MELEWAR INDUSTRIAL GROUP BERHAD

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Annual Report 2025

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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report of Melewar Industrial Group Berhad and its group of companies ("the Group") for the financial year ended 30 June 2025 ("FY2025").

OUR BUSINESS AND OPERATIONS

The Group's core operations remain anchored in the steel industry, primarily through its 74.13% stake in the listed subsidiary, Mycron Steel Berhad ("Mycron"), which is engaged in the manufacturing of Cold Rolled Coil ("CRC") steel sheets and Steel Tubes and Pipes ("Steel Tube").

In addition to steel, the Group also manages other businesses through its two wholly-owned subsidiaries:

- Ausgard Quick Assembly Systems Sdn Bhd ("AQAS"), which develops commercial and residential structures for niche property markets using the Industrialised Building System ("IBS"); and
- 3Bumi Sdn Bhd ("3Bumi"), which is involved in the trading and distribution of food products.

FINANCIAL PERFORMANCE

FY2025 proved to be a particularly challenging year, as the Group contended with a volatile operating landscape characterised by persistently weak global steel prices, rising competition from imports, and trade headwinds triggered by geopolitical tensions. The year was further weighed down by the imposition of US tariffs and the removal of Malaysian and Vietnamese steel mills from Mexico's approved exporter list, which collectively disrupted external trade flows.

Against this backdrop, the Group's revenue declined by 10% to RM728.8 million, from RM810.2 million in FY2024. The reduction was mainly attributable to weaker overseas demand, which drove a 31% contraction in CRC segment export sales and a 28% decline in the Steel Tube segment. In addition, average unit selling prices for both CRC and Steel Tube products fell by 11%, reflecting the sustained downtrend in global steel prices.

Tunku Dato' Yaacob Khyra
Executive Chairman

CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE (CONT'D)

As a result, the Group posted a net loss of RM8.4 million for FY2025, compared with a net profit of RM9.6 million in the preceding year. This translated into a loss per share of 2.24 sen, versus earnings per share of 1.43 sen in FY2024.

Despite the weaker earnings, the Group continues to maintain a sound financial position. As of 30 June 2025, Group shareholders' equity stood at RM419.0 million, representing a net asset value per share of RM1.17. Net debt was reduced significantly to RM23.3 million, from RM64.2 million a year earlier, resulting in a lower net gearing ratio of 4% (FY2024: 12%), which remains well within the Group's debt capacity.

Revenue

RM728.8 MILLION

FY2024 : RM810.2 million

Net Loss

RM8.4 MILLION

FY2024 : Net Profit of RM9.6 million

STEEL DIVISION

Mycron's steel operations are carried out through three subsidiaries:

- Mycron Steel CRC Sdn Bhd ("MCRC"), which operates in the midstream segment by converting Hot Rolled Coil ("HRC") into thinner gauge CRC steel sheets;
- Melewar Steel Tube Sdn Bhd ("MST"), which is in the downstream segment, manufacturing Steel Tubes from HRC or CRC; and
- Silver Victory Sdn Bhd ("SV"), a smaller unit engaged in trading steel-related products.

CHAIRMAN'S STATEMENT

STEEL DIVISION (CONT'D)

Steel Operation Review

In the first financial quarter of FY2025, the Steel Division reported revenue of RM198.4 million and a Loss Before Tax ("LBT") of RM2.6 million. Performance was adversely affected by the steepest and longest steel price downtrend since the pandemic, with prices falling below USD490/tonne in September 2024. Competitive pressures intensified from both legal and illegal imports, particularly from China. Export demand was softer, HRC-CRC price spreads narrowed, and a sharp Ringgit appreciation further eroded margins. Nevertheless, the division sustained export sales, which contributed 20% of total revenue for the quarter.

In the second financial quarter, revenue rose 3% quarter-on-quarter to RM204.1 million, supported by stronger sales volumes in the CRC segment (up 13% mainly from exports) and the Steel Tube segment (up 6%). However, the positive volume effect was tempered by lower average selling prices, in line with the ongoing steel price downtrend. The division also benefited from a net foreign exchange gain of RM1.3 million, compared with a net loss of RM2.9 million in the preceding quarter, as the Ringgit depreciated against both the USD and SGD after its sharp appreciation in Quarter 1. Consequently, the division returned to profitability with a Profit Before Tax ("PBT") of RM1.9 million.

In the third financial quarter, revenue fell sharply by 26% to RM151.6 million, driven by lower sales volumes in both CRC segment (down 28% due to weaker exports) and the Steel Tube segment (down 22% due to heavier Chinese pipe imports). Seasonal factors, including fewer working days during the Chinese New Year and Ramadan, further reduced sales. Although steel prices stabilised during the quarter, external conditions worsened: the US proposed heavy levies on Chinese-owned or flagged vessels (on 21 February 2025), a 25% tariff was imposed on all imports from Mexico and Canada (effective 4 March 2025) and the US extended a blanket 25% tariff on all steel and aluminium imports under Section 232 of the Trade Expansion Act 1962, removing all prior exemptions (effective 12 March 2025). These measures disrupted regional supply chains and severely curtailed the Steel Division's export orders, margins, and deliveries to the US and related markets.

In the fourth financial quarter, the Steel Division's performance rebounded, with revenue rising 11% quarter-on-quarter to RM167.8 million. CRC segment sales volumes grew 11%, while Steel Tube segment volumes surged 39%, partly reflecting recovery from the shorter working period in Quarter 3. However, margins remained under pressure as diverted Chinese steel exports flooded the region, compounding the impact of US tariffs. Gross profit fell 29%, further weighed down by a RM0.7 million impairment on property, plant, and equipment.

Revenue

RM721.9 MILLION

FY2024 : RM801.8 million

Loss Before Tax

RM0.7 MILLION

FY2024 : Profit Before Tax of RM20.7 million

CHAIRMAN'S STATEMENT

FOOD DIVISION

Revenue

RM6.8 MILLION

FY2024 : RM8.2 million

Loss Before Tax

RM4.9 MILLION

FY2024 : RM4.9 million

The Food Division, managed under 3Bumi, continues to represent a relatively small share of the Group's overall business portfolio.

In FY2025, performance remained underwhelming, largely reflecting subdued consumer sentiment. Rising food price inflation and affordability concerns dampened household spending, including during festive periods when demand would typically strengthen. Domestic sales were weaker than expected, and overall market conditions remained lacklustre.

As a result, divisional revenue declined by 17% year-on-year to RM6.8 million. The division maintained a stable LBT of RM4.9 million, broadly unchanged from the previous year.

COMMITMENT TO GOOD CORPORATE GOVERNANCE

The Board has continued to exercise clear oversight and provide strategic guidance in navigating an increasingly complex regulatory and risk landscape. The Group remains committed to upholding strong governance practices, with the Board actively engaging management on matters of strategy, risk management, and stakeholder expectations. The Board firmly believes that sound governance is essential to sustaining the Company's long-term performance and its ability to deliver consistent value to shareholders.

CHAIRMAN'S STATEMENT

SUSTAINABILITY INTEGRATION & DIRECTION

In FY2025, the Group made notable progress in advancing its environmental and social agenda, with ESG (Environmental, Social, and Governance) considerations increasingly embedded into operations. The adoption of IFRS S1 and S2 standards has strengthened climate-related disclosures and integrated risk management into business decisions—an important step toward building long-term resilience. Aligning ESG with enterprise risk management has further enhanced the Group's ability to anticipate and respond to emerging challenges, including supply chain disruptions, regulatory developments, and climate-related risks.

The Group remains mindful of its responsibility to society and the environment. Ongoing sustainability initiatives focus on improving the social and economic wellbeing of local communities, while advancing environmental commitments such as reducing carbon emissions and water usage, enhancing waste management, and embedding sustainable practices across operations. These initiatives are central to creating long-term value and delivering on the Group's ESG priorities.

Consistent with the previous year, the Group has undertaken limited assurance on selected sustainability information, underscoring its commitment to transparency and accountability. Further details are set out in the Sustainability Statement.

PROSPECTS FOR THE NEW FINANCIAL YEAR

As the Group enters FY2026, the operating landscape is expected to remain challenging and volatile against a backdrop of persistent global uncertainties. Domestically, the new financial year has already seen cost escalations, including higher sales and service taxes, port tariffs, electricity tariff adjustments, rising wages and logistics costs. These increases will substantially impact production and operating expenses, most of which cannot be passed on to customers due to the pricing inelasticity of steel and food products and the availability of lower-priced import alternatives. This rising cost of doing business, seen in recent years, continues to erode the competitiveness of Malaysia's steel manufacturers and food traders.

Steel Division Outlook

Global steel dynamics remain pressured. Although China's announced production cuts may help partially rebalance supply, they are unlikely to fully offset the short-term oversupply caused by aggressive export activity.

At the same time, stimulus measures in China have yet to deliver meaningful demand recovery. With global demand subdued and competition intensifying, Malaysia's steel sector continues to face significant import pressure.

On the domestic front, the S&P Global Manufacturing PMI rose to 49.9 in August 2025, the highest since February 2025, though it remained below the neutral 50 mark for the 12th consecutive month, signalling continued contraction. Encouragingly, the Government has taken measures to cushion external pressures by accelerating National Plan projects and easing banking reserve requirements to boost liquidity. Recent enforcement actions against smuggled and mis-declared steel imports have also helped curb unfair trade, while local steel associations are actively promoting greater localisation of steel usage among foreign-owned businesses. These measures have supported a gradual recovery in domestic demand, particularly for Cold Rolled Coils.

CHAIRMAN'S STATEMENT

PROSPECTS FOR THE NEW FINANCIAL YEAR (CONT'D)

Food Division Outlook

Globally, the meat market (fresh and processed) is expected to record steady growth in developing economies, though demand in advanced markets may moderate as consumers shift toward healthier and more sustainable diets.

Geopolitical risks, including armed conflicts and political instability, continue to drive volatility in staple food markets, complicating global trading strategies. Price fluctuations and supply disruptions from key exporters remain significant challenges for food traders.

In Malaysia, higher business costs are putting additional pressure on food prices. With wholesale and retail margins already compressed, statutory cost increases risk undermining affordability and competitiveness. Businesses remain cautious about raising prices, given signs of consumer pullback.

Recognising these headwinds, the Group intends to reposition the Food Division through a more strategic approach. Key initiatives under review include:

- Product portfolio realignment - focusing on higher-margin or niche categories with more resilient demand;
- Cost optimisation - improving operational efficiency to narrow losses;
- New sales channels - expanding into e-commerce and forming partnerships with established retailers to expand market reach; and
- Selective export expansion - leveraging overseas demand for Malaysian food products.

These initiatives will be critical in determining whether the Food Division can deliver sustainable growth and meaningful contributions, or whether its role should be reshaped within the Group's broader portfolio strategy.

CONCLUSION

In conclusion, the Group acknowledges that FY2026 will remain a demanding year, with rising costs and global headwinds weighing on performance. Nevertheless, opportunities exist through resilience, efficiency, and strategic adaptation. Key initiatives—including pursuing anti-dumping measures, expanding into new markets, and strengthening stakeholder engagement are expected to enhance competitiveness and support the Group's long-term growth trajectory.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my profound appreciation and thanks to all our people across the Group for their dedication, hard work and contributions throughout FY2025. Their commitment and perseverance remain central to the Group's continued progress and resilience.

I would also like to convey my sincere thanks to my fellow Board members for their steadfast support, strategic input and guidance during the past year.

To our valued business partners, customers, suppliers, and shareholders; we deeply appreciate your trust and unwavering support.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

This Statement presents management's analytical overview of the Group's operations and financial performance for the financial year ended (FY) 30 June 2025, complementing other sections of this Annual Report such as the Chairman's statement, the Statement on Risk Management and Internal Controls, and the audited Financial Statements.

The analyses are based on available management information, which may not have been independently audited, and are disclosed only to the extent that they do not compromise competitively sensitive matters. This section may also include opinions, judgments, and forward-looking views; readers are therefore advised to exercise discretion.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

OVERVIEW

FY2025 unfolded against a backdrop of persistent global economic headwinds. Growth remained modest, weighed down by heightened uncertainty, escalating trade tensions, protectionist policies, tighter financial conditions, and increasingly erratic weather patterns.

Geopolitical instability, spanning armed conflicts, volatile energy and commodity markets, and shifting trade policies, further disrupted trade flows and dampened global business investment.

Revenue

RM728.85 MILLION

FY2024 : RM810.17 million

Net Loss

RM8.39 MILLION

FY2024 : Net Profit RM9.55 million

Equity

RM419.00 MILLION

FY2024 : RM416.35 million

Net Asset Per Share

RM1.17

FY2024 : RM1.16

The steel industry faced an especially difficult year. Market conditions were weak across both regional and global fronts, with demand remaining sluggish in domestic and export segments. Ongoing trade disruptions, subdued consumer sentiment, and persistent oversupply concerns added pressure. The environment worsened after the United States doubled Section 232 tariffs on steel and aluminium from 25% to 50% effective 4 June 2025, without exemptions for long-standing trading partners. This escalation, coupled with fears of retaliation, fuelled volatility and weighed on steel demand in major economies.

In the food trading businesses, global factors also dominated performance. Foreign currency fluctuations and uncertain trade policies complicated food import flows, exposing operations to cost volatility and supply risks. These pressures were compounded by geopolitical tensions that unsettled commodity markets. A stronger ringgit against the United States dollar during the year, however, provided some relief by cushioning import costs and supporting margins.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

OVERVIEW (CONT'D)

Division Performance FY2025 – Steel and Food Trading Businesses

The Group's steel operations mirrored the challenging environment. In the first half of the financial year, domestic sales came under pressure from a prolonged steel price decline and a surge of cheaper Chinese imports, which drove volume losses and eroded margins through aggressive price undercutting. Export demand for Cold Rolled Coil products was relatively resilient initially but weakened in the second half following a market shift in the United States and rising political uncertainty in Mexico. As export margins deteriorated, the Group focused on defending market share by supporting key customers, while redirecting volumes to the domestic steel market, where returns, though pressured, remained relatively stronger than exports.

The second half was further destabilized by a series of external shocks. These included United States trade measures (levies on Chinese vessels, tariffs on Mexican and Canadian imports, and the doubling of steel tariffs to 50%), Mexico's removal of Malaysia and Vietnam from its approved exporter list, domestic gas supply interruptions triggered by an explosion and United States Liberation Day disruptions. Collectively, these factors added significant strain on the Group's steel division and overall performance in FY2025.

The food trading business also underperformed in FY2025. Subdued consumer sentiment, cautious household spending during festive seasons, and persistent food price inflation weighed on sales. Domestic revenue fell short of expectations, while profitability was further constrained by higher input costs. To remain competitive, the Group was compelled to reduce selling prices, which in turn compressed margins further.

Group Financial Results

For the full year, Group revenue declined by 10.04%, falling from RM810.17 million in FY2024 to RM728.85 million in FY2025. The contraction was primarily driven by weaker export sales in the steel division, with the Cold Rolled Coil segment posting a 30.85% drop and the Steel Tube segment down 28.12%. The downturn was further compounded by lower average unit selling prices, which decreased by 10.81% for Cold Rolled Coil and 10.46% for Steel Tube, reflecting the sustained global downtrend in steel prices.

Earnings were similarly affected by the weaker topline and narrower gross margins. The Group posted a Loss Before Tax ("LBT") of RM7.76 million, compared to a Profit Before Tax ("PBT") of RM13.86 million in FY2024. Net profit margin contracted from 1.18% in FY2024 to a negative 1.15% in FY2025, reflecting suppressed selling prices and weaker export demand. After tax, the Group registered a net loss of RM8.39 million for FY2025, reversing from a net profit of RM9.55 million in the preceding year.

Despite the operating loss, the Group recognised a net revaluation surplus of RM11.90 million (FY2024: RM3.03 million) on property, plant and equipment and right-of-use assets under "Other Comprehensive Income". This surplus partially mitigated the operating results, lifting total comprehensive income to RM4.01 million in FY2025, albeit down 67.75% compared to RM12.44 million in FY2024.

As at 30 June 2025, the Group's shareholders' equity stood at RM419.00 million, up RM2.65 million from RM416.35 million a year earlier. The increase was underpinned by a positive asset revaluation reserve of RM10.22 million and a net foreign translation gain of RM0.50 million, partly offset by a net loss attributable to owners of RM8.07 million. As a result, the Group's net asset value per share rose marginally to RM1.17 as against RM1.16 the year before.

Key Financial Indicators

Table 1	FY2025	FY2024
Profitability		
a) Operational Return on Average Capital Employed (EBIT/Ave Cap)	0.16%	4.09%
b) Return on Equity (Net Earnings/Equity)	-1.33%	0.86%
Liquidity		
c) Current Ratio (Current Assets/Current Liabilities)	2.52	1.92
d) Interest Cover Ratio (EBITDA/Net Interest Expense)	3.28	6.42
Capital		
e) Weigted Average Cost of Capital (Cost of Equity assumed at 6.70%)	6.07%	5.99%
f) Debt to Equity Ratio (includes all interest bearing debt)	0.13	0.29
Value		
g) Net Tangible Asset per Share (RM/share)	1.34	1.32
h) Enterprise Value to Total Comprehensive Income Ratio	20.60	16.40
i) Price-to-Book Ratio	0.10	0.17

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

OVERVIEW (CONT'D)

Key Financial Indicators (Cont'd)

Amid highly adverse business conditions during the year, the Group's key financial indicators, as presented in Table 1 above, showed some deterioration compared with FY2024. Returns moderated, with lower operating return on average capital employed and return on equity reflecting the impact of a softer earnings environment.

Nevertheless, the Group took meaningful steps to strengthen its financial position. Lower gearing and higher liquidity have enhanced balance sheet resilience and provided greater flexibility to navigate ongoing challenges. Although interest cover ratio weakened, this largely reflects the earnings cycle, and management remains focused on improving profitability to reinforce coverage in the periods ahead.

From a market standpoint, the decline in the price-to-book ratio points to potential for re-rating as performance recovers, while the higher enterprise value to total comprehensive income ratio highlights continuing recognition of the Group's long-term franchise value. Supported by a stronger capital base and a more robust liquidity profile, the Group is well positioned to pursue growth opportunities, improve returns, and deliver sustainable value to shareholders over the longer term.

SEGMENTS' PERFORMANCE

During FY2025, the Group's two steel-related segments—Steel Tube and Cold Rolled Coil ("CRC")— reported a combined revenue of RM721.88 million, representing a 9.97% decline from the prior year. The contraction was primarily driven by weaker exports across both segments.

Operationally, the CRC segment was hit particularly hard in the early fourth quarter, when gas supply disruptions triggered over 2-week production stoppage, bringing export sales to a standstill. The Tube segment also experienced interruptions from gas shortages and machinery refitting for conduit-pipe production, while its margins came under heavy pressure from an influx of lower-priced Chinese pipes.

These operational setbacks were compounded by external market shocks. In May 2025, Mexico delisted Malaysian and Vietnamese mills from its approved exporter list, effectively removing access to a key market. A month later, the United States doubled steel tariffs to 50%, further closing off another major export destination. Collectively, these developments curtailed export opportunities and weighed heavily on the performance.

As a result, the two steel-related segments delivered a combined net profit of RM16.37 million, down 51.02% from RM33.42 million in FY2024. Profitability was further constrained by sustained pressure on average unit selling prices, in line with the prolonged global downtrend in steel prices.

Investment holding companies are classified as a separate segment, however, their assets holdings and revenue are primarily derived from intercompany transactions, which are eliminated upon consolidation. For FY2025, the "Investment Holding" segment posted a net loss of RM19.02 million, compared with a loss of RM16.82 million in the previous year.

The "Others" segment comprises companies engaged in diverse activities, including food trading, distribution and retail, modular structure operations, and metal scrap dealings, as well as smaller businesses in the United Kingdom (UK). Over the twelve months, the "Other" segment recorded a net loss of RM5.74 million, a modest improvement from the RM7.05 million loss reported in FY2024.

The segments' performance was summarized in the Table 2 below.

Table 2	Steel Tube		Cold Rolled Coil		Investment Holding		Others	
RM'million	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
External Revenue	244.98	283.85	476.90	517.96	-	-	6.97	8.36
Net Profit/ (Loss)	4.92	17.50	11.45	15.92	(19.02)	(16.82)	(5.74)	(7.05)

The ensuing paragraphs discuss the key segments' challenges.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

SEGMENTS' PERFORMANCE (CONT'D)

Steel Tube & Cold Rolled Coil (CRC) Segments

For FY2025, both the CRC and Steel Tube segments operated under challenging market conditions characterised by volatile pricing, intensified import competition, and global trade disruptions, which collectively constrained margin recovery despite a gradual stabilisation in demand toward year-end.

Performance across both segments was adversely affected by the steepest and most prolonged steel price decline since the pandemic, with prices falling below USD490 per tonne in September 2024. Competitive pressures escalated as the regional market was inundated with both legal and illegal imports, particularly from China. Export demand also weakened amid narrowing HRC–CRC price spreads and heightened foreign exchange volatility, as the Ringgit experienced sharp fluctuations against major currencies.

Despite these headwinds, the segments maintained their export presence, with overseas sales accounting for 23.32% of total annual revenue. A modest recovery in the second quarter, underpinned by stronger sales volumes and net foreign exchange gains, enabled a return to profitability after a weak first quarter. However, external shocks in the third quarter, including the introduction of new US tariffs and trade restrictions, disrupted regional supply chains and significantly reduced export orders and margins (refer to Charts 1 and 2).

In the final quarter, revenue rebounded on the back of higher sales volumes across both the CRC and Steel Tube segments. However, overall profitability remained constrained by intense regional competition and an influx of diverted Chinese steel exports. Additionally, both segments recognised a total RM0.69 million impairment on property, plant, and equipment.

Chart 1: Steel Tube - Sales (RM'million)

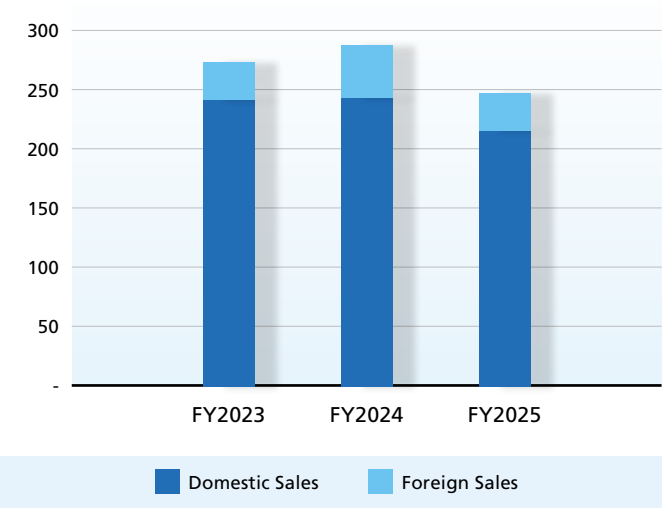
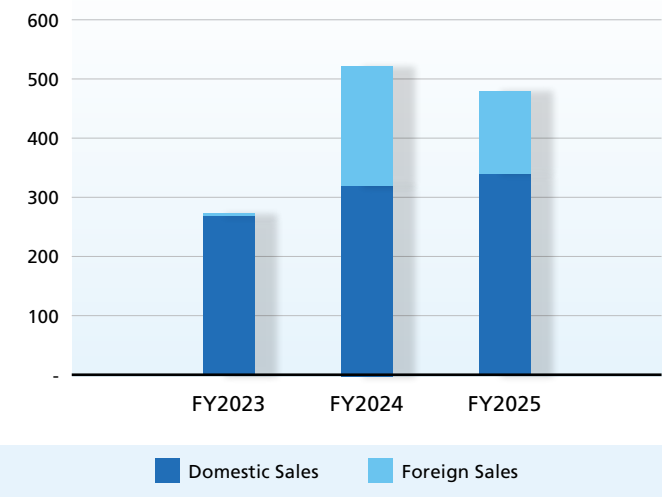


Chart 2: CRC - Sales (RM'million)



Despite a turbulent operating landscape, both segments demonstrated resilience and adaptability. Building on the gradual demand recovery and operational gains achieved in FY2025, the segments remain focused on driving sustainable growth through cost optimization, product innovation, and export expansion.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

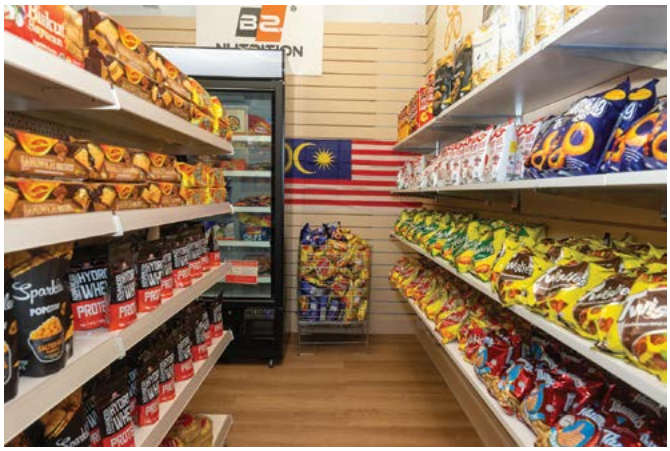
SEGMENTS' PERFORMANCE (CONT'D)

Others Segment

Within this segment, the primary focus lies on the Group's UK operations and its "Food Trading, Distribution, and Retail" activities.

(a) UK Operations

The UK business, which initially centred on the wholesale distribution of steel tubes and the provision of container storage services, undertook proactive steps during FY2025 to diversify its earnings base. A strategic move was made into the retail and distribution of food products, supported through collaboration with FAMA under the EMC program to promote Malaysian goods in London. This initiative enhanced both market accessibility and brand presence for Malaysian products abroad. To anchor the effort, a retail outlet—serving as both a sales channel and showroom—was launched in mid-March 2025 and was well received by the local community.



MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

SEGMENTS' PERFORMANCE (CONT'D)

Others Segment (Cont'd)

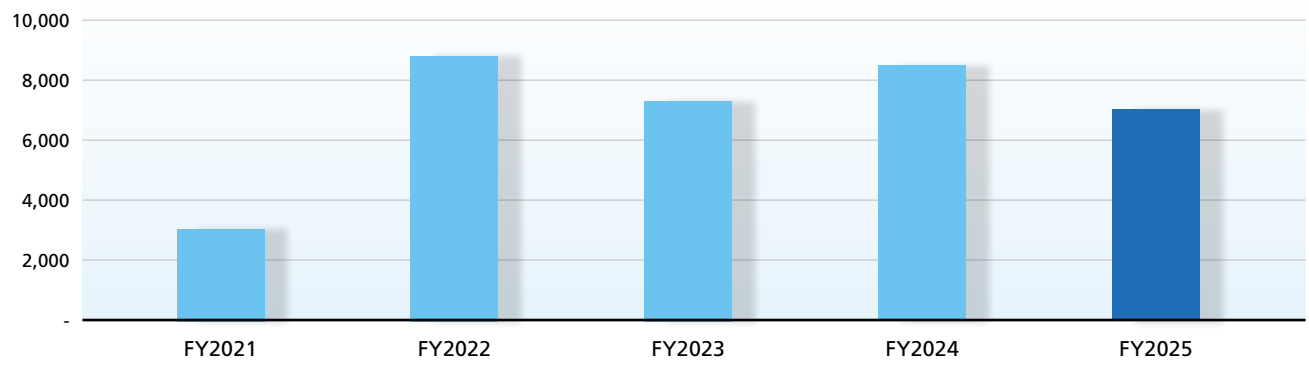
(a) UK Operations (Cont'd)

Meanwhile, the container storage business in UK recorded an occupancy rate of 54.29% (FY2024: 60.00%) and contributed 64.04% (FY2024: 84.34%) of total UK revenue. During the year, the UK operations also decided to pare down the remaining steel tube activities and fully exit the wholesale steel tube market. Despite diversification efforts, the UK operations posted a net loss of RM1.51 million, slightly higher than the RM1.44 million loss recorded in FY2024.

(b) Food Trading, Distribution and Retail Operations

The "Food Trading, Distribution, and Retail" operations under the 3Bumi umbrella reported revenue of RM6.76 million in FY2025, representing a 17.07% decline from RM8.15 million in the previous year (refer Chart 3). Despite the weaker topline, the operation's net loss narrowed slightly by 0.22% to RM4.85 million, compared with RM4.87 million in FY2024.

Chart 3: Food Trading, Distribution and Retail - Sales (RM'000)



The operation's revenue decline was mainly attributable to softer demand for premium meat products, though this was partly offset by stronger export sales of "Edible Oil" to international markets. By 30 June 2025, the sales mix for "Edible Oil" had shifted further toward exports, with 54% of sales derived from international markets versus 51% in FY2024, while domestic sales accounted for the remaining 46% (FY2024: 49%).

The operation's revenue was primarily contributed by two key businesses: the "Frozen Meat & Seafood" trading business , which generated revenue of RM3.87 million, and the "Edible Oil" bottling and distribution business, which delivered RM2.86 million revenue in FY2025. The retail business in Cambodia, operating two mini-market outlets under the "Alamin" brand and focusing on Malaysian Halal-certified products, contributed a modest RM0.03 million in revenue.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

SEGMENTS' PERFORMANCE (CONT'D)

Others Segment (Cont'd)

(b) Food Trading, Distribution and Retail Operations (Cont'd)

During the year, the Group noted no material improvement in the Cambodian retail operations and resolved to fully exit this segment. The decision aims to eliminate overhead costs and sharpen focus on wholesale distribution, which has consistently delivered stronger performance since its inception. This strategic shift enables the Cambodia operation to streamline resources, achieve cost savings, and concentrate on areas with higher growth potential.

Apart from that, in January 2025, the "Edible Oil" business achieved Hazard Analysis and Critical Control Point (HACCP) certification. This milestone, alongside its existing Halal certification, enhances product credibility by broadening its customer base and reinforcing consumer confidence in both quality and safety.

OUTLOOK AHEAD

Global Economic Environment

The global economy in 2025–2026 is forecast to record its slowest growth since the 2008 financial crisis, reflecting the impact of persistent trade tensions, geopolitical conflicts, and tariff-related uncertainties. The World Bank now projects global GDP growth of 3.0% in the second half of 2025 and 3.1% in 2026, around 0.3 percentage points below initial forecasts. Nearly 70% of economies worldwide have similarly revised their growth outlooks downward.

Tariffs remain a major drag on global trade, as higher costs are being passed through to consumers. Although fiscal stimulus measures in several major economies may provide some offset, the fading effect of earlier frontloading and renewed tariff hikes are likely to weaken trade flows further. Compounding these challenges, climate-related risks, including intensifying heatwaves, droughts, heavy rainfall, and ocean warming, pose additional threats to global supply chains, particularly in food trading and distribution.

Developments in China

China has rolled out a series of measures aimed at stabilising its property sector, which accounts for the largest share of household wealth. Policy actions include reductions in interest rates and bank reserve requirements, provision of state-backed financing to support both buyers and developers, and consumption-oriented incentives such as trade-in subsidies for automobiles and consumer electronics.

Encouragingly, early signs of stabilisation are visible in Tier-1 cities, where property demand and prices have begun to improve. However, excess supply in lower-tier markets continues to weigh on recovery, suggesting progress will be gradual. That said, the downturn is expected to ease in the coming months, underpinned by firmer domestic consumption. Notably, China's renewed commitment to curbing excess steel production and addressing destructive competition may serve as a catalyst for a long-awaited turning point in the global steel cycle.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

OUTLOOK AHEAD (CONT'D)

Outlook for Malaysia

Malaysia enters 2026 against a backdrop of rising operating costs driven by fiscal and tariff changes. Effective 1 July 2025, the expanded Sales and Service Tax (SST) broadened its coverage to more goods and services at higher rates, while the Klang Port Authority implemented the first phase of tariff hikes—15% initially, rising to 30% by 2027 to match Singapore benchmarks. At the same time, the national electricity provider raised base tariffs by 14.2%. These measures will elevate costs for businesses, though partial relief is provided by lower RON95 fuel prices and electricity tariff restructuring.

Food security remains a core national agenda, reinforced by the increased allocation under the National Agrofood Policy 2021–2030 (NAP 2.0) to strengthen the agrofood ecosystem. Malaysia continues to rely heavily on imports, with 60% of its overall food needs sourced externally. While more than 90% of poultry demand is supplied domestically, the country continues to import substantial volumes of poultry meat, highlighting its structural dependence on external food supplies.

Malaysia's economic growth momentum is expected to be sustained by robust investment activity, supported by the progress of multi-year projects in both the private and public sectors, the continued realisation of approved investments, and the implementation of catalytic initiatives under national master plans. Exports are set to benefit from favourable trade negotiations, pro-growth policies in major economies and resilient demand for electrical and electronic products.

Nevertheless, risks to the outlook remain tilted to the downside. A further weakening in global trade, soft sentiment, or commodity production shortfalls could weigh on performance. Even so, inflationary pressures are likely to remain contained, with limited spillover from global commodity price volatility. This should help preserve stable domestic cost conditions, allowing Malaysia to sustain growth while managing external uncertainties and structural adjustments.

Group Outlook for FY2026: Prospects in Steel Segment and Others Segment

The Group anticipates a challenging operating environment in FY2026, shaped by a combination of domestic pressures, global uncertainties, and selective growth opportunities.

Domestic Market

For the steel industry, demand will continue to draw support from ongoing infrastructure projects and construction activities. However, aggressive import competition, particularly from China, remains a key headwind, with potential to erode margins and constrain market share. Encouragingly, stronger enforcement against illegal imports and industry-led localisation initiatives are beginning to revive domestic buying interest, especially in Cold Rolled Coils.

In the food trading and distribution industry, supply chain risks are likely to persist, driven by foreign exchange volatility and evolving trade policies. While a firmer ringgit could help cushion margins, elevated operating costs from higher SST, port tariffs, and electricity rates are expected to weigh on both business profitability and consumer sentiment.

International Market

Globally, the sharp increase in United States steel tariffs from 25% to 50%, effective 4 June 2025, has reshaped market dynamics. The resulting surge in United States domestic steel prices could create new opportunities for reliable, high-quality overseas suppliers such as our Group. With reciprocal tariff terms now clarified, the Group is cautiously optimistic that widening price differentials between United States domestic and imported steel could unlock new export prospects. The Group will continue to monitor developments closely and engage actively with trading partners to position itself for these opportunities.

MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

OUTLOOK AHEAD (CONT'D)

Operational Priorities

Operationally, the Group will maintain a disciplined focus on cost management, asset optimisation, and customer engagement. Key priorities for FY2026 include defending domestic market share, sustaining financial resilience, and advancing ESG integration to build long-term competitiveness.

On the export side, diversification efforts will be intensified, with greater emphasis on ASEAN markets to reduce reliance on North America for steel products. In the "Edible Oil" business, demand is expected to remain stable, supported by Halal and HACCP certifications that enhance credibility in international markets. Although climate risks such as floods and droughts pose challenges, the Group remains optimistic about expanding edible oil exports to neighbouring countries in the year ahead.

Sustainability and Carbon Transition

Looking further ahead, the introduction of a carbon tax in 2026, as part of Malaysia's commitment to achieve net-zero emissions by 2050, will add new dimensions to the Group's operating environment. The carbon tax will initially focus on high-emission sectors, including iron, steel, and energy. The Group recognises both the risks and opportunities arising from this transition and is proactively preparing through targeted initiatives. These include:

- Collaborating with renewable energy providers, engineering firms, and AI solution partners to enhance energy efficiency,
- Investing in low-carbon technologies,
- Strengthening carbon accounting and certification processes,
- Building internal capabilities through staff training on Net-Zero standards, and
- Evaluating the feasibility of achieving ISO 14067:2018 certification.

Through these measures, the Group aims not only to mitigate potential financial impacts but also to capitalise on long-term opportunities presented by the global transition to a low-carbon economy.

While FY2026 is expected to bring continued headwinds from elevated costs, competitive pressures, and global uncertainties, the Group remains committed to navigating these challenges with discipline and focus.

Domestic demand, supported by infrastructure activity and resilient consumption, together with export diversification and opportunities arising from shifts in international trade dynamics, provide a foundation for growth. At the same time, the Group's strategic emphasis on cost optimisation, ESG integration, and proactive preparation for the low-carbon transition will strengthen its resilience and competitiveness. By leveraging its diversified business portfolio and pursuing sustainable practices, the Group is well positioned to weather near-term volatility while building for long-term value creation.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement is prepared in compliance with Bursa Malaysia's Main Market Listing Requirements, specifically Appendix 9C, Paragraph 29, and Practice Note 9, Paragraph 6. The Group has adopted the updated principles and guidance from the 3rd Edition of Bursa Malaysia's Sustainability Reporting Guide in preparing this report.

The report is also aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and references the International Financial Reporting Standards (IFRS) S1 and S2 and the Global Reporting Initiative (GRI) standards. The Group's sustainability practices are further guided by the United Nations Sustainable Development Goals (SDGs).

Scope and Content

This report provides an overview of the Group's Environmental, Social and Governance (ESG) commitments and initiatives for the financial year ended 30 June 2025, incorporating comparative data from both the current and preceding financial years.

This Sustainability Statement focuses specifically on the Group's sustainability priorities, progress, and management approach to material ESG and climate-related matters and does not duplicate general information on the Group's operations or corporate governance practices, which are presented in other sections of this Annual Report. It should be read in conjunction with the Chairman's Statement, Management Discussion and Analysis, Corporate Governance Overview, and Statement on Risk Management and Internal Control to provide a comprehensive view of the Group's integrated reporting.

Data Integrity and Use of External Sources

This report includes management opinions, external references, and unaudited non-financial data. While the Group has made efforts to ensure the accuracy of the non-proprietary data provided, actual results or future outcomes may vary. Users are advised to exercise discretion when interpreting this data.

Statement of Assurance

The management is responsible for ensuring the completeness, accuracy, and reliability of the performance metrics and data presented in this report. The information disclosed is consistent with the data used internally by the Group to monitor and assess progress against its strategic objectives and targets. In certain cases, management has applied specific criteria, measurement methodologies, and conversion standards; alternative but acceptable approaches may produce figures that differ materially.

To enhance the credibility and integrity of this Sustainability Statement for the financial year ended 30 June 2025, selected sustainability indicators have been subject to internal review by the Group's internal auditors and independent assurance in accordance with recognised assurance standards. It should be noted that review procedures conducted during the interim financial period provide limited assurance regarding the completeness and accuracy of data as at 30 June 2025. A summary of the indicators that have undergone independent review is included in Appendix I.

This report has been reviewed and approved for issuance by the Board of Directors and the Risk & Sustainability Committee.

SUSTAINABILITY STATEMENT

A. OVERVIEW

The Group remains committed to conducting its business responsibly, balancing economic, social, and environmental considerations, including those related to climate change, while upholding the best interests of its stakeholders, comprising investors, customers, employees, suppliers, and local communities.

The Group recognises that long-term economic sustainability depends on its ability to consistently deliver value to customers while safeguarding environmental and social ecosystems and nurturing mutually beneficial relationships with stakeholders. To this end, the Group places strong emphasis on sustainable business practices, focusing on addressing sustainability and climate-related challenges and fulfilling stakeholder expectations across its internal value chain. A summary of the Group's sustainability approach and internal value chain is illustrated in Illustration 1 below.

