

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.

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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

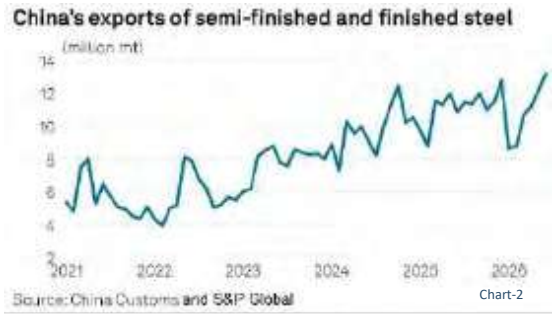


Chart-2

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).

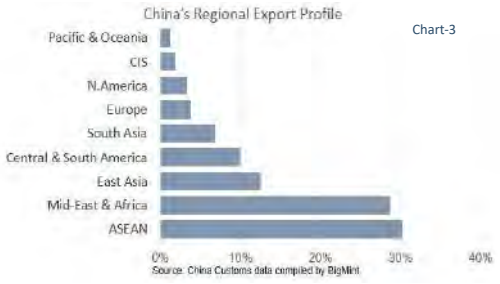


Chart-3

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.

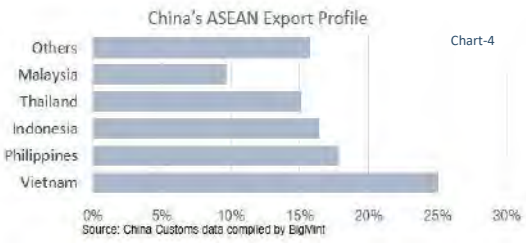


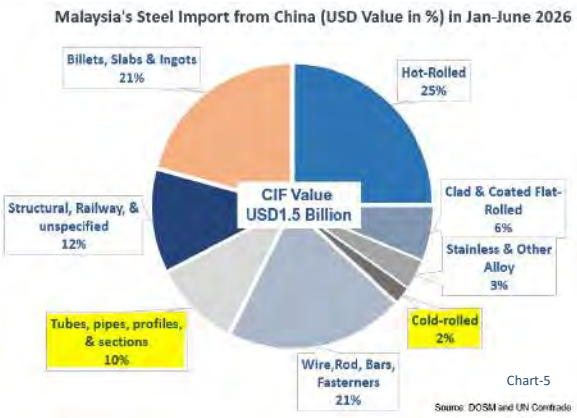
Chart-4

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

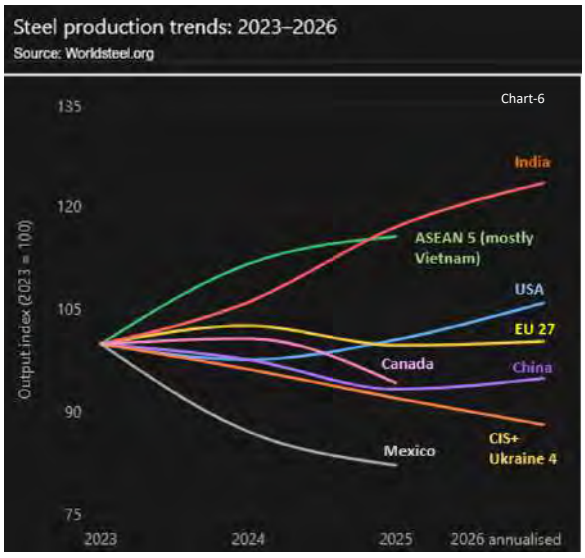
China Factor….. Cont'd

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.

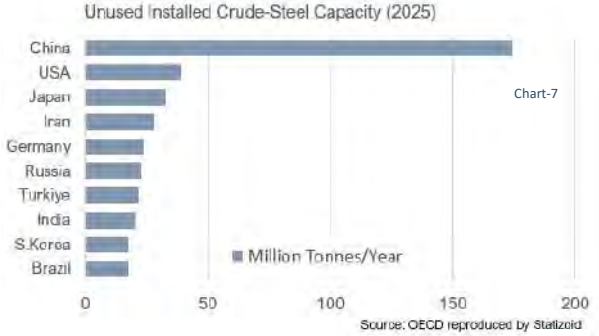


US & Global Factor

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.



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.

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.



