rate ("LTIR") | Rate | 1.24 | 1.75 | Maintain our LTIR < 2.1T by FY2026 | No assurance |
| Occupational Health and Safety | Bursa C5 (c) Number of employees trained on health and safety standards | Number | 285 | 330 | - | No assurance |
| Employee Engagement and Well-being | Bursa C5 (a) Total hours of training by employee category - Management | Hours | 992 | 1,008 | - | No assurance |
| Employee Engagement and Well-being | Bursa C5 (a) Total hours of training by employee category - Executive | Hours | 2,247 | 1,614 | - | No assurance |
| Employee Engagement and Well-being | Bursa C5 (a) Total hours of training by employee category - Non-executive | Hours | 1,400 | 1,158 | - | No assurance |
| Employee Engagement and Well-being | Bursa C5 (a) Total hours of training by employee category - General Workers | Hours | 1,282 | 1,296 | - | No assurance |
| Human Rights and Labour Standards | Bursa C5 (b) Percentage of employees that are that are contractors or temporary staff | % | 19.27 | 1817 | - | No assurance |
| Human Rights and Labour Standards | Bursa C5 (c) Total number of employee turnover by employee category - Management | Number | 6 | 8 | - | No assurance |
| Human Rights and Labour Standards | Bursa C5 (c) Total number of employee turnover by employee category - Executive | Number | 8 | 15 | - | No assurance |
| Human Rights and Labour Standards | Bursa C5 (c) Total number of employee turnover by employee category - Non-executive | Number | 8 | 25 | - | No assurance |

# BURSA PRESCRIBED TABLE

**MYCRON STEEL BHD**
BMLR Transition Period
Date & Time: 2026-10-14T1:36:45
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Human Rights and Labour Standards | Bursa C6 (c) Total number of employee turnover by employee category - General Workers | Number | 35 | 22 | - | No assurance |
| Human Rights and Labour Standards | Bursa C6 (g) Number of substantiated complaints concerning human rights violation | Number | 0 | 0 | Zero | No assurance |
| Responsible Supply Chain Management | Percentage of suppliers subjected to ESG impact assessment (applies to only key suppliers with transaction value > RM500/year) | % | 96.77 | 100 | 100% | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Management (Male) | % | 65 | 62 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Management (Female) | % | 35 | 38 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (Male) | % | 58 | 65 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (Female) | % | 42 | 35 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (Male) | % | 79 | 79 | - | No assurance |



MYCRON STEEL BHD
BMLR Transition Period
Date & Time: 2026-10-14T1:36:45
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (Female) | % | 21 | 21 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - General Workers (Male) | % | 98 | 99 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - General Workers (Female) | % | 2 | 1 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Top Management (< 30) | % | 0 | 0 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Top Management (30 - 50) | % | 40 | 25 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Top Management (> 50) | % | 60 | 75 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Middle Management (< 30) | % | 2 | 0 | - | No assurance |

# BURSA PRESCRIBED TABLE



MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-14_11:36:45
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Middle Management (30 - 50) | % | 62 | 60 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Middle Management (> 50) | % | 36 | 34 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (< 30) | % | 33 | 29 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (30 - 50) | % | 47 | 54 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (> 50) | % | 20 | 17 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (< 30) | % | 34 | 34 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (30 - 50) | % | 45 | 48 | - | No assurance |

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Page 6 of 7



MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-14_11:36:45
Main Market | Group 2 | FYE 30/06/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| Employee Engagement and Well-Being | Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (> 50) | % | 21 | 18 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (b) Percentage of directors by gender and age group (Male) | % | 875 | 875 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (b) Percentage of directors by gender and age group (Female) | % | 12.5 | 12.5 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (b) Percentage of directors by gender and age group (40 - 50) | % | 0 | 12.5 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (b) Percentage of directors by gender and age group (51 - 60) | % | 25 | 12.5 | - | No assurance |
| Employee Engagement and Well-Being | Bursa C3 (b) Percentage of directors by gender and age group (> 60) | % | 75 | 75 | - | No assurance |
| Community Engagement | Bursa C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | RM | 31,232 | 73,170 | - | No assurance |
| Community Engagement | Bursa C2 (b) Total number of beneficiaries of the investment in communities | Number | 3,218 | 2,197 | - | No assurance |