Illustration 1

Value Chain

- Product offerings
- Procurement
- Production & Logistic
- Sales & Usage

Support Functions

- Human Resource
- Finance
- Information Technology
- Legal

Sustainability Issues

- Quality certifications
- Global standards
- Range & sizes
- Eco & sustainable applications
- Change & product lifecycle

- Socially responsible procurement: environmental friendly origins; renewable sources; traceability; labour practices; fair price; fair wages/ compensation;
- Vendor's sustainability audit
- Anti-corruption pledge

- Environmental protection: prevent pollution; reduce carbon footprint; optimize use of renewable resources
- Efficient & effective use of resources; minimize wastage; optimize recycling; optimize automation & digitization; energy efficient
- Eco-packaging & eco-haulage
- Health & safety
- Continuity & succession

- Fair competition & trade practices
- Product safety & quality; traceability; certifications; green/eco-labeling
- Meeting market needs
- Consumer education, customer satisfaction & aftersales service
- Data protection
- Anti-bribery

Governance

- Board of Directors
- Risk & Sustainability Committee

- Executive Committee
- Internal & Statutory Audit
- Audit Committee

- Operations' Management Committee
- Work-Groups

Stakeholders Management

- Workforce / People
- Suppliers, Customers & Associates
- Non-Government Organizations
- Investors & Shareholders
- Government & Regulatory Agencies
- Community & Society

SUSTAINABILITY STATEMENT

B. SUSTAINABILITY AND CLIMATE GOVERNANCE STRUCTURE & FRAMEWORK

1.0 GOVERNANCE STRUCTURE

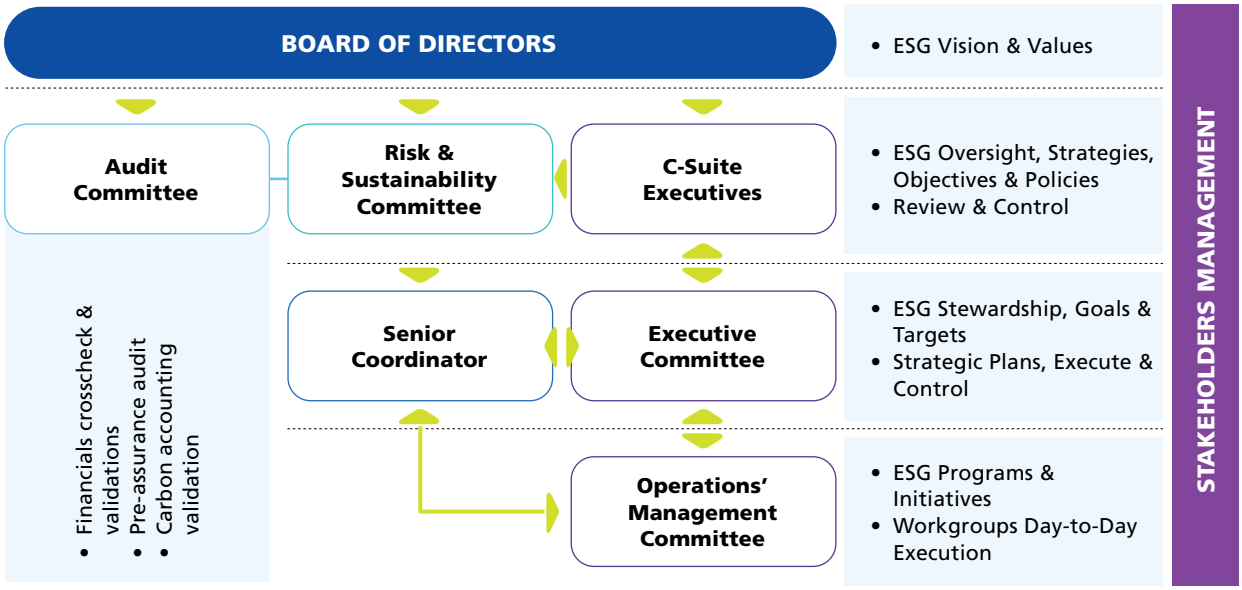
The Group upholds integrity and ethical conduct as fundamental principles of good governance. These values form the foundation for embedding sustainability objectives into the decision-making process, promoting transparency, strengthening risk management, and supporting long-term value creation.

Accordingly, sustainability governance is fully integrated within the Group's broader corporate governance framework, with climate-related matters accorded the same level of priority as other key sustainability areas, including environmental, social, and community-focused initiatives.

Board-Level Oversight and Risk & Sustainability Committee (RSC)

The Board of Directors assumes ultimate responsibility for overseeing the Group's sustainability agenda, including matters related to climate change. Working closely with the C-Suite Executives—comprising the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officers (COOs), and Heads of Departments (HODs)—the Board exercises its oversight through the Risk & Sustainability Committee (RSC), which is chaired by Independent Directors, as illustrated in Illustration 2 below.

Illustration 2



The RSC provides strategic oversight of the Group's sustainability and climate-related governance, ensuring that environmental, social, and climate considerations are effectively integrated into the Group's overall strategy, business planning, and risk management framework. The Committee is responsible for guiding and monitoring the Group's sustainability strategies, objectives, and policies, and convenes quarterly to review and deliberate on material enterprise risk and ESG matters, including climate-related risks and opportunities, transition initiatives, and performance against sustainability targets.

Management's Role in ESG and Climate-Related Matters

Each member of the C-Suite plays a pivotal and complementary role in advancing the Group's sustainability and climate-related agenda. The Executive Committee (EXCO) and the Operations-Level Management Committee (MANCO) serve as key management platforms for leading, coordinating, and monitoring the implementation of sustainability and climate initiatives across the Group. These committees establish and review the Group's sustainability goals and targets in alignment with the ESG strategies and priorities set by the RSC.

SUSTAINABILITY STATEMENT

B. SUSTAINABILITY AND CLIMATE GOVERNANCE STRUCTURE & FRAMEWORK (CONT'D)

1.0 GOVERNANCE STRUCTURE (CONT'D)

Management's Role in ESG and Climate-Related Matters (Cont'd)

The CEO provides overall leadership and strategic direction, ensuring that sustainability and climate-related considerations are embedded in the Group's business strategy and operations. The CFO oversees compliance with sustainability and climate disclosure requirements, ensures alignment with global reporting standards and best practices, and provides financial governance over ESG-related investments and performance. The COOs and HODs are accountable for implementing action plans, managing key performance indicators (KPIs), and overseeing the assessment and mitigation of climate-related risks and opportunities within their respective operations.

The EXCO and MANCO work in close collaboration to operationalise the Group's sustainability and climate-related strategies. Both committees meet monthly to deliberate on strategic, operational, and performance matters, ensuring that sustainability and climate considerations are fully integrated into day-to-day decision-making and long-term business planning.

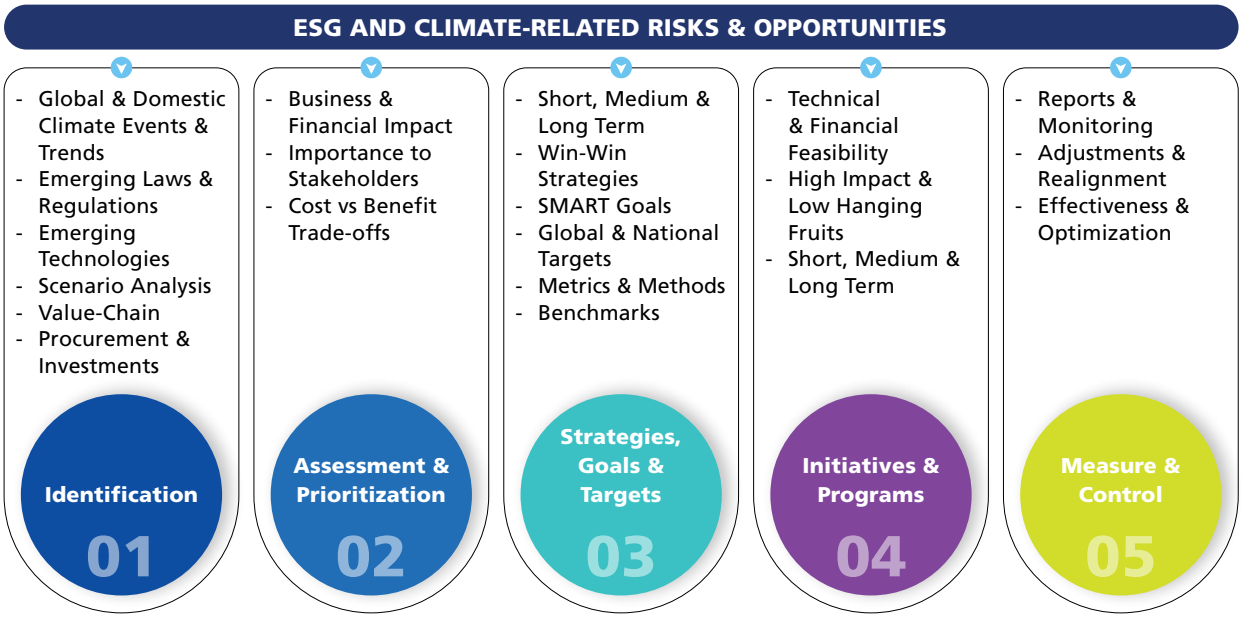
Audit Committee's Role in ESG Assurance

The Audit Committee (AC), which oversees statutory and internal audit functions, also provides independent assurance on the integrity of the Group's sustainability, climate-related, and ESG disclosures. In performing its oversight role, the AC reviews the adequacy and effectiveness of internal controls, regulatory compliance, and reporting processes relating to sustainability and climate matters. The Committee meets quarterly to discharge its responsibilities.

Coordination and Accountability at All Levels

A dedicated senior manager has been appointed to coordinate and oversee the Group's sustainability, climate-related, and risk management activities, including consolidated reporting and stakeholder communications. This role ensures effective integration and alignment of sustainability and climate priorities across all business functions. The structure enables active engagement at all levels of the organisation in identifying and managing ESG and climate-related risks and opportunities, strengthening stakeholder relationships, and supporting the achievement of the Group's sustainability objectives.

How Management Does It



SUSTAINABILITY STATEMENT

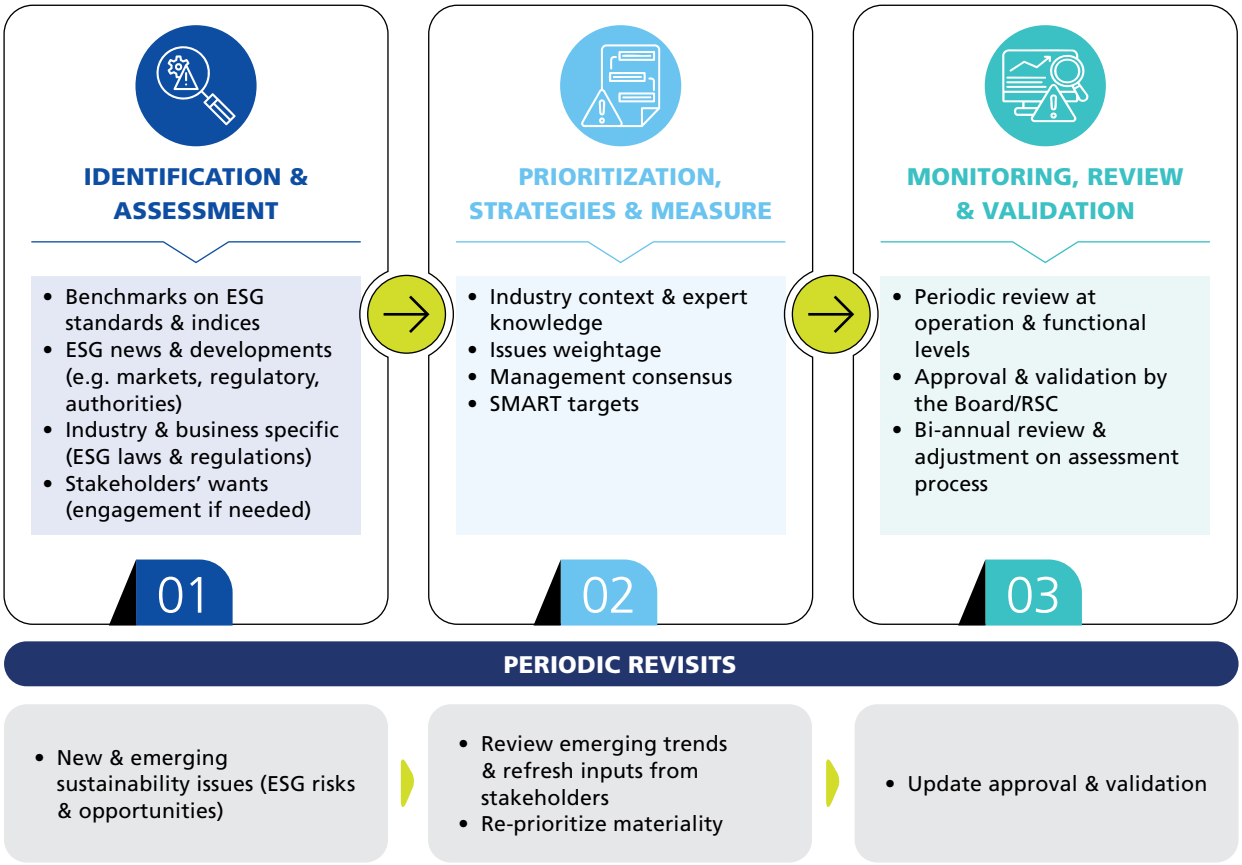
B. SUSTAINABILITY AND CLIMATE GOVERNANCE STRUCTURE & FRAMEWORK (CONT'D)

2.0 MATERIALITY ASSESSMENT & RISK MANAGEMENT

Materiality forms a key pillar of the Group's corporate sustainability strategy, ensuring that attention is directed toward the sustainability and climate-related matters most relevant to the business and its stakeholders. A comprehensive assessment was undertaken to identify and evaluate material sustainability and climate-related risks, prioritise strategic responses, set measurable goals and targets, and establish mechanisms for monitoring, reviewing, and validating performance, as shown in Illustration 3.

The Group continues to review and refine its materiality assessment process, proactively identifying emerging sustainability and climate-related issues while reassessing and reprioritising existing material matters. This iterative process ensures that the Group's sustainability priorities remain relevant, responsive to stakeholder expectations, and aligned with strategic business goals.

Illustration 3



The risk management framework for managing ESG matters—encompassing the processes of identification, assessment, prioritization, strategy formulation, and performance measurement—is aligned with the Group's established approach to climate change management. In FY2025, the Group conducted a comprehensive double materiality assessment to identify and validate the sustainability matters most significant to both the business and its stakeholders. The resulting key sustainability focus areas for the current reporting period are presented in Illustration 4(a) for steel-related operations and Illustration 4(b) for non-steel operations.

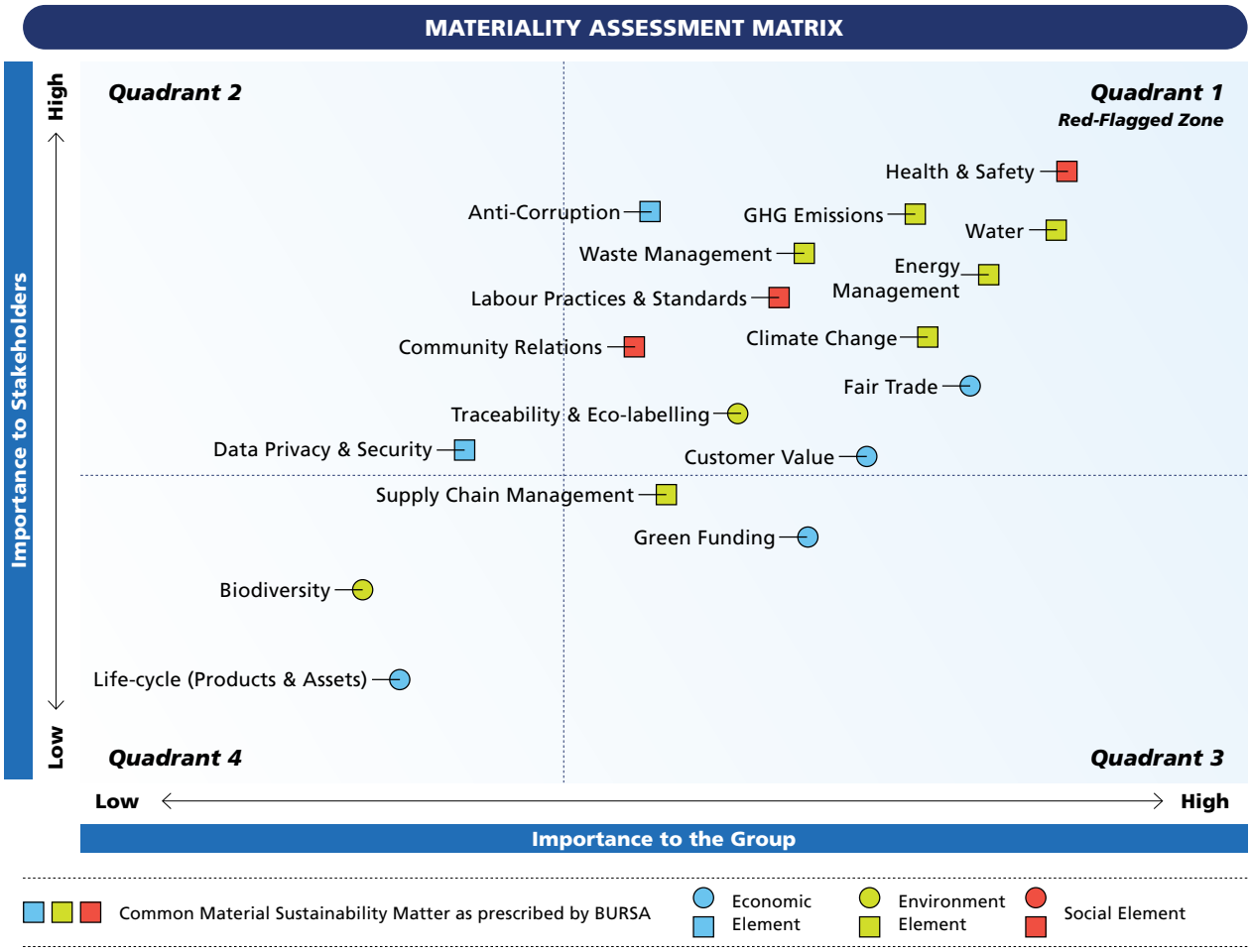
SUSTAINABILITY STATEMENT

B. SUSTAINABILITY AND CLIMATE GOVERNANCE STRUCTURE & FRAMEWORK (CONT'D)

2.0 MATERIALITY ASSESSMENT & RISK MANAGEMENT (CONT'D)

Most of the material sustainability matters identified remain within the high-priority (red-flagged) zone, supported by defined short, medium and long-term strategies and ongoing initiatives. These priorities are dynamic and may evolve in response to shifting market conditions, stakeholder expectations, regulatory developments, and the impacts of climate change. To ensure continued relevance and alignment with the Group's strategic objectives, the materiality framework and its key components are reviewed annually, considering emerging trends, evolving business dynamics, and performance against established targets.

Illustration 4(a) - Steel-related operations

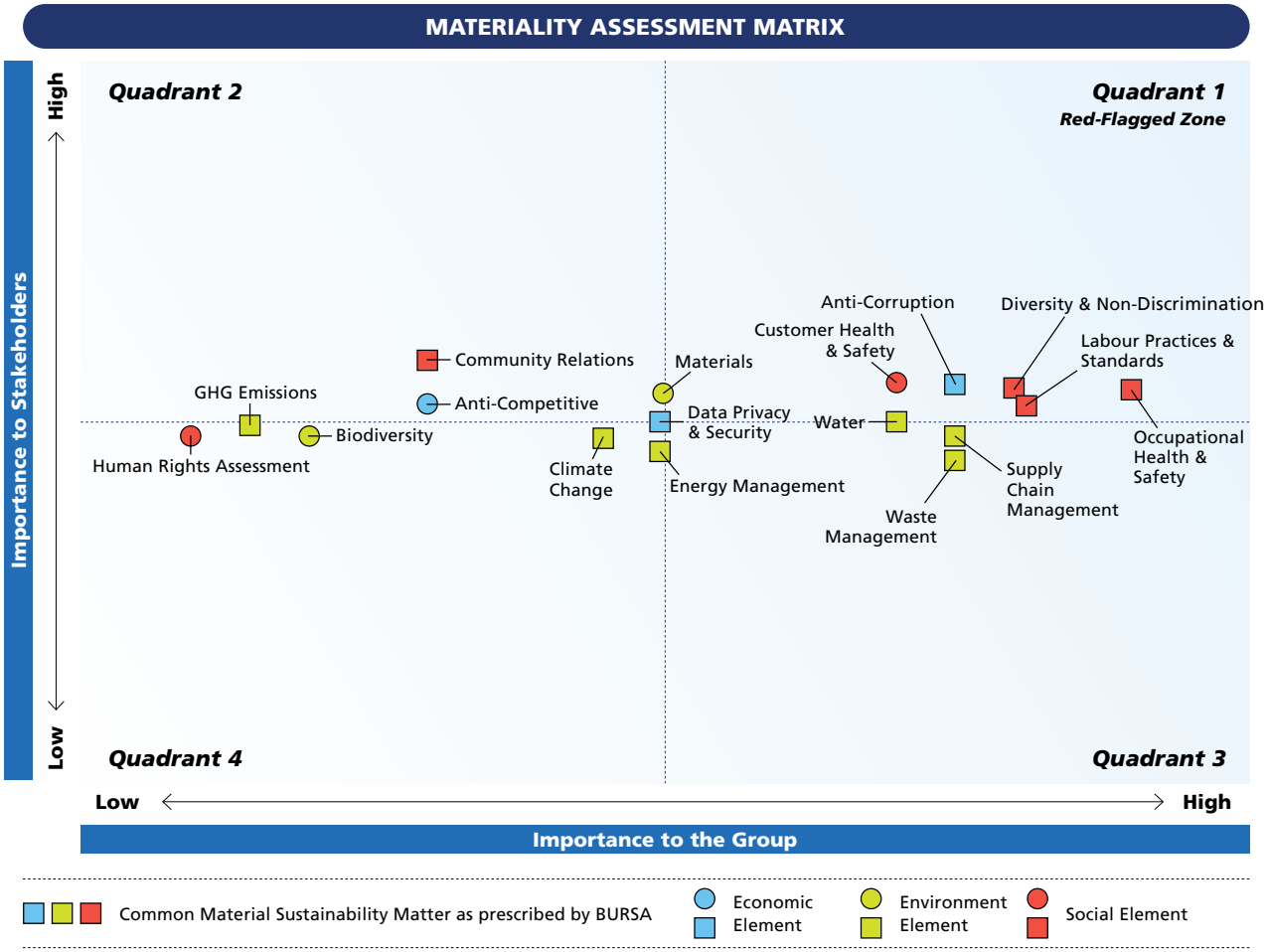


SUSTAINABILITY STATEMENT

B. SUSTAINABILITY AND CLIMATE GOVERNANCE STRUCTURE & FRAMEWORK (CONT'D)

2.0 MATERIALITY ASSESSMENT & RISK MANAGEMENT (CONT'D)

Illustration 4(b) – Non-steel operations



3.0 STAKEHOLDERS ENGAGEMENT

The Group remains committed to creating sustainable value for all stakeholders—including investors, employees, customers, suppliers, regulators, and the communities in which it operates. Constructive engagement with stakeholders plays a pivotal role in identifying key sustainability and climate-related issues, fostering mutual understanding, and shaping effective responses to the Group's material matters.

The Group actively promotes two-way communication to ensure its stakeholders' voices are heard and reflected in the sustainability journey. Their insights help the Group anticipate challenges, uncover opportunities, and strengthen its ESG strategies. The table below summarises the Group's key stakeholder groups and the principal modes of engagement.

SUSTAINABILITY STATEMENT

B. SUSTAINABILITY AND CLIMATE GOVERNANCE STRUCTURE & FRAMEWORK (CONT'D)

3.0 STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholder Groups	Focus Areas	Engagement Channels	Frequency of Engagement
Investors and shareholders	• Financial performance • Good corporate governance • Responsible value creation in business management	• Annual general meeting • Analyst briefings, investor presentations • Financial results • Press releases • Corporate website	• Annual • Regular meetings with investors and analysts • Quarterly • As needed • Throughout the year
Employees	• Respect for human rights • Learning & development • Safe & healthy workplace • Supportive welfare • Continuous business growth	• Workshop discussions • Induction training • Learning & development programmes • Employee performance appraisal	• As needed • As needed • Throughout the year • Annual
Customers	• Safe, nutritious & quality products • Good governance practices • Regulatory compliance • Third party food certifications	• Feedback survey • Face-to-face interactions • Online platform (Facebook)	• Annual • As needed • Throughout the year
Business associates, vendors and suppliers	• Business continuity • Regulatory compliance	• Surveys • Face-to-face interactions & meetings	• As needed • Throughout the year
Regulators and Non-Governmental Organizations (NGOs)	• Regulatory compliance • Responsible business practices • Industry trends & standards	• Compliance reports • Meetings • Site inspections and/or audits	• Annual • As needed • As needed
Community	• Direct & indirect economic contribution • Responsible environmental management & contributions to society	• Corporate philanthropy activities • Corporate website	• Throughout the year • Throughout the year

The insights gathered from these engagements are systematically reviewed and incorporated into the Group's strategic planning and decision-making processes. Stakeholder feedback provides valuable input for refining sustainability priorities, aligning business objectives with stakeholder interests, and enhancing transparency across the Group's operations. Through these ongoing dialogues, the Group continues to foster long-term relationships built on trust, accountability, and shared value creation.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES

Based on the outcomes of the Group's double materiality assessment, the key material sustainability topics and ESG priorities for the financial year have been identified. These topics reflect areas with the most significant actual and potential impacts on the environment, society, and the Group's long-term business resilience.

A substantial portion of these material topics relate to the Group's steel operations, which are primarily manufacturing-based and therefore exhibit higher environmental and operational significance due to their energy intensity, resource consumption, and emissions profile.

Conversely, the Group's non-steel businesses are largely service-oriented and contribute a comparatively lower direct environmental impact, as illustrated in Illustration 4(b). The Food Division, which operates within the non-steel segment and is involved in the processing, trading, and distribution of food products, similarly recorded a minimal direct environmental footprint relative to the Group's overall environmental contribution during the reporting period.

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD)

1.1 STRATEGY

The Group recognises climate change as a critical risk driver with material implications for its operations, supply chains, and long-term competitiveness. Key exposures include physical risks arising from extreme weather events, as well as transition risks linked to evolving regulations, technological advancements, and the growing market demand for low-carbon steel.

Climate-related risk management is integrated within the Group's Enterprise Risk Management (ERM) framework, in alignment with IFRS S2 – Climate-related Disclosures. This integration ensures that climate-related risks and opportunities are systematically identified, assessed, and managed, thereby enhancing transparency, comparability, and accountability to stakeholders. The Group's climate-related governance structure and risk management processes are further detailed in Sections B1.0 and B2.0 of this report.

The Group's evaluation of climate-related risks and opportunities covers both its steel and food operations, considering the potential climate impacts on all operational sites, key customers, and critical suppliers. These assessments are performed across short- (0–2 years), medium- (2–5 years), and long-term (beyond 5 years) horizons to guide strategic and operational planning.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(a) Physical Acute & Chronic	**(a) Extreme Weather : Drought, Heatwave, Water-cuts and Wildfires**	
	During the current reporting period, the Group experienced an increase in days with extreme midday temperatures ranging between 36°C and 39°C. No climate-related incidents or operational disruptions were recorded. In the short to medium term, the Group does not anticipate significant threats or disruptions arising from high temperatures. However, under a long-term scenario of severe carbon buildup, where ambient temperatures exceed 40°C for prolonged periods, the likelihood of water scarcity and heat-related health impacts on employees may increase. **Steel Manufacturing Operations** The Group's Cold Rolled Coil (CRC) manufacturing operations are highly water-dependent, with existing on-site reserves able to sustain production for approximately 24 hours during supply interruptions. While the facilities are not air-conditioned, they are designed with adequate ventilation to promote air circulation. Prolonged or recurring heatwaves may lead to workforce fatigue, heat-related illnesses, and reduced productivity. Extended exposure could also impact equipment performance, increase maintenance frequency, and accelerate wear and tear on temperature-sensitive machinery. Persistent high temperatures and limited water availability could constrain production continuity. In a severe heat scenario resulting in a production halt, the Group estimates potential financial losses of up to RM100,000 per factory per day. All these will result in increased maintenance and cooling costs, productivity loss and higher absenteeism and revenue loss from production stoppages.	**Steel Manufacturing Operations** In the steel manufacturing operations, the installed Solar Photovoltaic (PV) renewable energy systems demonstrated strong performance even during periods of extreme heat, reinforcing the Group's commitment to low-carbon operations. Plans are underway to further expand Solar PV coverage across suitable facilities to enhance renewable energy utilisation and reduce carbon intensity. *Installation of Solar PV* At the same time, efforts are ongoing to increase the capacity of water-holding tanks, particularly in the CRC division, to mitigate risks of production disruption arising from water shortages. Beyond providing additional storage, these expanded tanks also enhance the Group's ability to harvest and retain rainwater, contributing positively to overall water stewardship and complementing the Group's flood mitigation initiatives. Recognising the importance of workforce health and safety amid rising temperatures, the Group continues to provide training and raise awareness on the prevention of heat-related illnesses. Plans are also in place to implement ventilation improvements and roof cooling systems to reduce internal heat buildup and maintain a safe and productive working environment.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(a) Physical Acute & Chronic (Cont'd)	**(a) Extreme Weather : Drought, Heatwave, Water-cuts and Wildfires (Cont'd)**	
	Food Processing Operation The Group's food processing centre faces both acute and chronic physical climate risks primarily associated with water scarcity, rising temperatures, and increased humidity levels. Short-term risks include water supply disruptions due to droughts or water rationing. As the facility relies heavily on water for cleaning, processing, and cooling, sudden shortages could trigger production interruptions or temporary plant shutdowns, directly affecting output levels and delivery commitments. Rising ambient temperatures may elevate internal conditions within processing and storage areas, particularly if cooling systems operate beyond their capacity or are inadequately maintained. This increases the likelihood of food spoilage, especially for perishable goods, and necessitates higher energy use for refrigeration. Elevated humidity may also compromise storage conditions, heightening the risk of mould growth and product deterioration over extended storage periods. These climate-related risks could result in higher operational costs from increased energy consumption and maintenance requirements, increased product write-offs due to spoilage or contamination. In extreme cases, production stoppages arising from water cuts or system failures may also lead to revenue losses and reputational impacts.	**Food Processing Operation** Within the food processing centre, temperature and humidity control systems with redundancy have been installed to safeguard against spoilage risks and ensure uninterrupted operations. These systems form part of the Group's broader strategy to enhance process efficiency and strengthen climate resilience in temperature-sensitive production environments.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(a) Physical Acute & Chronic (Cont'd)	**(a) Extreme Weather : Drought, Heatwave, Water-cuts and Wildfires (Cont'd)**	
	Edible Oil Bottling and Distribution Operation Periodic water shortages or disruptions in municipal supply directly affect bottling and cleaning processes. Interruptions in water availability may reduce production throughput, delay deliveries, and diminish operational efficiency. Sustained high temperatures present a long-term challenge to product quality management during both storage and transportation. Prolonged heat exposure may accelerate oxidation in edible oils, leading to reduced shelf life, quality degradation, and potential food safety concerns. Such conditions could also adversely impact brand reputation and customer confidence if not effectively managed. The potential financial consequences include increased operational costs from additional cooling and quality control measures, higher wastage and product write-offs, and potential revenue losses arising from production delays or reputational impacts.	**Edible Oil Bottling and Distribution Operation** For the edible oil bottling and distribution business, the Group may consider to invest in closed-loop cleaning systems and energy-efficient equipment to reduce resource dependency and optimise long-term operating costs. Moreover, growing consumer and regulatory demand for sustainably produced, traceable, and eco-labelled edible oils presents a strategic opportunity for portfolio expansion and product differentiation. While these initiatives may require moderate upfront capital investment, the anticipated long-term benefits include: • Reduced operating and resource costs; • Enhanced operational resilience and productivity; • Strengthened market competitiveness; and • Improved access to sustainability-linked financing. The Group also maintains adequate insurance coverage to mitigate potential financial losses arising from extreme weather or climate-related events. **Residue Risk: Short to medium term is "low". Long term is "uncertain".**

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(a) Physical Acute & Chronic (Cont'd)	**(b) Extreme Weather : Tropical Storm, Flash Floods, Landslides and Falling Trees**	
	During the current reporting period, the Group experienced hot daytime temperatures frequently followed by intense thunderstorms in the late afternoon or evening. No incidents or calamities were reported as a result of these conditions. In the short to medium term, flash floods remain a potential climate-related hazard, while in the long term, this risk could intensify under a high carbon concentration scenario due to rising sea levels and extreme precipitation events. **Steel Manufacturing Operations** The Group's four steel manufacturing facilities, located within an 18 km radius of the seaport, sit at elevations ranging from 8 to 22 meters above sea level. Site assessments and past experience indicate that the lowest-lying facility may face a degree of flash flood exposure if existing drainage or mitigation systems prove inadequate. The Group estimates inventory and machinery losses of up to RM64 million (based on current carrying values) in the event of one-foot floodwater inundation. Operational disruptions may lead to manufacturing stoppages, with potential losses of approximately RM100,000 per day per factory. There may also additional costs related to site recovery, equipment repairs, and insurance premiums.	**Steel Manufacturing Operations** Based on the Group's tested flood-response protocol, the existing mitigation strategies for the steel manufacturing facilities include large-scale rainwater harvesting systems, water retention ponds equipped with emergency flood pumps, and regular drainage inspections and clearing to prevent blockages. The rainwater harvesting systems not only divert excess rainfall for operational use but also serve as reserve water storage, effectively reducing the Group's net water consumption by approximately 1% annually. The Group's four steel manufacturing factories, strategically located within a 15-minute drive of each other and situated at varying elevations, provide operational flexibility for the rerouting of goods and materials during adverse conditions. This configuration also enables the use of alternate sites for emergency response and recovery operations when required.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(a) Physical Acute & Chronic (Cont'd)	**(b) Extreme Weather : Tropical Storm, Flash Floods, Landslides and Falling Trees (Cont'd)**	
	Food Processing Operation The Group's food processing centre in Batu Caves, near Jalan Sungai Tua, is situated in a high-lying area and therefore has low direct exposure to flash flood risks. Nonetheless, the facility may experience indirect disruptions if surrounding lower-lying areas experience flooding, as road access and logistics routes could be temporarily affected, resulting in delays in product distribution and delivery schedules. The Batu Caves region, characterised by hilly and mountainous terrain, is also susceptible to landslides during periods of heavy rainfall. Such events could disrupt transportation networks, impede employee access, or damage nearby infrastructure, affecting the overall continuity of operations. In addition, extreme weather events such as severe storms or prolonged heavy rainfall may lead to power outages, which represent a critical operational risk for food processing and storage facilities dependent on continuous refrigeration and temperature control systems. Any significant power interruption could result in food spoilage, inventory write-offs, and temporary production downtime. The potential financial impact arising from these risks may include: • Direct losses from product spoilage and disposal costs; • Increased operating expenses associated with emergency power generation or backup refrigeration systems; • Logistic and distribution delays leading to temporary revenue reduction; and • Potental reputational risks due to supply interruptions or quality issues.	**Food Processing Operation** The Group is currently evaluating further adaptation measures for the food processing centre, including: • Strengthening emergency response and logistics contingency plans; • Installing backup power systems and redundant refrigeration capacity to maintain temperature integrity; and • Enhancing supplier and logistics diversification to minimise dependency on single routes.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(a) Physical Acute & Chronic (Cont'd)	**(b) Extreme Weather : Tropical Storm, Flash Floods, Landslides and Falling Trees (Cont'd)**	
	Edible Oil Bottling and Distribution Operation The Group's cooking oil bottling facility in Rawang is situated in a high-lying area and is not classified within a flood-prone zone. Nevertheless, intense or prolonged rainfall could lead to the overflow of nearby rivers and water bodies, including Sungai Rawang, which may indirectly affect access routes, neighbouring facilities, and logistics operations. In addition, extreme weather events, such as thunderstorms, strong winds, and heavy downpours pose potential risks to factory infrastructure, particularly roofing, electrical systems, and external equipment. Such conditions may lead to temporary operational disruptions, maintenance requirements, or unplanned downtime while repair works are undertaken. The potential financial impact associated with these climate-related risks includes: • Repair and maintenance costs arising from structural or electrical damage; • Operational downtime resulting in reduced production capacity and temporary revenue loss; • Higher insurance premiums due to increased exposure to extreme weather events; and • Additional capital expenditure for infrastructure reinforcement and resilience improvements.	**Edible Oil Bottling and Distribution Operation** For the edible oil bottling and distribution business, the Group continues to focus on: • Conducting preventive maintenance and structural integrity assessments for roofing, electrical systems, and plant infrastructure; • Enhancement of stormwater diversion and drainage systems; and • Maintaining comprehensive insurance coverage against property damage and business interruption losses. The Group remains adequately insured against these risks and will continue to review and enhance its coverage in line with evolving risk exposures and operational needs. **Residue Risk: Short to medium term is "low". Long term is "uncertain".**

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(b) Transition Risk	**(i) Market Restrictions & Carbon Tax**	
	The introduction of the European Union (EU)'s Cross-Border Carbon Tax in late 2023 reflects a growing global trend of carbon-related trade measures under the banner of ESG and net-zero commitments. While the Group does not currently export to the EU, similar mechanisms may be adopted by other countries, potentially affecting export competitiveness and operating margins in proportion to the Group's carbon footprint. In Malaysia, the Government has announced plans to implement a domestic carbon tax by 2026, initially targeting high-emission sectors such as iron, steel, and energy, in support of the national net-zero 2050 target. This initiative aims to enhance local industry competitiveness and align with the EU's Carbon Border Adjustment Mechanism (CBAM). However, the introduction of a local carbon tax, particularly amid limited access to affordable renewable energy, could increase operating costs and pressure profit margins. Given current policy uncertainties, the financial impact of these measures cannot yet be quantified. The Group continues to monitor regulatory developments and evaluate decarbonisation options to mitigate potential risks over the medium to long term.	The Group remains firmly committed to achieving Net-Zero greenhouse gas (GHG) emissions by 2050, guided by a structured roadmap built around three strategic pillars: **a) Aligning renewable energy with National initiatives** The Malaysian Government has introduced several key frameworks to accelerate the national energy transition—the New Industrial Master Plan (NIMP 2030), the National Energy Transition Roadmap (NETR), and the Hydrogen Economy and Technology Roadmap. In alignment with these initiatives, the Group is progressively transitioning its energy consumption toward renewable and low-carbon sources. Based on current projections, this transition is expected to reduce the Group's direct (Scope 1 and 2) carbon footprint by up to 60% over time. **b) Next level initiatives** Beyond renewable energy, the Group is assessing enterprise-level battery energy storage and management systems to enhance energy resilience and efficiency. Efforts are also underway to electrify equipment and vehicles that currently depend on fossil fuels and to adopt climate- and energy-efficient production technologies when replacing aging plants and machinery. These initiatives are anticipated to deliver an additional 25% reduction in carbon emissions upon full implementation.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

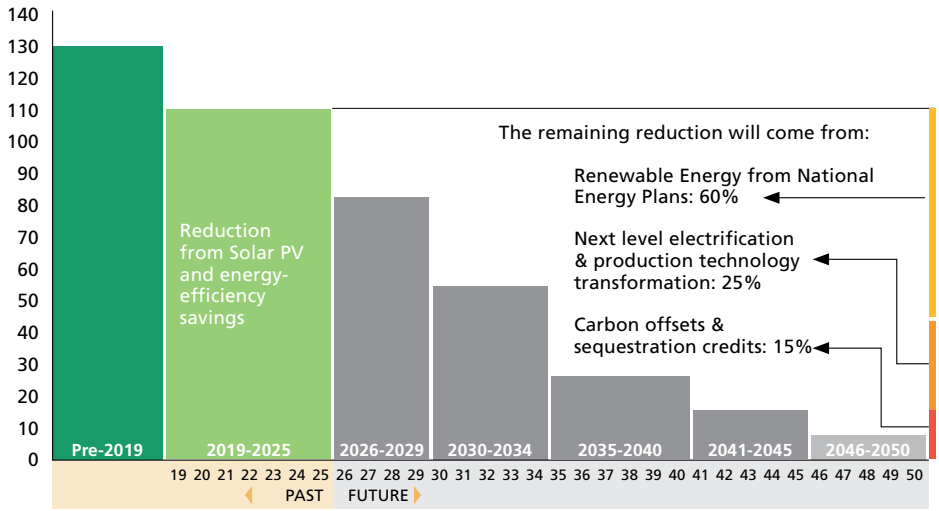
Type of Climate Risk	Potential Impact	Strategies & Opportunities
(b) Transition Risk (Cont'd)	**(ii) Net-Zero Carbon** The Group's Net-Zero aspiration is aligned with Malaysia's national target of achieving carbon neutrality by 2050. Now in its sixth year of active decarbonisation efforts, the Group has made steady progress in reducing its carbon footprint through strategic investments in renewable energy and energy-efficient technologies. These initiatives have collectively achieved an estimated 10% reduction in emissions compared to pre-2019 levels. Having realised most of the near-term, high-return opportunities, the next phase of the Net-Zero transition is expected to present greater technical, commercial, and financial challenges. The Group remains committed to pursuing innovative, cost-effective, and scalable solutions to sustain its momentum toward long-term carbon neutrality.	**c) Offsets & Sequestration** To address residual emissions that cannot be feasibly abated, the Group plans to utilise carbon offset mechanisms through the Bursa Carbon Exchange (BCX) and to invest directly in accredited carbon capture projects or carbon offset programs. These measures will complement the Group's broader decarbonisation strategy and support its long-term commitment to achieving net-zero by 2050.
	(iii) Higher Energy and Water Cost In Malaysia, the recent revisions to electricity and water tariffs are expected to increase operational costs over the medium to long term. The escalation in energy tariffs, largely driven by the national transition towards renewable energy and the goal of achieving net-zero emissions by 2050, may further elevate production expenses. While near-term policy risks remain moderate, potential future regulatory tightening, such as amendments to the Environmental Quality Act 1974 or introduction of mandatory carbon pricing, could have implications for the Group's cash flow and profitability.	