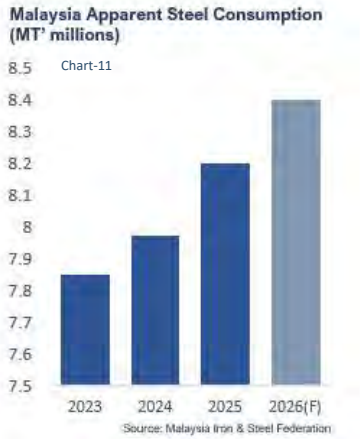
Nevertheless, it is consolatory that the prolonged steel price down-trend (since early 2022) has plateaued in FY2026, easing margin-impinging impact on the Group compared to FY2025. The woe is that the steel price rebound was mainly cost-push rather than demand-pull - which did not help to better margins.

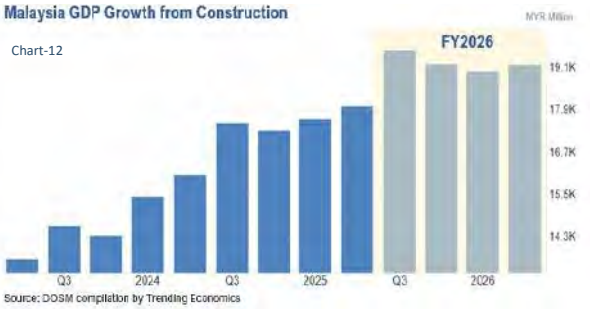


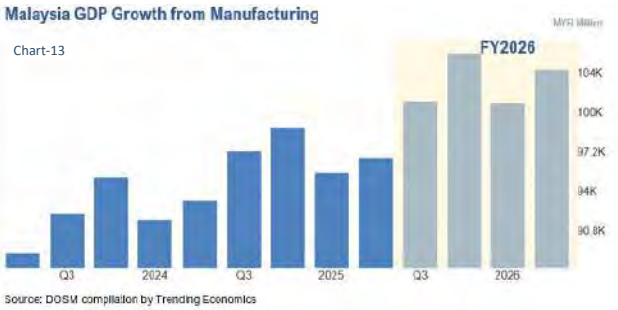


Market Condition

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

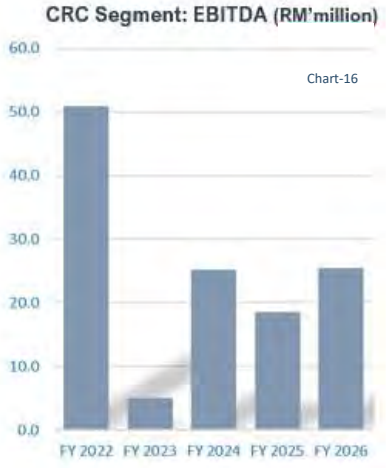
Management Discussion & Analysis Statement

SEGMENTS' PERFORMANCE

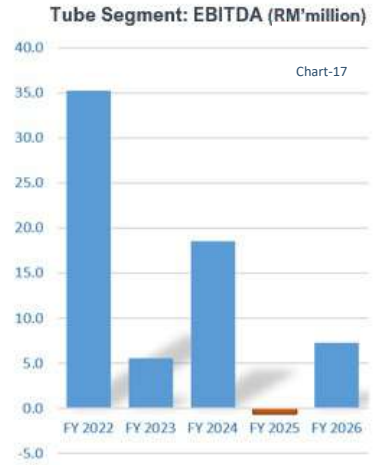
Both segments recorded significant improvement in financial performance in FY2026 on the back of higher revenue driven mostly by higher sales volume (up around 20%) but lower average unit selling price (down around11%) in tandem with softer steel prices - compared to FY2025.

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.

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

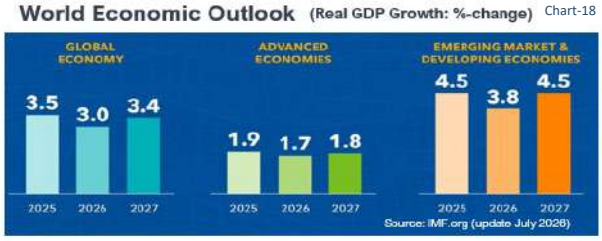
OUTLOOK AHEAD

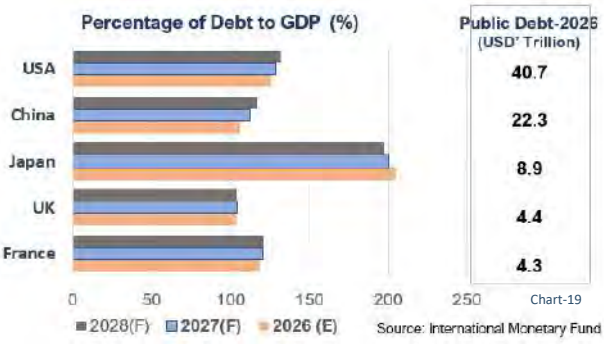
In assessing the Group's performance outlook for FY2027, we have to review the major influencing factors, and look at emerging risks and opportunities. In making this assessment, we have the benefit of hind-sight from 3 months of actual developments from July to early-October 2026.