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Page 7 of 7

## GRI CONTENT INDEX

| GRI Standard | Disclosure Number | Content of Disclosure | Page Number |
|---|---|---|---|
| GRI 2 – General Disclosures 2021 | 2 – 1 | Organisational Details | 3 – 4 |
| | 2 – 2 | Entities included in the organisation's sustainability reporting | 4 |
| | 2 – 3 | Reporting period, frequency and contact point | 4 |
| | 2 – 4 | Restatement of information | 49, 55 |
| | 2 – 5 | External assurance | 4, 107 - 111 |
| | 2 – 6 | Activities, value chain and other business relationships | 4 |
| | 2 – 7 | Employees | 73 |
| | 2 – 8 | Workers who are not employees | 73 |
| | 2 – 9 | Governance structure and composition | 10 – 11 |
| | 2 – 11 | Chair of the highest governance body | 10 – 11 |
| | 2 – 12 | Role of the highest governance body in overseeing the management of impacts | 10 – 11, 32 |
| | 2 – 13 | Delegation of responsibility for managing impacts | 10 – 11 |
| | 2 – 14 | Role of the highest governance body in sustainability reporting | 10 – 11 |
| | 2 – 16 | Communication of critical concerns | 10 – 11 |
| | 2 – 19 | Remuneration policy | 11, 32 |
| | 2 – 22 | Statement on sustainable development strategy | 5 – 6, 12 – 13 |
| | 2 – 23 | Policy commitments | 12 – 13, 93 |
| | 2 – 24 | Embedding policy commitments | 12 – 13, 93 |
| | 2 – 25 | Processes to remediate negative impacts | 92 – 95, 70 – 71 |
| | 2 – 26 | Mechanisms for seeking advice and raising concerns | 92 – 95, 70 – 71 |
| | 2 – 27 | Compliance with laws and regulations | 99 |
| | 2 – 28 | Membership associations | 4 |
| | 2 – 29 | Approach to stakeholder engagement | 14 – 17 |
| | 2 – 30 | Collective bargaining agreements | 68 – 70 |
| GRI 3 – Material Topics 2021 | 3 – 1 | Process to determine material topics | 18 – 19 |
| | 3 – 2 | List of material topics | 19 |
| | 3 – 3 | Management of material topics | 20 – 28 |
| GRI 201 – Economic Performance 2016 | 201 – 1 | Direct economic value generated and distributed | 101 |
| | 201 – 2 | Financial implications and other risks and opportunities due to climate change | 38 – 43 |
| GRI 202 – Market Presence 2016 | 202 – 2 | Proportion of senior management hired from the local community | 73 |
| GRI 204 – Procurement Practices 2016 | 204 – 1 | Proportion of spending on local suppliers | 102 |
| GRI 205 – Anti-Corruption 2016 | 205 – 1 | Operations assessed for risks related to corruption | 93 |
| | 205 – 2 | Communication and training about anti-corruption policies and procedures | 93 |

## GRI CONTENT INDEX

| GRI Standard | Disclosure Number | Content of Disclosure | Page Number |
|---|---|---|---|
| GRI 205 – Anti-Corruption 2016 | 205 – 3 | Confirmed incidents of corruption and actions taken | 93 |
| GRI 301 – Materials 2016 | 301 – 2 | Recycled input materials used | 65 – 66, 56 – 59 |
| GRI 302 – Energy 2016 | 302 – 1 | Energy consumption within the organisation | 50 – 51 |
| | 302 – 3 | Energy intensity | 50 – 51 |
| | 302 – 4 | Reduction of energy consumption | 50 – 51 |
| GRI 303 – Water and Effluents 2018 | 303 – 1 | Interactions with water as a shared resource | 52 – 54 |
| | 303 – 2 | Management of water discharge-related impacts | 53 – 55, 62 – 63 |
| | 303 – 3 | Water withdrawal | 55 |
| | 303 – 4 | Water discharge | 55 |
| | 303 – 5 | Water consumption | 55, 63 |
| GRI 305 – Emissions 2016 | 305 – 1 | Direct (Scope 1) GHG emissions | 33 – 35, 47 – 49 |
| | 305 – 2 | Energy indirect (Scope 2) GHG emissions | |
| | 305 – 3 | Other indirect (Scope 3) GHG emissions | |
| | 305 – 4 | GHG emissions intensity | |
| | 305 – 5 | Reduction of GHG emissions | |
| | 305 – 7 | Nitrogen oxides ($NO_x$), sulfur oxides ($SO_x$) and other significant air emissions | 60 – 61 |