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Strategies & Opportunities
(b) Transition Risk (Cont'd)	**c) Offsets & Sequestration (Cont'd)** **Carbon Neutrality Roadmap** Average $KgCO_2$/t Output (based on Scope 1 & 2)  The net-zero journey will present 'cost-return' challenges at every stage. The Group's strategy is to take a pragmatic approach, focusing on maximizing decarbonization where it can be done economically, and addressing remaining gaps gradually, in line with external developments. **Residue Risk: Short to medium term is "medium". Long term is "significant".**

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(b) Transition Risk (Cont'd)	**(iv) Suppliers and Customers Readiness**	
	While the Group remains committed to advancing its decarbonisation agenda, alignment across the value chain remains uneven. In recent years, the Group has actively engaged with key suppliers to understand their decarbonisation strategies and progress, while also consulting with customers to assess market readiness and acceptance of low-carbon and green steel products. Findings from these engagements indicate that most major suppliers have initiated decarbonisation programmes, with some beginning to introduce lower-carbon steel alternatives. However, demand from industrial customers and end-consumers remains limited, as the market for net-zero carbon steel products is still nascent and economically challenging. Price sensitivity continues to be a key barrier, particularly in markets where imported steel products are not subject to comparable greenhouse gas (GHG) emission standards, making it difficult to achieve widespread adoption of premium, low-carbon alternatives.	The Group's core strategy for advancing its climate agenda is built on deepening engagement and collaboration with key suppliers and customers to drive collective progress toward shared decarbonisation goals. To this end, the Group continues to conduct annual ESG audits on major steel suppliers to assess their sustainability performance and promote alignment with our climate objectives. Simultaneously, the Group is working closely with the customers to support and influence their decarbonisation pathways, fostering a more sustainable and resilient value chain. To accelerate this transition, the Group has partnered with strategic raw material suppliers to pioneer first-mover net-zero carbon steel products. In parallel, the Group is collaborating with customers to develop joint marketing and outreach initiatives that promote traceable, low-carbon steel solutions to end consumers. In the medium to long term, the Group, together with its suppliers and industrial customers, aims to take a leadership role in shaping market demand for net-zero carbon steel, positioning itself at the forefront of the green steel transformation.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(b) Transition Risk (Cont'd)	**(v) Financials**	
	a) Revenue In the short to medium term, the Group does not anticipate any material shift in customers' purchasing behaviour arising from climate-related considerations. The Group remains confident that its steel products will continue to play an essential role in supporting the nation's transition towards a low-carbon economy. Nevertheless, as the cost of compliance with climate and broader ESG requirements increases, the Group expects that selling prices will need to be progressively adjusted to reflect these higher production and operating costs. If sales volumes remain stable, such adjustments are expected to help sustain revenue growth and preserve profitability margins.	**a) Revenue** In the short to medium term, the Group aims to drive sales growth by supporting national infrastructure development and renewable energy initiatives that are aligned with Malaysia's energy transition agenda. Over the longer term, the Group plans to expand its product portfolio through the introduction of net-zero carbon steel solutions, developed in close collaboration with key suppliers and customers, to further strengthen revenue streams. As part of this transition, the Group recognises the need to gradually align product pricing with the increasing costs of climate and ESG compliance, while engaging customers to foster understanding and acceptance of sustainable value creation across the supply chain.
	b) Operating Expenditures & Bottomline The Group anticipates a 10% to 15% increase in operating expenditures (OPEX) in the short term, primarily driven by higher fuel and energy costs, additional investments in ESG compliance and sustainability programmes, and cost escalation passed through by suppliers and service providers. In the medium to long term, OPEX is expected to rise progressively in line with the intensification of the Group's decarbonisation initiatives, particularly if reliance on carbon credit offsets becomes necessary to meet emissions targets. Should these incremental costs not be fully recoverable through pricing adjustments or operational efficiencies, the Group's profitability and margins may face downward pressure.	**b) Operating Expenditures & Bottomline** The Group's strategy adopts a measured and pragmatic approach towards managing the anticipated rise in OPEX related to climate and ESG compliance. Efforts are focused on maintaining operational efficiency while advocating for fair cost sharing with customers to ensure that sustainability-related expenses are equitably reflected across the value chain. The Group also recognises the evolving global landscape, where some developed economies are reassessing or tempering their climate commitments in favour of domestic protection and resource preservation. Against this backdrop, the Group deems it prudent to prioritise self-sufficiency and long-term resilience as key strategic imperatives in advancing its sustainability agenda.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.1 STRATEGY (CONT'D)

Type of Climate Risk	Potential Impact	Strategies & Opportunities
(b) Transition Risk (Cont'd)	**(v) Financials (Cont'd)**	
	c) Assets & Capital Expenditures The Group does not own any carbon-intensive assets requiring immediate replacement. However, over the next 25 years leading up to the 2050 net-zero target, it is estimated that more than 40% of the Group's depreciable capital assets will reach the end of their useful lives. This presents an opportunity to integrate electrification, renewable energy solutions, and energy-efficient technologies as part of the Group's progressive decarbonisation roadmap. In the short to medium term, the Group anticipates capital expenditure of up to RM5 million dedicated to climate and decarbonisation initiatives. These investments will focus on enterprise energy storage systems, the expansion of solar photovoltaic (PV) installations, and the enhancement of water-harvesting capacity, all of which support the Group's transition toward a low-carbon and resource-efficient operating model.	**c) Assets & Capital Expenditures** The Group's steel operations have secured financing commitments from banking partners to support "green" capital expenditure (CAPEX) and investment initiatives. Accordingly, all green CAPEX and investments will continue to be appraised under the Group's established financial and operational criteria to ensure prudent capital management. In parallel, the Group continues to engage proactively with local authorities, government agencies, and industry bodies to identify and pursue available financial incentives, grants, and support mechanisms for projects that contribute to national and global decarbonisation efforts. These engagements are grounded in the shared principle that developed nations and institutions bear a collective responsibility to assist emerging economies in addressing the challenges of climate transition. For FY2025, the steel operations invested RM20,770 in sustainability-related CAPEX and incurred RM565,843 in sustainability-related OPEX. These investments and ongoing commitments underpin initiatives focused on enhancing energy efficiency, strengthening ESG compliance, and advancing decarbonisation efforts across the Group's operations.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS

Climate change is primarily driven by rising greenhouse gas (GHG) emissions and the depletion of natural carbon sinks resulting from industrial activities, deforestation, and continued reliance on fossil fuels. In response, the Group's climate-related performance metrics focus on managing and reducing GHG emissions, with the overarching objective of progressively lowering our carbon footprint in line with our sustainability commitments.

(a) GHG Emissions
(GRI 305: Emissions)

Steel Division

The Group's steel manufacturing operations are primarily driven by mechanical and motorised processes, which inherently generate minimal gaseous or fume emissions. Where fumes are generated, they are treated prior to being released into the atmosphere, in line with applicable regulatory standards.

In the coil pickling process, hydrochloric acid waste and vapour are recovered and processed through the Division's Acid Regeneration Plant, which enables the recycling of acid and minimises waste generation. Although trace levels of hydrochloric acid fumes (non-GHG) may occasionally be detected in certain hot processing zones, these remain well within the regulatory thresholds for occupational and environmental safety.

At the zinc galvanising plant, the process emits white fumes (non-GHG) composed mainly of ash and chlorine particles. These are effectively filtered and treated through scrubbing systems before being safely vented into the atmosphere. The combustion process within the galvanising burners produces only small amounts of nitrogen oxides (NO_x), a greenhouse gas, with emission levels verified through testing to have negligible environmental impact.

Below are the GHG metrics and outcomes monitored:

Type of Emissions	Checklist/Remarks
GHG : CO_2	Yes. As reported in Scope 1 & 2.
GHG : Others (CH_4, N_2O, HFCs ..etc)	No. Zero or too negligible to record.
Ozone-depleting Substances	No. No industrial refrigerant. No discharge of fire-extinguishers.
Nitrogen Oxides, Sulfur Oxides	Negligible traces of NOx from galvanizing burners.
Biogenic CO_2	No usage or production of biogenic materials. Negligible planting.
Fugitive	No incidence of leakage. Periodic system checks.

The Division is currently progressing towards obtaining Life Cycle Assessment (LCA), Environmental Product Declaration (EPD), and Product Carbon Footprint (PCF) certifications under the relevant ISO standards. These certifications are designed to provide a comprehensive and independently verified understanding of the Division's environmental performance across the full product life cycle—from raw material sourcing and manufacturing to product use and end-of-life management.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS (CONT'D)

(a) GHG Emissions (Cont'd) (GRI 305: Emissions)	**Steel Division (Cont'd)** This initiative underscores the Division's strong commitment to advancing transparency, accountability, and continuous improvement in environmental stewardship. By embedding internationally recognised standards into its operational framework, the Division aims to strengthen stakeholder confidence, enhance product credibility in global markets, and align its manufacturing practices with international sustainability benchmarks. **Food Division** Food processing activities inherently contribute to GHG emissions across the production and supply chain. The Group's processing facilities are energy-intensive, relying largely on grid electricity and fossil fuels to power machinery, refrigeration systems, and logistics operations. Refrigeration, particularly for meat and frozen food products, represents a significant potential source of emissions due to the use of hydrofluorocarbons (HFCs) as refrigerants. However, the HFCs currently used within the Group's operations are low–global warming potential (low-GWP) variants that have been verified to meet applicable environmental and safety standards. Regular maintenance and leak testing are carried out to ensure system integrity, thereby minimising any potential release. As a result, the refrigerants used are assessed to have negligible environmental impact compared to conventional alternatives.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS (CONT'D)

(a) GHG Emissions (Cont'd)
(GRI 305: Emissions)

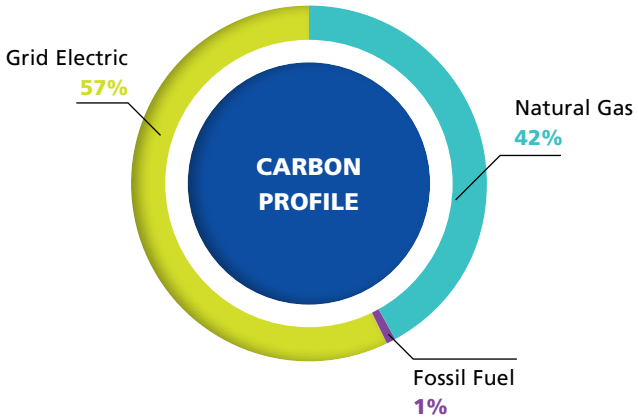
Food Division (Cont'd)

In addition, the transportation of processed food products through extensive distribution networks—from factories to warehouses, retail outlets, and end markets—further contributes to carbon emissions arising from fuel consumption in logistics and delivery operations.

Food loss and waste generated during processing also add to the sector's overall carbon footprint. Organic waste that decomposes in landfills produces methane (CH_4), a potent greenhouse gas, while wastewater generated from cleaning and production activities may emit methane and nitrous oxide (N_2O) during treatment. These emissions collectively underscore the environmental challenges inherent in food production and highlight the importance of improving energy efficiency, waste management, and supply chain optimisation within the Division's operations.

Overall, the Group's contribution to GHG emissions primarily consists of CO_2 equivalents resulting from its consumption of grid electricity, natural gas, and fossil fuels (refer Chart 1). The Group measures, records, and tracks the carbon footprint associated with these sources. According to its carbon profile, effective energy management is crucial for reducing its carbon footprint.

Chart 1 - Carbon Profile FY2025



SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS (CONT'D)

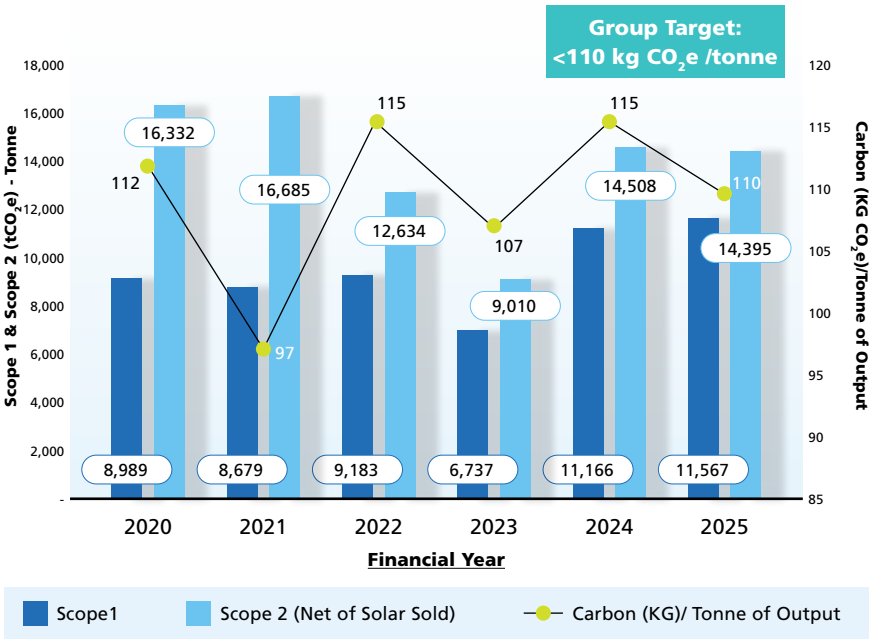
(b) Carbon Footprint & Energy Management
(GRI 302: Energy & GRI 305: Emissions)

Since 2019, the Group has been systematically measuring and monitoring its carbon footprint in accordance with the GHG Protocol, covering Scope 1 (direct emissions from fuel combustion such as natural gas, diesel, and petrol) and Scope 2 (indirect emissions primarily from purchased grid electricity). This forms part of the Group's broader climate strategy and commitment to achieving net-zero Scope 1 and Scope 2 emissions by 2050.

Recognising the direct correlation between emissions and production output, the Group tracks its carbon performance using the intensity metric of "carbon per unit of output" (kg CO_2e per tonne) as its key performance indicator.

For FY2025, the Group recorded a total carbon footprint of approximately 25,962 tonnes of CO_2e (excluding Scope 3), representing a marginal 1% increase from the previous financial year (see Chart 2). This slight rise corresponds with a 2% increase in total energy consumption (see Chart 3), in line with higher production output during the reporting period. On an intensity basis, the Group achieved a carbon intensity of 110 kg CO_2e per tonne, marking a 5% improvement from FY2024's 115 kg CO_2e per tonne. This progress reflects ongoing enhancements in energy efficiency and carbon management across operations.

Chart 2 - Carbon Emissions (Scope 1 & 2)



SUSTAINABILITY STATEMENT

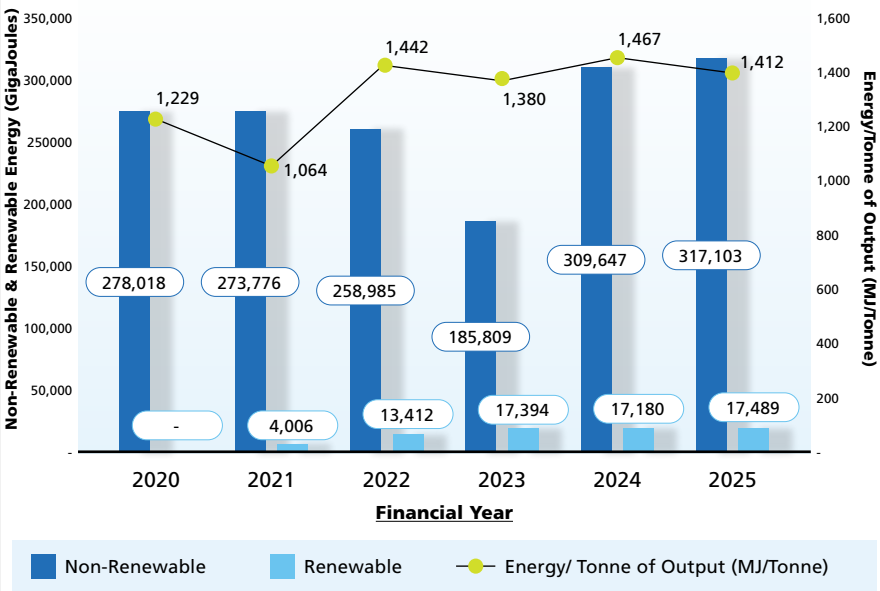
C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS (CONT'D)

(b) Carbon Footprint & Energy Management (Cont'd)
(GRI 302: Energy & GRI 305: Emissions)

Chart 3 - Energy Management

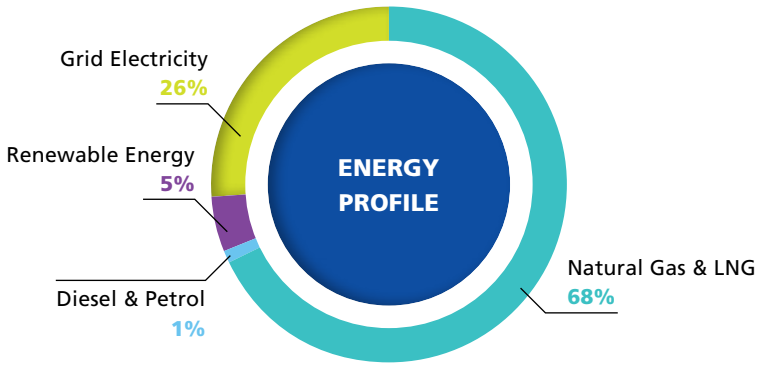


The Group's non-renewable energy consumption recorded a slight increase to 317,103 GJ in FY2025, compared to 309,647 GJ in FY2024. This uptick was primarily attributed to higher natural gas usage, consistent with the increase in production output. Conversely, renewable energy consumption rose to 17,489 GJ in FY2025—the highest level in the past five years—reflecting the Group's continued commitment to reducing reliance on non-renewable sources and advancing the transition towards cleaner energy.

Energy Sources

Natural gas remained the Group's primary energy source, accounting for 68% of total energy consumption (see Chart 4), largely attributable to the gas-fired annealing process at the CRC manufacturing plant. Natural gas continues to be the cleanest fossil fuel option available to the Group, with a combustion footprint approximately 50% lower than coal and 30% lower than other fossil fuels.

Chart 4 - Energy Profile FY2025



SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS (CONT'D)

(b) Carbon Footprint & Energy Management (Cont'd) (GRI 302: Energy & GRI 305: Emissions)	**Energy Management and Efficiency** The Group's Steel Division has established an ongoing Energy Conservation Programme to promote responsible and efficient energy use across all facilities. Internal guidelines are in place to maintain air-conditioning temperatures below 24°C and ensure that unused electrical equipment is switched off or unplugged. Regular monthly audits are conducted to monitor compliance, with recognition and incentives awarded to departments or production lines achieving the highest energy performance scores. In line with its commitment to cleaner energy, approximately 75% of the Steel Division's operational facilities have been equipped with solar photovoltaic (PV) systems, significantly reducing reliance on grid electricity and contributing to measurable reductions in Scope 2 emissions. *Solar Panels Installation at CRC factory (Renewable Energy)* Further strengthening its energy governance framework, the Group's CRC unit has been certified by SIRIM and IQNet under the ISO 50001:2018 Energy Management System, underscoring its commitment to structured energy management, operational efficiency, and continuous improvement in sustainability performance.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS (CONT'D)

(b) Carbon Footprint & Energy Management (Cont'd) (GRI 302: Energy & GRI 305: Emissions)	The Group continues to prioritise energy and carbon reduction through the adoption of energy-efficient technologies and operational enhancements. Key initiatives during the year included: • Replacing conventional lighting with LED lights and energy-efficient spotlights, reducing energy intensity and maintenance requirements; • Commissioning a Compressed Air System to enhance energy performance and optimise production efficiency; and • Electrifying operational vehicles and equipment, such as cranes, to reduce dependence on fossil fuels and improve energy utilisation. *Changing into a transparent roof and installation of LED lights* Collectively, these initiatives have driven measurable improvements in the Group's carbon intensity performance, reinforcing its alignment with the broader net-zero and sustainability roadmap. By integrating renewable energy adoption, operational efficiency, and behavioural initiatives, the Group continues to strengthen its energy management framework and advance toward a low-carbon, energy-efficient future.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

1.0 TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) (CONT'D)

1.2 METRICS & TARGETS (CONT'D)

(c) Scope 3 Emissions
(GRI 305: Emissions)

In FY2025, the Group enhanced its climate-related transparency by reporting selected Scope 3 emissions for the first time—specifically those associated with business travel and employee commuting as shown below.

	FY2025 - Emissions (tonnes of CO_2e)		
Scope 3	**Steel Division**	**Non-Steel Division**	**Total**
Business Travel	9.1	102.8	**111.9**
Employee Commuting	343.3	48.8	**392.1**
	352.4	151.6	**504.0**

Going forward, the Group intends to progressively broaden the Scope 3 coverage to encompass additional categories, including purchased goods and services, waste management, and upstream and downstream logistics, in line with its commitment to enhanced transparency and comprehensive value.

Steel Division

For the Steel Division, other material Scope 3 emission sources include upstream and downstream activities such as raw steel procurement and logistics, which are estimated to represent 90–98% of the Division's total carbon footprint. Reliable quantification remains a challenge due to data limitations and the lack of universally accepted benchmarks for "green steel" standards.

To address this, the Group continues to strengthen supplier engagement through structured surveys, audits, and site visits, with all new suppliers subject to ESG assessments. Initiatives are also underway to reduce emissions from employee commuting and logistics through the adoption of low-carbon alternatives and enhanced operational efficiency.

Food Division

Within the Food Division, in addition to business travel and staff commuting, significant Scope 3 emission sources include the transportation of raw materials and finished goods, as well as waste disposal and recycling activities. Efforts to mitigate these emissions focus on supplier collaboration, improving logistics efficiency, and promoting the use of renewable energy solutions within the supply chain.

These initiatives reflect the Group's ongoing commitment to progressively managing and reducing Scope 3 emissions across its value chain, while strengthening disclosure practices and aligning with its broader sustainability and net-zero objectives.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP

The Group's approach to environmental stewardship is guided by three principal commitments:

- **Strict compliance** with all applicable environmental laws and regulations;
- **Responsible resource consumption**, by minimising the use of energy, water, and materials; and
- **Prevention of environmental harm**, through proactive management of emissions, waste, and effluents.

The Group operates within a comprehensive regulatory framework under the Malaysian Environmental Quality Act and its subsidiary regulations, which govern key aspects of industrial environmental management. These include emissions and air quality control, noise management, handling of scheduled waste, control of radioactive materials, industrial effluents, sewage treatment, and licensing requirements applicable to the steel manufacturing, food processing, and cooking oil bottling sectors.

Within the steel segment, both the CRC and Steel Tube factories are subject to stringent environmental standards and annual compliance requirements. To ensure consistent and reliable environmental management, the Group has aligned its practices with the ISO 14001:2015 Environmental Management System (EMS) standard, under which its key steel operations are certified. The Group is pleased to report that all steel manufacturing facilities successfully passed the Department of Environment (DoE) audits during the reporting period, with no recorded violations or fines.

In the Halal food processing and cooking oil bottling divisions, environmental sustainability forms an integral part of the Halal certification standards (MS1500:2019). These facilities maintain proper sewage treatment systems and comply with effluent discharge standards to prevent contamination of the surrounding environment. Solid waste, including food and oil residues generated during processing, is managed responsibly through licensed waste management service providers to ensure proper treatment and disposal.

For the financial year under review, the Group recorded zero instances of non-compliance with applicable environmental laws and regulations related to air emissions, water discharges, or hazardous and non-hazardous waste. This outcome underscores the Group's ongoing commitment to maintaining high standards of environmental performance and operational integrity.

Further information regarding the management of these critical sustainability aspects is provided below.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP (CONT'D)

(a) Water Management
(GRI 303: Water & Effluents)

The Group's water management strategy is guided by a firm commitment to minimise freshwater consumption, optimise rainwater harvesting, and mitigate flood risks through responsible and integrated water stewardship practices. These efforts support the Group's broader sustainability objective of conserving natural resources while maintaining operational efficiency.

Water Drawn

Within the steel manufacturing division, a continuous supply of fresh piped water is essential for key processes, including cooling towers, acid dilution, coolant preparation, and process baths. While the substitution of freshwater with harvested rainwater is not technically feasible in most production applications, the Group has implemented practical measures to enhance water efficiency. Rainwater is utilised where possible — such as for sanitary systems, general cleaning, landscaping, and effluent treatment — to reduce dependence on utility-supplied water.

The CRC segment remains the Group's most water-intensive operation, particularly in the acid pickling and Acid Regeneration Plant (ARP) processes, which collectively accounted for 92% of total net water consumption in FY2025. None of the Group's facilities are in water-stressed regions, and there were no disruptions in water supply during the reporting period.

Acid Regeneration Plant (ARP)

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP (CONT'D)

(a) Water Management (Cont'd)
(GRI 303: Water & Effluents)

Rainwater Harvesting

Since FY2022, the Group has progressively expanded its rainwater harvesting capacity, now spanning approximately 53,260 square feet of catchment area supported by 312,000 litres of storage tanks. This system plays a dual role in reducing surface runoff and mitigating flash flood risks during heavy rainfall, while also providing an alternative water source for non-potable uses. Owing to quality and regulatory standards, harvested rainwater is primarily used for ancillary and sanitary applications. A portion of collected rainwater that exceeds storage capacity is discharged safely into public waterways, and while not offset against total water consumption, it contributes indirectly to local water balance management.

Installation of Rainwater Harvesting System

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP (CONT'D)

(a) Water Management (Cont'd)
(GRI 303: Water & Effluents)

Water Treatment and Reuse

All water-soluble waste and process effluent generated within the steel operations are treated through on-site treatment facilities before being either reused internally or discharged into the drainage system. Continuous testing of pH levels and total dissolved solids ensures full compliance with DoE standards prior to discharge. Since the commissioning of the ARP in FY2022, an increasing proportion of treated water has been diverted for reuse within production, demonstrating both the effectiveness of treatment systems and the quality of treated water.

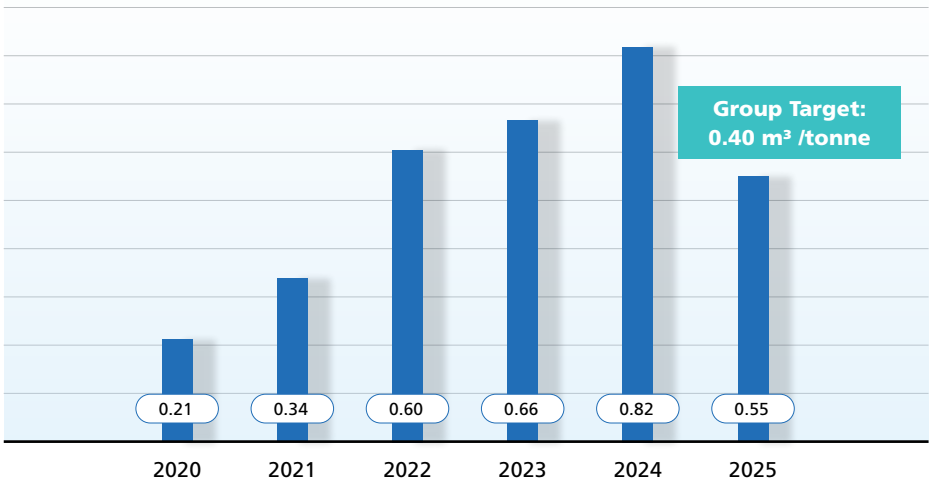
Wastewater Discharge

All steel facilities are equipped with Industrial Effluent Treatment Systems (IETS) compliant with Standard B under the Environmental Quality (Industrial Effluent) Regulations. Daily operational monitoring is conducted by a Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (CePIETSO) to ensure discharge parameters remain consistently within permissible limits. In FY2025, all water quality parameters fully complied with regulatory thresholds, reflecting the Group's strong environmental governance and commitment to operational excellence.

Water Performance

For FY2025, the Group recorded a water intensity of 0.55 m³ per tonne of output, representing a 33% reduction compared to 0.82 m³ per tonne in FY2024, marking the lowest level achieved since FY2022 (refer Chart 5). Although marginally above the internal target of 0.40 m³ per tonne, this variance was primarily due to higher production volumes during the year. The result demonstrates continued progress in improving water efficiency, and the Group remains committed to further narrowing this performance gap in the short to medium term as part of its long-term sustainability roadmap.

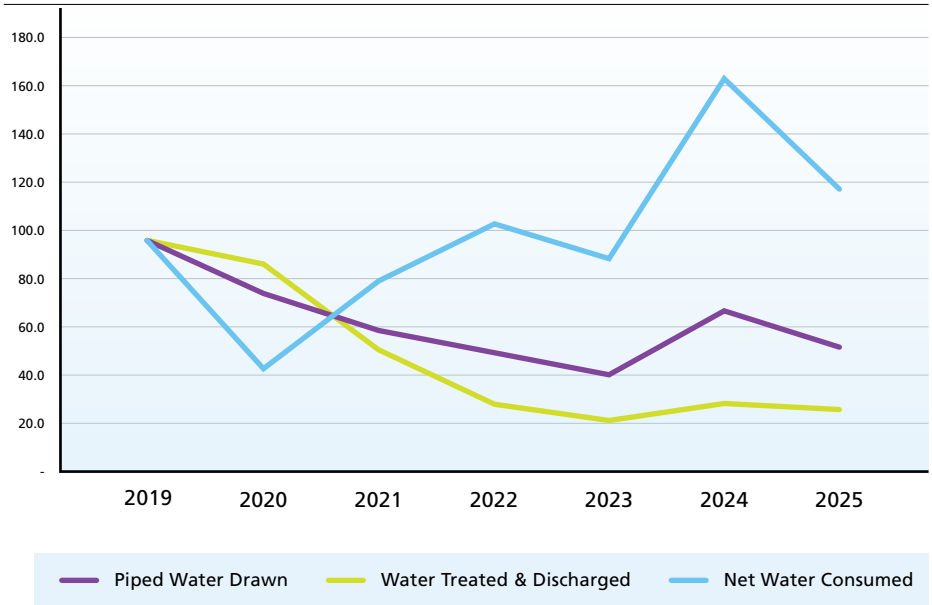
Chart 5 - Net Water Consumed per Output (Cubic Meter m³/Tonne)



SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP (CONT'D)

(a) Water Management (Cont'd) (GRI 303: Water & Effluents)	**Water Performance (Cont'd)** When indexed against the base year FY2019 (see Chart 6), the volume of fresh water drawn in FY2025 remains below the FY2019 baseline, while the volume of treated water discharged has declined significantly, reflecting increased reuse within the ARP system. These outcomes affirm the effectiveness of the Group's water efficiency initiatives and its commitment to responsible water management aligned with global sustainability standards. **Chart 6 - Water Consumption Trend (Indexed 2019 Base Year)** 
(b) Waste Management (GRI 306: Waste, GRI 404: Training and Awareness)	Waste management remains a key environmental focus area for the Group, given its significance to local communities and regulatory authorities in the regions where the Group operates. Guided by its Waste Minimisation Policy, the Group is committed to reducing waste generation at the source and managing all residual waste responsibly through the 6R principles — Rethink, Refuse, Reduce, Reuse, Recycle, and Recover. These principles underpin the Group's approach to minimising landfill dependency and mitigating its overall environmental footprint. To ensure proper implementation, waste generated across operations is systematically segregated into defined categories based on type and disposal requirements, in full alignment with regulatory standards and best environmental practices.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP (CONT'D)

(b) Waste Management (Cont'd)
(GRI 306: Waste, GRI 404: Training and Awareness)

Table 1 below summarises the Group's waste classification and corresponding disposal methods.

- Items (b) and (c) are categorised as scheduled waste under the Environmental Quality (Scheduled Wastes) Regulations, reflecting their varying degrees of hazardous properties. These materials are managed strictly by licensed contractors approved by the Department of Environment (DoE) to ensure safe handling, transportation, and disposal.
- Item (b) comprises more than ten types of scheduled waste that undergo incineration, chemical treatment, or repurposing by certified third-party processors.
- Item (c) consists of carbide lime, is reused internally within the Group's water treatment facilities under DoE licensing, thereby closing the resource loop.
- Items (a), (d), and selected categories within (b) possess commercial value and are recovered and sold as secondary raw materials, contributing to resource circularity and additional income streams.

Table 1 - Waste Classification and Disposal Method by Year

	Waste By Type	Disposal Method	FY2022 Tonne	FY2023 Tonne	FY2024 Tonne	FY2025 Tonne
(a)	Steel Scrap and Meat Waste	Licensed 3rd Party, Recycle	8,554	7,129	12,827	11,752
(b)	Scheduled Waste	Licensed 3rd Party, Professional Disposal (DoE License Facilities)	1,969	645	1,446	940
(c)	Scheduled Waste	Licensed Own Reuse, Recycle	216	163	511	330
(d)	Segregated Waste (Box, Paper, Plastic, Aluminium)	Licensed 3rd Party, Recycle	11	61	10	10
(e)	General Waste	Refuse Collection (Sanitary Landfill)	206	186	175	136
		TOTAL	**10,956**	**8,184**	**14,969**	**13,168**

Through continuous improvement initiatives focused on waste segregation, recovery, and recycling, the Group has achieved a consistent reduction in landfill disposal volumes (refer to Table 1 – Item (e)).

SUSTAINABILITY STATEMENT

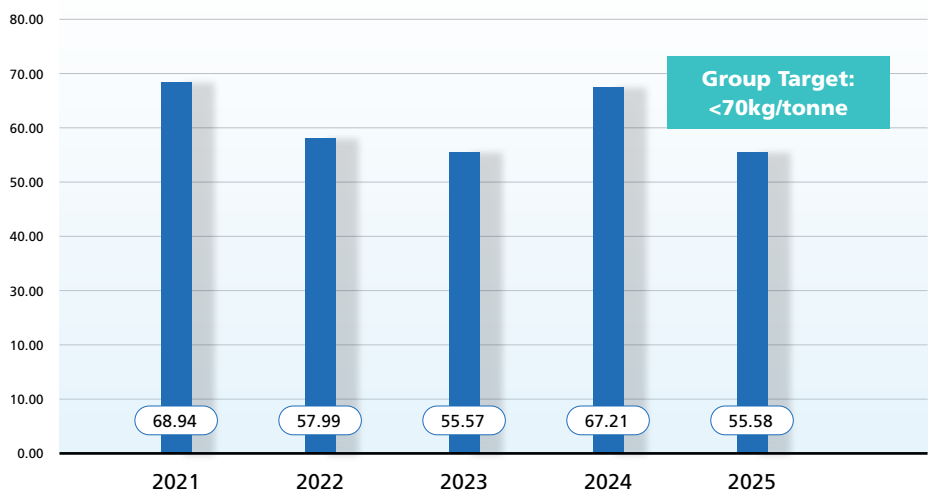
C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP (CONT'D)

(b) Waste Management (Cont'd)
(GRI 306: Waste, GRI 404: Training and Awareness)

In FY2025, the Group recorded a 17.3% reduction in waste generated per tonne of output, outperforming its internal target of below 70 kg per tonne. Waste intensity improved from 67.21 kg/tonne in FY2024 to 55.58 kg/tonne in FY2025, the lowest level recorded to date. This achievement underscores the Group's ongoing commitment to effective waste management, process efficiency, and resource optimisation, reinforcing its contribution toward a circular and sustainable value chain (see Chart 7).

Chart 7 - Total Waste to Output (Kg/Tonne)



Employee Awareness and Behavioural Change

In FY2025, the Steel Division launched a comprehensive environmental awareness programme across all operational sites to raise understanding of the impacts of single-use plastics and encourage the adoption of sustainable daily habits. The initiative also served as a baseline assessment to gauge employees' awareness levels and behavioural patterns, providing valuable insights to guide future waste reduction and landfill diversion efforts.

Single-use Plastic Ban Program

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

2.0 ENVIRONMENTAL STEWARDSHIP (CONT'D)

(b) Waste Management (Cont'd)
(GRI 306: Waste, GRI 404: Training and Awareness)

Employee Awareness and Behavioural Change (Cont'd)

Through interactive sessions and information-sharing activities, employees were engaged in discussions on responsible consumption, waste segregation, and the gradual phase-out of single-use plastics. The programme further promoted the substitution of disposable materials with reusable or eco-friendly alternatives, fostering a culture of environmental responsibility within the workplace.

Complementing these efforts, the Division also implemented a Recycling Programme to encourage sustainable lifestyle practices, including the responsible collection of used cooking oil. The initiative recorded the successful collection of approximately 200 kilograms of used cooking oil, underscoring the strong participation and commitment of employees toward advancing the Group's sustainability goals.

Recycling Program - Collection of Used Cooking Oil

3.0 HUMAN CAPITAL

The Group's social ambition is guided by a commitment to creating lasting value for people and communities. Our priorities are to:

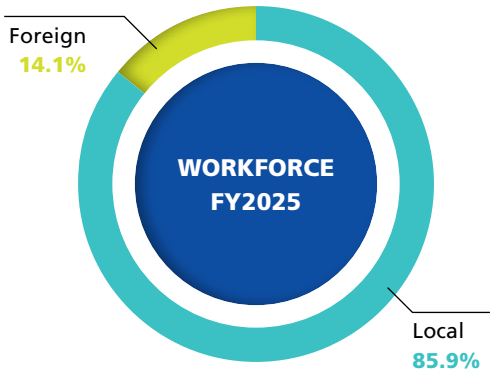
- **Provide equitable, safe, and fulfilling workplaces** for all employees;
- **Contribute positively to the communities** in which we operate; and
- **Foster a responsible and ethical supply chain** that upholds shared environmental and social values.