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,
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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

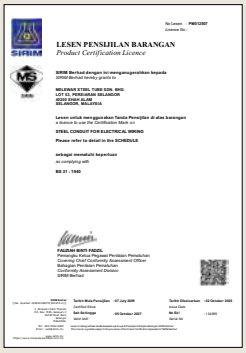


MST continues to elevate the quality of its products and processes, holding various prestigious certifications including the UK Factory Production Control Certification, EC Factory Production Control Certification and CE Marking from LRQA. MST's products comply with a wide range of international standards, 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



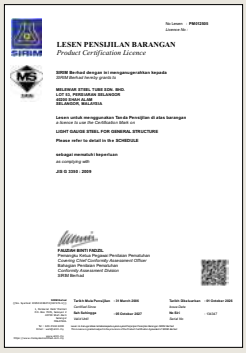
British Standard
BS 31:1940
for Steel Conduit
for Electrical Wiring



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



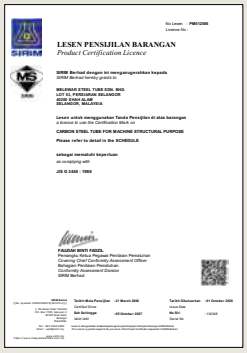
American Standard
ASTM A 500/A 500M:2013
for Cold Formed Welded Carbon Steel
Structural Tubing in Round and Shape



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 (OSK Capital Sdn Bhd for Melewar Industrial Group Berhad)	90,000,000	27.52
3.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Mettiz Capital Sdn Bhd)	7,686,400	2.35
4.	PM Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Kong Kok Choy)	6,268,000	1.91
5.	Cartaban Nominees (Asing) Sdn Bhd (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 (Pledged Securities Account for Yee Wai Chow)	1,142,800	0.35
11.	Maybank Nominees (Tempatan) Sdn Bhd (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 (Pledged Securities Account for Kong Kok Choy)	671,700	0.20
14.	Kenanga Nominees (Asing) Sdn Bhd (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 (Pledged Securities Account for Kong Kok Choy)	534,300	0.16
18.	Public Nominees (Tempatan) Sdn Bhd (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