| GRI Standard | Disclosure Number | Content of Disclosure | Page Number |
|---|---|---|---|
| GRI 306 – Waste 2020 | 306 – 1 | Waste generation and significant waste-related impacts | 56 – 59 |
| | 306 – 2 | Management of significant waste-related impacts | 56 – 59 |
| | 306 – 3 | Waste generated | 56 – 59 |
| | 306 – 4 | Waste diverted from disposal | 56 – 59 |
| | 306 – 5 | Waste directed to disposal | 56 – 59 |
| GRI 308 – Supplier Environmental Assessment 2016 | 308 – 1 | New suppliers that were screened using environmental criteria | 102 – 103 |
| GRI 414 – Supplier Social Assessment 2016 | 414 – 1 | New suppliers screened using social criteria | 102 – 103 |
| GRI 401 – Employment 2016 | 401 – 1 | New employee hires and employee turnover | 74 |
| | 401 – 2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 75 |
| | 401 – 3 | Parental leave | 74 |

## GRI CONTENT INDEX

| GRI Standard | Disclosure Number | Content of Disclosure | Page Number |
|---|---|---|---|
| GRI 403 – Occupational Health and Safety 2018 | 403 – 1 | Occupational health and safety management system | 80 – 81 |
| | 403 – 2 | Hazard identification, risk assessment and incident investigation | 82 – 83 |
| | 403 – 4 | Worker participation, consultation, and communication on occupational health and safety | 82 – 85 |
| | 403 – 5 | Worker training on occupational health and safety | 83 – 86 |
| | 403 – 6 | Promotion of worker health | 86 |
| | 403 – 7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 80 – 86 |
| | 403 – 9 | Work-related injuries | 86 |
| | 403 – 10 | Work-related ill health | 86 |
| GRI 404 – Training and Education 2016 | 404 – 1 | Average hours of training per year per employee | 76 |
| | 404 – 2 | Programmes for upgrading employee skills and transition assistance programmes | 76 |
| | 404 – 3 | Percentage of employees receiving regular performance and career development reviews | 76 |
| GRI 405 – Diversity and Equal Opportunity 2016 | 405 – 1 | Diversity of governance bodies and employees | 72 – 73 |
| | 405 – 2 | Ratio of basic salary and remuneration of women to men | 74 |
| GRI 406 – Non-discrimination 2016 | 406 – 1 | Incidents of discrimination and corrective actions taken | 68 – 71, 73 |
| GRI 407 – Freedom of Association and Collective Bargaining 2016 | 407 – 1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 68 – 71 |
| GRI 408 – Child Labor 2016 | 408 – 1 | Operations and suppliers at significant risk for incidents of child labour | 69 – 70 |
| GRI 409 – Forced or Compulsory Labor 2016 | 409 – 1 | Operations and suppliers at risk for forced or compulsory labour | 69 – 70 |
| GRI 413 – Local Communities 2016 | 413 – 1 | Operations with local community engagement, impact assessments and development programmes | 87 – 91 |
| GRI 418 – Customer Privacy 2016 | 418 – 1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 96 |

## IFRS S2 CONTENT INDEX

| IFRS S2 Clause | Disclosure | Page Number |
|---|---|---|
| **Governance** | | |
| IFRS S2.6(a)(i) | The governance body responsible for oversight of CRROs and how the responsibilities are reflected in terms of reference, mandates, role descriptions and other related policies | 10, 32 |
| IFRS S2.6(a)(ii) | How the governance body develop appropriate skills and competencies to oversee strategies designed to respond to CRROs | 11 |
| IFRS S2.6(a)(iii) | How and how often the governance body is informed about CRROs | 10 – 11, 32 |
| IFRS S2.6(a)(iv) | How the governance body considers CRROs in entity's strategy, major transaction decisions, risk management processes and related policies, including trade-offs | |
| IFRS S2.6(a)(v) | Oversight of target-setting, its progress monitoring and inclusion of performance metrics in remuneration policies | |
| IFRS S2.6(b)(I) | Management's role in the governance processes, controls and procedures to monitor, manage and oversee CRROs, including the delegation to management-level position or committee and oversight mechanisms | |
| IFRS S2.6(b)(ii) | Use of controls and procedures by the management to support oversight and its integration with other internal functions | |
| **Strategy** | | |
| IFRS S2.9(a) | CRROs that could reasonably affect the entity's prospects | 10 – 11, 38 – 43 |
| IFRS S2.9(b) | Current and anticipated effects of the CRROs on the entity's business model and value chain | |
| IFRS S2.9(c) | Effects of the CRROs on the entity's strategy and decision making, including information about its climate-related transition plan | 33 – 43 |
| IFRS S2.9(d) | Effects of CRROs on the entity's financial position, financial performance and cash flows, including its anticipated effects over the short-, medium- and long-term time horizons | 38 – 43 |
| IFRS S2.9(e) | Climate resilience of the entity's strategy and business model against climate-related changes, developments and uncertainties | 33 – 43 |
| **Climate-related Risks and Opportunities** | | |
| IFRS S2.10(a) | Description of CRROs that could reasonably affect the entity's prospects | 38 – 43 |
| IFRS S2.10(b) | Categorisation of the identified CRROs as physical and transition climate-related risks | |
| IFRS S2.10(c) | Identification of CRROs and their expected impacts across short-, medium- and long-term time horizons | |
| IFRS S2.10(d) | Definition of short-, medium- and long-term time horizons in relation to the Group's strategic planning | 33 |
| **Business Model and Value Chain** | | |