Beyond ensuring full compliance with the Employment Act 1955, the Group is firmly committed to the five fundamental principles and rights at work as established by the International Labour Organization (ILO). These principles — encompassing freedom of association, the elimination of forced and child labour, non-discrimination, and the right to fair and safe working conditions — form the foundation of our human capital management practices and reflect our dedication to promoting decent work and inclusive growth across all operations.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(a) Freedom of Association & Collective Bargaining (GRI 407: Freedom of Association and Collective Bargaining)	The Group fully upholds and respects the rights of employees to freedom of association and collective bargaining, in accordance with the provisions of the Employment Act 1955, Trade Unions Act 1959, Industrial Relations Act 1967, and Immigration Act 1959/63. Employees are free to join or form trade unions of their choice, and their participation in such associations is recognised as a legitimate channel for engagement and representation. The terms and conditions of employment, including compensation and benefits negotiated under collective agreements, also serve as a reference framework for non-unionised employees, ensuring equity and consistency across the workforce. The Group's relationship with the employees' union representing the national metal industry has remained harmonious and constructive over the past decade, with no reported industrial disputes or conflicts during the period. This continued stability reflects the Group's commitment to maintaining open communication, mutual respect, and collaborative industrial relations as part of its broader human capital management approach.
(b) Fair Employment, Labour Rights, Labour Composition & Movement (GRI 401: Employment; GRI 402: Labor/ Management Relations; GRI 408: Child Labor; and GRI 409: Forced or Compulsory Labor)	**Zero Tolerance for Exploitation** The Group upholds the principle that all work must be performed in conditions of freedom, dignity, and equality. We maintain an unequivocal zero-tolerance policy toward any form of forced, bonded, or child labour across our operations and value chain. **Local Employment** The Group also places strong emphasis on local employment and responsible sourcing, reflecting our commitment to supporting national workforce development and contributing to the broader Malaysian economy. As of the reporting year, 85.9% of our employees are Malaysians, underscoring our dedication to empowering local talent and fostering inclusive growth within the communities where we operate (refer Chart 8). **Responsible Employment and Ethical Recruitment** The Group is committed to fostering a fair, transparent, and compliant workforce culture, underpinned by respect for human rights and adherence to both national labour laws and international standards. Our workforce is primarily composed of local employees, complemented by a 14.1% representation of foreign workers (see Chart 8). All foreign employees are recruited through licensed employment agencies and hold valid work permits, ensuring full compliance with Malaysian labour legislation and alignment with international labour standards. **Chart 8 - Workforce FY2025** 

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(b) Fair Employment, Labour Rights, Labour Composition & Movement (Cont'd)
(GRI 401: Employment; GRI 402: Labor/ Management Relations; GRI 408: Child Labor; and GRI 409: Forced or Compulsory Labor)

Responsible Employment and Ethical Recruitment (Cont'd)

We take proactive measures to ensure that all recruitment and employment practices remain ethical and transparent, including regular reviews against ILO standards and vigilant monitoring of contractors and third-party agencies. Where accommodation is provided, it complies fully with the Employees' Minimum Standards of Housing, Accommodations, and Amenities Act 1990, ensuring that workers have access to safe and dignified living conditions.

Importantly, all employees, including migrant workers, retain full freedom to change employment or seek new opportunities upon completing their contractual obligations. The Group does not engage in indentureship, and interns are free to discontinue their training with due notice, reflecting our belief in mutual respect and voluntary engagement.

Excessive Working Hour

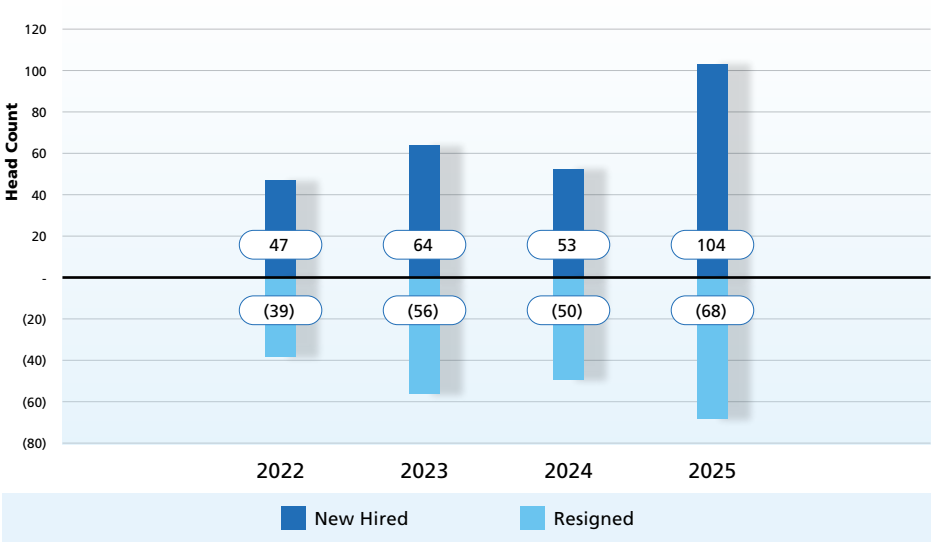
The Group takes proactive measures to prevent excessive working hours beyond the limits prescribed by law and regulation. To safeguard employee well-being and maintain productivity, average working hours are maintained at no more than 45 hours per week. This approach ensures adequate rest periods, promotes work-life balance, and upholds our commitment to fair and responsible labour practices.

The Group is proud to report that there were no recorded incidents, grievances, or disputes related to labour rights or employment practices during FY2025. This outcome reflects our ongoing commitment to fair treatment, decent work, and respect for human rights, which remain at the core of our social sustainability agenda.

Workforce Movement

Chart 9 presents the Group's workforce movement over the reporting period, reflecting its commitment to ethical employment practices, respect for workers' rights, and fair labour standards.

Chart 9 - Workforce Movement



SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(c) Diversity & Non-Discrimination
(GRI 401: Employment , GRI 405: Diversity & Equal Opportunity & GRI 406: Non-Discrimination)

The Group is firmly committed to maintaining a workplace that is fair, inclusive, and free from discrimination. Our policy explicitly prohibits any form of discrimination based on age, gender, race, religion, disability, marital or family status, sexual orientation, or any other personal attribute. To uphold these principles, a structured framework for anonymous feedback and grievance reporting has been established, ensuring that employees can voice concerns in a safe and confidential manner. During the financial year under review, and in recent years, there were no reported cases of discrimination or harassment, reflecting the strength of our workplace culture and governance controls.

Employee Diversity (Ethnicity and Age Group)

Our workforce mirrors Malaysia's multicultural composition, enriched by foreign employees of various nationalities (refer Chart 10). This ethnic diversity not only promotes inclusivity and cultural harmony but also provides operational flexibility, particularly during festive periods. Many of our employees are aged between 30 and 50 years, representing a balanced mix of experience, capability, and continuity that drives the Group's operational excellence (refer Chart 11).

Chart 10

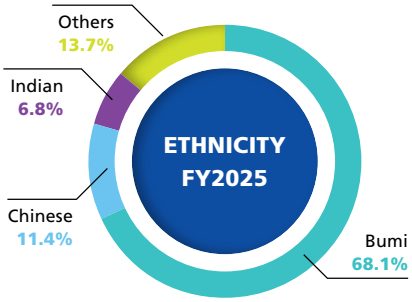
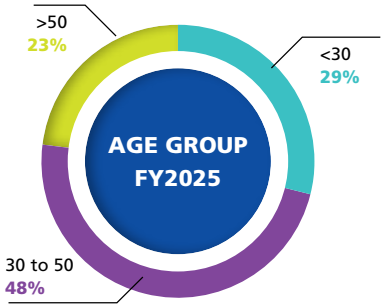


Chart 11



Gender Composition by Category

Gender equality remains a core focus of our human capital strategy. The Group is committed to fostering an equitable environment where women are empowered to grow, lead, and succeed. Female representation continues to strengthen across all employment levels, supported by fair recruitment, equal access to training and development, and transparent career advancement pathways. In FY2025, women accounted for 39% of management and executive positions (refer Chart 12). While female representation remains lower in the non-executive category, largely comprising factory-based roles, the Group continues to promote gender balance through upskilling and talent development initiatives. At the Board level, women currently represent 17% of total membership, underscoring our ongoing commitment to gender diversity in leadership (refer Chart 14).

Chart 12

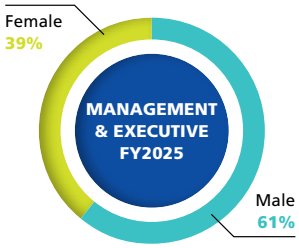


Chart 13

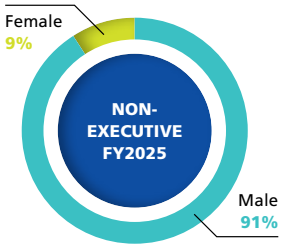
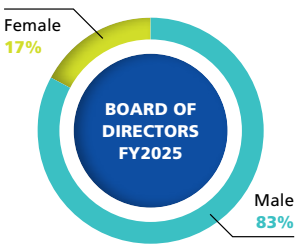


Chart 14



SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

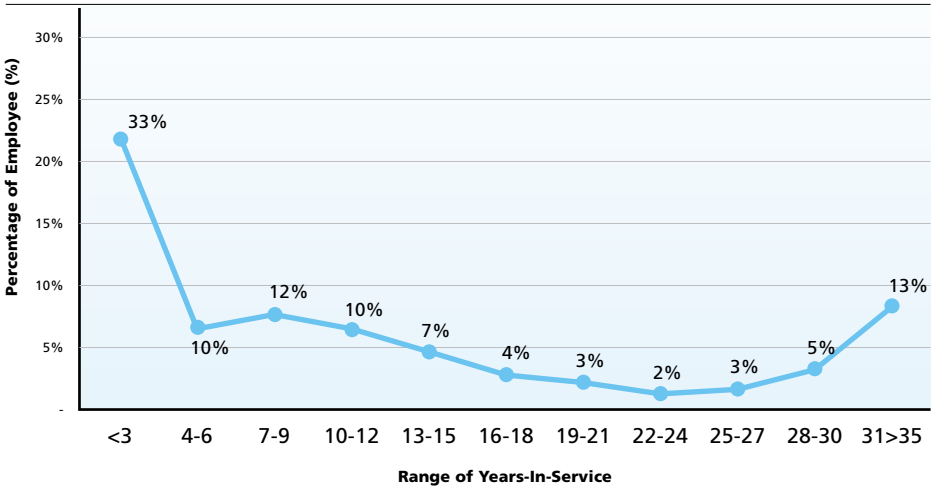
(c) Diversity & Non-Discrimination (Cont'd)
(GRI 401: Employment , GRI 405: Diversity & Equal Opportunity & GRI 406: Non-Discrimination)

Equal Pay for Equal Work

We maintain fair and equitable compensation practices in full compliance with the Malaysian Employment Act 1955, Minimum Wages Order, and all applicable labour laws. All employees receive wages that meet or exceed the national minimum living wage, ensuring a decent standard of living. Remuneration is determined by job scope, qualifications, skills, and performance—irrespective of gender, age, or background. Our salary structure and performance evaluation systems are regularly reviewed to uphold equal pay for equal work, ensuring transparency, meritocracy, and fairness across all levels.

Reflecting strong employee loyalty and engagement, 67% of our workforce has served the Group for four years or more (refer Chart 15). This demonstrates the trust, stability, and shared values that define our organizational culture and long-term people development approach.

Chart 15 - Employee Year of Service As At June 2025



Consultative Practice

The Group regards its employees as part of one family and strives to foster an inclusive and participative workplace culture. Wherever possible, employee views are sought through dialogues or surveys on organisation-wide matters prior to decision-making. This approach not only enhances employee engagement and sense of ownership, but also leverages collective insights to support well-informed and sustainable decision.

SUSTAINABILITY STATEMENT

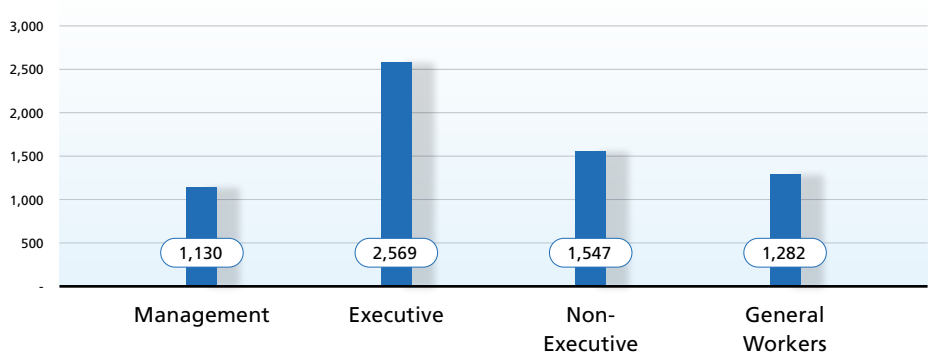
C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(d) Training & Development
(GRI 404: Training & Education)

We are deeply committed to human resource development to foster personal growth and upskilling. During the current financial year, we provided 6,528 hours of training to 471 employees, averaging 16.99 hours of training per employee. The breakdown of total training hours by employee category is presented in Chart 16, reflecting a combination of individual selections and supervisor-assigned trainings.

Chart 16 - Total Training Hours by Employee Category FY2025



Employee Engagement and Wellbeing

Hari Raya Aidilfitri Lunch Session to celebrate the festive season with employees

Employee Engagement and Wellbeing - Breast Cancer Awareness Program

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(e) Anti-Corruption (GRI 205: Anti-corruption)	The Group remains steadfast in upholding its core values of integrity, fairness, and accountability across all business operations. We maintain strict compliance with the Malaysian Anti-Corruption Commission Act 2009 and adhere to the relevant capital market rules, codes of conduct, and conflict-of-interest guidelines that govern ethical business practices. All employees have undergone mandatory anti-corruption and ethics training, with refresher sessions conducted every two to three years to reinforce awareness and commitment. Senior management personnel and employees in high-risk functions are further required to sign annual compliance pledges, reaffirming their dedication to ethical conduct, achieving 100% participation during the year under review. **Anti-Corruption Pledge** We do not offer, accept, solicit, or pay a bribe, in any form or of any value, to any person including to get business or secure any advantage in connection with our business and we never ask a third party to do so on our behalf. In addition, the Group ensures that all new suppliers and business partners are formally notified of our anti-corruption policy upon onboarding. They are also provided with a direct communication channel to the Senior Independent Director for the reporting of any suspected misconduct or unethical behaviour. During the year under review, there were no employees disciplined or dismissed for non-compliance with the policy, and no reported or confirmed incidents of bribery, corruption, or fraud.
(f) Occupational Health & Safety (GRI 403: Occupational Health and Safety)	The Group remains firmly committed to maintaining a safe, healthy, and secure workplace for all employees. Although our steel value-added manufacturing activities entail comparatively lower inherent risks than upstream steelmaking, the Group maintains the same high safety standards and risk management vigilance across all operations. The Group's health and safety practices are guided by a clear objective — zero harm at work. Over the years, we have developed a comprehensive safety management system supported by documented procedures, routine inspections, and continuous monitoring. Oversight is exercised through the Safety, Environment, and Health Committee at each operational site, under the umbrella of the Group's Health and Safety (H&S) Management Framework (see Illustration 5). The Group's Occupational Health, Safety, and Environment (OHSE) Policy is publicly available on the company website, employee intranet, and shared through townhalls and stakeholder briefings in both English and Malay. Accountability is reinforced through the Code of Conduct, which mandates all employees, contractors, and business partners to uphold safety standards and ethical practices in every aspect of work.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(f) Occupational Health & Safety (Cont'd)
(GRI 403: Occupational Health and Safety)

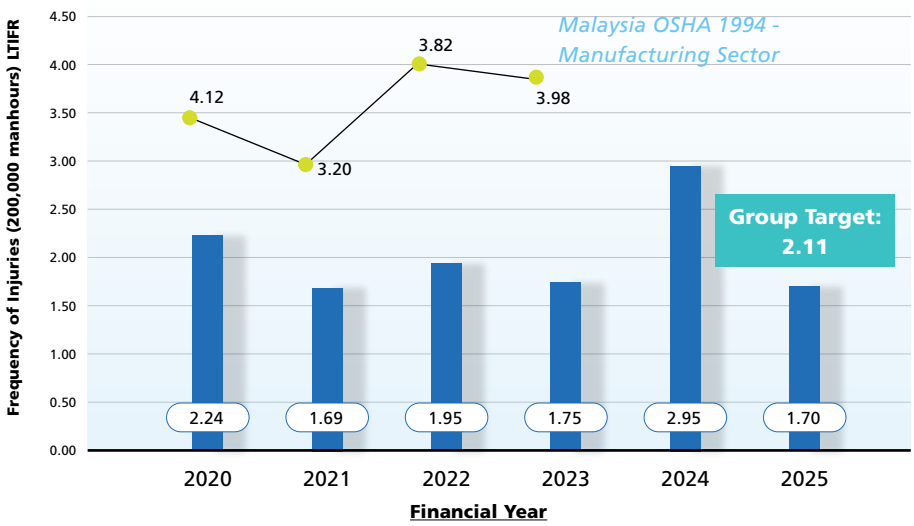
Illustration 5

Performance and Continuous Progress

The Group continues to demonstrate a strong safety performance trajectory. Our key performance indicator, the Lost Time Injury Frequency Rate (LTIFR) per 200,000 man-hours, remains significantly below the national benchmark for the manufacturing sector as set by OSHA. In FY2025, the Group achieved an LTIFR of 1.70, equivalent to 11 reported cases, marking a 42% improvement from FY2024's 2.95 (19 cases) - see Chart 17.

This consistent decline reflects our proactive approach to risk prevention and continuous investment in safety culture. Since the Group's inception, no fatalities or disability-related injuries have been recorded — a testament to the effectiveness of our safety systems and collective commitment to operational excellence.

Chart 17 - Lost Time Injury Frequency Rate (LTIFR)



SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(f) Occupational Health & Safety (Cont'd) (GRI 403: Occupational Health and Safety)	**Strengthening Systems through ISO 45001** In line with our continuous improvement agenda, the Group has embarked on the process of obtaining ISO 45001 Occupational Health and Safety Management System certification for all steel operational plants. The certification journey is being led by our Health and Safety Committee, with internal readiness assessments and the first audit currently underway. This initiative will further align our safety framework with international best practices, ensuring consistent risk control and compliance across our operations. **Empowering People through Training and Awareness** We believe that a truly safe workplace begins with awareness, empowerment, and shared responsibility. Regular training programmes form the backbone of our prevention strategy — equipping employees with the knowledge and confidence to identify hazards, manage risks, and respond effectively in emergencies. During FY2025, the Group conducted multiple training and refresher sessions covering topics such as ISO 45001:2018 awareness, overhead crane and hoist safety, emergency response, first aid, and stress management. Tailored induction programmes are also conducted for new employees to embed a safety-first mindset from day one. Nearly 300 employees trained on health and safety standards during the year. **Health and Wellbeing Beyond the Workplace** Our commitment to people extends beyond physical safety. All employees are protected under comprehensive health and accident insurance, ensuring access to quality medical care through a network of more than 30 panel clinics and hospitals nationwide. Employees may also seek treatment at non-panel providers outside of regular hours for convenience. We respect and protect the privacy of medical information, accessing personal health data only when necessary to safeguard the individual or others. Such information is treated with strict confidentiality and is never used to influence employment decisions or treatment outcomes.
(g) Customer Health and Safety - Product Responsibility (GRI 416: Customer Health and Safety, GRI 417: Marketing & Labelling)	**Product safety & quality** As a responsible food processor and provider, the Group is deeply committed to ensuring that every product we deliver is safe, nutritious, and of the highest quality. We uphold strict accountability throughout our operations, embedding robust food safety and quality control systems that comply with all applicable regulations and align with international best practices. Our food operations maintain a rigorous framework of quality assurance protocols, spanning procurement, processing, packaging, and distribution. All imported product suppliers are required to meet stringent standards and possess internationally recognised food safety certifications, ensuring that the integrity of our products is preserved across the supply chain.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

3.0 HUMAN CAPITAL (CONT'D)

(g) Customer Health and Safety - Product Responsibility (Cont'd) (GRI 416: Customer Health and Safety, GRI 417: Marketing & Labelling)	**Transparent and Responsible Product Labelling** Transparency is fundamental to consumer trust. We are steadfast in providing customers with accurate, clear, and transparent information on product quality, nutritional content, and safety through responsible labelling practices. Our labelling processes strictly comply with the Malaysia Food Act 1983 and Food Regulations 1985, supported by internal controls to regularly review and verify all label information. These measures help customers make informed choices while reinforcing our commitment to ethical and responsible marketing. **Building Employee Competence in Food Safety** We recognise that food safety begins with people. To strengthen the capabilities of our workforce, the Group continuously invests in training and competency development on key topics such as Hazard Analysis and Critical Control Point (HACCP), food handling, hygiene management, and quality assurance. These programmes cultivate a deep understanding of food safety principles and empower employees to uphold the highest operational standards in their daily work. During FY2025, the Group recorded zero product recalls and no incidents of non-compliance related to product health, safety, or labelling—reflecting the effectiveness of our quality systems and vigilance across operations. **Halal certification** To ensure safe consumption and consumer confidence, all our food products are Halal-certified in accordance with Malaysia Standard MS1500:2019 and the Halal Certification Manual issued by the Department of Islamic Development Malaysia (JAKIM). We maintain stringent hygiene, quality, and safety protocols across every stage of our value chain—from sourcing raw materials to manufacturing, bottling, and distribution. In FY2025, our edible oil bottling facility successfully achieved HACCP certification, further validating our adherence to internationally recognised food safety standards and reinforcing our commitment to quality assurance and consumer trust. **Customer satisfaction** Customer satisfaction remains a cornerstone of our long-term success and brand integrity. The Group actively seeks to enhance customer experience and loyalty by maintaining consistent quality, timely service, and open communication channels. We view our customers as partners in innovation. Their insights and feedback play a pivotal role in shaping product improvement and development initiatives. Engagement is facilitated through multiple touchpoints—including in-person interactions, email correspondence, and online platforms—to ensure responsiveness and continuous service enhancement. Throughout FY2025, the Group received no negative customer feedback or complaints, underscoring the trust and confidence our stakeholders place in our products and services.

SUSTAINABILITY STATEMENT

C. MATERIAL SUSTAINABLE MATTERS & OUTCOMES (CONT'D)

4.0 SOCIAL & COMMUNITY (GRI 413: Local Communities)

We strongly believe in building meaningful connections with the societies and communities in which we operate, fostering mutually beneficial relationships that contribute to long-term sustainability. Our influence extends beyond our operational boundaries, as we depend on these communities for our workforce and access to a wide range of essential services and amenities.

Through thorough assessment and the absence of any complaints, it is evident that our operations have not generated any discernible negative social or environmental impact on the local communities, negating the need for remedial actions. Consequently, our engagement with these communities is primarily geared toward achieving positive social outcomes. To align with this approach, engagement plans and activities are decentralized, with staff volunteers at each operation taking the lead in their execution.

Collaboration with Earth Warriors Association in segregation & recycling of refuse

Our general strategy involves establishing rapport with local community leaders, association heads, local councils, and similar organizations to gain a better understanding of local developments, vulnerable groups, their needs, and their grievances. This enables us to more effectively assess and prioritize our social and environmental responses to the communities.

For the current period, we carried out thirteen (13) social engagement activities that involved local communities, vulnerable groups, and underfunded welfare organizations (such as orphanages and elderly care homes), expending RM40,210 in the process which directly benefited around 3,273 recipients.

School Holiday Community Outreach Program with Pusat Jagaan Kasih Murni

SUSTAINABILITY STATEMENT

STATEMENT OF ASSURANCE

ASSURANCE UNDERTAKEN

In strengthening the credibility of the Sustainability Statement Financial for Melewar Industrial Group Berhad (MIGB) for the current financial year ended 30 June 2025, selected aspects or part of the Sustainability Statement has been subjected to the following:

a) an internal review by the Group's internal auditors (Crowe Governance Sdn Bhd ("Crowe")); and
b) independent assurance in accordance with recognised assurance standards for selected indicators

and has been approved by the Board of Directors and Risk & Sustainability Committee on 28 October 2025.

The scope, sustainability matters, sustainability indicators and relevant conclusions are provided below:

Type of Assurance	Sustainability Matter	Sustainability Indicator	Scope	Conclusion
Internal review by Crowe	Anti-Corruption	(a) Percentage of employees who have received training on anti-corruption by employee category (b) Percentage of operations assessed for corruption-related risks (c) Percentage of employees who have attended refresher on a timely basis	• MIGB Group[N1] • Mycron Steel Berhad (MSB) • Mycron Steel CRC Sdn Bhd (CRC) • Melewar Steel Tube Sdn Bhd (MST) • Silver Victory Sdn Bhd (SV)	No significant control weaknesses but there was room for improvement.
	Community/Social	Total amount invested in the community where the target beneficiaries are external to the listed issuer		
	Diversity	(a) Percentage of employees by gender and age group, for each employee category (b) Percentage of directors by gender and age group		

[N1] *MIGB Group includes the following entities:*

(i) Melewar Industrial Group Berhad
(ii) 3Bumi Oleo Sdn Bhd
(iii) 3Bumi Trading Sdn Bhd
(iv) 3Bumi (Cambodia) Co. Ltd
(v) Ausgard Quick Assembly Systems Sdn Bhd
(vi) Jack Nathan Limited
(vii) Melewar Metal Trading Sdn Bhd

SUSTAINABILITY STATEMENT

STATEMENT OF ASSURANCE (CONT'D)

ASSURANCE UNDERTAKEN (CONT'D)

The scope, sustainability matters, sustainability indicators and relevant conclusions are provided below: (Cont'd)

Type of Assurance	Sustainability Matter	Sustainability Indicator	Scope	Conclusion
Internal review by Crowe (Cont'd)	Labour Practices & Standards	(a) Total hours of training by employee category (b) Percentage of employees that are contractors or temporary staff (c) Total number of employee turnover by employee category	• MIGB Group • MSB • CRC • MST • SV	No significant control weaknesses but there was room for improvement.
	Energy Management	Total energy consumption	MIGB Group	
	Health and Safety Management	(a) Number of work-related fatalities (b) Lost time incident rate (LTIR) (c) Number of employees trained on health and safety standards	• MST • CRC	
	Water Management	(a) Total volume of water used (b) Total volume of water withdrawal – Municipal portable water (c) Total volume of harvested rainwater (d) Net water consumption per tonne output	• MIGB Group • MST • CRC	
	Supply Chain Management	Proportion of spending on local suppliers	MIGB Group	
	Waste Management	(a) Total waste generated (b) Total waste diverted from disposal (c) Total waste directed to disposal		
	Emissions Management	(a) Scope 1 emissions in tonnes of CO_2e (b) Scope 2 emissions in tonnes of CO_2e		
Independent assurance by University Technology Malaysia's Process System Engineering Centre	Emissions Management	(a) Scope 1 emissions in tonnes of CO_2e (b) Scope 2 emissions in tonnes of CO_2e	• MIGB Group • MST • CRC	The emissions data was fairly presented. The data was calculated in a consistent and transparent manner and was found to be reasonably fair and accurate representation of the actual usage.
		(c) Scope 3 emissions in tonnes of CO_2e	• MST • CRC	

Note:
Any indicators with minor shortcomings identified during the interim review have been addressed and corrected before the final determination at the close of the current financial year, as reflected in this report.

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE REPORT

This is a fixed format report on key performance metrics on Common Sustainability Matters as prescribed by Bursa Malaysia under Practice Note 9 on Enhanced Sustainability Reporting.

Indicator	Measurement Unit	2023	2024	2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	16.17	16.52	15.09
Executive	Percentage	15.26	16.29	15.93
Non-executive	Percentage	68.56	67.19	68.98
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Percentage of signed pledge by senior personnel & position exposed to such risk	Percentage	100.00	100.00	100.00
Percentage of attended refersher every 2-3 years	Percentage	100.00	0	100.00
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	62,640.70	74,176.00	40,210.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	695.00	2,185.00	3,273.00
Number of complaints received relating to community	Number	0	0	0
Number of confirmed & outstanding issues	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.23	0.45	0.21
Management Between 30-50	Percentage	9.57	8.60	9.01
Management Above 50	Percentage	6.38	7.47	5.87
Executive Under 30	Percentage	3.87	4.53	5.45
Executive Between 30-50	Percentage	8.20	8.82	7.55
Executive Above 50	Percentage	3.19	2.94	2.94
Non-executive Under 30	Percentage	21.87	19.68	23.48
Non-executive Between 30-50	Percentage	31.21	31.45	31.03
Non-executive Above 50	Percentage	15.48	16.06	14.46
Gender Group by Employee Category				
Management Male	Percentage	8.78	8.95	8.19
Management Female	Percentage	3.94	3.86	4.10
Executive Male	Percentage	7.17	7.54	7.17
Executive Female	Percentage	4.84	5.09	5.80
Non-executive Male	Percentage	68.10	68.77	67.74
Non-executive Female	Percentage	7.17	5.79	7.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.00	83.00	83.00
Female	Percentage	17.00	17.00	17.00
Under 30	Percentage	0	0	0
Between 30-50	Percentage	0	0	0
Above 50	Percentage	100.00	100.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	56,445.25	90,785.25	92,942.23
Net energy consumption per tonne output (mega-joules/tonne)	Megajoules/Tonne	1,380.00	1,467.00	1,412.00
Percentage of renewable energy over total energy consumption	Percentage	8.56	5.26	5.23
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.75	2.95	1.70
Bursa C5(c) Number of employees trained on health and safety standards	Number	315.00	324.00	300.00
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	1,656.00	1,808.00	1,130.00
Executive	Hours	2,276.00	2,841.00	2,569.00
Non-executive/Technical Staff	Hours	1,539.00	2,350.00	2,829.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	24.01	25.61	22.37
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	8.00	8.00	11.00
Executive	Number	5.00	8.00	10.00
Non-executive/Technical Staff	Number	6.00	7.00	11.00
General Workers	Number	37.00	27.00	36.00

Internal assurance | External assurance | No assurance | (*) Restated

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2023	2024	2025
Bursa (Labour practices and standards)				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Percentage of workforce that are foreign workers	Percentage	20.79	20.70	14.07
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	82.39	84.27	90.69
Percentage of suppliers that are subjected to social and environmental impact assessment/review (applies only to key suppliers with total transaction value > RM500k per year)	Percentage	80.00	93.33	96.77
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	97.51	181.85	129.88
Net water consumption per tonne output	Cubic meters/Tonne	0.66	0.82	0.55
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	8,184.00	14,969.00	13,168.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	7,868.00	14,581.00	12,990.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	316.00	388.00	178.00
Percentage of waste disposal to refuse or landfills over total waste generated	Percentage	2.27	1.17	1.03
Total waste generated per tonne of output (KG/Tonne)	Kilograms/Tonne	55.57	67.21	55.58
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	6,737.00	11,166.00	11,567.00
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	9,010.00	14,508.00	14,395.00
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0	0	504.03
Scope 1 & Scope 2 emissions of CO2 per tonne of output (KG/Tonne)	Kilograms/Tonne	107.00	115.00	110.00

Internal assurance | External assurance | No assurance | (*) Restated

CORPORATE INFORMATION

DOMICILE	LEGAL FORM & PLACE OF INCORPORATION
➤ MALAYSIA	➤ 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

AZLAN BIN ABDULLAH
Non-Independent
Non-Executive Director

TUNKU YAHAYA @ YAHYA BIN TUNKU TAN SRI ABDULLAH
Non-Independent
Non-Executive Director

KWO SHIH KANG
Senior Independent
Non-Executive Director

DATIN SERI RAIHANAH BEGUM BINTI ABDUL RAHMAN
Independent
Non-Executive Director

DATO' DR. KILI GHANDHI RAJ A/L K R SOMASUNDRAM
Independent
Non-Executive Director

SECRETARY

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

AUDIT AND GOVERNANCE COMMITTEE

Kwo Shih Kang
Chairman

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

Datin Seri Raihanah Begum binti Abdul Rahman
Member

REGISTRAR & TRANSFER OFFICE

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

PRINCIPAL PLACE OF BUSINESS

15th Floor
No. 566 Jalan Ipoh
51200 Kuala Lumpur
Tel. No. : 03-6250 6000
Fax No. : 03-6257 1555

SOLICITORS

Cheang & Ariff
Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur
Tel. No. : 03-2691 0803
Fax No. : 03-2691 4475

Arief & Iskandar
A1-02-05, Arcoris Mont Kiara
No. 10, Jalan Kiara
50480 Kuala Lumpur
Tel. No. : 03-6419 2913
Fax No. : 03-6419 2914

AUDITORS

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

PRINCIPAL BANKERS (IN ALPHABETICAL ORDER)

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code 3778

WEBSITE

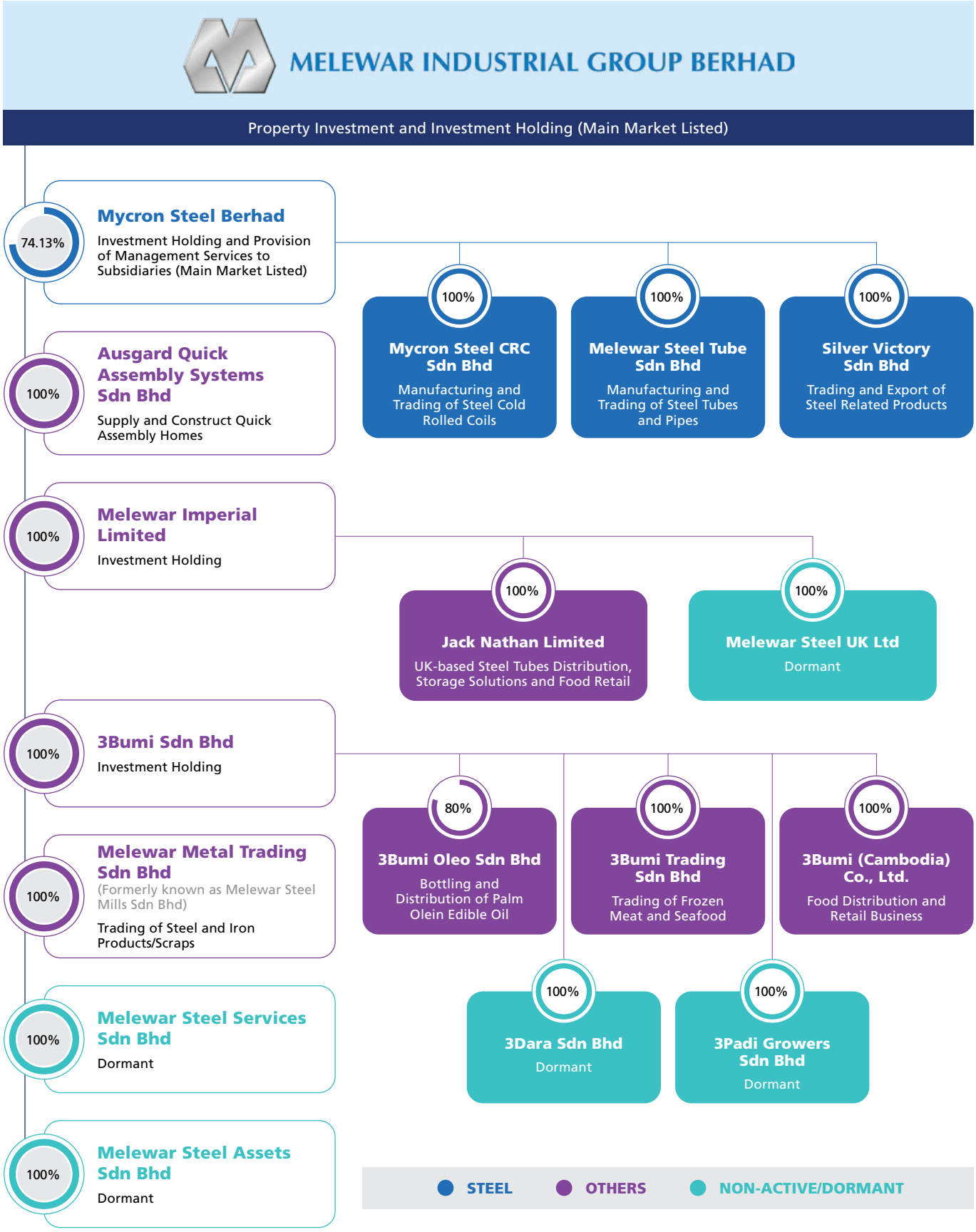
www.melewar-mig.com

E-MAIL

enquiry@melewar-mig.com

CORPORATE GROUP STRUCTURE

As at 28 October 2025

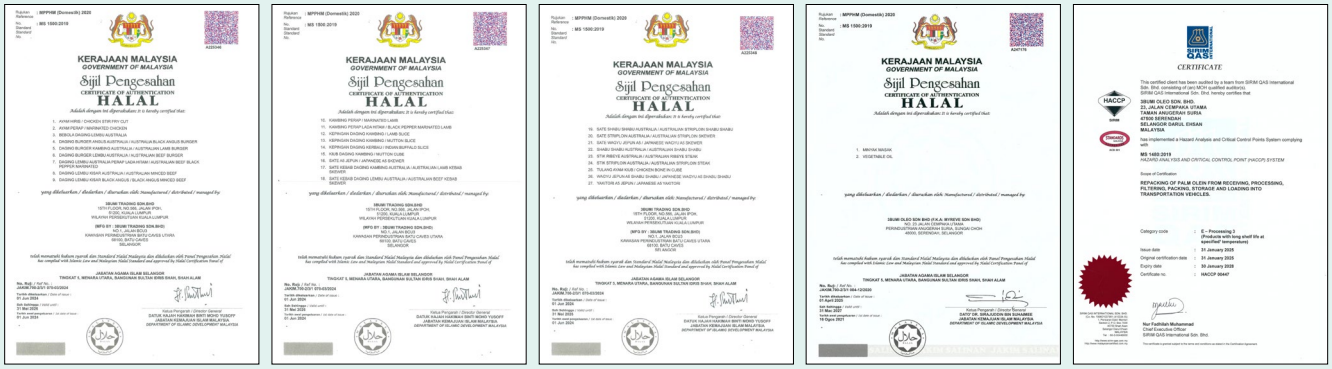


QUALITY RECOGNITION

Melewar Industrial Group Berhad, through its food trading and steel segments, remains steadfast in its commitment to operational excellence and to exceeding customer expectations. This commitment is reflected in the Group's continuous pursuit of quality enhancement, ensuring that its products, processes, and services consistently meet the highest industry, regulatory, and environmental standards.

Through its food trading segment, both 3Bumi Trading Sdn Bhd ("3BT") and 3Bumi Oleo Sdn Bhd ("3BO") are Halal-certified by the Islamic Religious Department of Selangor (JAIS). In 2024, 3BT received its Halal Certificate of Authentication for 27 food products, while 3BO holds a Halal Certificate of Authentication for its cooking oil and vegetable oil products. These certifications affirm full compliance with Islamic law and the Malaysian Halal Standard (MS1500), ensuring consistent product quality and reinforcing consumer confidence in both domestic and export markets.

In January 2025, 3BO further strengthened its food safety management standards by obtaining MS 1480 : 2019 certification from SIRIM, recognising its adherence to the Hazard Analysis and Critical Control Point (HACCP) System. This certification underscores the company's commitment to ensuring the highest levels of food safety, hygiene, and quality assurance across its production processes.



The Group's steel segment comprises two principal operating subsidiaries, namely Mycron Steel CRC Sdn Bhd ("MCRC") and Melewar Steel Tube Sdn Bhd ("MST"). 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 established and maintained robust and efficient Quality Management Systems, continuously evolving to meet the latest global standards, customer requirements, and industry challenges.