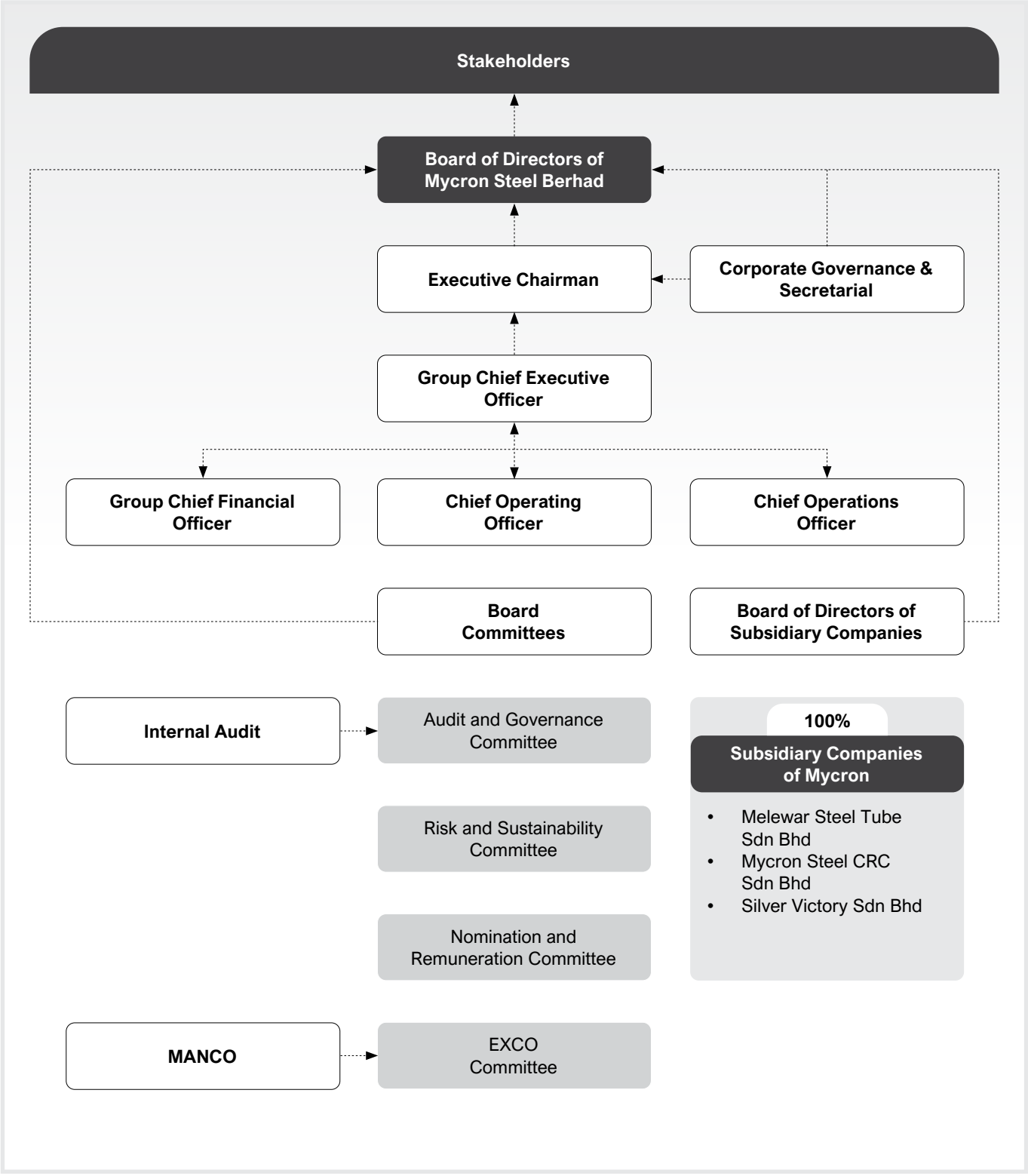
- Engagement with stakeholders
- Conduct of general meetings

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.

Corporate Governance Overview Statement

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 2. Future-Ready Boards: Mastering Strategic Leadership in a Disruptive World 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.) 2. Enterprise Risk Management Awareness Session 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) 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) Sime Darby Property : Pre-Board Engagement 2. Macro Economic Outlook by Maybank Investment Bank 3. Digital Transformation & AI : Unlocking Productivity and Innovation by Google 4. Impact Investing : A Path to Multiply Value for People by Leap Ed Services 5. Geographic Expansion – ASEAN Real Estate Opportunities by Lo-Goi Group 6. Institutional Capital in Real Estate – Dana Pemacu by TrustCapital Advisors Investment Management and KWAP 7. Fireside Chat: Transformation to a Real Estate Company by CapitalLand Investment and Sime Darby Property 8. The Human + Machine Future of Real Estate: Strategic Foresight for A Transforming Industry 9. Future Frontiers: Technology Disruptions & Emerging Trends Shaping Real Estate 10. Site Visit to Google Hyperscale Data Centre at Elmina Business Park 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. 2. Enterprise Risk Management Awareness Session 3. From Curiosity to Control: Board Intelligence in the Age of AI 4. Going Public: Board & C-Suite Responsibilities in an IPO 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.

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** 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** TY **Interested Major Shareholders** Melewar Equities (BVI) Ltd ("MEBVI"), Melewar Khyra Sdn Bhd ("MKSB") and Khyra Legacy Berhad ("KLB")	TY is deemed interested in MIG and MSCRC by virtue of him being 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. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	Nil
2.	MIG	Management fees for the provision of management services/advice charged by the Related Party to MSCRC	**Interested Director** TY **Interested Major Shareholders** MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG and MSCRC by virtue of him being 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. 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. (Lot 10 and Lot 49)	**Interested Director** TY **Interested Major Shareholders** MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG and MST by virtue of him being 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. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	5,040,000
4.	MIG	Provision of management fees charged by the Related Party to MST	**Interested Director** TY **Interested Major Shareholders** MIG, MEBVI, MKSB and KLB	TY is deemed interested in MIG and MST by virtue of him being 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. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron.	1,260,000
5.	Ausgard Quick Assembly Systems Sdn Bhd ("AQAS")	Sale of pipes by MST to the Related Party	**Interested Director** TY **Interested Major Shareholders** MIG, MEBVI, MKSB and KLB	TY is deemed interested in AQAS and MST by virtue of him being 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. AQAS is a wholly owned subsidiary of MIG. MIG is the Major Shareholder of Mycron by virtue of its 74.13% shareholding in Mycron	Nil