## IFRS S2 CONTENT INDEX

| IFRS S2 Clause | Disclosure | Page Number |
|---|---|---|
| IFRS S2.13(a) | Current and anticipated impacts of identified physical and transition climate-related risks on the Group's business model and value chain | 38 – 43 |
| IFRS S2.13(b) | Identification of business operations, facilities and value chain activities most exposed to the CRROs | |
| **Strategy and Decision-making** | | |
| IFRS S2.14(a)(i) | Current and anticipated changes to the Group's business model, operations and resource allocation in response to CRROs | 38 – 43 |
| IFRS S2.14(a)(ii) | Current and planned direct climate mitigation and adaptation measures across the Group's operations and production processes | |
| IFRS S2.14(a)(iii) | Current and planned indirect climate mitigation and adaptation measures through engagement with customers, suppliers and other value chain stakeholders | |
| IFRS S2.14(a)(iv) | Any climate-related transition pathway the entity has, including key assumptions and dependencies | 33 – 35 |
| IFRS S2.14(a)(v) | Strategies and planned initiatives to achieve any climate-related targets, including GHG targets | 33 – 35 |
| IFRS S2.14(b) | Current and planned allocation of resources towards climate mitigation, adaptation and decarbonisation initiatives | 32 – 46 |
| IFRS S2.14(c) | Quantitative and qualitative information on the progress of climate-related transition plans, including performance against established targets | 29 – 30, 33 – 34 |
| **Financial Position, Financial Performance and Cash Flows** | | |
| IFRS 15(a) | Current financial effects of CRROs | 38 – 43 |
| IFRS 15(b) | Anticipated financial effects of CRROs over the short, medium and long term | |
| IFRS 16(a) | Impacts of CRROs on financial position, financial performance and cash flows during the reporting period | |
| IFRS 16(d) | Anticipated changes in financial performance and cash flows arising from CRROs over the short, medium and long term | |
| **Climate Resilience** | | |
| IFRS S2.22(a)(i) | Implications of climate resilience assessment findings on strategy and business model, including how the entity would respond to the effects identified in the climate scenario analysis | 33 – 46 |
| IFRS S2.22(a)(iii) | Entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term | 33 – 46 |
| IFRS S2.22(b) | Methodology and timing of the climate-related scenario analysis | 33, 36 – 37 |
| IFRS S2.22(b)(i)(1) | Climate-related scenarios used and their respective sources | 36 – 37 |
| IFRS S2.22(b)(i)(2) | Range and diversity of climate-related scenarios considered | 36 – 37 |