QUALITY RECOGNITION

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

No Lesen : PC002521
Licence No :

LESEN PENSIJILAN BARANGAN
Product Certification Licence

SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR, MALAYSIA

Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on

COLD REDUCED CARBON STEEL STRIP

Please refer to detail in the SCHEDULE

sebagai mematuhi keperluan
as complying with

JIS G 3141 : 2017

Tn. Md. Adha bin Ketni @ Rahmat
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

Tarikh Mula Pensijilan : 22 September 2016
Certified Since
Sah Sehingga : 22 September 2026
Valid Until
Tarikh Dikeluarkan : 03 October 2025
Issue Date
No Siri : 117,286
Serial No

No Lesen : PC002520
Licence No :

LESEN PENSIJILAN BARANGAN
Product Certification Licence

SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR, MALAYSIA

Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on

COLD-REDUCED CARBON STEEL SHEET AND STRIP OF COMMERCIAL AND DRAWING QUALITIES

Please refer to detail in the SCHEDULE

sebagai mematuhi keperluan
as complying with

MS 2651 : 2020

Tn. Md. Adha bin Ketni @ Rahmat
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

Tarikh Mula Pensijilan : 22 September 2016
Certified Since
Sah Sehingga : 22 September 2026
Valid Until
Tarikh Dikeluarkan : 03 October 2025
Issue Date
No Siri : 117,287
Serial No

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

CERTIFICATE

SIRIM QAS International hereby certifies that

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR DARUL EHSAN
MALAYSIA

has implemented an Environmental Management Systems complying with

ISO 14001 : 2015
ENVIRONMENTAL MANAGEMENT SYSTEMS — Requirements With Guidance For Use

Scope of Certification

MANUFACTURE OF COLD ROLLED STEEL SHEET IN COIL AND PICKLED & OILED.

Issue date : 28 June 2023
Original certification date : 30 June 2014
Expiry date : 29 June 2026
Certificate no. : EMS 00678

Nur Fadhilah binti Muhammad
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

IQNET

Building trust together.

Certificate

SIRIM QAS International has issued an IQNET recognized certificate that the organization:

MYCRON STEEL CRC SDN. BHD.
Lot 717, Jalan Sungai Rasau
Seksyen 16
40200 Shah Alam
Selangor Darul Ehsan
Malaysia

has implemented and maintains an
Environmental Management System

for the following scope:
Manufacture of cold rolled steel sheet in coil and pickled & oiled.

which fulfils the requirements of the following standard :

ISO 14001:2015

Issued on: 28 June 2023
First issued on: 30 June 2014
Expires on: 29 June 2026

Registration Number MY — EMS 00678

Alex Stokiholu
President of IQNET

Nur Fadhilah Muhammad
Chief Executive Officer of
SIRIM QAS International Sdn. Bhd.

No Lesen : EL000160
Licence No :

LESEN PENSIJILAN EKO-LABEL
Eco-Label Licence

SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR, MALAYSIA

Lesen untuk menggunakan Tanda Eco-Label di atas barangan
a licence to use the Eco-Label Mark on

STEEL PRODUCTS

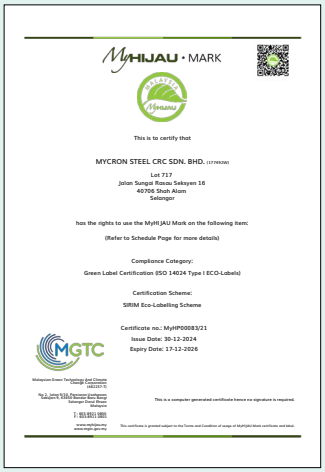
Please refer to detail in the SCHEDULE

sebagai mematuhi keperluan
as complying with

SIRIM ECO 032 : 2020

Nur Fadhilah binti Muhammad
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

Tarikh Mula Pensijilan : 17 December 2020
Certified Since
Sah Sehingga : 17 December 2026
Valid Until
Tarikh Dikeluarkan : 08 November 2024
Issue Date
No Siri : 104329
Serial No



MyHIJAU · MARK

This is to certify that

MYCRON STEEL CRC SDN. BHD. (177863W)

Lot 717
Jalan Sungai Rasau Seksyen 16
40706 Shah Alam
Selangor

has the rights to use the MyHIJAU Mark on the following item:

(Refer to Schedule Page for more details)

Compliance Category:

Green Label Certification (ISO 14024 Type I ECO-Labels)

Certification Scheme:

SIRIM Eco-Labelling Scheme

Certificate no.: MyHP00083/21
Issue Date: 30-12-2024
Expiry Date: 17-12-2026

This is a computer generated certificate hence no signature is required.

This certificate is granted subject to the Terms and Condition of usage of MyHijau Mark certificate and label.

QUALITY RECOGNITION

No Lesen : EL00205
Licence No :

LESEN PENSIJILAN EKO-LABEL
Eco-Label Licence

SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to

MELEWAR STEEL TUBE SDN. BHD.
LOT 63, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA

Lesen untuk menggunakan Tanda Eco-Label di atas barangan
a licence to use the Eco-Label Mark on

STEEL PRODUCTS

Please refer to detail in the SCHEDULE

sebagai mematuhi keperluan
as complying with

SIRIM ECO 032 : 2020

Nur Fadhilah binti Muhammad
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

Tarikh Mula Pensijilan : 28 July 2022	Tarikh Dikeluarkan : 31 July 2024	
Certified Since	*Issue Date*	
Sah Sehingga : 28 July 2026	No Rujukan : 100899	
Valid Until	*Serial No*	

No Lesen : EL00207
Licence No :

LESEN PENSIJILAN EKO-LABEL
Eco-Label Licence

SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to

MELEWAR STEEL TUBE SDN. BHD.
LOT 63, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA

Lesen untuk menggunakan Tanda Eco-Label di atas barangan
a licence to use the Eco-Label Mark on

STEEL PRODUCTS

Please refer to detail in the SCHEDULE

sebagai mematuhi keperluan
as complying with

SIRIM ECO 032 : 2020

Nur Fadhilah binti Muhammad
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

Tarikh Mula Pensijilan : 03 August 2022	Tarikh Dikeluarkan : 31 July 2024	
Certified Since	*Issue Date*	
Sah Sehingga : 03 August 2026	No Rujukan : 100898	
Valid Until	*Serial No*	

No Lesen : EL00208
Licence No :

LESEN PENSIJILAN EKO-LABEL
Eco-Label Licence

SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to

MELEWAR STEEL TUBE SDN. BHD.
LOT 63, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA

Lesen untuk menggunakan Tanda Eco-Label di atas barangan
a licence to use the Eco-Label Mark on

STEEL PRODUCTS

Please refer to detail in the SCHEDULE

sebagai mematuhi keperluan
as complying with

SIRIM ECO 032 : 2020

Nur Fadhilah binti Muhammad
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

Tarikh Mula Pensijilan : 06 August 2022	Tarikh Dikeluarkan : 31 July 2024	
Certified Since	*Issue Date*	
Sah Sehingga : 06 August 2026	No Rujukan : 100903	
Valid Until	*Serial No*	

MyHIJAU • MARK

This is to certify that

MELEWAR STEEL TUBE SDN. BHD. (1083501013867)

Lot S3
Persiaran Selangor
40200 Shah Alam
Selangor

has the rights to use the MyHIJAU Mark on the following item:

(Refer to Schedule Page for more details)

Compliance Category:
Green Label Certification (ISO 14024 Type I ECO-Labels)

Certification Scheme:
SIRIM Eco-Labelling Scheme

Certificate no.: MyHP00245/22
Issue Date: 19-08-2024
Expiry Date: 29-07-2026

MGTC

This is a computer generated certificate hence no signature is required.

MyHIJAU • MARK

This is to certify that

MELEWAR STEEL TUBE SDN. BHD. (1083501013867)

Lot S3
Persiaran Selangor
40200 Shah Alam
Selangor

has the rights to use the MyHIJAU Mark on the following item:

(Refer to Schedule Page for more details)

Compliance Category:
Green Label Certification (ISO 14024 Type I ECO-Labels)

Certification Scheme:
SIRIM Eco-Labelling Scheme

Certificate no.: MyHP00246/22
Issue Date: 19-08-2024
Expiry Date: 03-08-2026

MGTC

This is a computer generated certificate hence no signature is required.

MyHIJAU • MARK

This is to certify that

MELEWAR STEEL TUBE SDN. BHD. (1083501013867)

Lot S3
Persiaran Selangor
40200 Shah Alam
Selangor

has the rights to use the MyHIJAU Mark on the following item:

(Refer to Schedule Page for more details)

Compliance Category:
Green Label Certification (ISO 14024 Type I ECO-Labels)

Certification Scheme:
SIRIM Eco-Labelling Scheme

Certificate no.: MyHP00235/22
Issue Date: 09-09-2024
Expiry Date: 04-08-2026

MGTC

This is a computer generated certificate hence no signature is required.

CERTIFICATE

SIRIM QAS International hereby certifies that

MELEWAR STEEL TUBE SDN. BHD.
LOT 63, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR DARUL EHSAN
MALAYSIA

has implemented an Environmental Management Systems complying with

ISO 14001 : 2015
ENVIRONMENTAL MANAGEMENT SYSTEMS — Requirements With Guidance For Use

Scope of Certification

MANUFACTURE OF COLD-ROLLED, HOT-ROLLED AND ALUMINIZED PIPES, SQUARE AND RECTANGULAR HOLLOW SECTIONS, LIPPED CHANNELS, U-CHANNELS AND GATE CHANNELS SLITTING AND SALE OF SLIT COILS.

Certification structure = Multi-site
Total number of sites including main site = 3

Issue date	:	29 December 2023
Original certification date	:	29 December 2023
Expiry date	:	28 December 2026
Certificate no.	:	EMS 01033

Nur Fadhilah binti Muhammad
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

IQNET
Building trust together.

Certificate

SIRIM QAS International has issued an IQNET recognized certificate that the organization:

MELEWAR STEEL TUBE SDN. BHD.
Lot 63, Persiaran Selangor
40200 Shah Alam
Selangor Darul Ehsan
Malaysia

has implemented and maintains an
Environmental Management System

for the following scope:
Manufacture of cold-rolled, hot-rolled and aluminized pipes, square and rectangular hollow sections, lipped channels, u-channels and gate channels slitting and sale of slit coils.

Certification structure = Multi-site
Total number of sites including main site = 3

which fulfils the requirements of the following standard:

ISO 14001:2015

Issued on: 29 December 2023
First Issued on: 29 December 2023
Expires on: 28 December 2026

Registration Number: MY — EMS 01033

Alex Stoichitoiu
President of IQNET

Nur Fadhilah Muhammad
Chief Executive Officer of
SIRIM QAS International Sdn. Bhd.

CERTIFICATE

SIRIM QAS International hereby certifies that

MELEWAR STEEL TUBE SDN. BHD.
LOT 48, JALAN UTAS
40200 SHAH ALAM
SELANGOR DARUL EHSAN
MALAYSIA

has implemented an Environmental Management Systems complying with

ISO 14001 : 2015
ENVIRONMENTAL MANAGEMENT SYSTEMS — Requirements With Guidance For Use

Scope of Certification

MANUFACTURE OF STEEL PIPES, SQUARE AND RECTANGULAR HOLLOW SECTIONS, TUBE AND CHANNELS (BLACK AND GALVANISED) AND ELECTRICAL CONDUIT TUBES.

Certification structure = Multi-site
The validity of this certificate depends on the validity of the main site certificate.

Issue date	:	29 December 2023
Original certification date	:	29 December 2023
Expiry date	:	28 December 2026
Certificate no.	:	EMS 01033-S1

Nur Fadhilah binti Muhammad
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

IQNET
Building trust together.

Certificate

SIRIM QAS International has issued an IQNET recognized certificate that the organization:

MELEWAR STEEL TUBE SDN. BHD.
Lot 48, Jalan Utas
40200 Shah Alam
Selangor Darul Ehsan
Malaysia

has implemented and maintains an
Environmental Management System

for the following scope:
Manufacture of steel pipes, square and rectangular hollow sections, tube and channels (black and galvanised) and electrical conduit tubes.

Certification structure = Multi-site
The validity of this certificate depends on the validity of the main site certificate.

which fulfils the requirements of the following standard:

ISO 14001:2015

Issued on: 29 December 2023
First Issued on: 29 December 2023
Expires on: 28 December 2026

Registration Number: MY — EMS 01033-S1

Alex Stoichitoiu
President of IQNET

Nur Fadhilah Muhammad
Chief Executive Officer of
SIRIM QAS International Sdn. Bhd.

CERTIFICATE

SIRIM QAS International hereby certifies that

MELEWAR STEEL TUBE SDN. BHD.
LOT 10, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR DARUL EHSAN
MALAYSIA

has implemented an Environmental Management Systems complying with

ISO 14001 : 2015
ENVIRONMENTAL MANAGEMENT SYSTEMS — Requirements With Guidance For Use

Scope of Certification

MANUFACTURE OF BLACK STEEL PIPES, SQUARE AND RECTANGULAR HOLLOW SECTIONS.

Certification structure = Multi-site
The validity of this certificate depends on the validity of the main site certificate.

Issue date	:	29 December 2023
Original certification date	:	29 December 2023
Expiry date	:	28 December 2026
Certificate no.	:	EMS 01033-S2

Nur Fadhilah binti Muhammad
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

IQNET
Building trust together.

Certificate

SIRIM QAS International has issued an IQNET recognized certificate that the organization:

MELEWAR STEEL TUBE SDN. BHD.
Lot 10, Persiaran Selangor
40200 Shah Alam
Selangor Darul Ehsan
Malaysia

has implemented and maintains an
Environmental Management System

for the following scope:
Manufacture of black steel pipes, square and rectangular hollow sections.

Certification structure = Multi-site
The validity of this certificate depends on the validity of the main site certificate.

which fulfils the requirements of the following standard:

ISO 14001:2015

Issued on: 29 December 2023
First Issued on: 29 December 2023
Expires on: 28 December 2026

Registration Number: MY — EMS 01033-S2

Alex Stoichitoiu
President of IQNET

Nur Fadhilah Muhammad
Chief Executive Officer of
SIRIM QAS International Sdn. Bhd.

CERTIFICATE

SIRIM QAS International hereby certifies that

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR DARUH EHSAN
MALAYSIA

has implemented an Energy Management Systems complying with

ISO 50001:2018
ENERGY MANAGEMENT SYSTEMS – REQUIREMENTS WITH GUIDANCE FOR USE

Scope of Certification

OPERATION OF A PLANT FOR THE MANUFACTURING OF COLD ROLLED STEEL SHEET IN COIL AND PICKLED & OILED.

Issue date	:	10 April 2023
Original certification date	:	10 April 2023
Expiry date	:	09 April 2026
Certificate no.	:	EnMS 00131

Nur Fadhilah Muhammad
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

IQNET
Building trust together.

Certificate

SIRIM QAS International has issued an IQNET recognized certificate that the organization:

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR DARUH EHSAN
MALAYSIA

has implemented and maintains an
Energy Management System

for the following scope:
OPERATION OF A PLANT FOR THE MANUFACTURING OF COLD ROLLED STEEL SHEET IN COIL AND PICKLED & OILED.

which fulfils the requirements of the following standard:

ISO 50001:2018

Issued on: 10 April 2023
First Issued on: 10 April 2023
Expires on: 09 April 2026

Registration Number: MY — EnMS 00131

Alex Stoichitoiu
President of IQNET

Nur Fadhilah Muhammad
Chief Executive Officer of
SIRIM QAS International Sdn. Bhd.

QUALITY RECOGNITION

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

INTERNATIONAL STANDARDS:

LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
WELDED STEEL TUBE
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
BS EN 10255 : 2004

British Standard
BS EN 10255 : 2004
for Welded Steel Tube

LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
STEEL CONDUIT FOR ELECTRICAL WIRING
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
BS 31 : 1940

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

LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
LOOSE STEEL TUBES FOR TUBE AND COUPLER SCAFFOLDS
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
BS EN 39 : 2001

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

LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
COLD FORMED WELDED CARBON STEEL STRUCTURAL TUBING IN ROUND AND SHAPE
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
ASTM A500/A500M : 2013

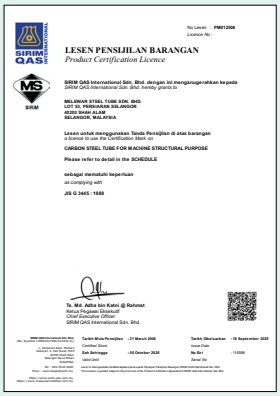
American Standard
ASTM A 500/A 500M : 2013 for Cold Formed Welded Carbon Steel Structural Tubing in Round and Shape

LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
LIGHT GAUGE STEEL FOR GENERAL STRUCTURE
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
JIS G 3350 : 2009

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

LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
CARBON STEEL TUBE FOR GENERAL STRUCTURE
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
JIS G 3444 : 2015

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


LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
CARBON STEEL TUBE FOR MACHINE STRUCTURAL PURPOSE
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
JIS G 3445 : 1988

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

LESEN PENSIJILAN BARANGAN
Product Certification Licence
SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada
SIRIM QAS International Sdn. Bhd. hereby grants to
MELEWAR STEEL TUBE SDN. BHD.
LOT 33, PERSIARAN SELANGOR
40200 SHAH ALAM
SELANGOR, MALAYSIA
Lesen untuk menggunakan Tanda Pensijilan di atas barangan
a licence to use the Certification Mark on
CARBON STEEL PIPE FOR ORDINARY PIPING
Please refer to detail in the SCHEDULE
sebagai mematuhi keperluan
as complying with
JIS G 3452 : 2010

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 Conduit for Electrical Wiring
- Steel Pipes for Water and Sewerage
- Steel Tube for Metal Scaffolding
- Welded Steel Pipes

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

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

UK Factory Production 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 Purpose

PROFILE OF DIRECTORS

Tunku Dato' Yaacob Khyra

Executive Chairman

Date of Appointment(s):
- 7 October 2002
- 26 August 2008 (Redesignated as Executive Chairman)

Age:	Gender:	Nationality:
65	Male	Malaysian

Membership of Board Committees
- Chairman of the Executive Committee

Tunku Dato' Yaacob currently holds the position of Executive Chairman of MAA Group Berhad ("MAAG") and Mycron Steel Berhad ("MSB") and Non-Executive Chairman of KNM Group Berhad ("KNM").

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

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

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

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

Tunku Dato' Yaacob is the brother to Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah. Tunku Dato' Yaacob is deemed interested in the Company by virtue of him being a beneficiary of a trust known as KLB, being the holding company of Melewar Equities (BVI) Ltd and Melewar Khyra Sdn Bhd who are the major shareholders of the Company. Tunku Dato' Yaacob is also deemed to have interest in Avenue Serimas Sdn Bhd ("ASSB") by virtue of KLB being the ultimate holding company of ASSB.

PROFILE OF DIRECTORS

Azlan bin Abdullah

Non-Independent
Non-Executive Director

Date of Appointment(s):

- 23 September 2002 (Independent Non-Executive Director)
- 10 June 2003 (Executive Director)
- 1 June 2011 (Redesignated as Managing Director/Group Chief Executive Officer)
- 11 August 2018 (Redesignated as Managing Director)
- 11 February 2019 (Redesignated as Non-Independent Non-Executive Director)

Age:	Gender:	Nationality:
67	Male	Malaysian

Membership of Board Committees

- Member of the Executive Committee

En Azlan currently sits on the Boards of the Company's subsidiaries, Mycron Steel Berhad, MIDF Amanah Investment Bank Berhad, Langkawi Yacht City Bhd 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 Malaysian 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 (AISC) from 2012 until May 2018.

PROFILE OF DIRECTORS

Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah

Non-Independent
Non-Executive Director

Date of Appointment(s):
- 18 December 2003 (Non-Independent Non-Executive Director)

Age:	Gender:	Nationality:
64	Male	Malaysian

Membership of Board Committees
- Member of the Executive Committee

Tunku Yahaya currently sits on the Boards of MAA Group Berhad, Khyra Legacy Berhad, Melewar Group Berhad, MAA Credit Berhad, MAA Bancwell Trustee Berhad, Mithril Berhad and several other private limited companies.

He also sits on the Board of Trustees of Yayasan Amal Maaedicare and The Budimas Charitable Foundation.

Tunku Yahaya graduated in 1983 with a Bachelor of Science (Hons) Degree in Economics and Accountancy from City University, London. Upon completion, he joined Peat Marwick Mitchell & Co in London that same year. In 1986, he obtained his Masters of Science in Economics from Birkbeck College, University of London.

Upon returning to Malaysia in 1986, he joined the advertising company, MZC-Saatchi & Saatchi. In 1988, he joined the management of the refurbished Central Market (KL) as Executive Director. In 1994, he was appointed to put into operation and manage the television station, Metro Vision as Managing Director. In 1997, he started the music recording label, Melewar Parallax Sdn Bhd.

Tunku Yahaya is the brother to Tunku Dato' Yaacob Khyra, the Executive Chairman of the Company.

PROFILE OF DIRECTORS

Kwo Shih Kang

Senior Independent
Non-Executive Director

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

Age:	**Gender:**	**Nationality:**
65	Male	Malaysian

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

Mr Kwo Shih Kang currently sits on the Boards of Mycron Steel Berhad and several other private limited companies.

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

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

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

PROFILE OF DIRECTORS

Datin Seri Raihanah Begum binti Abdul Rahman

Independent Non-Executive Director

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

Age:	Gender:	Nationality:
63	Female	Malaysian

Membership of Board Committees
- Member of the Audit and Governance Committee
- Member of the Risk and Sustainability Committee
- Member of the Nomination and Remuneration Committee

Datin Seri Raihanah currently sits on the Boards of MAA Group Berhad, Mycron Steel 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 organization which provides financial assistance for undergraduate medical students, continuing professional development, public health education and donations to charities.

PROFILE OF DIRECTORS

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

Independent Non-Executive Director

Date of Appointment(s):
- 3 September 2019 (Independent Non-Executive Director)

Age:	Gender:	Nationality:
70	Male	Malaysian

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

Dato' Dr. Ghandhi currently sits on the Boards of Mycron Steel Berhad, MAA 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. In 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 and Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah, none of the Directors have any family relationships with any Director and/or major shareholders of the Company.
2. **Conflict of Interest**
   Save for Tunku Dato' Yaacob and Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah, 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 100 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.

PROFILE OF KEY SENIOR MANAGEMENT

Tunku Dato' Yaacob Khyra

Executive Chairman

Age:	Gender:	Nationality:
65	Male	Malaysian

Tunku Dato' Yaacob Khyra is the Executive Chairman of the Company and was appointed to the Board of Directors of the Company on 7 October 2002. He was the Group Managing Director/Chief Executive Officer of the Company since 11 October 2002 before being re-designated as the Executive Chairman on 26 August 2008. His personal profile is listed in the Profile of Directors on page 76 of this Annual Report.

Chan Loo Ling

Chief Financial Officer

Age:	Gender:	Nationality:
43	Female	Malaysian

Ms Chan Loo Ling was appointed as the Chief Financial Officer of Melewar Industrial Group Berhad on 1 October 2021. With over 19 years of extensive experience in finance, auditing, and risk management, Ms Chan brings a wealth of knowledge to her role.

Ms Chan began her career as an auditor, progressing through various capacities in audit firms, with her last position at PricewaterhouseCoopers (PwC) before transitioning into the commercial sector in 2011. From 2011 to 2015, she served as Senior Finance and Risk Manager for Sapura Energy Berhad. Following that, she held the position of Assistant Financial Controller at Yinson Holdings Berhad from 2015 to 2019. Prior to joining the Company, Ms Chan was the Group Finance and Accounting Manager for Shangri-La Hotels (Malaysia) Berhad, where she further honed her financial management expertise.

Ms Chan holds a Bachelor of Business in Accounting and Finance from the University of Technology Sydney, Australia. She is a member of the Institute of International Auditors (IIA) with Certification in Risk Management Assurance (CRMA), a chartered member of the Malaysian Institute of Accountants (MIA), and a member of the Certified Public Accountants, Australia (CPA).

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

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

Ms Chan 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.

PROFILE OF KEY SENIOR MANAGEMENT

Mohd Silahuddin bin Jamaluddin

Chief Business Development Officer

Age:	Gender:	Nationality:
65	Male	Malaysian

Encik Silahuddin has been with Melewar Industrial Group Berhad since 1 April 2008 and currently serves as the Chief Business Development Officer.

In his role, Encik Silahuddin leads a team focused on trading and distribution in selected international markets through Melewar Imperial Limited (Labuan) and 3Bumi Sdn Bhd, both wholly owned subsidiaries of Melewar Industrial Group Berhad. He also spearheads the Group's venture into steel modular structures through Ausgard Quick Assembly Systems Sdn Bhd, a subsidiary aimed at revolutionising the construction industry with efficient, cost-effective modular building solutions. Both companies are in the early stages of executing their business models. Additionally, Encik Silahuddin is actively involved in identifying and developing new business opportunities for the Group spanning various industries, including mining, infrastructure, renewable energy, and food.

Encik Silahuddin brings more than 30 years of experience in business development within the local corporate landscape, which began in 1994 following his return to Malaysia from the United States. His early career included regional management roles in the retail and medical insurance industries in the U.S. before transitioning to the building materials sector. In this sector, he gained valuable experience in the brick and timber industries before joining the steel industry and Melewar Industrial Group Berhad.

Encik Silahuddin holds a Bachelor of Business Administration in Information Systems from Georgia State University, USA. Throughout his career, he has also acquired numerous certificates in marketing, management, and strategic planning.

Encik Silahuddin has no family ties with any of the Directors and/or major shareholders of the Company and currently has a minor shareholding in the Company.

Encik Silahuddin does not have any personal interest in any business arrangements involving the Company.

Encik Silahuddin 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.

GROUP FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024	2025
Results of Operations						
Revenue (RM mil)	596.5	738.6^	752.2	549.7	810.2	**728.8**
(Loss)/Profit Before Tax (RM mil)	(3.7)	71.9^	60.9	(18.5)	13.9	**(7.8)**
(Loss)/Profit After Tax (RM mil) Attributed to Shareholders	(1.4)*	44.7*^	35.0*	(13.3)*	5.2*	**(8.1)***
Balance Sheet						
Share Capital (RM mil)	250.2	250.2	250.2	250.2	253.8	**253.8**
Shareholders' Fund (RM mil)	325.5	370.8	410.0	409.6	416.3	**419.0**
Total Assets (RM mil)	692.5	780.0	889.0	751.6	862.8	**764.4**
Financial Ratio						
Return on Equity (%)	(0.4)	12.1^	8.5	(3.2)	1.2	**(1.9)**
Debts#/Equity (Times)	0.31	0.24	0.28	0.32	0.42	**0.19**
Current Assets/Current Liabilities (Times)	1.5	1.8	1.8	2.4	1.9	**2.5**
Pre-Tax (Loss)/Profit/Average Shareholders' Fund (%)	(1.1)	20.7^	15.6	(4.5)	3.4	**(1.9)**
Pre-Tax (Loss)/Profit/Revenue (%)	(0.6)	9.7^	8.1	(3.4)	1.7	**(1.1)**
Per Share						
Gross (Loss)/Earnings Per Share (Sen)	(1.0)	20.0^	17.0	(5.1)	3.9	**(2.2)**
Net (Loss)/Earnings Per Share (Sen)***	(0.4)	12.4^	9.8	(3.7)	1.4	**(2.2)**
Net Assets Per Share (RM)	0.91	1.03	1.14	1.14	1.16	**1.17**
Dividends						
Ordinary Dividend (Sen)	-	2.23	-	-	-	**-**

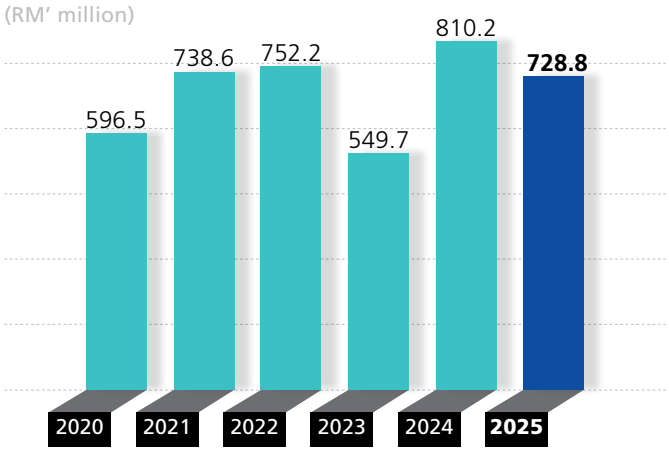
* *Profit After Tax and After Non-Controlling Interests*

^ *Include both continuing and discontinued operations*

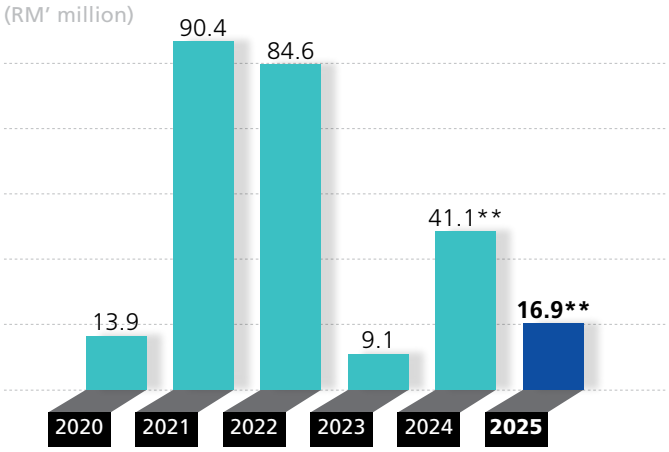
\# *Debts include interest bearing trade payables*

GROUP FINANCIAL HIGHLIGHTS

Revenue

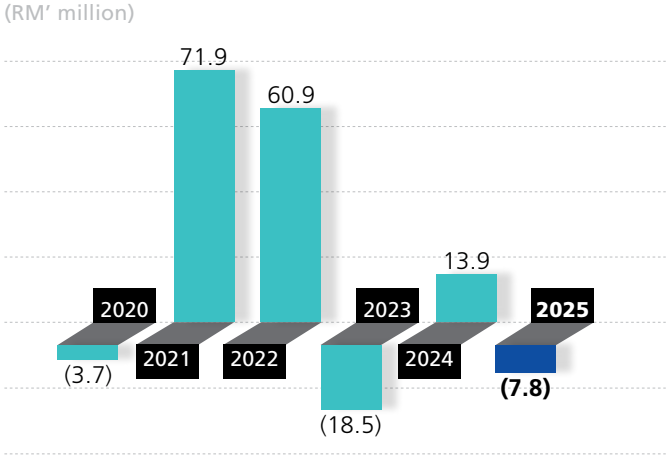


EBITDA

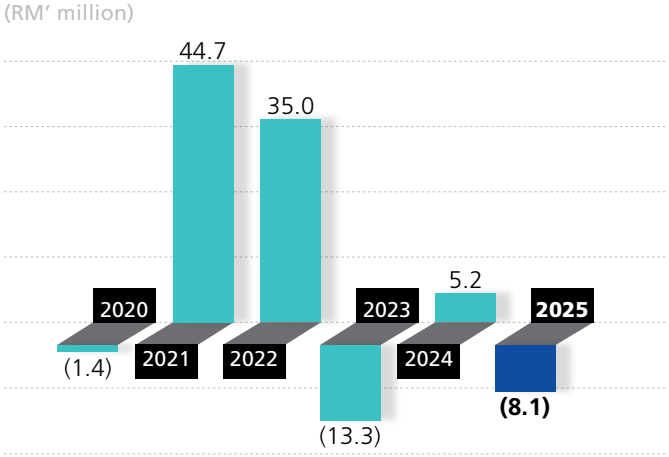


** *Operating Profit restated as per MFRS 18 'Presentation and Disclosure in Financial Statements'*

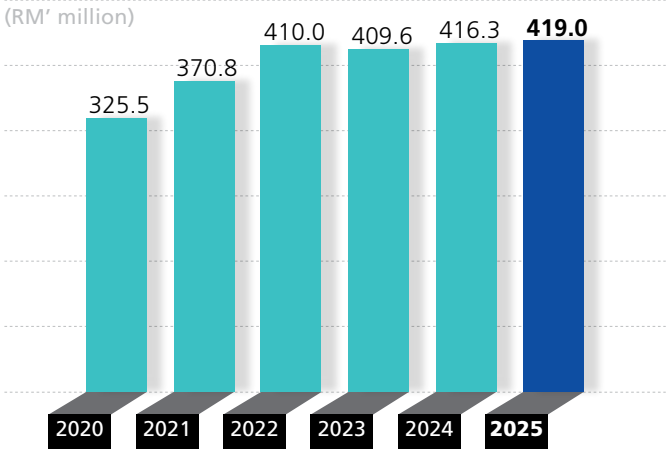
(Loss)/Profit Before Tax



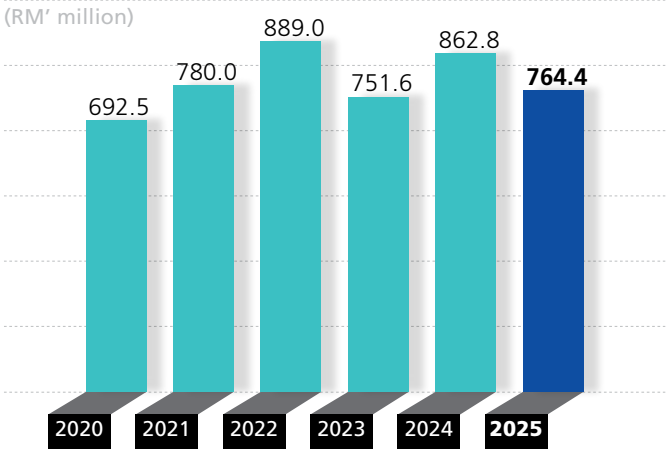
(Loss)/Profit After Tax



Shareholders' Fund



Total Assets



ANALYSIS OF SHAREHOLDINGS

As at 30 September 2025

Total Number of Issued Shares - 359,456,103
Class of Shares - Ordinary Shares
No. of Shareholders - 8,308
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	935	11.25	31,300	0.01
100 - 1,000	904	10.88	534,377	0.15
1,001 - 10,000	3,939	47.41	19,934,459	5.55
10,001 - 100,000	2,217	26.69	73,922,255	20.56
100,001 and below 5% of issued shares	311	3.74	100,653,979	28.00
5% and above of issued shares	2	0.03	164,379,733	45.73
TOTAL	**8,308**	**100.00**	**359,456,103**	**100.00**

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2025

No.	Name	No. of Shares Held	[(a)]% of Shares
1.	RHB Nominees (Tempatan) Sdn Bhd (OSK Capital Sdn Bhd for Melewar Khyra Sdn Bhd)	104,000,000	28.93
2.	Melewar Equities (BVI) Ltd	60,379,733	16.80
3.	Avenue Serimas Sdn Bhd	3,810,300	1.06
4.	UOB Kay Hian Nominees (Asing) Sdn Bhd (Exempt an for UOB Kay Hian Pte Ltd)	2,623,700	0.73
5.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Yeoh Ooi Chat)	2,010,100	0.56
6.	Quek Phaik Im	1,902,400	0.53
7.	Maybank Nominees (Tempatan) Sdn Bhd (Adrian Kueh Chin Loong)	1,756,700	0.49
8.	Prospell Enterprise Sdn Bhd	1,703,200	0.47
9.	Ho Yit Lin @ Ho Yuet Ling	1,700,000	0.47
10.	Er Soon Puay	1,565,900	0.44
11.	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chan Kam Fut)	1,350,000	0.38
12.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Macrovention Sdn Bhd)	1,320,000	0.37
13.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chong Yiew On)	1,314,500	0.37
14.	Choo Ghee Sek	1,275,000	0.35
15.	CIMB Group Nominees (Asing) Sdn Bhd (Exempt an for DBS Bank Ltd)	1,246,300	0.35
16.	Wang Shu Lan	1,132,000	0.31
17.	Ting Siik Siew	1,087,400	0.30
18.	Ong Teck Peow	1,053,000	0.29
19.	Leow Soon Seng	1,000,000	0.28

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2025

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2025 (cont'd)

No.	Name	No. of Shares Held	[a]% of Shares
20.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Bluebros E&C Sdn Bhd)	1,000,000	0.28
21.	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Kah Weng)	1,000,000	0.28
22.	Lim Swee Ing	821,500	0.23
23.	Kingsley Lim Fung Wang	800,000	0.22
24.	Lim Joo Kiat	800,000	0.22
25.	Tan Tee Soo	780,000	0.22
26.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tay Chor Teck)	750,000	0.21
27.	Thong Weng Tim	716,700	0.20
28.	Lim Sim Kee	710,100	0.20
29.	Yap Chin Teik	702,000	0.20
30.	Yeoh Phek Leng	679,000	0.19
	TOTAL	**200,989,533**	**55.93**

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 30 SEPTEMBER 2025

Name	Number of Shares Held			
	Direct	%[a]	Indirect	%[a]
Khyra Legacy Berhad ("KLB")	-	-	168,572,764	46.90[1]
Tunku Dato' Yaacob Khyra ("TY")	-	-	168,572,764	46.90[2]
Melewar Equities (BVI) Ltd ("MEBVI")	60,379,733	16.8	-	-
Melewar Khyra Sdn Bhd ("MKSB")	104,382,731	29.04	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2025

Name	Number of Shares Held			
	Direct	%[a]	Indirect	%[a]
TY	-	-	168,572,764	46.90[2]
Azlan bin Abdullah	133,333	0.04	-	-

Notes:
(a) The percentages of substantial shareholders and Directors' shareholdings are calculated by dividing the shares held by the respective substantial shareholders and Directors with the total number of issued shares.
(1) Deemed indirect interest by virtue of it being the holding company of MEBVI and MKSB who are the Major Shareholders of the Company. KLB is also deemed to have indirect interest in Avenue Serimas Sdn Bhd ("ASSB") by virtue of it being the ultimate holding company of ASSB.
(2) Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of the Company. TY is also deemed to have indirect interest in ASSB by virtue of KLB being the ultimate holding company of ASSB.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

This CG Overview Statement is also prepared in compliance with Paragraph 15.25(1) of the MMLR of Bursa Securities and should be read together with the Corporate Governance Report ("CG Report") of the Company which is published on the Company's website at https://www.melewar-mig.com/investorsinfo_annualrep.html as well as on Bursa Securities website. It should also be read in conjunction with other statements in this Annual Report such as the Statement on Risk Management and Internal Control and the Audit and Governance Committee Report.