Corporate Governance Overview Statement

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

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2025 – 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** TY **Interested Major Shareholders** 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. MSCRC is a wholly owned subsidiary of Mycron. 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** TY **Interested Major Shareholders** 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. MST is a wholly owned subsidiary of Mycron. 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** TY **Interested Major Shareholders** 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. JNL is a wholly owned subsidiary of Melewar Imperial Limited, which in turn is a wholly owned subsidiary of MIG. 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** TY **Interested Major Shareholders** 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. 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** TY **Interested Major Shareholders** 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. 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** TY **Interested Major Shareholders** 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. • Maintain competitive market positioning and respond proactively to changing market conditions. • 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. • 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. • 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. • Diversify suppliers. • 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. • Utilise natural hedging and hedging instruments where appropriate. • Maintain effective cash flow, budgeting and cost management. • 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. • Strengthen supply chain resilience and inventory management. • Enhance business continuity and emergency preparedness. • Maintain quality assurance, regulatory compliance and operational controls. • 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. • Provide regular safety training and awareness programmes. • 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 • SIRIM Eco-label (SIRIM ECO 032:2020) • Obtained ISO 45001:2018 certification (Occupational Health and Safety Management Systems) • Obtained the Factory Production Control (FPC) Certificate to BC1:2023, in compliance with the requirements of the Building and Construction Authority (BCA) of Singapore • ISO 14024, Type 1 under MyHIJAU Mark • Obtained Sustainbuild Mark Certification
MSCRC	• ISO 14024, Type 1 under MyHIJAU Mark • ISO 14001:2015 - Environmental Management Systems • ISO 50001:2018 - Energy Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • 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: (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. (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. (c) Reviewed changes in accounting standards and considered their potential impact on the Group's financial position and financial performance. (d) Sought clarification from Management, particularly the GCFO, on: • the performance of key divisions and significant variances; • foreign exchange exposure; • the Group's cash flow position and compliance with financial covenants imposed by financial institutions; and • the Group's gearing position. (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. (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. (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: (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. (b) Discussed with the External Auditors the key areas of audit focus for FY2026, including: • revenue recognition as a Key Audit Matter; • valuation of land and buildings, plant, machinery and electrical installation; • net realisable value of inventories; • valuation of intangible assets; and • management override of controls; (c) Reviewed the External Auditors' audit findings and their assessment of the financial position and financial reporting of the Company and the Group. (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. (f) Received a briefing from KPMG on its Transparency Report 2025. (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. (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. (i) Conducted an annual assessment of the performance, suitability and independence of the External Auditors, taking into consideration, amongst others: • calibre, qualifications, competency and resources of the audit firm and audit team; • quality of audit planning and execution; • effectiveness of communication with the AGC and Management; • independence, objectivity and professional scepticism; • appropriateness of the audit scope and approach; and • appropriateness of the audit and non-audit fees. (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. (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. 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"). 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. **Follow-up of Internal Audit Findings** 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. 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. 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** 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. 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. 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: (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. (ii) Discussed significant internal audit findings with Management and the relevant heads of departments. (iii) Monitored Management's action plans and implementation status of outstanding audit findings. (iv) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function. (v) Considered recommendations made by the Internal Audit Consultants and, where appropriate, recommended improvements to the Group's internal control systems and procedures. 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. The AGC considered whether such transactions were: • entered into in the ordinary course of business; • undertaken on an arm's length basis; • conducted on normal commercial terms; • not more favourable to the related parties than those generally available to the public; and • not detrimental to the interests of the Company and its minority shareholders. 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. 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. 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. 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: (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. (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. (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.

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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. 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: • We tested the design and implementation as well as the operating effectiveness of the Group's controls relevant to recognition of revenue. • We tested sales transactions recorded to the acknowledged delivery documents as indication of transfer of control on goods to ascertain validity of sales. • We tested sales transactions 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. • We circularised trade receivables' confirmation for selected debtors, on sample basis, and checked to relevant sales invoices and delivery documents when debtors are unresponsive. • We 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 2026 RM	Group 2025 RM	Company 2026 RM	Company 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

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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:

	Principal activities	Group's equity interest 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

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.

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.