## IFRS S2 CONTENT INDEX

| IFRS S2 Clause | Disclosure | Page Number |
|---|---|---|
| IFRS S2.22(b)(i)(3) | Classification of scenarios according to physical and transition climate-related risks | |
| IFRS S2.22(b)(i)(4) | Use of climate-related scenarios aligned with the latest international agreement on climate change | |
| IFRS S2.22(b)(i)(5) | Rationale for selecting climate-related scenarios to assess climate resilience | 36 – 37 |
| IFRS S2.22(b)(i)(6) | Time horizons considered in the climate-related scenario analysis | 33 |
| IFRS S2.22(b)(i)(7) | Operational scope covered by the climate-related scenario analysis, including locations and business units | 36 – 37 |
| IFRS S2.22(b)(ii)(1) | Assumptions regarding climate-related policies and regulatory developments | 35 |
| IFRS S2.22(b)(ii)(2) | Assumptions regarding macroeconomic trends and conditions | |
| IFRS S2.22(b)(ii)(3) | Assumptions regarding national and regional factors, including climate patterns, infrastructure and natural resource availability | |
| IFRS S2.22(b)(ii)(4) | Assumptions regarding energy usage and energy mix | |
| IFRS S2.22(b)(ii)(5) | Assumptions regarding technological developments and advancements | |
| **Risk Management** | | |
| IFRS S2.25(a) | Processes and policies for identifying, assessing, prioritising and monitoring climate-related risks | 36 – 37, 97 – 98 |
| IFRS S2.25(a)(ii) | How climate scenario analysis is used to inform the identification of climate-related risks | 36 – 37 |
| IFRS S2.25(a)(iii) | Assessment of the nature, likelihood and magnitude of climate-related risks using qualitative or quantitative criteria | 36 – 43, 97 – 98 |
| IFRS S2.25(a)(iv) | Prioritisation of climate-related risks relative to other business risks | 36 – 37, 97 – 98 |
| IFRS S2.25(a)(v) | Processes for monitoring and reviewing climate-related risks | |
| IFRS S2.25(b) | Processes for identifying, assessing, prioritising and monitoring climate-related opportunities, including the use of climate-related scenario analysis | 32, 36 – 37 |
| IFRS S2.25(c) | Integration of climate-related risk and opportunity assessment processes into the overall risk management framework | |
| **Climate-related Metrics** | | |
| IFRS S2.29(a)(i) | Absolute gross Scope 1, Scope 2 and Scope 3 GHG emissions during the reporting period in metric tonnes $tCO_2e$ | 49 |
| IFRS S2.29(a)(ii) | GHG emissions measurement methodology in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) | 47, 108 – 110 |
| IFRS S2.29(a)(iii) | Measurement approaches, inputs and assumptions used in GHG emissions calculations, including its rationale | 47 |

## IFRS S2 CONTENT INDEX

| IFRS S2 Clause | Disclosure | Page Number |
|---|---|---|
| IFRS S2.29(a)(iv) | Scope 1 and Scope 2 GHG emissions attributable to the consolidated accounting group, including excluded investees | |
| IFRS S2.29(a)(v) | Location-based Scope 2 GHG emissions and relevant contractual instruments | |
| IFRS S2.29(a)(vi)(1) | Scope 3 GHG emissions categories included in the emissions inventory | 47, 49 |
| IFRS S2.29(e) | Capital expenditure, financing and investments allocated to CRROs | 44, 52 |
| IFRS S2.29(g)(i) | Integration of climate-related considerations into executive remuneration policies and practices | 10 – 11, 32 |
| IFRS S2.29(g)(ii) | Percentage of executive management remuneration linked to climate-related considerations during the reporting period | |
| **Climate-related Targets** | | |
| IFRS S2.33 | Quantitative and qualitative climate-related targets established to monitor progress, including any targets required to meet by law or regulation | 34 |
| IFRS S2.33(a) | Metrics used to establish climate-related targets | 29 – 30, 34 |
| IFRS S2.33(d) | Timeframes established for achieving climate-related targets | 33 – 34 |
| IFRS S2.33(e) | Baseline periods used to measure progress against targets | |
| IFRS S2.33(f) | Key milestones and interim climate-related targets | |
| IFRS S2.33(g) | Classification of quantitative targets as absolute or intensity-based | |
| IFRS S2.33(h) | Alignment of climate-related targets with international climate agreements and relevant national commitments | |
| IFRS S2.34(b) | Processes for reviewing and evaluating climate-related targets | 10 – 11, 33 – 34 |
| IFRS S2.34(c) | Metrics used to monitor progress towards achieving climate-related targets | 29 – 30 |
| IFRS S2.35 | Performance against climate-related targets, including analysis of trends and changes over time | 29 – 30, 34 |
| IFRS S2.36(a) | Type of greenhouse gases covered by GHG emissions reduction targets. | 33 – 34 |
| IFRS S2.36(b) | GHG emissions scopes (Scope 1, Scope 2 and/or Scope 3) covered by the targets | 29 – 30, 33 – 34 |
| IFRS S2.36(e) | Planned use of carbon credits to achieve net GHG emissions reduction targets | 35 |
| IFRS S2.36(e)(i) | Extent of reliance on carbon credits to achieve net GHG emissions targets | |
| IFRS S2.36(e)(ii) | Third-party verification for carbon credits | |
| IFRS S2.36(e)(iii) | Types of carbon credits, including nature-based or technology-based solutions and emissions reduction or removal | |