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

Principle A	Principle B	Principle C
Board leadership and effectiveness	**Effective audit and risk management**	**Integrity in corporate reporting and meaningful relationships with stakeholders**
• Board responsibilities • Board composition • Remuneration	• Audit and Governance Committee • Risk management and internal control	• 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:

(i) Practice 1.3 (The positions of Chairman and Chief Executive Officer ("CEO") are held by same individual)

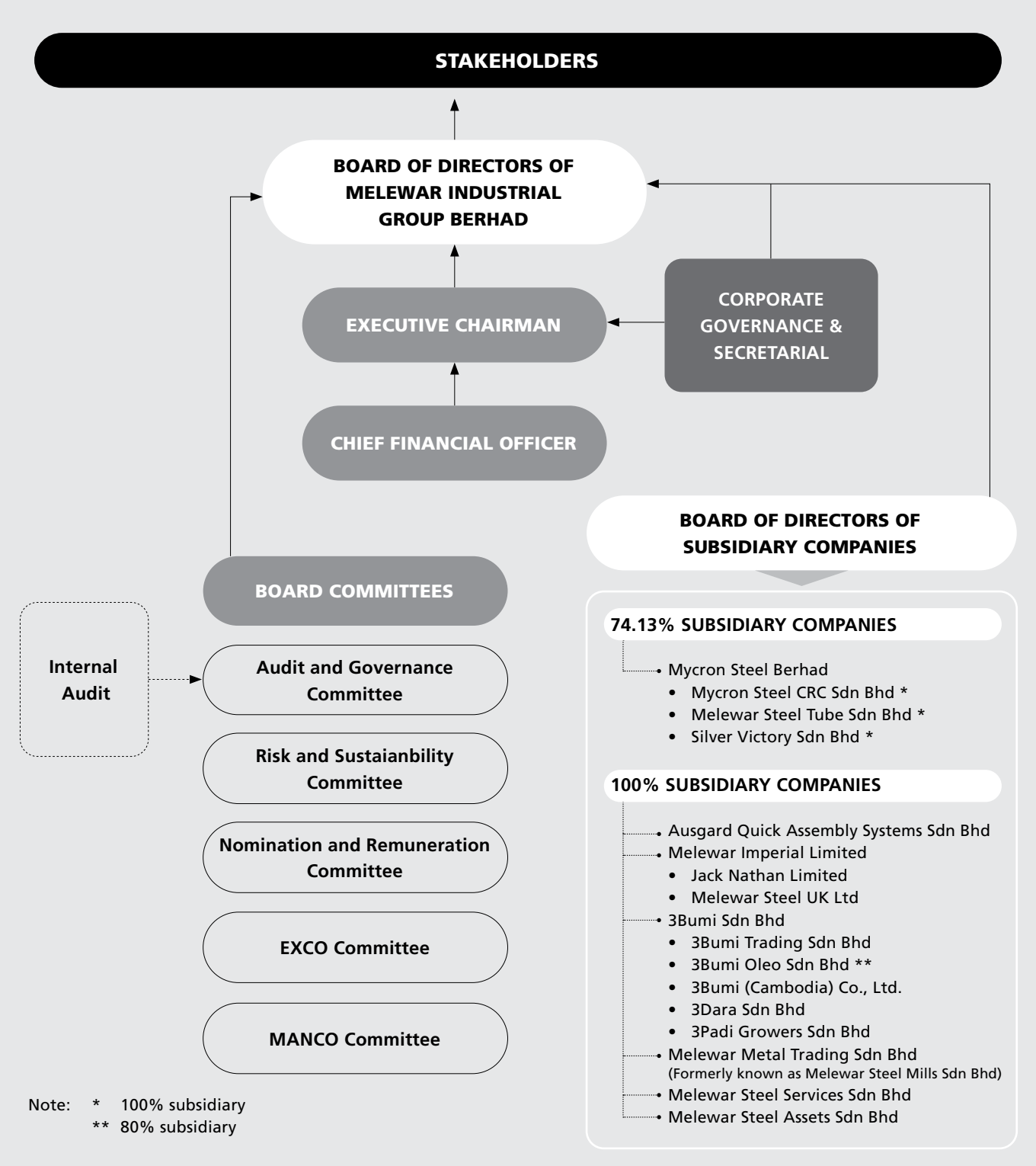
(ii) Practice 8.2 (The Board discloses on an unnamed basis the top 2 senior management's remuneration in bands of RM50,000)

with the reasons explained in the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MIG'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 MIG 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 MIG 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 and the Executive Chairman who currently assumes the role of Managing Director ("MD") as well. 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 provide reports of the decisions and recommendations made at the Committee meetings and highlight 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

1.1 Effective Board Leadership and Oversight (Cont'd)

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.

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 Roles and Responsibilities of the Chairman and the CEO

(i) Chairman and CEO

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

Currently the Group does not have a CEO/Managing Director and as such Tunku Dato' Yaacob Khyra as the Executive Chairman of the Company is assuming the role as the Managing Director.

(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) Managing Director

With the re-designation of En Azlan bin Abdullah from Managing Director of the Company to Non-Independent Non-Executive Director on 11 February 2019, the roles and responsibilities of the Managing Director is carried out by the Executive Chairman.

(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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

1.2 Separation Roles and Responsibilities of the Chairman and the CEO (Cont'd)

(v) Suitably Qualified and Competent Company Secretary

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

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

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

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

1.3 Access to Information and Meeting Materials

To facilitate the Directors' planning, an annual meeting calendar is prepared in advance of each new year by the company secretarial team. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). All Board and Board Committees are also provided with the agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least 5 days prior to 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

1.4 Group Corporate Governance Framework ("CG Framework")

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

The CG Framework of the Group 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, down to the management and operational level. The actions, execution of plans, reporting and accountability will flow back to the Board for further evaluation and decision.

The CG Framework 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 MIG 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 (where relevant) 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.melewar-mig.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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

1.4 Group Corporate Governance Framework ("CG Framework") (Cont'd)

- **Whistleblowing Policy**

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

Level of Disclosure		Designated Recipient	Appointed Officer
1	Disclosure against mid-level management and below	Anti-Corruption Managing Committee	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 2025, the Company did not receive any report or complaint of misconduct from employees, Management, public or stakeholders.

- **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 MIG Group are required to disclose them prior to appointment and on an ongoing basis whenever changes occur. Actual and potential conflicts of interest (if any) are documented in a register, which is maintained by the Company Secretary.

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

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

- **Anti-Fraud/Corruption Policy**

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

1.4 Group Corporate Governance Framework ("CG Framework") (Cont'd)

- **Anti-Fraud/Corruption Policy (Cont'd)**

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

  The External Auditors, Messrs KPMG, lodged a report dated 24 September 2024 with the Companies Commission of Malaysia ("CCM") regarding certain matters they considered to potentially involve irregularities by certain officers of the Company. The matter is currently under review by the police and CCM. The Board wishes to highlight that this has no material impact on the financial position of the Group.

  Other than the above, there was no other incident of bribery and corruption that were reported to the Group during the financial year 2025.

1.5 Strategic Management of Sustainability Matters

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

To reinforce accountability, the Group has incorporated 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.

A Working Committee, which is headed by the Chief Financial Officer ("CFO") and comprises members from the key business units of the Group is tasked to look into sustainability issues of the Group.

The CFO, Ms Chan Loo Ling was nominated by the Board to provide dedicated focus to managing sustainability strategically, including the integration of sustainability considerations into the operations of the Company. The CFO provides leadership over implementation of sustainability strategy and oversee departments in ensuring robustness of system of sustainability management.

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

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

The details of the Group's sustainability strategies, priorities and performance against targets are set out separately in the Sustainability Statement 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 six (6) members as follows:

- one (1) Executive Chairman;
- two (2) Non-Independent Non-Executive Directors; and
- three (3) 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 76 to 81 of this Annual Report.

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

Directors	Designation
Tunku Dato' Yaacob Khyra	Executive Chairman
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	Non-Independent Non-Executive Director
Azlan bin Abdullah	Non-Independent Non-Executive Director
Kwo Shih Kang	Senior Independent Non-Executive Director
Datin Seri Raihanah Begum binti Abdul Rahman	Independent Non-Executive Director
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	Independent Non-Executive Director

The Board comprising of Executive Director 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

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

As of the date of this statement, none of the existing Independent Directors of the Company has exceeded the tenure of a cumulative term of nine (9) years in the Company.

2.3 Appointment of Board and Senior Management

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

2.4 Fit and Proper Policy

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

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

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

2.5 Utilisation of Various Sources in Identification of Potential Candidates

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

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

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

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 27 February 2013.

The NRC comprises of three (3) members, all of whom are Independent Non-Executive 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 : Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram
– Independent Non-Executive Director

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

Kwo Shih Kang
– Senior Independent Non-Executive Director

The NRC is governed by its TOR which is available on the Company's website at www.melewar-mig.com.

2.7 Diversity Policy

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2.8 Annual Evaluation of the Directors, Board as a whole and Board Committees (Cont'd)

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

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

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

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

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

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

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

(b) As part of the annual assessment of independence, the NRC reviewed, assessed and evaluated the independence of the Board's Independent Directors and was satisfied that all the three (3) Independent Non-Executive Directors met the independence criteria as prescribed by the MMLR of Bursa Securities and they continue to demonstrate their independence through their engagement in all meetings, providing objective challenge to the Management and bringing independent judgment to decisions taken by the Board. The Board was also satisfied with the level of independence of all the Independent Directors

(c) Reviewed, considered and recommended to the Board for approval, the re-election of Directors, Kwo Shih Kang and Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram, who will be retiring by rotation under Article 96(1) of the Company's Constitution at the forthcoming 56th AGM.

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

(d) Reviewed the tenure of service for Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2.8 Annual Evaluation of the Directors, Board as a whole and Board Committees (Cont'd)

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

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

(e) Reviewed the terms of office and performance of the AGC and its members to determine whether the AGC and its members have carried out their duties in accordance with their terms of reference.

(f) Reviewed the remuneration policies applicable to Directors, Executive Chairman and Senior Management and recommended the same to the Board for approval.

(g) Reviewed the Directors' fees payable to the Directors of the Company and the Group for the FYE 2025 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 2026 to 31 December 2026 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 the Service Contract of Key Senior Management.

2.9 Time Commitment of the Board

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

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

Executive Director	No. of Attendance	%
1. Tunku Dato' Yaacob Khyra (Chairman)	5/5	100
Non-Independent Non-Executive Directors	**No. of Attendance**	**%**
1. Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	5/5	100
2. Azlan bin Abdullah	5/5	100
Independent Non-Executive Directors	**No. of Attendance**	**%**
1. Datin Seri Raihanah Begum binti Abdul Rahman	5/5	100
2. Kwo Shih Kang	5/5	100
3. Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	5/5	100

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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

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

Members of the Board	List of Training Programmes/ Seminars/ Conferences Attended
Tunku Dato' Yaacob Khyra	(i) Bursa Academy : Conflict of Interest ("COI") and Governance of COI (ii) Corporate Restructuring: Dubai World Case Study (iii) Essential Information Security Awareness (iv) Sustainability – Regulatory Update and ISSB IFRS S1 and S2 Sharing Session
Azlan bin Abdullah	Handling Challenges in Corporate Disclosures
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	(i) Enhanced COI Framework (Updated Edition) (ii) Sustainability – Regulatory Update and ISSB IFRS S1 and S2 Sharing Session
Datin Seri Raihanah Begum binti Abdul Rahman	(i) Bursa Malaysia : Ring the Bell for Climate *Session 1 - Transition Finance for Supply Chain Companies* *Session 2 - ESG Ratings and Financing Options* (ii) Sustainability – Regulatory Update and ISSB IFRS S1 and S2 Sharing Session
Kwo Shih Kang	(i) Carbon Market: What Directors Need to Know (ii) Audit Committee Series - Compliance with Listing Requirements - Reporting of Financial Statements.
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	(i) Enhanced COI Framework (Updated Edition) (ii) Audit Committee Series – Share Buy Back: A Regulatory Perspective (iii) Sustainability – Regulatory Update and ISSB IFRS S1 and S2 Sharing Session

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PART 3 – REMUNERATION

3.1 Remuneration Policy

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

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

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

3.2 Remuneration of Directors and Senior Management

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3.2 Remuneration of Directors and Senior Management (Cont'd)

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 MIG Group as their benefit, provided that such Director or Officer has not acted negligently, fraudulently or dishonestly, or is in breach of his/her duty of trust.

The relevant resolutions in relation to the Directors' fees and benefits payable to the Directors will be presented to the shareholders for approval at the forthcoming 56th AGM.

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

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

Received from Company

Name	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind* (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Other Emoluments** (RM'000)	Total (RM'000)
Executive Director							
Tunku Dato' Yaacob Khyra	720	120	15.6	-	-	126	981.6
Non-Independent Non-Executive Directors							
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	-	-	3.5	60	3	-	66.5
Azlan bin Abdullah	-	-	3.5	60	3	-	66.5
Independent Non-Executive Directors							
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	3.5	72	8.5	-	84
Kwo Shih Kang	-	-	3.5	72	8.5	-	84
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	-	-	3.5	72	8.5	-	84

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3.2 Remuneration of Directors and Senior Management (Cont'd)

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 Director							
Tunku Dato' Yaacob Khyra	2,880	1,200	33	-	-	612	4,725
Non-Independent Non-Executive Directors							
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah	-	-	3.5	60	3	-	66.5
Azlan bin Abdullah	-	-	3.5	120	6	-	129.5
Independent Non-Executive Directors							
Datin Seri Raihanah Begum binti Abdul Rahman	-	-	3.5	144	17	-	164.5
Kwo Shih Kang	-	-	3.5	144	17	-	164.5
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	-	-	3.5	103.8	10.5	-	117.8

* Benefits-in-kind include company car, driver, club membership subscription and medical insurance benefits.
** Others Emoluments include car allowance, provision for Directors' leave pay, travelling allowances and EPF.

3.3 Remuneration of Top Two Senior Management

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

Remuneration Bands	Number of Key Senior Management
RM400,001 to RM450,000	1
RM500,001 to RM550,000	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 2 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3.3 Remuneration of Top Two Senior Management (Cont'd)

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

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

Principle B

➤ EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 – AUDIT AND GOVERNANCE COMMITTEE

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

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

1.2 Former Key Audit Partner

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

1.3 Assessment of Suitability and Independence of External Auditors

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

1.3 Assessment of Suitability and Independence of External Auditors (Cont'd)

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

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

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

1.4 Composition of Audit and Governance Committee

The AGC comprises solely Independent Non-Executive Directors. Details on the AGC composition and key activities undertaken during FY2025 are set out in the AGC Report in this Annual Report.

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

1.5 Qualification of the Audit and Governance Committee

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

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

The qualification and experience of the individual AGC members are disclosed in the Directors' Profiles on pages 79 to 81 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 128 to 136 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 established by the Group are being followed and internal control processes are operating effectively.

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

2.2 Features of its Risk Management and Internal Control Framework

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

The Statement on Risk Management and Internal Control which provides an overview of the Group's risk management and internal control framework is set out on page 117 to 127 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2.3 Effective Governance, Risk Management and Internal Control Framework (Cont'd)

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 30 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.

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.melewar-mig.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: +603–6250 6000
Facsimile number: +603–6257 1555
Email address: vincentkwo@melewar-mig.com

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

(i) Ms Chan Loo Ling (Chief Financial Officer, for financial related matters)
Telephone number: +603–6250 6000
Facsimile number: +603–6257 1555

(ii) Mr Kenneth Goh Kwan Weng (Company Secretary, for shareholders' enquiries)
Telephone number: +603-6252 8880
Facsimile number: +603-6252 8080

CORPORATE GOVERNANCE OVERVIEW STATEMENT

1.2 Integrated Reporting

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

PART 2 – CONDUCT OF GENERAL MEETINGS

2.1 Notice of AGM

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

2.2 Attendance at AGM

All members of the Board, the Company Secretary, External Auditors and the Senior Management had attended the fully virtual 55th AGM through video conferencing.

2.3 Leveraging on Technology to Facilitate Communication with Shareholders

The Company had leveraged on technology to facilitate voting in absentia and remote participation by shareholders at shareholders' meetings through hosting its fully virtual 55th AGM held on 3 December 2024.

2.4 Meaningful Engagement between Board, Senior Management and Shareholders

The AGM is an important forum for our Board and Key Senior Management to engage with all the shareholders. At least 28 days' notice is provided prior to the AGM in accordance with Practice 13.1 of 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.

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

The 56th AGM will be held on 3 December 2025 in person to enable direct engagement between our shareholders and our Board/Management after five years of virtual meetings.

2.5 Publication of the Minutes of General Meeting

The Minutes of 55th AGM with the notation on the proceedings, issues and concerns raised by shareholders, and the responses by the Company were made available on the Company's website at www.melewar-mig.com within 30 business days after the conclusion of the 55th AGM, so as to provide useful information to shareholders and investors especially for the absentee shareholders in regard of the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2025.

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	225,000	677,100
Non-Audit Fees	12,500	30,500

CORPORATE GOVERNANCE OVERVIEW STATEMENT

OTHER BURSA SECURITIES COMPLIANCE INFORMATION (Cont'd)

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

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

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

A. RRPTs with Trace Management Services Sdn Bhd ("Trace")

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) (RM)
				Director	Major Shareholder	
1.	Trace	Provision of corporate secretarial services by the Related Party to Melewar Industrial Group Berhad ("MIG") and its subsidiaries ("MIG Group")	**Interested Directors** Tunku Dato' Yaacob Khyra ("TY") and Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah ("TYY")	TY and TYY are deemed interested in Trace by virtue of their 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	362,098

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B. RRPTs with MAA Group Berhad ("MAAG") and its subsidiaries, collectively

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) (RM)
				Director	Major Shareholder	
1.	MAA Corporation Sdn Bhd ("MAA Corp")	Office rental charged by the Related Party to MIG Group	**Interested Directors** TY **Interested Major Shareholders** Melewar Equities (BVI) Ltd ("MEBVI"), Melewar Khyra Sdn Bhd ("MKSB") and Khyra Legacy Berhad ("KLB")	TY is deemed interested in MAA Corp. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	107,098
2.	MAA Corp	Office service charged by the Related Party to MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAA Corp. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	33,468
3.	Maax Factor Sdn Bhd ("Maax Factor")	Factoring and Pre-Factoring Facility provided by the Related Party to MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAAG. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	Maax Factor is a sub subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	3,097,242

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B. RRPTs with MAA Group Berhad ("MAAG") and its subsidiaries, collectively (Cont'd)

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) (RM)
				Director	Major Shareholder	
4.	MAA Corp	Office rental charged by the Related Party to 3Bumi Trading Sdn Bhd ("3BT")	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAA Corp. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	15,264
5.	MAA Corp	Office service charged by the Related Party to 3BT	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAA Corp. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	MAA Corp is a wholly owned subsidiary of MAAG whose ultimate Major Shareholder is KLB.	4,770
6.	Trisend Logistic Technologies Sdn Bhd ("TLT")	Warehouse and office rental charged by Ausgard Quick Assembly Systems Sdn Bhd ("AQAS") to the Related Party.	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MAAG TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	TLT is a subsidiary of Hospitality 360 Sdn Bhd who in turn is a subsidiary of MAA Corp.	29,561

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B. RRPTs with MAA Group Berhad ("MAAG") and its subsidiaries, collectively (Cont'd)

No.	Related Party	Nature of Transaction	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) (RM)
				Director	Major Shareholder	
7.	Mekar Bumi Niaga Sdn Bhd ("MBN")	Chargeback for engineering services rendered by the Related Party to AQAS.	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MBN as MBN is a wholly owned subsidiary of Khyra Sdn Bhd who in turn is a wholly owned subsidiary of KLB. TY is a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB.	KLB is the ultimate holding company of MBN.	40,643

CORPORATE GOVERNANCE OVERVIEW STATEMENT

C. Financial assistance between MIG Group and the classes of related parties

Type of Financial Assistance	Related Party	Interested Related Parties	Manner of relationship with the Related Parties		Value of Transaction (01/07/2024 – 30/06/2025) (RM)
			Director	Major Shareholder	
Provision of financial assistance to the Group by the pooling of funds via a centralized treasury management function within the MIG 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** MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	Nil	Nil
Provision of corporate guarantee to financial institutions, as and when required, to secure the continuing trade facilities extended to direct and indirect subsidiaries.	MIG Group	**Interested Director** TY **Interested Major Shareholders** MEBVI, MKSB and KLB	TY is deemed interested in MIG by virtue of him being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major Shareholders of MIG.	Nil	Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

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

In preparing the financial statements, the Directors have:

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

BOARD RESPONSIBILITY

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

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

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

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

RISK AND SUSTAINABILITY COMMITTEE

The RSC was established by the Board on 18 December 2003. The members of the RSC as at the date of this Annual Report are as follows:

Chairman	:	Kwo Shih Kang
Members	:	Datin Seri Raihanah Begum binti Abdul Rahman
		Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

Name of Committee Members	Total Meetings Attended
Kwo Shih Kang (Chairman, Senior Independent Non-Executive Director)	4/4
Datin Seri Raihanah Begum binti Abdul Rahman (Independent Non-Executive Director)	4/4
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram (Independent Non-Executive Director)	4/4

RISK MANAGEMENT AND RISK GOVERNANCE STRUCTURE

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

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

The Group has also in place Standard Operating Policies ("SOP") and Internal Control Procedures ("ICP") for its main business highlighting the control objectives, policies, procedures, authority and responsibility. The Chief Business Development Officer ("CBDO"), 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. Regular management and operational meetings are held to deliberate key risks and the appropriate mitigating controls. This ongoing process is undertaken by all active subsidiaries of the Group.

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK

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

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

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

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

The Chief Financial Officer ("CFO") 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 Statement of this Annual Report.

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

Principal Risks	Description	Mitigation Measures
Business risks	The Group recognises business risks with regards to economic volatility, political instability, foreign policy uncertainty, government policies that could affect market trends and prices and cost of materials among other things that may adversely affect profits.	(i) Continuous efforts to maintain close rapport with customers and offer competitive pricing without jeopardising the Group's bottom line. (ii) Take proactive action to maintain good relationships with local and global customers. To work closely with customers to take advantage of developing trends within existing markets and explore growth opportunities in new markets. (iii) Strive to build long-term sustainable relationships with the customers. (iv) Actively exploring export markets to diversify our market presence and reduce reliance on single domestic market.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Principal Risks	Description	Mitigation Measures
Market competition risk	Market competition risk is caused by increased competition which may have an adverse impact on the Group, in terms of customers' growth, revenue and profitability.	(i) To mitigate the risk, the Group is continuously exploring and implementing effective ways in customer engagement to deliver customer's expectation and added value in the customer relationship. (ii) The Group is also expanding its customer base, with a particular focus on the export market, while monitoring market trends to remain competitive. (iii) The Group places strong emphasis on product innovation and differentiation, introducing new products and enhancing existing offerings to cater to evolving customer preferences.
Materials supply risk	The risk to material supply arises from the unforeseen shortage or lack of materials which may cause disruption to the production and delivery schedule.	(i) To prevent this, the Group recognises the importance of establishing good relationships with existing suppliers, sourcing for new suppliers and engaging multiple local and international suppliers to reduce dependency on a single source. (ii) The group manages its inventory stringently and maintains buffer stock for critical raw material to ensure continuity of supply.
Financial risks	Exposure to fluctuation of foreign currency exchange rates, commodity price and credit risks.	(i) The Group diligently monitors the volatility/movement of the foreign exchange rate and adopts the approved hedging as the need arises. (ii) Consider including a tolerance limit on currency fluctuation when quoting or pricing to customers. (iii) Forward production planning to enable forecast purchases to be made in advance when prices and exchange rates are favourable. (iv) Keep abreast of world market developments that influence the forex market. (v) Adoption of hedging strategies which manages currency exposure and interest rates.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Principal Risks	Description	Mitigation Measures
Operational risk	Operational risk encompasses potential disruptions to manufacturing and processing operations stemming from factors such as equipment breakdowns, supply chain interruptions, natural disasters, regulatory issues, labour disputes, quality control problems, energy supply disruptions, and safety, environment & health incidents and supply of raw materials. These risks can result in production stoppages, delays, compromised quality, and financial losses.	(i) Regular preventive maintenance and timely upgrades of equipment and machines to prevent breakdowns. (ii) Diversifying suppliers and maintaining optimal inventory levels. (iii) Developing emergency plans and conducting training drills. (iv) Monitoring regulatory changes (v) Fostering open communication and implementing engagement programs with all relevant parties. (vi) Conducting rigorous inspections and audits, and adhering to quality standards. (vii) Installing backup systems and adopting energy-efficient practices. (viii) Install rooftop solar PV systems on the premises and the rooftop of the carpark for renewable energy. (ix) To take proactive action to upgrade the efficiency of machines and equipment for reduction in production cost. (x) Maintaining critical spare parts inventory. (xi) To increase the productivity via automation in order to enhance efficiency, consistency, cost savings and competitiveness by streamlining processes and reducing manual labor. (xii) To review and ensure better management and planning of all critical processes in the operations. (xiii) Site visits to new suppliers' premises are mandatory before formally engaging them. (xiv) Ensure the appointed construction suppliers are SIRIM-certified. For food related products, ensure the suppliers are with Hazard Analysis and Critical Control Point ("HACCP") and Halal certified.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Principal Risks	Description	Mitigation Measures
Health and safety risk	The Group is exposed to a wide range of health and safety risks including food safety. Failure to implement and maintain robust risk management systems and internal controls to safeguard the health and safety of customers and employees could result in damage to the Group's reputation as well as legal liability risks.	(i) Organising safety campaigns and offering regular training for all employees on health and safety awareness, covering fire, security, food safety and hygiene. (ii) Regular workplace inspections at the manufacturing facilities are conducted by the Safety & Health Committee. (iii) Prompt delivery and reliable customer service. (iv) All the food products are Halal certified and complied with the requirements of Malaysia Standard (MS1500:2019) and Halal Manual Certification by JAKIM. (v) To ensure transparency in product information and labelling. (vi) From food processing through to packaging, places great emphasis on food cleanliness/hygiene, product freshness and packaging appearance. (vii) Implementing strong food safety management systems, such as HACCP programs at the factories.
Inventory overhang risk	The risk of inventory overhang emanates from deficient inventory management planning, giving rise to elevated storage expenditures, potential inventory obsolescence, constraints on cash flow, and reduced profit margins necessitated by the need to liquidate surplus inventory at discounted rates to free up space.	(i) Gradually reduce prices for sales based on new retailer partners. Ensure that price benchmark among competitiors are tracked to enable us to buy and sell better. (ii) Maximising sales channels by offering or promoting other products to both existing retail and non-retail customers. New products are carefully assessed and identified to be included in the product line up to increase revenue both in retail and horeca. (iii) Improve product attractiveness by transforming raw material into other new products. Constant R&D to introduce new product line up that can attract the customer as well as to value add.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

The framework is reviewed and revised as and when necessary to ensure it remains relevant and adequate to manage the MIG 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;
- Reviewed the Statement on Risk Management and Internal Control which provides an overview of the state of internal controls and risk management within the Group which would be reviewed by the External Auditors prior to the Board's approval for inclusion in the Annual Report.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY FEATURES OF THE COMPANY'S INTERNAL CONTROL SYSTEM

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

(a) Organisation Structure and Authorisation Procedures

The Board has set an organizational structure to govern and manage the decision process in the MIG 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 MIG Group is aligned to business requirements. It has defined lines of responsibilities to ensure that component tasks are handled by different employees. With segregation of duties, employees' accountability can be enhanced and the risk of error and fraud can be minimised.

(b) Internal Control Procedures

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(c) External Bodies Certification

The operating subsidiaries, Melewar Steel Tube Sdn Bhd ("MST"), Mycron Steel CRC Sdn Bhd ("MCRC"), 3Bumi Trading Sdn Bhd ("3BT') and 3Bumi Oleo Sdn Bhd ('3BO') are responsible for maintaining quality standards throughout the production process, in which the results are demonstrated through the achievement of the following key accreditations/certification:

MST	• ISO 14001:2015 - Environmental Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • ISO 14024, Type 1 under MyHIJAU Mark • Target to obtain ISO 45001:2018 (Occupational Health Safety) certification in December 2025.
MSCRC	• ISO 14001:2015 - Environmental Management Systems • ISO 50001:2018 - Energy Management Systems • SIRIM Eco-label (SIRIM ECO 032:2020) • ISO 14024, Type 1 under MyHIJAU Mark • Target to obtain ISO 45001:2018 (Occupational Health Safety) certification in December 2025.
3BT	• Certificate of Authentication Halal for the processed food products.
3BO	• Certificate of Authentication Halal for vegetable cooking oil • Certificate of Hazard Analysis and Critical Control Points (HACCP), which was successfully obtained on 31 January 2025.

The Group upholds food safety and consumer confidence by ensuring all products and processes are halal certified, covering hygiene, quality, and safety standards from sourcing to distribution. 3BO's cooking oil products are fully halal certified in compliance with MS1500:2019 and the Halal Manual Certification issued by the Department of Islamic Development Malaysia (JAKIM) requirements, while 3BT applies the same standards in its meat processing activities. With the recent HACCP certification, 3BO's cooking oil products also meet international food safety standards, supported by a comprehensive plan to identify and control potential hazards in production.

(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 are identified annually so that relevant trainings are provided to such employees to upgrade their knowledge and skill sets.

(e) Internal Audit Function

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

(f) Managers Meeting ("MANCO")

The Managers of each business division meets on a periodically 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 operations and any significant changes in the business and external environment are reported to the Board on quarterly basis.

(iv) The Code of Conduct endorsed by the Board is communicated to all employees in the Group as an integral part of MIG's governance regime that sets out the ethical principles and expected standard of conducts in conducting business and the compliance with applicable laws and regulations for all of its Directors and employees within the Group.

(v) Training and development programs were established to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(h) Succession Planning

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

(i) Personal Data Protection

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

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 Executive Chairman, CBDO and CFO 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 Executive Chairman, CBDO, CFO 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 Melewar Industrial Group Berhad ("MIG" or "the Company") is pleased to present the Audit and Governance Committee Report including a summary of the activities of the Audit and Governance Committee ("AGC") which provides insights into the manner in which the AGC discharged its function for the Group for the financial year ended 30 June 2025 in the areas of corporate governance, internal controls and financial reporting.

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

(i) fulfilling its oversight responsibilities for the financial reporting process, system of internal control of the Company and its subsidiaries ("the Group") and audit process;

(ii) ensuring the adequacy of controls in the processes and procedures undertaken in accordance with applicable laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

(iii) overseeing the implementation and monitoring of the Whistleblower Policy and Procedures for the Group and ensuring effective administration thereof; and

(iv) reviewing conflict of interest situations and related party transactions, ensuring transparency and adherence to ethical standards.

TERMS OF REFERENCE

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

COMPOSITION

As at the date of this Annual Report, the Company's AGC comprises three (3) members, all of whom are Independent Non-Executive Directors.

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

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

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

AUDIT AND GOVERNANCE COMMITTEE REPORT

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

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

FORMER KEY AUDIT PARTNER

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

FINANCIAL LITERACY OF THE AGC MEMBERS

The AGC members possess the necessary experience and expertise in finance and accounting, and have fulfilled their responsibilities in alignment with the TOR outlined for the AGC. The qualifications and experience of each individual AGC member are detailed in the Directors' Profiles set out on pages 79 to 81 in this Annual Report.

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

MEETINGS AND ATTENDANCE

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

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

AUDIT AND GOVERNANCE COMMITTEE REPORT

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

Members	No. of Meetings Attended	%
Kwo Shih Kang	5/5	100
Datin Seri Raihanah Begum binti Abdul Rahman	5/5	100
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	5/5	100

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

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

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

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

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

The NRC had on 27 August 2025 assessed the performance of the AGC and its members through an annual board committee effectiveness evaluation. The NRC is satisfied that the AGC and its members have discharged their functions, duties and responsibilities in accordance with the AGC's TOR and supported the Board in ensuring the Group upholds appropriate corporate governance standards.

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

AUDIT AND GOVERNANCE COMMITTEE REPORT

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2025

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

Financial Reporting	(i) Reviewed the draft quarterly unaudited financial results of the Group which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and Appendix 9B of the Listing Requirement and made the necessary recommendations to the Board for approval for announcement to Bursa Malaysia Securities Berhad. In reviewing the interim financial report, the CFO provided explanations on the analysis of the quarterly results and major variances. The AGC was also briefed on the Group's business operations, factors affecting the Group's performance and market outlook, including the financial position of the Group in terms of its cash flows for the quarters concerned. In its review of the quarterly results, the AGC also took note of the changes of accounting standards and impacts on the financial performance or position of the Group with adoption of the new accounting standards. (ii) Sought clarification from Management especially from the CFO of the Group on the following information for better understanding of the overall state of the financial position of the Company: • Performance of the key divisions of the Group including the variance and contributing factors to the performance; • Foreign exchange exposure; • Cash flow position of the Group with specific details on the compliance to the financial covenants with the various financial institutions who had granted facilities to the Group; • Position of the gearing ratio of the Company; and • Subsidiary-specific inventory status and positioning.
External Audit	(i) On 28 May 2025, the AGC reviewed the Audit Plan before the commencement of audit. The External Auditors' engagement partner was invited to present to the AGC a summary of their audit plan for the financial statements for the year ending 30 June 2025. The following matters were highlighted and discussed as follows: - (a) audit scope; (b) audit methodology and timing of audit; (c) audit highlights – potential key audit matters and other risks; (d) materiality level for the financial statements as a whole and misstatements reporting threshold; (e) responsibilities of external auditors and directors in relation to the Audited Financial Statements ("AFS"); and (f) auditor's independence in relation to the performance of audit in accordance with MIA By-Laws. (ii) KPMG also updated the AGC an overview of MFRS 18, Presentation and Disclosure in Financial Statements, together with the specific disclosure requirements and consequential amendments to MFRS 107, Statements of Cash Flows, which the Group has early adopted effective 1 July 2024.

AUDIT AND GOVERNANCE COMMITTEE REPORT

External Audit	(iii) KPMG had also briefed the AGC on KPMG's Transparency Report 2024. (iv) KPMG had also reported its audit findings to the AGC on the outcome of their audit in relation to the financial positions of the Company and the Group. At the AGC Meetings held on 28 May 2025 and 27 August 2025, the AGC had considered and discussed the areas of audit focus as reported by external auditors as follows: Key audit matters: (a) Revenue Recognition (b) Valuation on land and buildings, plant, machinery and electrical installation Other risks: (c) Net realisable value of inventories (d) Management override of controls Other audit matters: (e) Breach of loan covenants (f) Change in estimate – Buildings (g) Fair value losses of other investments (h) Foreign subsidiaries audit matters of the Group (v) Reviewed the assistance given by the Group's employees to the External Auditors. (vi) KPMG had also briefed the AGC on the National Sustainability Reporting Framework, introduced by the Securities Commission Malaysia on 24 September 2024, along with its implementation timeline, which is intended to address: • the use of the IFRS Sustainability Disclosure Standards issued by the ISSB - IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, and IFRS S2 *Climate-related Disclosures* as the baseline sustainability disclosure standards for companies in Malaysia; and • the assurance requirements for sustainability reporting. (vii) Reviewed the non-audit services rendered by the External Auditors to the Group for the financial year under review prior to engagement. The External Auditors also reported to the AGC their policies and measures taken to ensure independence and objectivity are maintained. (viii) Undertook annual assessment of the performance and independence of the External Auditors via an evaluation survey questionnaires based on competency, efficiency and transparency as demonstrated by the External Auditors during their audit. The Group's External Auditors also confirmed their independence and the AGC having been satisfied with the independence, stability and performance of the External Auditors made recommendations to the Board on the re-appointment of External Auditors.

AUDIT AND GOVERNANCE COMMITTEE REPORT

External Audit	(ix)	Met with the External Auditors without the presence of Executive Director and the management team of the Company to discuss the issues of concern to the External Auditors arising from the annual audit. There was no major issue raised during the meetings.
	(x)	Reviewed the draft annual AFS of the Company and the Group with management and the External Auditors prior to submission to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures are in compliance with: - the provisions of the Companies Act 2016; - Main Market Listing Requirements of Bursa Malaysia Securities Berhad; - applicable financial reporting standards in Malaysia; and - other relevant legal and regulatory requirements. In the review of the draft annual AFS, the AGC discussed with the management and the External Auditors the accounting principles and standards that were applied and their judgment of the items that may affect the financial statements.
Internal Control and Internal Audit	(i)	The internal audit plan was reviewed and approved by the AGC and the internal audit reports were presented to the AGC on a quarterly basis.
	(ii)	Reviewed and evaluated the overall adequacy and effectiveness of the risk management and the Group's internal control system on a quarterly basis through review of results of work performed by the Internal Audit Consultants and discussions with Management.
	(iii)	Significant issues were discussed at length with the presence of relevant Management team members to ensure satisfactory and timely remediation actions have been committed by Management to address the identified risks.
	(iv)	Monitored the implementation of action plans agreed by Management on outstanding audit findings on a quarterly basis to ensure that all actions have been implemented in the related areas based on the committed timelines.
	(v)	Reviewed and monitored the implementation status of the audit recommendations made by the auditors to ensure that key risks and controls have been addressed. This includes any improvement on the system of the internal controls and procedures.
	(vi)	Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.
	(vii)	Reviewed and debated on the recommendations made by the Internal Audit Consultants on the auditable areas where further improvements are required with subsequent recommendation to the Board on steps to improve the system of internal control derived from the findings of the Internal Audit Consultants.

AUDIT AND GOVERNANCE COMMITTEE REPORT

Related Party Transactions	The AGC reviewed the recurrent related party transactions ("RRPT") entered pursuant to the Shareholders' Mandate at every scheduled meeting to ensure that the transactions were not favorable to the related parties than those generally available to the public and not detrimental to the minority shareholders. For financial year 2025, the AGC was satisfied that the Company had complied with the financial and regulatory reporting where the related party transactions and RRPT were carried out in the ordinary course of business and undertaken at arm's length, on normal commercial terms of the Company which were not more favourable to the related parties than those generally available to the public and were not detrimental to the minority shareholders. This proactive oversight served to mitigate potential conflicts of interest and promote transparency and fairness in the Group's dealings with related parties.
Conflict of Interest	The AGC is always presented with the Register on Conflict of Interest ("COI") situations within the Group on a quarterly basis with updates, if any for further discussion. Save as disclosed in the Board of Directors' Profiles section, none of the Directors and Key Senior Management ("KSM") have any COI or potential COI with the Company and its subsidiaries ("the Group"), nor do they have any interest in any competing business with the Group. The Directors and KSM undertake to inform the Company immediately if and when they become aware of any COI or potential COI situations and abstain from engaging in all deliberations and decisions where such conflict may arise. The AGC concluded that no further action was necessary on the disclosures.
Corporate Governance	(i) Reviewed the following draft Circular to Shareholders and recommended the same to the Board for approval: (a) Proposed share buy-back of up to ten percent (10%) of the total number of issued shares of the Company subject to the Company fulfilling the conditions for the share buy-back; and (b) Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Provision of Financial Assistance. (ii) Reviewed the AGC Report, Corporate Governance Overview Statement, Corporate Governance Report, Board's responsibility on the annual AFS and the state of internal control and other relevant documents for publication in the Company's Annual Report. (iii) Conducted a self-assessment exercise to evaluate the AGC's own effectiveness in discharging their duties and responsibilities for the period ended 30 June 2025 and submitted the evaluation to the NRC for assessment. (iv) Approved the renewal of Non-Assurance Services Pre-Approval Policy.

AUDIT AND GOVERNANCE COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

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

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

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

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

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

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

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

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

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AUDIT AND GOVERNANCE COMMITTEE REPORT

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

Name of Entity Audited	Audited Areas	Reporting Date
Melewar Steel Tube Sdn Bhd ("MST") Mycron Steel CRC Sdn Bhd ("MSCRC")	• Repair & Preventive Maintenance	28 August 2024
Mycron Steel Berhad Group	• Conflict of Interest Management	25 February 2025
MIG Group	• Conflict of Interest Management	26 February 2025
3Bumi (Cambodia) Co., Ltd	• Operational Audit - Cash Management - Product Costing and Pricing - Sales, Billing, Collection and Credit Control - Outlet Management - Procurement and Payment - Stock Management - Headquarters' and Regulatory Reporting	
MST and MSCRC	• Water Management	27 May 2025

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

The costs incurred in respect of the internal audit reviews performed by the professional services firm was RM120,220 for the financial year ended 30 June 2025.

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DIRECTORS' REPORT

For the Financial Year Ended 30 June 2025

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

DIRECTORS

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

Tunku Dato' Yaacob Khyra
Azlan bin Abdullah
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah
Datin Seri Raihanah Begum binti Abdul Rahman
Kwo Shih Kang
Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram

In accordance with Article 96(1) of the Company's Constitution, Kwo Shih Kang and Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram are to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

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 date of this report are listed below (excluding those who are also Directors of the Company):

Tengku Datuk Seri Ahmad Shah ibni Almarhum Sultan Salahuddin Abdul Aziz Shah
Roshan Mahendran bin Abdullah
Mohd Silahuddin bin Jamaluddin
Ahmad Hamdan bin Jamaluddin
Brayn White
Muk Sai Tat
Kamarul Ariffin bin Mansor
Dato' Mohd Zahir bin Zahur Hussain

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of property investment and investment holding. The principal activities of its subsidiaries are disclosed in Note 16 to the financial statements.

There have been no significant changes in the nature of these activities during the current financial year.

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2025
(Continued)

FINANCIAL RESULTS

	Group RM	Company RM
Net (loss)/profit for the financial year	(8,391,044)	1,086,805
Attributable to:		
- owners of the Company	(8,068,956)	1,086,805
- non-controlling interests	(322,088)	-
	(8,391,044)	1,086,805

RESERVE AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2025
(Continued)

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, 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			
	As at 01.07.2024	Acquired	Disposed	As at 30.06.2025
Melewar Industrial Group Berhad ("MIG") (the Company)				
Tunku Dato' Yaacob Khyra				
- deemed indirect interest [(i)]	168,572,764	-	-	168,572,764
Azlan bin Abdullah				
- direct interest	133,333	-	-	133,333

	Number of ordinary shares			
	As at 01.07.2024	Acquired	Disposed	As at 30.06.2025
Mycron Steel Berhad (the Subsidiary)				
Tunku Dato' Yaacob Khyra				
- deemed indirect interest [(ii)]	242,523,025	-	-	242,523,025
Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah				
- deemed indirect interest [(iii)]	62,760	-	-	62,760
Azlan bin Abdullah				
- direct interest	53,900	-	-	53,900

(i) Deemed indirect interest by virtue of Tunku Dato' Yaacob Khyra ("TY") being a beneficiary of a trust known as Khyra Legacy Berhad ("KLB"), being the holding company of Melewar Equities (BVI) Ltd. ("MEBVI") and Melewar Khyra Sdn. Bhd. ("MKSB") who are the Major/Substantial Shareholders of the Company. TY is also deemed to have indirect interest in Avenue Serimas Sdn. Bhd. ("ASSB") by virtue of KLB being the ultimate holding company of ASSB.

(ii) Deemed indirect interest by virtue of TY being a beneficiary of a trust known as KLB, being the holding company of MEBVI and MKSB who are the Major/Substantial Shareholders of the Company, a Major Shareholder of Mycron Steel Berhad.

(iii) Deemed indirect interest by virtue of Tunku Yahaya @ Yahya bin Tunku Tan Sri Abdullah being a shareholder with 12.5% shareholdings in Melewar Group Berhad ("MGB") which is the family-owned investment holding company. MGB holds 0.02% of the issued share capital of Mycron Steel Berhad.

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2025
(Continued)

DIRECTORS' INTERESTS (CONTINUED)

By virtue of his interests in the shares of the Company, Tunku Dato' Yaacob Khyra is also deemed to have interests in the shares of all subsidiaries during the financial year to the extent that the 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 or declared since the end of the Company's previous financial year. The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2025.

DIRECTORS' REMUNERATION

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

	Received/ Receivable from the Company RM	Received/ Receivable from subsidiaries RM	Group RM
Non-Executive Directors:			
- fees	336,000	367,849	703,849
- allowances	31,500	32,000	63,500
- estimated monetary value of benefits-in-kind	17,496	6,998	24,494
Executive Directors			
- salaries, bonuses and other emoluments	840,000	7,155,055	7,995,055
- allowances	-	31,144	31,144
- estimated monetary value of benefits-in-kind	15,614	62,780	78,394
- defined contribution plan	126,000	1,070,180	1,196,180
	1,366,610	8,726,006	10,092,616

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 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 approximately RM58,500 and RM36,000 (2024: RM58,500 and RM36,000) respectively.

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2025
(Continued)

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 values 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 so to realise.

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 provision 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 would 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 have arisen since the end of the financial year which secures the liabilities of any other person; and

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

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

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

In the opinion of the Directors:

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

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

DIRECTORS' REPORT

For the Financial Year Ended 30 June 2025
(Continued)

SUBSIDIARIES

Details of subsidiaries are set out in Note 16 to the financial statements.

AUDITORS' REMUNERATION

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

	Group RM	Company RM
KPMG PLT		
- Statutory audit	677,100	225,000
- Non-audit services	24,500	12,500
Local affiliates of KPMG PLT	6,000	-

AUDITORS

The auditors, KPMG PLT (LLP0010081-LCA & AF 0758), have indicated their willingness to accept re-appointment as auditors.

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

TUNKU DATO' YAACOB KHYRA
EXECUTIVE CHAIRMAN

AZLAN BIN ABDULLAH
DIRECTOR

Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, Tunku Dato' Yaacob Khyra and Azlan bin Abdullah, being two of the Directors of Melewar Industrial Group Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 151 to 257 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and the financial performance of the Group and of the Company for the financial year ended on that date in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

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

TUNKU DATO' YAACOB KHYRA
EXECUTIVE CHAIRMAN

AZLAN BIN ABDULLAH
DIRECTOR

STATUTORY DECLARATION

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

I, Chan Loo Ling, being the Officer primarily responsible for the financial management of Melewar Industrial Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 151 to 257 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.

CHAN LOO LING
CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the abovenamed, Chan Loo Ling (MIA No.: 32390) before me, at Kuala Lumpur in Malaysia on 28 October 2025.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Melewar Industrial Group Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of other 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 151 to 257.

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 2025, 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"), 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.

INDEPENDENT AUDITORS' REPORT

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)
(Continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter (continued)

Revenue recognition	
Refer to Note 6 - Revenue	
Key audit matter	**How our audit addressed the key audit matter**
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 pressure 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 either side of the statement of financial position date as well as credit notes issued after year end are recognised in the correct period. • We circularised trade receivables' confirmation for selected debtors, on sample basis, and checked to relevant sales invoices and delivery documents when debtors are unresponsive. • We inspected the manual journal entries raised during the financial year relating to revenue, which were outside the normal course of business and enquired the reasons for such entries and compared the details of the entries with supporting documentation. • We identified the journal entries posted subsequent to financial year end, which relates to the reversal of revenue, enquired the reasons for such entries and compared the details of the entries with supporting documents including sales invoices and credit notes.

INDEPENDENT AUDITORS' REPORT

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)
(Continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter (continued)

Valuation on land and buildings, plant, machinery and electrical installation	
Refer to Note 13 – Property, plant and equipment & Note 14 – Right-of-use assets	
Key audit matter	**How our audit addressed the key audit matter**
As at 30 June 2025, the carrying amount of the Group's property, plant and equipment of RM308.5 million; and right-of-use assets of RM103.2 million represented 54% of the Group's total assets. These comprise freehold land and buildings, plant, machinery and electrical installations classified under property, plant and equipment; and leasehold land under right-of-use assets carried at their fair values. In determining the fair value of the land and buildings, plant, machinery and electrical installations, the Group carries out a valuation performed by an independent professional valuer. There were indications that the carrying amounts of the Group's property, plant and equipment may be impaired due to challenging market conditions during the financial year and the Group's market capitalisation value is below the total carrying amount of its net assets. Freehold land and leasehold land are valued based on the adjusted market comparison method. For the buildings, plant, machinery and electrical installation, their revaluation is performed based on "Depreciated replacement cost method" and other non-financial assets are not subjected to revaluation. The use of value-in-use ("VIU") involved significant estimates of the future financial results of the business, in particular, the key assumptions on sales volume growth rates, gross profit margins and pre-tax discount rates used in the cash flows forecasts. We have identified the valuation on property, plant and equipment and right-of-use assets as a key audit matter because significant judgement is involved in determining the key assumptions which impacted the valuation of property, plant and equipment and right-of-use assets.	Our audit procedures, among others, included the following: • Obtained the valuation reports for the land and buildings, plant, machinery and electrical installation which were prepared by the independent professional valuer. We assessed the independence, competency and objectivity of the external valuer vis à vis the expert's background, reputation and experience in valuation of assets in the industry where the Group operates. • Discussed with the valuer to understand the methodologies, appropriateness of the adjustments made to the observable prices of the land and appropriateness of the deductions made to the current cost of replacement in determining the valuation of the buildings, plant, machinery and electrical installation adopted in determining the valuation price of the assets under valuation. • Assessed and challenged the significant and highly sensitive assumptions on sales volume growth rates, gross profit margins and pre-tax discount rates by comparing those assumptions with internally derived information and external market data. • Engaged KPMG corporate finance specialist to evaluate the discount rate used to determine the present value of the cash flow. • Considered the adequacy of the disclosures of the assumptions applied, which are particularly sensitive, uncertain or require significant judgement, in the assessment of valuation of property, plant and equipment and right-of-use assets.

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

INDEPENDENT AUDITORS' REPORT

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(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.

INDEPENDENT AUDITORS' REPORT

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)
(Continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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 Group's and of the Company's internal control.

- 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 Group's or on the Company's ability 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 activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the Members of Melewar Industrial Group Berhad
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)
(Continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

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: 03337/12/2025 J
Chartered Accountant

Petaling Jaya, Selangor

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	6	728,848,861	810,167,615	8,090,000	8,060,000
Cost of sales/services provided		(675,803,924)	(740,356,091)	(1,424,664)	(1,577,079)
Gross profit		53,044,937	69,811,524	6,665,336	6,482,921
Other operating income		871,590	2,216,209	-	-
Net foreign currency exchange (loss)/gain	7	(1,963,002)	1,890,088	-	-
Fair value gain/(loss) on investment properties	15	-	-	5,058,000	(279,190)
Impairment (loss)/reversal on:					
- property, plant and equipment	13	(702,295)	477,186	3,505	(7,724)
- trade receivables	7	28,676	(114,050)	-	-
- other receivables	7	(12,477)	(1,191,474)	-	-
- investment in subsidiaries	16	-	-	-	447,410
- amounts due from subsidiaries	4(c)(iv)	-	-	(3,691,361)	(2,374,440)
Selling and distribution expenses		(8,523,863)	(8,483,619)	-	-
Administrative and general expenses		(42,459,945)	(40,958,437)	(3,711,452)	(3,595,206)
Operating profit		283,621	23,647,427	4,324,028	673,771
Fair value loss on financial assets at fair value through profit or loss	20	(2,893,205)	(3,387,378)	(2,093,205)	(3,087,378)
Fair value loss on derivatives	21	-	-	-	(2,034,834)
Finance income	8	1,635,347	1,851,016	1,540,282	544,699
(Loss)/Profit before financing and income taxes		(974,237)	22,111,065	3,771,105	(3,903,742)
Finance costs	8	(6,783,981)	(8,247,956)	(288,955)	(31,528)
(Loss)/Profit before tax	7	(7,758,218)	13,863,109	3,482,150	(3,935,270)

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 30 June 2025
(Continued)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Tax expense	11	(632,826)	(4,313,386)	(2,395,345)	(719,989)
Net (loss)/profit for the financial year		(8,391,044)	9,549,723	1,086,805	(4,655,259)
Other comprehensive income/(loss) for the financial year (net of tax):					
Item that may be subsequently reclassified to profit or loss:					
Currency translation differences		507,023	(136,030)	-	-
Item that will not be reclassified to profit or loss:					
Assets revaluation reserve					
- Revaluation surplus, net of tax, on:					
- property, plant and equipment	30	5,211,886	1,614,797	6,350	32,105
- right-of-use assets	30	6,683,748	1,412,594	-	-
Total comprehensive income/(loss) for the financial year		4,011,613	12,441,084	1,093,155	(4,623,154)
Net (loss)/profit for the financial year attributable to:					
- Owners of the Company		(8,068,956)	5,158,032	1,086,805	(4,655,259)
- Non-controlling interests		(322,088)	4,391,691	-	-
		(8,391,044)	9,549,723	1,086,805	(4,655,259)
Total comprehensive income/(loss) for the financial year attributable to:					
- Owners of the Company		2,653,807	7,564,736	1,093,155	(4,623,154)
- Non-controlling interests		1,357,806	4,876,348	-	-
		4,011,613	12,441,084	1,093,155	(4,623,154)
(Loss)/Earnings per share attributable to owners of the Company during the financial year:					
- Basic and diluted (sen)	12	(2.24)	1.43		

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

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
NON-CURRENT ASSETS					
Property, plant and equipment	13	308,494,321	308,491,488	675,552	739,293
Right-of-use assets	14	103,188,848	96,533,874	379,665	465,628
Investment properties	15	-	-	83,300,000	78,200,000
Investment in subsidiaries	16	-	-	88,514,865	88,514,865
Net investment in subleases	14	820,043	-	-	-
Deferred tax assets	17	1,005,024	300,103	-	-
		413,508,236	405,325,465	172,870,082	167,919,786
CURRENT ASSETS					
Inventories	18	199,410,037	268,535,403	-	-
Net investment in subleases	14	89,121	-	-	-
Receivables, deposits and prepayments	19	87,679,577	109,849,058	144,958	164,793
Financial assets at fair value through profit or loss	20	2,954,456	6,396,411	1,154,456	3,796,411
Derivative financial assets	21	473,723	124,763	-	-
Amounts due from subsidiaries	22	-	-	7,587	3,466
Current tax receivables		3,125,931	2,024,313	-	-
Cash and cash equivalents	23	57,201,704	70,577,623	340,423	205,377
		350,934,549	457,507,571	1,647,424	4,170,047
LESS: CURRENT LIABILITIES					
Payables and accrued liabilities	24	57,925,837	109,885,098	2,378,301	2,744,431
Contract liabilities	25	423,255	338,805	-	-
Amounts due to subsidiaries	22	-	-	4,112,648	3,613,557
Derivative financial liabilities	21	566,693	32,629	-	-
Borrowings	26	79,094,292	126,455,756	-	-
Lease liabilities	14	576,119	368,327	79,176	73,108
Current tax provision		899,301	1,282,789	889,733	834,604
		139,485,497	238,363,404	7,459,858	7,265,700
NET CURRENT ASSETS/(LIABILITIES)		211,449,052	219,144,167	(5,812,434)	(3,095,653)
		624,957,288	624,469,632	167,057,648	164,824,133

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025
(Continued)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
CAPITAL AND RESERVE ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	27	253,791,194	253,791,194	253,791,194	253,791,194
Warrant reserve	28	-	-	-	-
Retained profits/ (Accumulated losses)		61,968,328	70,037,284	(106,871,861)	(107,958,666)
Assets revaluation reserve	30	103,510,464	93,294,724	465,111	458,761
Foreign currency translation reserve		(267,821)	(774,844)	-	-
		419,002,165	416,348,358	147,384,444	146,291,289
Non-controlling interests		132,199,575	130,841,769	-	-
TOTAL EQUITY		551,201,740	547,190,127	147,384,444	146,291,289
NON-CURRENT LIABILITIES					
Borrowings	26	1,422,247	8,299,757	-	-
Lease liabilities	14	2,638,510	2,280,017	305,607	384,783
Deferred income on grant	31	7,756,435	8,103,935	-	-
Deferred tax liabilities	17	61,938,356	58,595,796	19,367,597	18,148,061
		73,755,548	77,279,505	19,673,204	18,532,844
		624,957,288	624,469,632	167,057,648	164,824,133

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2025

Group

	Attributable to owners of the Company						
	Share capital RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total RM
At 1 July 2024	253,791,194	(774,844)	93,294,724	70,037,284	416,348,358	130,841,769	547,190,127
Net loss for the financial year	-	-	-	(8,068,956)	(8,068,956)	(322,088)	(8,391,044)
Other comprehensive income for the financial year, net of tax:							
Currency translation differences	-	507,023	-	-	507,023	-	507,023
Revaluation surplus, net of tax, on:							
- property, plant and equipment (Note 30)	-	-	4,001,254	-	4,001,254	1,210,632	5,211,886
- right-of-use assets (Note 30)	-	-	6,214,486	-	6,214,486	469,262	6,683,748
Total comprehensive income/(loss) for the financial year	-	507,023	10,215,740	(8,068,956)	2,653,807	1,357,806	4,011,613
At 30 June 2025	253,791,194	(267,821)	103,510,464	61,968,328	419,002,165	132,199,575	551,201,740

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2025
(Continued)

Group

	Attributable to owners of the Company							
	Share capital RM	Warrant reserve RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	Total RM
At 1 July 2023	250,207,537	3,568,297	(638,814)	90,751,990	65,720,273	409,609,283	125,124,401	534,733,684
Net profit for the financial year	-	-	-	-	5,158,032	5,158,032	4,391,691	9,549,723
Other comprehensive (loss)/income for the financial year, net of tax:								
Currency translation differences	-	-	(136,030)	-	-	(136,030)	-	(136,030)
Revaluation surplus, net of tax, on:								
- property, plant and equipment (Note 30)	-	-	-	1,243,438	-	1,243,438	371,359	1,614,797
- right-of-use assets (Note 30)	-	-	-	1,299,296	-	1,299,296	113,298	1,412,594
Total comprehensive (loss)/income for the financial year	-	-	(136,030)	2,542,734	5,158,032	7,564,736	4,876,348	12,441,084
Transactions with owners:								
Exercise of warrants (Note 27 and 28)	17,407	(2,047)	-	-	-	15,360	-	15,360
Transfer of lapsed warrants not exercised (Note 27 and 28)	3,566,250	(3,566,250)	-	-	-	-	-	-
Non-controlling interests								
- change in effective interest (Note 29)	-	-	-	-	(841,021)	(841,021)	841,020	(1)
At 30 June 2024	253,791,194	-	(774,844)	93,294,724	70,037,284	416,348,358	130,841,769	547,190,127

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2025
(Continued)

Company

	Share capital RM	Assets revaluation reserve RM	Accumulated losses RM	Total RM
At 1 July 2024	253,791,194	458,761	(107,958,666)	146,291,289
Net profit for the financial year	-	-	1,086,805	1,086,805
Other comprehensive income for the financial year, net of tax:				
Revaluation surplus on property, plant and equipment, net of tax (Note 30)	-	6,350	-	6,350
Total comprehensive income for the financial year	-	6,350	1,086,805	1,093,155
At 30 June 2025	253,791,194	465,111	(106,871,861)	147,384,444

	Share capital RM	Warrant reserve RM	Assets revaluation reserve RM	Accumulated losses RM	Total RM
At 1 July 2023	250,207,537	3,568,297	426,656	(103,303,407)	150,899,083
Net loss for the financial year	-	-	-	(4,655,259)	(4,655,259)
Other comprehensive income for the financial year, net of tax:					
Revaluation surplus on property, plant and equipment, net of tax (Note 30)	-	-	32,105	-	32,105
Total comprehensive income/ (loss) for the financial year	-	-	32,105	(4,655,259)	(4,623,154)
Transaction with owners:					
Exercise of warrants (Note 27 and 28)	17,407	(2,047)	-	-	15,360
Transfer of lapsed warrants not exercised (Note 27 and 28)	3,566,250	(3,566,250)	-	-	-
At 30 June 2024	253,791,194	-	458,761	(107,958,666)	146,291,289

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
OPERATING CASH FLOWS					
Operating profit		283,621	23,647,427	4,324,028	673,771
Adjustments for:					
Amortisation of deferred income on grant	31	(347,500)	(1,527,523)	-	-
Property, plant and equipment:					
- depreciation	13	14,784,530	15,692,354	82,523	84,074
- impairment loss/(reversal)	13	702,295	(477,186)	(3,505)	7,724
- loss/(gain) on disposals	13	36,698	(174,227)	-	-
- write-offs		-	240	-	-
Depreciation on right-of-use assets	7	2,370,066	2,180,336	85,963	82,368
Gain on derecognition of right-of-use assets		(120,382)	-	-	-
Impairment loss/(reversal) on:					
- investment in subsidiaries	7	-	-	-	(447,410)
- amounts due from subsidiaries	7	-	-	3,691,361	2,374,440
- trade receivables	7	28,676	114,050	-	-
- other receivables	7	(12,477)	1,191,474	-	-
Write-down of inventories	7	169,747	-	-	-
Inventories written off	7	1,069,271	223,447	-	-
Fair value (gain)/loss on investment properties	7	-	-	(5,058,000)	279,190
Dividend income	6	-	-	(200,000)	(500,000)
Net unrealised loss/(gain) on foreign currency exchange	7	62,681	(283,186)	-	-
		19,027,226	40,587,206	2,922,370	2,554,157
Changes in working capital:					
- inventories		67,886,348	(90,389,731)	-	-
- receivables, deposits and prepayments		21,825,269	(38,986,863)	(540,620)	(2,006,335)
- payables and accrued liabilities		(52,143,672)	65,593,526	743,076	(89,605)
- related party balances		-	-	19,690	138,258
- contract liabilities		84,450	(6,079,864)	-	-
Cash generated from /(used in) operations		56,679,621	(29,275,726)	3,144,516	596,475
Tax paid		(2,706,470)	(3,079,169)	(1,122,685)	(763,207)
Tax refunded		188,083	210,512	-	209,670
Net operating cash flows		54,161,234	(32,144,383)	2,021,831	42,938

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2025
(Continued)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
INVESTING CASH FLOWS					
Purchases of property, plant and equipment		(6,446,316)	(5,553,215)	(6,922)	-
Purchase of investment properties	15	-	-	(42,000)	(479,190)
Purchase of financial assets at fair value through profit or loss	20	-	(6,769,900)	-	(6,769,900)
Proceeds from disposal of property, plant and equipment		95,882	446,119	-	-
Proceeds from disposal of derivative financial assets	21	-	84,982	-	2,073,826
Proceeds from grant on property, plant and equipment	31	-	3,900,000	-	-
Interest received:					
- deposit with licensed banks	8	1,608,988	1,851,016	4,783	22,653
- net investment in subleases	14	26,359	-	-	-
Increase in investment in a subsidiary		-	(1)	-	-
Redemption of financial assets at fair value through profit or loss	20	550,000	2,000,000	550,000	2,000,000
Dividend received	32	-	-	200,000	500,000
Advances granted to subsidiaries	32	-	-	(1,867,206)	(1,306,815)
Expenses paid on behalf of subsidiaries	32	-	-	(841,964)	(1,249,554)
Repayment of advances granted to subsidiaries	32	-	-	549,186	704,583
Net investing cash flows		(4,165,087)	(4,040,999)	(1,454,123)	(4,504,397)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2025
(Continued)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
FINANCING CASH FLOWS					
Proceeds from borrowings		347,059,485	402,605,507	-	-
Proceeds from exercise of warrants		-	15,360	-	15,360
Repayment of borrowings		(403,370,864)	(369,196,884)	-	-
Repayment of hire-purchase		(961,904)	(650,409)	-	-
Principal payment of lease liabilities		(491,060)	(343,786)	(73,108)	(61,577)
Interest paid:					
- borrowings		(5,078,003)	(7,881,194)	-	-
- lease liabilities		(279,775)	(199,988)	(33,989)	(22,651)
- shareholder's advances		(228,921)	-	(228,921)	-
Drawdown of shareholder's advances	24	2,000,000	1,500,000	2,000,000	1,500,000
Repayment of shareholder's advances	24	(2,550,000)	-	(2,550,000)	-
Advances from subsidiaries	32	-	-	471,558	2,033,441
Repayment to subsidiaries	32	-	-	(18,202)	(138,242)
Net financing cash flows		(63,901,042)	25,848,606	(432,662)	3,326,331
NET CHANGE IN CASH AND CASH EQUIVALENTS		(13,904,895)	(10,336,776)	135,046	(1,135,128)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		70,577,623	81,052,847	205,377	1,340,505
EFFECTS OF CHANGES IN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		528,976	(138,448)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	23	57,201,704	70,577,623	340,423	205,377

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2025
(Continued)

Cash-flows movement in-relation to 'changes in liabilities arising from financing activities' on a year-to-date basis is outlined below:

	Bankers' acceptance RM	Term loan RM	Mortgage loan RM	Hire-purchase creditors RM	Factoring RM	Lease liabilities RM	Shareholder's advances RM	Total RM
Group								
At 1 July 2024	118,960,000	4,347,552	10,218,672	873,782	355,507	2,648,344	1,500,000	138,903,857
Cash flows								
Proceeds from borrowings	344,070,000	-	-	-	2,989,485	-	-	347,059,485
Proceeds from shareholder's advances	-	-	-	-	-	-	2,000,000	2,000,000
Repayment of borrowings	(394,600,000)	(4,347,552)	(2,180,094)	-	(2,243,218)	-	-	(403,370,864)
Repayment of shareholder's advances	-	-	-	-	-	-	(2,550,000)	(2,550,000)
Repayment of hire-purchase	-	-	-	(961,904)	-	-	-	(961,904)
Principal payment of lease liabilities	-	-	-	-	-	(491,060)	-	(491,060)
Interest paid	(4,268,069)	(100,353)	(542,715)	(76,733)	(90,133)	(279,775)	(228,921)	(5,357,778)
Working capital	(307,949)	-	-	-	(17,199)	-	-	(554,069)
Non-cash								
Additions during the year	-	-	-	3,034,309	-	981,115	-	4,015,424
Remeasurement	-	-	-	-	-	131,454	-	131,454
Currency exchange differences	-	-	-	-	-	(55,224)	-	(55,224)
Interest charged	4,576,018	100,353	542,715	76,733	107,332	279,775	228,921	5,911,847
At 30 June 2025	68,430,000	-	8,038,578	2,946,187	1,101,774	3,214,629	950,000	84,681,168

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2025
(Continued)

Cash-flows movement in-relation to 'changes in liabilities arising from financing activities' on a year-to-date basis is outlined below: (continued)

	Bankers' acceptance RM	Term loan RM	Mortgage loan RM	Hire-purchase creditors RM	Factoring RM	Lease liabilities RM	Shareholder's advances RM	Total RM
Group								
At 1 July 2023	78,010,000	10,180,884	12,282,224	1,124,191	-	2,599,453	-	104,196,752
Cash flows								
Proceeds from borrowings	402,250,000	-	-	-	355,507	-	-	402,605,507
Proceeds from shareholder's advances	-	-	-	-	-	-	1,500,000	1,500,000
Repayment of borrowings	(361,300,000)	(5,833,332)	(2,063,552)	-	-	-	-	(369,196,884)
Repayment of hire-purchase	-	-	-	(650,409)	-	-	-	(650,409)
Principal payment of lease liabilities	-	-	-	-	-	(343,786)	-	(343,786)
Interest paid	(5,346,970)	(422,601)	(645,684)	(68,347)	-	(199,988)	-	(6,683,590)
Working capital	(222,522)	-	-	-	(7,120)	-	(8,877)	(238,519)
Non-cash								
Additions during the year	-	-	-	400,000	-	-	-	400,000
Derecognition	-	-	-	-	-	(126,532)	-	(126,532)
Remeasurement	-	-	-	-	-	497,922	-	497,922
Currency exchange differences	-	-	-	-	-	21,287	-	21,287
Interest charged	5,569,492	422,601	645,684	68,347	7,120	199,988	8,877	6,922,109
At 30 June 2024	118,960,000	4,347,552	10,218,672	873,782	355,507	2,648,344	1,500,000	138,903,857

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2025
(Continued)

Cash-flows movement in-relation to 'changes in liabilities arising from financing activities' on a year-to-date basis is outlined below: (continued)

	Lease liabilities RM	Shareholder's advances RM	Amount due to subsidiaries RM	Total RM
Company				
2025				
At 1 July 2024	457,891	1,500,000	3,613,557	5,571,448
Cash flows				
Advances from subsidiaries	-	-	471,558	471,558
Repayment to subsidiaries	-	-	(18,202)	(18,202)
Interest paid	(33,989)	(228,921)	-	(262,910)
Proceeds from shareholder's advances	-	2,000,000	-	2,000,000
Repayment of shareholder's advances	-	(2,550,000)	-	(2,550,000)
Principal payment of lease liabilities	(73,108)	-	-	(73,108)
Non-cash				
Interest charged	33,989	228,921	26,045	288,955
Expenses paid on behalf by subsidiaries	-	-	19,690	19,690
At 30 June 2025	384,783	950,000	4,112,648	5,447,431
2024				
At 1 July 2023	21,546	-	1,580,100	1,601,646
Cash flows				
Advances from subsidiaries	-	-	2,033,441	2,033,441
Repayment to subsidiaries	-	-	(138,242)	(138,242)
Proceeds from shareholder's advances	-	1,500,000	-	1,500,000
Interest paid	(22,651)	(8,877)	-	(31,528)
Principal payment of lease liabilities	(61,577)	-	-	(61,577)
Non-cash				
Interest charged	22,651	8,877	-	31,528
Remeasurement	497,922	-	-	497,922
Expenses paid on behalf by subsidiaries	-	-	138,258	138,258
At 30 June 2024	457,891	1,500,000	3,613,557	5,571,448

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

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025

1 GENERAL INFORMATION

The principal activities of the Company are that of property investment and investment holding.

The Company
- invests in assets that generate a return individually and largely independently of the Company's other resources as a main business activity; and
- invests in unconsolidated subsidiaries as a main business activity.

The principal activities of its subsidiaries are disclosed in Note 16 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:

15th Floor
No. 566 Jalan Ipoh
51200 Kuala Lumpur

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

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

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

2 BASIS OF PREPARATION (CONTINUED)

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current event and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as disclosed in Note 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 2024:

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

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

The Group early adopted MFRS 18, *Presentation and Disclosure in Financial Statements* (in replacement of MFRS 101, *Presentation of Financial Statements*). It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. These include:

- The requirement to classify all income and expense into specified categories and provide specified totals and subtotals in the Statement of Comprehensive Income.
- Required disclosures about certain non-GAAP measures ('management-defined performance measures' or 'MPMs'), in a single note to the financial statements.
- Enhanced guidance on the aggregation and disaggregation of information across all the primary financial statements and the notes.
- The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from 'profit or loss' to 'operating profit or loss'. It also provides guidance on classification of interest and dividend in Statement of Cash Flows.
- Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

The standard is applied retrospectively, and there is no impact arising from the adoption of MFRS 18 on the Group and Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

2 BASIS OF PREPARATION (CONTINUED)

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 July 2025

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

MFRSs, 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 Statements*
  - 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*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 July 2027

- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRSs, 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 standards, amendments to published standards and the impact is still being assessed.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Revaluation of certain property, plant and equipment and right-of-use assets / fair value of investment properties

As disclosed in Notes 13, 14 and 15 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 and investment properties at fair values. On an annual basis, the Group appoints independent professional firms to determine the fair values of these property, plant and equipment, right-of-use assets and investment properties which generally do not have quoted prices in active markets for identical assets. The Group also conducts annual review, as required under MFRS 116, Property, Plant and Equipment, on the assumed useful life and residual value applied on its property, plant and equipment to ensure these do not materially depart from the fair values and underlying assumptions determined by the independent valuer firm. The Directors at the advice of the appointed professional valuer 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 building 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 the Cash-Generating Units ("CGU"), the Group and the Company compare the carrying amounts of these assets with its recoverable amount, measured at the higher of the fair value less cost to sell and the value-in-use. In measuring the value-in-use based on the CGU's discounted cash flows, certain estimates and assumptions are applied as disclosed in Notes 13 and 16 to the financial statements.

The recoverability of inventory is an area of focus due to the significant estimates involved in determining the net realisable value of the inventories, which is dependent on the expected selling price of the finished goods subsequent to the financial year end. In assessing the write-down of inventory as disclosed in Note 18, the Group compares for any deficiency in the estimated Net Realisable Value ("NRV") of finished goods against their carrying inventory value at and after the close of the current reporting period for each entity. In estimating the NRV at the close of the reporting period, the 'average selling price of contracted sales order' and 'recent selling price' are inferred as the evidence of NRV.

(c) Deferred tax assets

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

(d) Lease options

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks. The Group's overall financial risk management objective is to optimise value creation for shareholders whilst minimising potential adverse impact arising from its exposure to the various financial risks as discussed hereinafter. Financial risk management is carried out at both functional and operational levels, and is embedded into its policies, processes, and controls where appropriate. 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 reports to the Board.

Various risk management policies that are approved by the Directors for controlling and managing financial risks in the day-to-day operations of the Group 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 provision; and (ii) to ensure uninterrupted and adequate supply of capital to fulfil objective (i).

The Group views its equity (total equity less intangible assets including deferred tax) plus interest bearing debts (excluding lease liabilities) totalling to RM693.6 million (2024: RM780.9 million) as capital resources, and has a policy to maintain the debt-to-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 external borrowings are mainly incepted at the indirectly held Cold Rolled Coil and Steel Tube subsidiaries. The Group and Company also have outstanding net advances from a shareholder amounting to RM0.95 million (2024: RM1.5 million). The external borrowings of the Group's steel subsidiaries are subjected to specific 'capital' covenants on minimum adjusted shareholders' funds and maximum allowable 'debt-to-equity' ratio computed at both the entity and at the consolidated levels under their respective debenture. The adjusted shareholders' fund is calculated as total equity less intangibles, whilst the 'debt-to-equity' ratio is calculated as total interest-bearing liabilities, which excludes lease liabilities, divided by the adjusted shareholders' fund.

For the reporting period, the Group's subsidiaries complied with their respective debenture-imposed capital covenants and generally have been capital-sufficient in meeting peak business needs. Over the current reporting period, capital deployed in the Group has decreased by around RM87.3 million (from equity capital up by RM6.6 million (up by 1.1%) and interest-bearing debt capital decreased by around RM93.4 million (down by 53.7%).

The Group's debt-equity ratio closed lower at 0.13 times for the current reporting period compared to the preceding period's close at 0.29, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group's and the Company's financial resources are insufficient to meet 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 exposure to liquidity risk arises principally from its various payables and borrowings. The Group maintains a level of cash and cash equivalents, and adequate bank facilities to meet its financial liabilities when due. The Group's liquidity risk management is largely decentralised at the respective subsidiaries/ business units for timely intervention as funding are raised at the respective subsidiaries' level. As such, each subsidiary has its own unique liquidity risk profile. Nevertheless, the Company's and subsidiaries' liquidity risk management are governed by a common set of Group's practices and policies:

- Maintain sufficient stand-by credit facilities and the continuing support from a diversified range of funding sources/credit providers
- Maintain a strict debt or financial liabilities servicing plan vis-à-vis its cash-flows generated from operations and from maturing financial assets
- Rolling cash-flow planning on weekly, monthly, and annual basis
- Manage the concentration and maturity profile of both financial and non-financial liabilities
- Manage cash conversion cycles and optimise working capital deployment

The Group's subsidiaries are subjected to a liquidity covenant on the minimum allowable 'Debt Service Cover Ratio' (DSCR). At the close of the current financial year, the steel tube subsidiary fell-short in meeting the DSCR covenant in-relation to its short-term tradeline borrowings, and has since sought and obtained indulgence from the affected lender. In compliance with the amended MFRS101, we have reclassified RM5.5 million in 'long-term borrowing' to 'short-term borrowing' (see Note 26).

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

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

At the reporting date, the Company's exposure to liquidity risk arises from corporate guarantees issued on the Steel Tube subsidiary's trade credit lines from key suppliers of RM22.3 million (2024: RM23.0 million). The Directors are of the opinion that the default risk by the subsidiary on the aforementioned is negligible.

The total balance undrawn banking trade-line facilities for the subsidiaries at the reporting date is around RM216.5 million (2024: RM142.8 million).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis

The tables below summarise the maturity profile of the Group's financial liabilities as at the current financial year's reporting date based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Within 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 2025									
Non-derivative financial liabilities									
Bankers' acceptance	68,430,000	4.45% - 5.04%	68,941,538	68,941,538	-	-	-	-	-
Mortgage loan	8,038,578	5.91%	8,424,741	8,424,741	-	-	-	-	-
Hire-purchase creditors	2,946,187	1.75% - 2.70%	3,162,535	1,668,480	1,040,878	389,764	63,413	-	-
Factoring	1,101,774	15.00%	1,101,774	1,101,774	-	-	-	-	-
Shareholder's advances	950,000	8.00%	1,026,000	1,026,000	-	-	-	-	-
Payables and accrued liabilities, excluding payroll liabilities	53,901,135	-	53,901,135	53,901,135	-	-	-	-	-
Lease liabilities	3,214,629	5.80% - 9.00%	3,949,501	794,965	774,745	748,160	636,906	343,775	650,950
	138,582,303		140,507,224	135,858,633	1,815,623	1,137,924	700,319	343,775	650,950

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis (continued)

The tables below summarise the maturity profile of the Group's financial liabilities as at the preceding financial year's reporting date as comparison based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Within 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 2024									
Non-derivative financial liabilities									
Bankers' acceptance	118,960,000	4.57% - 5.78%	119,819,851	119,819,851	-	-	-	-	-
Term loan	4,347,552	5.59%	4,467,426	4,467,426	-	-	-	-	-
Mortgage loan	10,218,672	5.84%	11,016,969	2,592,228	2,592,228	2,592,228	2,592,228	648,057	-
Hire-purchase creditors	873,782	2.23% - 2.55%	934,183	451,348	229,649	148,149	105,037	-	-
Factoring	355,507	15.00%	355,507	355,507	-	-	-	-	-
Trade payables	39,169,997	5.50%	39,556,100	39,556,100	-	-	-	-	-
Shareholder's advances	1,500,000	8.0%	1,620,000	1,620,000	-	-	-	-	-
Payables and accrued liabilities, excluding payroll liabilities	66,604,280	-	66,604,280	66,604,280	-	-	-	-	-
Lease liabilities	2,648,344	5.80% - 9.00%	3,400,497	548,090	533,436	490,983	467,688	399,205	961,095
	244,678,134		247,774,813	236,014,830	3,355,313	3,231,360	3,164,953	1,047,262	961,095

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis (continued)

The tables below summarise the maturity profile of the Company's financial liabilities as at the current financial year's reporting date based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Within 1 year RM	1 – 2 years RM	2 – 3 years RM	3 – 4 years RM	4 – 5 years RM
Company								
At 30 June 2025								
Non-derivative financial liabilities								
Payables and accrued liabilities, excluding payroll liabilities	678,506	-	678,506	678,506	-	-	-	-
Amounts due to subsidiaries	4,112,648	-	4,112,648	4,112,648	-	-	-	-
Lease liabilities	384,783	8.00%	455,166	107,098	107,098	107,098	107,098	26,774
Shareholder's advances	950,000	8.00%	1,620,000	1,620,000	-	-	-	-
Financial guarantee contracts	-	-	22,300,000	22,300,000	-	-	-	-
	6,125,937		29,166,320	28,818,252	107,098	107,098	107,098	26,774
At 30 June 2024								
Non-derivative financial liabilities								
Payables and accrued liabilities, excluding payroll liabilities	511,147	-	511,147	511,147	-	-	-	-
Amounts due to subsidiaries	3,613,557	-	3,613,557	3,613,557	-	-	-	-
Lease liabilities	457,891	8.00%	562,264	107,098	107,098	107,098	107,098	133,872
Shareholder's advances	1,500,000	8.00%	1,620,000	1,620,000	-	-	-	-
Financial guarantee contracts	-	-	23,000,000	23,000,000	-	-	-	-
	6,082,595		29,306,968	28,851,802	107,098	107,098	107,098	133,872

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk

Credit risk is the risk of financial loss resulting from counterparties' failure to discharge their contractual obligations. The Group's objectives on credit risk management are 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, deposits and prepayments and related company (outside the Group) balances.