## IFRS S2 CONTENT INDEX

| IFRS S2 Clause | Disclosure | Page Number |
|---|---|---|
| IFRS S2.36(e)(iv) | Factors affecting the credibility and integrity of carbon credits, including permanence, additionality and verification | |

## SASB DISCLOSURE INDEX

| Topic | Metric | Code | Page Number |
|---|---|---|---|
| Greenhouse Gas Emissions | Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations | EM-IS-110a.1 | Climate Change, pages 31 – 49 |
| | Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | EM-IS-110a.2 | |
| Air Quality | Air emissions of the following pollutants: (1) CO, (2) $NO_x$ (excluding $N_2O$), (3) $SO_x$, (4) particulate matter ($PM_{10}$), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs) | EM-IS-120a.1 | Pollution and Effluent Management, pages 60 – 65 |
| Energy Management | (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable | EM-IS-130a.1 | Energy Management, pages 50 – 51 |
| | (1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas and (4) percentage renewable | EM-IS-130a.2 | |
| Water Management | (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress | EM-IS-140a.1 | Water Stewardship, pages 52 – 54 |
| Waste Management | (1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled | EM-IS-150a.1 | Circular Economy and Waste Management, pages 56 – 59 |
| Workforce Health & Safety | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees | EM-IS-320a.1 | Occupational Health and Safety, pages 68 – 74 |
| Supply Chain Management | Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues | EM-IS-430a.1 | Responsible Supply Chain Management, pages 102 – 203 |

# Notice of Twenty-Third Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the **23rd Annual General Meeting ("AGM")** of the Company will be held at the **Dewan Berjaya, Main Club House, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur ("Main Venue")** on **Wednesday, 2 December 2026 at 10.00 a.m.** for the following purposes:

| AGENDA | RESOLUTION |
|---|---|
| **AS ORDINARY BUSINESS** | |
| 1. To receive the Audited Financial Statements for the year ended 30 June 2026 together with the Reports of the Directors and the Auditors thereon. **[Please refer to Explanatory Note A]** | |
| 2. To approve the payment of Directors' fees (inclusive of benefits-in-kind) up to an amount of RM570,000.00 for the period from 1 January 2027 to 31 December 2027 to be payable quarterly in arrears to the Non-Executive Directors of the Company. **[Please refer to Explanatory Note B]** | **1** |
| 3. Re-election of the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and, being eligible, offer themselves for re-election: | |
| (i) Roshan Mahendran bin Abdullah | **2** |
| (ii) Azlan bin Abdullah | **3** |
| (iii) Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah | **4** |
| 4. To re-appoint Messrs. KPMG PLT ("KPMG") as Auditors of the Company, to hold office until conclusion of the next AGM and to authorise the Directors to fix their remuneration. | **5** |
| **AS SPECIAL BUSINESS** | |
| 5. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions :- | |
| **(a) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature with Trace Management Services Sdn Bhd** | **6** |

"THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 3 December 2025 pursuant to Paragraph 10.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), authorising the Company and/or its subsidiaries to enter into the recurrent related party transaction ("RRPT") of a revenue or trading nature as set out in Section 3.3(A)(i) of the Circular to Shareholders dated 30 October 2026 ("the Circular"), with Trace Management Services Sdn Bhd ("the Related Party") mentioned therein which are necessary, for the Company and/or its subsidiaries for day-to-day operations which are carried out in the ordinary course of business on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of minority shareholders.

RESOLUTION

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until :-

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting ("EGM") whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company;

whichever is the earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**(b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **7**

"THAT the mandate granted by the shareholders of the Company on 3 December 2025 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and its subsidiaries ("the Mycron Group") to enter into the RRPTs which are necessary for Mycron Group's day-to-day operations as set out in Sections 3.3(A)(ii) and 3.3(B) of the Circular with the related parties mentioned therein, be and are hereby renewed, provided that:

(i) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company; and

(ii) the transactions are made at arm's length and on normal commercial terms.

AND THAT, authority conferred by such renewed and granted mandate shall continue to be in force (unless revoked or varied by the Company in general meeting) until:

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or EGM whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by resolution passed by the shareholders in general meeting of the Company;

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

# Notice of Twenty-Third Annual General Meeting

**RESOLUTION**

**(c) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act** **8**

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time until the conclusion of the next AGM, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued."

By Order of the Board

**Lily Yin Kam May**
MAICSA 0878038
Company Secretary

Kuala Lumpur
30 October 2026

*NOTES:*

1. *The 23rd AGM of the Company will be held physically whereby shareholders/proxies/corporate representatives will have to be physically present at the Main Venue and there will be no option for shareholders to participate virtually.*

2. *Applicable to shares held through a nominee account.*

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

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

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

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

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

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

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

10. *Form of Proxy sent through email and/or facsimile transmission shall not be accepted.*

# Notice of Twenty-Third Annual General Meeting

*11. For the purpose of determining a member who shall be entitled to attend this 23rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 26 November 2026. Only a depositor whose name appears on the Record of Depositors as at 26 November 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*

*12. Explanatory Notes to Ordinary Business:*

**(A) Audited Financial Statements for Financial Year Ended 30 June 2026**

*Pursuant to Section 340(1) and (2) of the Act, the directors shall lay before the Company at its AGM its audited financial statements made up to a date not more than 6 months before the date of the AGM. There is no voting required on item 1 of the Agenda.*

**(B) Payment of Directors' Fees (inclusive of benefits-in-kind) (Agenda 2)**

*Pursuant to Section 230(1) of the Act, the shareholders' approval is sought for the proposed payment of Directors' fees (inclusive of benefits-in-kind) to the Non-Executive Directors ("NEDs") for the period from 1 January 2027 to 31 December 2027 which is estimated to be RM570,000.00. The calculation is based on the Directors' fee structure, the estimated number of scheduled Board and Board Committees' meetings, the benefits-in-kind and other emoluments as well as the composition of NEDs, including a provisional sum as a contingency for future appointment of NED on the Board from 1 January 2027 to 31 December 2027.*

*The resolution is to facilitate payments of the Directors' fees (inclusive of benefits-in-kind) for the period from 1 January 2027 to 31 December 2027.*

**(C) Re-election of Directors (Agenda 3)**

*Pursuant to Article 96(1) of the Company's Constitution, at least one-third of the directors of the Company for the time being shall retire from office at every AGM and be eligible for re-election.*

*During the financial year ended 30 June 2026, the Nomination and Remuneration Committee ("NRC") conducted various assessments, including assessment of the collective performance of the board, individual director's performance, independence assessment of each independent director and the nature and extent of conflict of interest or potential conflict of interest of directors, if any, as well as fit and proper assessment of all the directors. Based on the results of board effectiveness evaluation, all the directors (including the retiring directors) met the performance criteria required of an effective board. Based on the assessment of the retiring directors, the NRC's recommendations have been made and approved by the board. The board (except for the retiring directors who abstained) has recommended for the directors who are to retire in accordance with Article 96(1) of the Company's Constitution to stand for re-election during the AGM.*

*Information on the Directors standing for re-election is set out in the Profile of Directors section of the Annual Report 2026.*

**(D) Re-appointment of External Auditors (Agenda 4)**

*The Audit and Governance Committee ("AGC") had considered the re-appointment of KPMG as External Auditors of the Company and is satisfied with the performance, competency, audit approach, and independence of KPMG. The AGC viewed that KPMG has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements of Bursa Securities, amongst others, adequacy of the experience and resources of the accounting firm, and size and competency of the audit engagement team. The Board endorsed the AGC's recommendation to seek shareholders' approval to re-appoint KPMG as External Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.*

# Notice of Twenty-Third Annual General Meeting

*13. Explanatory Notes to Special Business of Agenda 5:*

**(E) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolutions 6 and 7)**

*The Proposed Ordinary Resolutions 6 and 7, if passed, will empower the Company to conduct RRPTs of a revenue or trading nature which are necessary for the Group's day-to-day operations, and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.*

**(F) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act (Ordinary Resolution 8)**

*The Ordinary Resolution proposed under Resolution 8 of the Agenda is a renewal of the general mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act. This mandate will provide flexibility for the Company to undertake future possible fund raising activities, including but not limited to placement of shares for purpose of funding the Company's future investment projects, working capital and/or acquisition(s) without having to convene another general meeting.*

*The Proposed Resolution 8, if passed, will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.*

*As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 22nd AGM held on 3 December 2025 and which will lapse at the conclusion of the 23rd AGM to be held on 2 December 2026.*

*14. Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions set out in the Notice of the 23rd AGM will be put to vote on a poll.*

*The detailed information on Special Business of Agenda 5 except for Ordinary Resolution 8 as mentioned above is set out in the Circular to Shareholders of the Company dated 30 October 2026 which is available at the Share Registrar's website at https://www.tracemanagement.com.my*

**PERSONAL DATA POLICY**

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

**STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**
(Pursuant to paragraph 8.27(2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Details of individuals who are standing for election as directors**

   No individual is seeking election as a director at the forthcoming 23rd AGM of the Company.

2. **General mandate for issue of securities in accordance to paragraph 6.03(3) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

   The details of general mandate for directors to allot and issue shares in the Company pursuant to section 75 of the Companies Act 2016 are set out in Note F of explanatory notes to the agenda in the notice of 23rd AGM.

# Form of Proxy

(Please refer to the Notes behind)

| No. of Shares Held | CDS Account No. |
|---|---|
| | |

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

I/We _____

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

NRIC No./Passport No./Registration. No. _____ Tel. No. _____

of _____

*(Full address)*

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

| *Full name of proxy in capital letters* | *NRIC No./Passport No. of proxy*<br>*Contact No. of proxy*<br>*Email address of proxy* | *Proportion of shareholdings to be represented* | |
|---|---|---|---|
| | | *No. of shares* | *%* |
| | | | |

and (if more than one (1) proxy)

| *Full name of proxy in capital letters* | *NRIC No./Passport No. of proxy*<br>*Contact No. of proxy*<br>*Email address of proxy* | *Proportion of shareholdings to be represented* | |
|---|---|---|---|
| | | *No. of shares* | *%* |
| | | | |

or failing him/her, the *Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the **23rd Annual General Meeting ("AGM")** of **Mycron Steel Berhad ("the Company")** to be held at the **Dewan Berjaya, Main Club House, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur ("Main Venue")** on **Wednesday, 2 December 2026 at 10.00 a.m.** and at any adjournment thereof, on the following resolutions referred to in the Notice of the 23rd AGM. *My/our proxy is to vote as indicated below:

| | | FIRST PROXY | | SECOND PROXY | |
|---|---|---|---|---|---|
| | | For | Against | For | Against |
| **Resolution** | **Ordinary Business** | | | | |
| 1 | To approve the payment of Directors' fees (inclusive of benefits-in-kind) up to an amount of RM570,000.00 for the period from 1 January 2027 to 31 December 2027 to be payable quarterly in arrears to the Non-Executive Directors of the Company. | | | | |
| | Re-election of the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and, being eligible, offer themselves for re-election: | | | | |
| 2 | (i) Roshan Mahendran bin Abdullah | | | | |
| 3 | (ii) Azlan bin Abdullah | | | | |
| 4 | (iii) Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah | | | | |
| 5 | To re-appoint Messrs. KPMG PLT as Auditors of the Company, to hold office until conclusion of the next AGM and to authorise the Directors to fix their remuneration. | | | | |
| | **Special Business** | | | | |
| 6 | To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature with Trace Management Services Sdn Bhd. | | | | |
| 7 | To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. | | | | |
| 8 | Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016. | | | | |

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

Dated this _____ day of _____ 2026.

_____
Signature of Shareholder(s)/Common Seal

*NOTES:-*

1. *The 23rd AGM of the Company will be held physically whereby shareholders/proxies/corporate representatives will have to be physically present at the Main Venue and there will be no option for shareholders to participate virtually.*
2. *Applicable to shares held through a nominee account.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*
4. *Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*
5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.*
7. *The instrument appointing a proxy must be deposited at the Company's Registered Office, c/o Trace Management Services Sdn Bhd at Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
8. *Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*
9. *Any alteration in the Form of Proxy must be initialled.*
10. *Form of Proxy sent through email and/or facsimile transmission shall not be accepted.*
11. *For the purpose of determining a member who shall be entitled to attend this 23rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 26 November 2026. Only a depositor whose name appears on the Record of Depositors as at 26 November 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*

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

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**STAMP**

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

Fold Here

**NOTICE**
**There will be no distribution of door gift**

www.mycronsteel.com




MYCRON STEEL BERHAD

200301020399 (622819-D)

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