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

At the reporting date, the Group has significant concentration of credit risk in its trade receivables where the top 10 corporate customers' outstanding of the Cold Rolled Coil and the Steel Tube segments represent about 78% (2024: 92%) and 65% (2024: 78%) of their respective trade receivables. The Company has no significant concentration of credit risk except for amounts due from subsidiaries. At the reporting date, the Group has 2 (2024: 2) external customers that contributes to more than 10% of the respective subsidiaries' revenue. The revenue contributed by the said customers amounted to RM179 million (2024: RM230 million). To manage the credit risk, 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 has one type of financial instrument that is subject to the ECL model under MFRS 9:

- Receivables and deposits

The Company has three types of financial instruments that are subject to the ECL model under MFRS 9:

- Receivables and deposits
- Amounts due from subsidiaries
- Financial guarantee contracts

Whilst cash and cash equivalents 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(i) Trade receivables using the simplified approach

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

(ii) Other receivables, amounts due from subsidiaries and financial guarantee contracts using the general 3 stage approach

The Company uses 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 Company's expected credit loss is as follows:

Category	Definition of category	Basis for recognition of expected credit loss allowance
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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(ii) Other receivables, amounts due from subsidiaries and financial guarantee contracts using the general 3 stage approach (continued)

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

For the amounts due from subsidiaries 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 Company considers 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 Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan’s effective interest rates, over the period until the amount is fully recovered.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iii) The Group's collateral at the end of the reporting period is summarised as follows:

	Net exposure RM	Collateral and credit enhancement RM	Maximum exposure (net of impairment) RM
2025			
Trade receivables	25,355,241	58,168,216	83,523,457
Other receivables	1,290,873	-	1,290,873
Refundable deposits	990,379	-	990,379
Derivative financial assets	473,723	-	473,723
Deposits with licensed banks	26,972,989	-	26,972,989
Cash and bank balances	30,228,715	-	30,228,715
Financial assets at fair value through profit or loss	2,954,456	-	2,954,456
	88,266,376	58,168,216	146,434,592
2024			
Trade receivables	33,598,011	72,360,844	105,958,855
Other receivables	1,965,979	-	1,965,979
Refundable deposits	778,700	-	778,700
Derivative financial assets	124,763	-	124,763
Deposits with licensed banks	18,591,689	-	18,591,689
Cash and bank balances	51,985,934	-	51,985,934
Financial assets at fair value through profit or loss	6,396,411	-	6,396,411
	113,441,487	72,360,844	185,802,331

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 year whereby loss allowances were not recognised due to the utilisation of these collaterals and credit enhancements.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired

Details of the Group's financial assets that are impaired and the reconciliation of the impairment as at the current financial year's reporting date are set out below:

	Trade receivables (Note 19) RM	Other receivables (Note 19) RM	Total RM
Group			
At 30 June 2025			
At gross amounts	83,560,583	2,680,486	86,241,069
Less: Accumulated impairment	(37,126)	(1,389,613)	(1,426,739)
	83,523,457	1,290,873	84,814,330
Accumulated impairment			
At 1 July	1,164,007	2,153,211	3,317,218
Impairment charge (Note 7)	27,138	24,477	51,615
Write-off	(1,098,205)	(680,925)	(1,779,130)
Reversal of impairment during the financial year	(55,814)	(12,000)	(67,814)
Currency exchange difference	-	(95,150)	(95,150)
At 30 June	37,126	1,389,613	1,436,739

During the current financial year (based on the lifetime expected credit loss assessment):

- The Group's Food subsidiary made a net impairment charge on some trade receivables and other receivables as the overdue receivables were determined to be non-performing, in default and credit impaired. Accordingly, ECL allowance amounting to RM27,138 and RM24,477 were recorded respectively.
- Outstanding debts of RM1,500,830 from the Food subsidiary and RM29,999 arising from the storage rental, which have been previously impaired, were written off against the impairment allowance during the current financial year.
- The Group's Food subsidiary and the UK subsidiary have made some reversal of impairment on trade receivables amounting to RM48,385 and RM7,429 equivalent upon settlement of outstanding debts of the said amounts. The Steel Tube subsidiary has also made a reversal of impairment on other receivables of RM12,000 upon settlement of outstanding debts of the said amount.
- In the current financial year, assessment on the recoverability of allowance carried forward from the preceding financial year, has determined that the carrying allowance on trade receivables of RM248,301; and as such, a corresponding full write-off was made.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired (continued)

During the current financial year (based on the lifetime expected credit loss assessment): (continued)

- During the current financial year, there was a movement in the impairment allowance of other receivables amounting to RM95,150 due to foreign currency exchange translation.

No other major ECL was deemed required other than the abovementioned.

Details of the Group's financial assets that are impaired and the reconciliation of the impairment as at the preceding financial year's reporting date are set out below:

	Trade receivables (Note 19) RM	Other receivables (Note 19) RM	Total RM
Group			
At 30 June 2024			
At gross amounts	107,122,862	4,091,352	111,214,214
Less: Accumulated impairment	(1,164,007)	(2,153,211)	(3,317,218)
	105,958,855	1,938,141	107,896,996
Accumulated impairment			
At 1 July	1,270,635	1,090,080	2,360,715
Impairment charge (Note 7)	116,902	1,208,885	1,325,787
Write-off	(220,678)	(128,343)	(349,021)
Reversal of impairment during the financial year	(2,852)	(17,411)	(20,263)
At 30 June	1,164,007	2,153,211	3,317,218

In the preceding financial year (based on the lifetime expected credit loss assessment):

- The Group's Food subsidiaries made a net impairment charge on some trade receivables and other receivables as the overdue receivables were determined to be non-performing, in default and credit impaired. Accordingly, ECL allowance amounting to RM115,472 and RM1,208,885 was recorded respectively.
- Outstanding debts of RM220,678 from the Food subsidiary and RM128,343 arising from the construction of library, which have been previously impaired, were written off against the impairment allowance during the current financial year.
- The Steel Tube subsidiary has made a reversal of impairment on other receivables of RM17,411 upon settlement of outstanding debts of the said amount.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired (continued)

In the preceding financial year (based on the lifetime expected credit loss assessment): (continued)

- The Group's UK subsidiary has also made a reversal of impairment on trade receivables amounting to RM1,422 equivalent upon settlement of outstanding debts of the said amount.

No other major ECL was deemed required other than the abovementioned.

Details of the Company's financial assets that are impaired and the reconciliation of the impairment at the current financial year's reporting date are as set out below:

	Amounts due from subsidiaries (Note 22) RM
Company	
At 30 June 2025	
At gross amounts	34,398,888
Less: Accumulated impairment	(34,391,301)
	7,587
Accumulated impairment	
At 1 July	30,699,940
Impairment charge (Note 7)	3,691,361
At 30 June	34,391,301

During the current financial year (based on the expected credit loss assessment), the Company has made additional impairment charge on the advances made to its various subsidiaries totalling RM3,691,361 as these were determined to be non-performing.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

(iv) Financial assets that are impaired (continued)

Details of the Company's financial assets that are impaired and the reconciliation of the impairment at the preceding financial year's reporting date are as set out below:

	Amounts due from subsidiaries (Note 22) RM
Company	
At 30 June 2024	
At gross amounts	30,703,406
Less: Accumulated impairment	(30,699,940)
	3,466
Accumulated impairment	
At 1 July	28,325,500
Impairment charge (Note 7)	2,374,440
At 30 June	30,699,940

In the previous financial year (based on the expected credit loss assessment), the Company has made additional impairment charge on the advances made to its various subsidiaries totalling RM2,374,440 as these were determined to be non-performing.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Interest rate risk

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 on interest rate risk management is to achieve a balance between re-pricing risks and minimising its weighted average borrowing cost.

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

Bank Negara Malaysia has maintained the OPR in the current financial year at 3.0% (2024: 3.0%).

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 earned interests at rates ranging between 1.0% to 4.5% (2024: 1.0% to 4.5%).

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

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

	Group	
	2025 RM	2024 RM
Current		
Fixed rate borrowings, denominated in RM	71,055,714	119,731,171
Floating rate borrowings, denominated in RM	8,038,578	6,724,585
Fixed rate credit from supplier, denominated in RM (Note 24)	-	39,169,997
Fixed rate advances from shareholders, denominated in RM (Note 24)	950,000	1,500,000
Non-current		
Fixed rate borrowings, denominated in RM	1,422,247	458,118
Floating rate borrowings, denominated in RM	-	7,841,639
	81,466,539	175,425,510

The risk impact for the floating rate financial liability instruments had the overall interest rates being 1.0% higher, is that the Group's loss after tax for financial year 2025 would increase by RM61,093 (2024: profit decrease by RM110,703). A 1.0% lower interest rate would have the equal but opposite effect to the aforementioned amounts. There is no risk impact to the Company as it has no borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk

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

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

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

For the current financial year, the Group reported a net FX-loss of RM1.96 million (2024: net FX-gain of RM1.89 million) due unhedged receivables in the weaker USD and SGD (FY 2024: stronger USD and SGD).

Further disclosures are made in Note 21 on derivatives.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

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:

	2025			2024		
	Unrealised RM'000	Realised RM'000	Total RM'000	Unrealised RM'000	Realised RM'000	Total RM'000
FX Fair Value						
Hedge Accounted						
Hedge instruments:						
- FX forwards	90	(2,722)	(2,633)	92	4,116	4,208
Hedge items:						
- Financial obligations	(90)	2,722	2,633	(92)	(4,116)	(4,208)
	-	-	-	-	-	-
Natural Hedge						
Rights: Cash/ receivables	(34)	(915)	(949)	-	342	342
Obligations: Payables	34	915	949	-	(342)	(342)
	-	-	-	-	-	-
Not Hedged Accounted						
FX instruments	-	-	-	-	(263)	(263)
FX items	(63)	(1,900)	(1,963)	283	1,870	2,153
	(63)	(1,900)	(1,963)	283	1,607	1,890
Net FX (loss)/gain	(63)	(1,900)	(1,963)	283	1,607	1,890

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

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

	From USD	From SGD	From GBP	Total
Group				
As at 30 June 2025				
Financial assets				
Receivables, deposits and prepayments	6,182,497	7,608,974	107,073	13,898,544
Cash and bank balances	3,888,331	828,601	96,181	4,813,113
	10,070,828	8,437,575	203,254	18,711,657
Less: Financial liability				
Payables and accrued liabilities	(6,692)	-	(302,592)	(309,284)
Net financial assets/(liabilities)	10,064,136	8,437,575	(99,338)	18,402,373
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	(3,108,366)	8,437,575	(99,338)	5,229,871

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

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

	From USD	From SGD	From GBP	Total
Group				
As at 30 June 2024				
Financial assets				
Receivables, deposits and prepayments	15,686,516	8,304,456	50,020	24,040,992
Cash and bank balances	26,706,902	164,065	87,681	26,958,648
	42,393,418	8,468,521	137,701	50,999,640
Less: Financial liability				
Payables and accrued liabilities	(35,429)	-	(246,366)	(281,795)
Net financial assets/(liabilities)	42,357,989	8,468,521	(108,665)	50,717,845
Off balance sheet				
Contracted commitments	(103,563,593)	-	-	(103,563,593)
Group foreign currency natural hedge for contracted rights	(39,735,839)	-	-	(39,735,839)
Group foreign currency natural hedge for contracted obligations	39,735,839	-	-	39,735,839
Forward foreign currency contracts at notional value at closing rate	63,827,754	-	-	63,827,754
Net currency exposure	2,622,150	8,468,521	(108,665)	10,982,006

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency exchange risk (continued)

The Company does not have any foreign currency exposure for both current and preceding financial years.

The following table demonstrates the sensitivity of the Group's (loss)/profit after tax and equity to a reasonably possible change in the USD, SGD and Great Britain Pound ("GBP") exchange rates against RM, with all other variables in particular interest rates held constant.

	Increase/ (Decrease) in Profit and Equity 2025 RM	Increase/ (Decrease) in Profit and Equity 2024 RM
Group		
RM appreciates against USD by 2% (2024: 2%)	47,247	(39,857)
RM appreciates against SGD by 2% (2024: 2%)	(128,251)	(128,722)
RM appreciates against GBP by 2% (2024: 2%)	1,510	1,652

A 2% (2024: 2%) weakening of the above currencies against the RM 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 determination of the fair value for other financial assets and liabilities may require the application of certain valuation methods.

Fair value estimation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

5 FAIR VALUE (CONTINUED)

Fair value estimation (continued)

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

	Note	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
2025					
Financial assets					
Financial assets at fair value through profit or loss	20	2,946,000	8,456	-	2,954,456
Forward foreign currency exchange contracts	21	-	473,723	-	473,723
		2,946,000	482,179	-	3,428,179
Financial liability					
Derivative financial liabilities		-	(566,693)	-	(566,693)
2024					
Financial assets					
Financial assets at fair value through profit or loss	20	5,847,000	549,411	-	6,396,411
Forward foreign currency exchange contracts	21	-	124,763	-	124,763
		5,847,000	674,174	-	6,521,174
Financial liability					
Derivative financial liabilities		-	(32,629)	-	(32,629)

The 'financial assets at fair value through profit or loss' comprise of investment in quoted shares and investment funds (see Note 20). The investment in quoted shares is fair valued by way of marking-to-active market using the quoted closing price on Bursa Malaysia. The fair value of investment funds is determined based on independent fund valuations.

The fair value of financial instruments that are not traded in an active market, such as those forward foreign currency exchange 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 forward foreign currency exchange 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.

The Group does not hold any financial assets or liabilities where fair values are assessed at Level 3.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

5 FAIR VALUE (CONTINUED)

Fair value estimation (continued)

The following table presents the Company's financial assets that are measured at fair value on reporting date:

	Note	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company					
2025					
Financial asset					
Financial assets at fair value through profit or loss	20	1,146,000	8,456	-	1,154,456
2024					
Financial asset					
Financial assets at fair value through profit or loss	20	3,247,000	549,411	-	3,796,411

The Company's 'financial assets at fair value through profit or loss' comprise of investment in quoted shares and investment funds (see Note 20). The investment in quoted shares is fair valued by way of marking-to-active market using the quoted closing price on Bursa Malaysia. The fair value of investment funds is determined based on independent fund valuations.

The Company does not hold any financial assets where fair values are assessed at Level 3.

6 REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers				
Sales of goods	726,490,492	808,307,830	-	-
Processing service income	2,223,394	1,662,009	-	-
Management fees	-	-	2,850,000	2,520,000
	728,713,886	809,969,839	2,850,000	2,520,000
Revenue from other sources				
Dividend income	-	-	200,000	500,000
Lease rental income:				
- investment properties	-	-	5,040,000	5,040,000
- others	134,975	197,776	-	-
	134,975	197,776	5,240,000	5,540,000
Total revenue	728,848,861	810,167,615	8,090,000	8,060,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

6 REVENUE (CONTINUED)

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

	Timing of Revenue Recognition			
	At a point-in-time		Over time	Total
	Local RM	Abroad RM	Local RM	RM
Group				
2025				
Segments				
Steel tube	211,730,688	30,771,203	-	242,501,891
Cold rolled coil	327,696,801	137,603,800	-	465,300,601
Others	18,584,562	103,438	2,223,394	20,911,394
	558,012,051	168,478,441	2,223,394	728,713,886
Major goods and service lines				
Sales of primary goods:				
- steel tubes and pipes	211,730,688	30,771,203	-	242,501,891
- cold rolled coils	327,696,801	137,603,800	-	465,300,601
Sales of steel scraps and by-products	11,857,064	-	-	11,857,064
Trading of foods	6,727,498	103,438	-	6,830,936
Processing service income	-	-	2,223,394	2,223,394
	558,012,051	168,478,441	2,223,394	728,713,886
2024				
Segments				
Steel tube	238,356,812	42,838,144	-	281,194,956
Cold rolled coil	303,219,835	199,006,102	-	502,225,937
Others	24,701,541	185,396	1,662,009	26,548,946
	566,278,188	242,029,642	1,662,009	809,969,839
Major goods and service lines				
Sales of primary goods:				
- steel tubes and pipes	238,356,812	42,838,144	-	281,194,956
- cold rolled coils	303,219,835	199,006,102	-	502,225,937
Sales of steel scraps and by-products	16,753,029	-	-	16,753,029
Trading of foods	7,948,512	185,396	-	8,133,908
Processing service income	-	-	1,662,009	1,662,009
	566,278,188	242,029,642	1,662,009	809,969,839

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

6 REVENUE (CONTINUED)

Further disaggregation of revenue from contracts with customers by timing of recognition and sub-categories for the financial year are as follows: (continued)

	2025 RM	2024 RM
Company		
Revenue from contracts with customers		
Management fees		
- recognised over time	2,850,000	2,520,000

Revenue from contracts with customers

(i) Sale of primary goods (steel tubes and pipes, cold rolled coils, steel scraps and by-products)

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

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

(ii) Sales of goods (Trading of foods - Wholesale trading in meat, poultry, seafood and cooking oil products)

The Group is involved in the wholesale trading of meat, poultry, seafood and cooking oil products to customers. Sales from these products are recognised when the products are delivered and accepted by the customers, and when the customers have the full discretion to direct the use or movement over the products. Delivery is deemed to have occurred once the products reach the specific location, the risks of obsolescence and loss have been transferred to the customers. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

6 REVENUE (CONTINUED)

Revenue from contracts with customers (continued)

(iii) Processing service income and management fees

The Group offers galvanising, slitting, toll-manufacturing 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.

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

Revenue from other sources

(i) Dividend income (for the Company)

Dividend income is recognised when the Company's right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

(ii) Lease rental income

Lease payments received under operating leases are recognised as lease income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

7 (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
The following expenses have been charged/ (credited) in arriving at (loss)/profit before tax:				
Auditors' remuneration:				
- statutory audit				
- KPMG PLT	677,100	643,000	225,000	210,000
- non-audit services				
- KPMG PLT	24,500	24,000	12,500	12,000
- Local affiliates of KPMG PLT	6,000	-	-	-
Changes in inventories of finished goods and work-in-progress	(10,353,365)	(7,712,536)	-	-
Raw materials consumed	583,083,320	665,656,665	-	-
Consumables (inventories) consumed	20,107,298	20,728,628	-	-
Property, plant and equipment (Note 13):				
- depreciation	14,784,530	15,692,354	82,523	84,074
- impairment loss/(reversal)	702,295	(477,186)	(3,505)	7,724
- loss/(gain) on disposals	36,698	(174,227)	-	-
- write-offs	-	240	-	-
Depreciation on right-of-use assets [(a)]	2,370,066	2,180,336	85,963	82,368
Fair value (gain)/loss on:				
- investment properties (Note 15)	-	-	(5,058,000)	279,190
- derivatives (Note 21)	-	-	-	2,034,834
- financial assets at fair value through profit or loss (Note 20)	2,893,205	3,387,378	2,093,205	3,087,378
Staff costs - excluding Directors' remuneration:				
- salaries, bonuses and allowances	38,249,032	38,577,793	1,805,038	1,729,073
- defined contribution plan	4,682,364	4,864,228	261,659	259,305
- others	2,309,182	2,168,077	77,797	79,676
Rental expense [(a)]	39,816	33,530	39,816	33,530
Maintenance of plant and machinery	11,272,260	12,123,303	-	-
Impairment loss/(reversal) on:				
- investment in subsidiaries (Note 16)	-	-	-	(447,410)
- amounts due from subsidiaries (Note 4(c)(iv))	-	-	3,691,361	2,374,440
- trade receivables (Note 4(c)(iv))	(28,676)	114,050	-	-
- other receivables (Note 4(c)(iv))	12,477	1,191,474	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

7 (LOSS)/PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amortisation of deferred income on grant (Note 31)	(347,500)	(1,527,523)	-	-
Write-down of inventories to net realisable value	169,747	-	-	-
Inventories written off	1,069,271	223,447	-	-
Net foreign currency exchange loss/(gain)				
- realised	1,900,321	(1,606,902)	-	-
- unrealised	62,681	(283,186)	-	-
Quit rent and assessment fees	837,988	780,484	370,116	347,231

(a) The rental expense on the rented land and buildings deemed as an operating lease is now represented through the depreciation of the right-of-use assets on the aforementioned lease and the implicit interest charge on the corresponding lease liabilities (See Note 8 and Note 14). The remaining 'rental expense' for the current financial year relates to rentals of low value assets which are exempted from lease accounting under MFRS 16.

8 FINANCE INCOME AND COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Finance income on:				
Deposits with licensed banks [(a)]	(1,607,738)	(1,839,860)	(3,533)	(11,497)
Investment funds	(1,250)	(11,156)	(1,250)	(11,156)
Intercompany advances	-	-	(1,535,499)	(522,046)
Net investment in subleases [(b)]	(26,359)	-	-	-
Total finance income	(1,635,347)	(1,851,016)	(1,540,282)	(544,699)
Finance costs on:				
Borrowings	5,219,086	6,637,777	-	-
Factoring	107,332	7,120	-	-
Hire-purchase	76,733	68,347	-	-
Suppliers' credit	872,134	1,325,847	-	-
Shareholder's advances	228,921	8,877	228,921	8,877
Intercompany advances	-	-	26,045	-
Lease liabilities [(c)]	279,775	199,988	33,989	22,651
Total finance costs	6,783,981	8,247,956	288,955	31,528
Finance costs/(income) - net	5,148,634	6,396,940	(1,251,327)	(513,171)

(a) Interest income from fixed-deposits and money-market REPO (repurchase agreement) placements with Banks for very short tenure.

(b) Interest income from net investment in subleases is an implicit income derived from lease receivables representing the discounted lease commitment streams over the remaining term of the leases, pursuant to the adoption of MFRS 16 (See Note 14).

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

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 Income Statement. The analysis below provides disclosure of key specific operating expenses by-nature and where these are included in the operating category.

Operating expenses by nature	Depreciation RM	Employee remunerations and benefits RM	Impairment losses/ (reversals) on property, plant and equipment RM	Inventory write-down to net realisable value RM
Group				
2025				
Total amount recognised in the period	17,154,596	45,240,578	702,295	169,747
Total amount included in:				
Cost of sales	13,117,005	26,405,427	-	169,747
Administrative expenses	4,037,591	18,835,151	-	-
Impairment on property, plant and equipment	-	-	702,295	-
Total amount included in the operating category	17,154,596	45,240,578	702,295	169,747
2024				
Total amount recognised in the period	17,872,690	45,610,098	(477,186)	-
Total amount included in:				
Cost of sales	14,046,827	25,892,685	-	-
Administrative expenses	3,825,863	19,717,413	-	-
Impairment on property, plant and equipment	-	-	(477,186)	-
Total amount included in the operating category	17,872,690	45,610,098	(477,186)	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

9 ANALYSIS OF OPERATING EXPENSES (CONTINUED)

Operating expenses by nature	Depreciation RM	Employee remunerations and benefits RM	Impairment losses/ (reversals) RM
Company			
2025			
Total amount recognised in the period	168,486	2,144,494	(3,505)
Total amount included in:			
Administrative expenses	168,486	2,144,494	-
Impairment on property, plant and equipment	-	-	(3,505)
Total amount included in the operating category	168,486	2,144,494	(3,505)
2024			
Total amount recognised in the period	166,442	2,068,054	(439,686)
Total amount included in:			
Administrative expenses	166,442	2,068,054	-
Impairment on property, plant and equipment	-	-	7,724
Impairment on investment in subsidiaries	-	-	(447,410)
Total amount included in the operating category	166,442	2,068,054	(439,686)

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

Included in other operating income is amortisation of government grant.

Included in selling and distribution expenses are carriage outwards, upkeep and maintenance of motor vehicles.

Included in administrative expenses are employee remuneration and benefits, depreciation of property, plant and equipment and miscellaneous expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

10 DIRECTORS' REMUNERATION

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-Executive Directors:				
- fees	703,849	615,000	336,000	279,000
- allowances	63,500	58,000	31,500	29,500
- estimated monetary value of benefits-in-kind	24,494	20,865	17,496	14,904
Executive Directors:				
- salaries, bonuses and other emoluments	7,995,055	6,361,692	840,000	825,008
- allowances	31,144	58,200	-	-
- estimated monetary value of benefits-in-kind	78,394	84,465	15,614	14,279
- defined contribution plan	1,196,180	957,348	126,000	123,752
	10,092,616	8,155,570	1,366,610	1,286,443

The numbers of Directors of the Company whose total remuneration paid by the Company falling within certain bands are outlined below:

	Number of Directors	
	2025	2024
Executive Directors:		
RM900,001 – RM950,000	-	-
RM950,001 – RM1,000,000	1	1
Non-Executive Directors:		
Less than RM50,000	-	-
RM50,001 – RM100,000	5	5

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

11 TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current Malaysia tax:				
- current year	1,619,802	4,039,013	1,155,984	850,856
- over accrual in the prior year	(586,521)	(1,100,854)	21,830	(6,505)
	1,033,281	2,938,159	1,177,814	844,351
Deferred taxation (Note 17):				
- origination and reversal of temporary differences	(844,192)	1,375,227	1,223,887	(124,362)
- under/(over) accrual in the prior year	443,737	-	(6,356)	-
	(400,455)	1,375,227	1,217,531	(124,362)
Tax expense	632,826	4,313,386	2,395,345	719,989

The explanation of the relationship between tax expense and (loss)/profit before tax is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(7,758,218)	13,863,109	3,482,150	(3,935,270)
Tax calculated at the Malaysian tax rate of 24% (2024: 24%)	(1,861,972)	3,327,146	835,716	(944,465)
Tax effects of:				
- expenses not deductible for tax purposes	1,592,213	1,755,725	1,606,572	1,670,959
- income not subject to tax	(107,663)	(414,090)	(62,417)	-
- over accrual in the prior year	(142,784)	(1,100,854)	15,474	(6,505)
- difference in tax rate	95,150	105,877	-	-
- tax losses and allowances not recognised as deferred tax	1,057,882	639,582	-	-
Tax expense	632,826	4,313,386	2,395,345	719,989

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

12 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

	Group	
	2025 RM	2024 RM
Net (loss)/profit attributable to owners of the Company	(8,068,956)	5,158,032
Weighted average number of ordinary shares in issue (net of treasury shares)	359,456,103	359,456,103
Basic (loss)/earnings per share (sen)	(2.24)	1.43

(b) Diluted (loss)/earnings per share

The average number of ordinary shares in issue has not been adjusted to assume any dilution as the Group did not issue any financial instruments that may entitle its holders to ordinary shares. Accordingly, the diluted (loss)/earnings per share is the same as basic (loss)/earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Construction work-in-progress RM	Total RM
Group						
2025						
Cost/Valuation						
At 1 July 2024						
- cost	-	-	-	16,309,272	807,353	17,116,625
- valuation	77,000,000	58,811,322	202,137,544	-	-	337,948,866
	77,000,000	58,811,322	202,137,544	16,309,272	807,353	355,065,491
Additions	-	59,222	6,517,424	874,538	2,060,391	9,511,575
Currency translation differences	-	-	-	(46,032)	-	(46,032)
Disposals	-	-	(112,921)	(105,559)	-	(218,480)
Write-offs	-	-	-	(675)	-	(675)
Revaluation during the financial year	-	5,027,620	1,100,537	11,166	-	6,139,323
Effects of elimination of accumulated depreciation on revaluation	-	(2,088,743)	(11,338,950)	-	-	(13,427,693)
At 30 June 2025	77,000,000	61,809,421	198,303,634	17,042,710	2,867,744	357,023,509
Less: Accumulated depreciation						
At 1 July 2024	-	-	-	10,152,785	-	10,152,785
Charge for the financial year (Note 7)	-	2,088,743	11,339,329	1,356,458	-	14,784,530
Currency translation differences	-	-	-	(17,372)	-	(17,372)
Disposals	-	-	(379)	(85,521)	-	(85,900)
Write-offs	-	-	-	(675)	-	(675)
Effects of elimination of accumulated depreciation on revaluation	-	(2,088,743)	(11,338,950)	-	-	(13,427,693)
At 30 June 2025	-	-	-	11,405,675	-	11,405,675

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Spare parts RM	Construction work-in-progress RM	Total RM
Group							
2025							
Less: Accumulated impairment loss							
At 1 July 2024	-	-	36,322,217	99,001	-	-	36,421,218
Charge for the financial year (Note 7)	-	-	685,500	16,795	-	-	702,295
At 30 June 2025	-	-	37,007,717	115,796	-	-	37,123,513
Net book value							
At 30 June 2025	77,000,000	61,809,421	161,295,917	5,521,239	-	2,867,744	308,494,321
Representing:							
- cost	-	-	-	5,521,239	-	2,867,744	8,388,983
- valuation	77,000,000	61,809,421	161,295,917	-	-	-	300,105,338
	77,000,000	61,809,421	161,295,917	5,521,239	-	2,867,744	308,494,321

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Construction work-in-progress RM	Total RM
Group						
2024						
Cost/Valuation						
At 1 July 2023						
- cost	-	-	-	15,681,807	725,299	16,407,106
- valuation	77,000,000	58,176,612	210,415,168	-	-	345,591,780
	77,000,000	58,176,612	210,415,168	15,681,807	725,299	361,998,886
Additions	-	548,488	4,063,361	776,309	565,057	5,953,215
Currency translation differences	-	-	-	9,639	-	9,639
Disposals	-	-	(1,112,179)	(175,351)	-	(1,287,530)
Write-offs	-	-	(27,859)	(3,011)	-	(30,870)
Revaluation during the financial year	-	2,656,978	(552,124)	19,879	-	2,124,733
Effects of elimination of accumulated depreciation on revaluation	-	(2,570,756)	(11,131,826)	-	-	(13,702,582)
Reclassification	-	-	483,003	-	(483,003)	-
At 30 June 2024	77,000,000	58,811,322	202,137,544	16,309,272	807,353	355,065,491
Less: Accumulated depreciation						
At 1 July 2023	-	-	-	9,181,475	-	9,181,475
Charge for the financial year (Note 7)	-	2,570,756	12,048,476	1,073,122	-	15,692,354
Currency translation differences	-	-	-	1,305	-	1,305
Disposals	-	-	(915,323)	(100,315)	-	(1,015,638)
Write-offs	-	-	(1,327)	(2,802)	-	(4,129)
Effects of elimination of accumulated depreciation on revaluation	-	(2,570,756)	(11,131,826)	-	-	(13,702,582)
At 30 June 2024	-	-	-	10,152,785	-	10,152,785

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Buildings RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Spare parts RM	Construction work-in-progress RM	Total RM
Group							
2024							
Less: Accumulated impairment loss							
At 1 July 2023	-	1,065,289	35,760,615	99,001	-	-	36,924,905
(Reversal)/Charge for the financial year (Note 7)	-	(1,065,289)	587,894	209	-	-	(477,186)
Write-offs	-	-	(26,292)	(209)	-	-	(26,501)
At 30 June 2024	-	-	36,322,217	99,001	-	-	36,421,218
Net book value							
At 30 June 2024	77,000,000	58,811,322	165,815,327	6,057,486	-	807,353	308,491,488
Representing:							
- cost	-	-	-	6,057,486	-	807,353	6,864,839
- valuation	77,000,000	58,811,322	165,815,327	-	-	-	301,626,649
	77,000,000	58,811,322	165,815,327	6,057,486	-	807,353	308,491,488

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Building RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Total RM
Company				
2025				
Cost/Valuation				
At 1 July 2024				
- cost	-	-	840,298	840,298
- valuation	111,322	731,089	-	842,411
	111,322	731,089	840,298	1,682,709
Additions	-	-	6,922	6,922
Revaluation during the financial year	-	8,355	-	8,355
Write-off	-	-	(675)	(675)
Elimination of accumulated depreciation on revaluation	-	(32,860)	-	(32,860)
At 30 June 2025	111,322	706,584	846,545	1,664,451
Less: Accumulated depreciation				
At 1 July 2024	-	-	581,732	581,732
Charge for the financial year (Note 7)	-	32,860	49,663	82,523
Write-off	-	-	(675)	(675)
Elimination of accumulated depreciation on revaluation	-	(32,860)	-	(32,860)
At 30 June 2025	-	-	630,720	630,720
Less: Accumulated impairment loss				
At 1 July 2024	-	281,089	80,595	361,684
Reversal for the financial year (Note 7)	-	(3,505)	-	(3,505)
At 30 June 2025	-	277,584	80,595	358,179
Net book value				
At 30 June 2025	111,322	429,000	135,230	675,552
Representing:				
- cost	-	-	135,230	135,230
- valuation	111,322	429,000	-	540,322
	111,322	429,000	135,230	675,552

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Building RM	Plant, machinery and electrical installation RM	Motor vehicles, furniture, fittings and equipment RM	Total RM
Company				
2024				
Cost/Valuation				
At 1 July 2023				
- cost	-	-	840,298	840,298
- valuation	111,322	723,365	-	834,687
	111,322	723,365	840,298	1,674,985
Revaluation during the financial year	-	42,244	-	42,244
Elimination of accumulated depreciation on revaluation	-	(34,520)	-	(34,520)
At 30 June 2024	111,322	731,089	840,298	1,682,709
Less: Accumulated depreciation				
At 1 July 2023	-	-	532,178	532,178
Charge for the financial year (Note 7)	-	34,520	49,554	84,074
Elimination of accumulated depreciation on revaluation	-	(34,520)	-	(34,520)
At 30 June 2024	-	-	581,732	581,732
Less: Accumulated impairment loss				
At 1 July 2023	-	273,365	80,595	353,960
Charge for the financial year (Note 7)	-	7,724	-	7,724
At 30 June 2024	-	281,089	80,595	361,684
Net book value				
At 30 June 2024	111,322	450,000	177,971	739,293
Representing:				
- cost	-	-	177,971	177,971
- valuation	111,322	450,000	-	561,322
	111,322	450,000	177,971	739,293

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) Valuation of certain property, plant and equipment and ROU assets

Fair value of the Group's land and buildings at the end of the financial year as determined by the professional valuer is within Level 3 of the fair value hierarchy. Land and buildings of the Group were revalued in June 2025 by an independent firm of professional valuer, PA International Property Consultants (KL) Sdn. Bhd. based on adjusted market comparison approach and depreciated replacement cost approach respectively. The leasehold land classified as ROU assets continues to be measured using the same revaluation model by the aforementioned valuer-firm.

Fair value of the Group's plant, machinery, and electrical installation at the end of the financial year as determined by the professional valuer is within Level 3 of the fair value hierarchy. Please refer to Note 13(iv) for the details of fair value measurements using significant unobservable input (Level 3).

The Group's revaluation surplus on property, plant and equipment of RM6,139,323 (2024: RM2,124,733) and ROU assets (Note 14) amounting to RM8,794,405 (2024: RM1,858,677) were credited directly to assets revaluation reserve account and its related deferred taxation arising from the revaluation was provided accordingly (Note 17). For the current financial year, the net revaluation deficit amounting to RM702,295 was recognised as impairment in profit or loss, while in the previous financial year, surpluses in-relation to brought forward impairment amounting to RM477,186 was credited to profit or loss as reversal.

The Company's revaluation surplus of RM8,355 (2024: RM44,244) was credited directly to assets revaluation reserve account and its related deferred taxation arising from the revaluation was provided accordingly (Note 17). The net revaluation surplus amounting to RM3,505 (2024: deficit amounting to RM7,724) was taken up as impairment in profit or loss.

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 cost less accumulated depreciation are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Freehold land	31,300,000	31,300,000	-	-
Buildings	42,327,395	45,214,884	111,322	111,322
Plant, machinery and electrical installation	175,443,812	181,318,937	251,412	268,509
	249,071,207	257,833,821	362,734	379,831

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(i) Valuation of certain property, plant and equipment and ROU assets (continued)

The fair value of ROU assets and property, plant and equipment 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 valuer have relied on the following methodologies:

- Freehold land and leasehold land – adjusted market comparison approach by reference to observable prices per square foot ("psf") in an active market or recent market transactions (Level 3).

- Buildings and plant, machinery and electrical installation - depreciated replacement cost approach, 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).

(ii) Assets acquired under hire-purchase arrangements

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

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

(iii) Assets pledged as securities

Property, plant and equipment amounting to RM302,949,256 (2024: RM302,958,495) of the steel subsidiaries are pledged as securities for certain banking facilities granted to the Group. Refer Note 26 to the financial statements for further details.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Plant, machinery and electrical installation	
	2025 RM	2024 RM
Group		
At 1 July	165,815,327	174,654,553
Additions	6,517,424	4,063,361
Disposals	(112,542)	(196,856)
Revaluation during the financial year	1,100,537	(552,124)
Impairment charge for the financial year	(685,500)	(587,894)
Depreciation charge for the financial year	(11,339,329)	(12,048,476)
Write-offs	-	(240)
Transfer from construction work-in-progress and spare parts	-	483,003
At 30 June	161,295,917	165,815,327
Company		
At 1 July	450,000	450,000
Revaluation during the financial year	8,355	42,244
Write back/(Impairment charge) for the financial year	3,505	(7,724)
Depreciation charge for the financial year	(32,860)	(34,520)
At 30 June	429,000	450,000

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

Description	Fair value as at 30 June 2025 RM	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Plant, machinery and electrical installation	161,295,917	Depreciated replacement cost approach	Useful life of 10-18 years	The longer the useful life, the higher the fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

As at 30 June 2025, if the unobservable input based on the useful life of the plant, machinery and electrical installation increases/decreases by one year, the fair value of the plant, machinery and electrical installation will increase/decrease by approximately RM11,339,329 (2024: RM12,048,476) respectively.

	Land and buildings	
	2025 RM	2024 RM
Group		
At 1 July	135,811,322	134,111,323
Additions	59,222	548,488
Revaluation during the financial year	5,027,620	2,656,978
Depreciation charge for the financial year	(2,088,743)	(2,570,756)
Impairment reversed/(charged) for the financial year	-	1,065,289
At 30 June	138,809,421	135,811,322
Company		
At 1 July / 30 June	111,322	111,322

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

The unobservable inputs used to determine the fair value of buildings is the adjusted depreciated building cost psf (ranging from RM27 to RM102 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") for the Group's Cold Rolled Coil (CRC) and Steel Tube segments. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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:

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

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

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

Material accounting policy information

(a) Recognition and measurement

Property, plant and equipment are initially stated at cost. Freehold land, buildings, plant, machinery and electrical installation are subsequently shown at fair values, based on periodic valuation by external valuer, less subsequent depreciation and impairment losses, with sufficient regularity or when the fair value of the revalued assets 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 property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Increases 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 recognised in profit or loss, the increase is first recognised in profit or loss. Decreases 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Material accounting policy information (continued)

(a) Recognition and measurement (continued)

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

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.

(b) 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, furniture, fittings and equipment	5 – 20 years

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

At the start of the financial year, the Group conducted a capital asset review of its building, resulting in revision to the expected useful life and its residual value. Following this review, management extended the remaining useful life of the buildings by 10 years, aligning it with the useful life adopted by the independent professional valuer. The effect of these changes on depreciation expense is not significant, hence it has not been presented.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

14 LEASES

Information on the Group's leases and accounting changes over the current financial year are outlined below:

(A) Group

Leases as lessee

	Note	ROU assets		Lease liabilities	
		2025 RM	2024 RM	2025 RM	2024 RM
At 1 July					
Leasehold land	(a)	94,100,000	94,000,000	-	-
Rented properties	(b)	2,433,874	2,439,623	2,648,344	2,599,453
Total		96,533,874	96,439,623	2,648,344	2,599,453
Changes to ROU assets					
Revaluation during the year	(c)	8,794,405	1,858,677	-	-
Depreciation during the year:	(d)				
- leasehold land	7	(1,794,405)	(1,758,677)	-	-
- rented properties	7	(575,661)	(421,659)	-	-
Additions		981,115	-	-	-
Derecognition		-	(116,806)	-	-
Remeasurements	(g)	109,257	515,772	-	-
Derecognition #		(780,447)	-	-	-
Currency exchange difference		(79,290)	16,944	-	-
Total		6,654,974	94,251	-	-
Changes to lease liabilities					
Lease payment	(e)	-	-	(770,835)	(543,774)
Interest expense	(f)	-	-	279,775	199,988
Currency exchange differences		-	-	(55,224)	21,287
Additions		-	-	981,115	-
Derecognition		-	-	-	(126,532)
Remeasurements	(g)	-	-	131,454	497,922
Total		-	-	566,285	48,891
At 30 June					
Leasehold land		101,100,000	94,100,000	-	-
Rented properties		2,088,848	2,433,874	3,214,629	2,648,344
Total	(h)	103,188,848	96,533,874	3,214,629	2,648,344

Derecognition of the ROU assets was a result of entering into a finance sublease

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

14 LEASES (CONTINUED)

(A) Group (continued)

Leases as lessee (continued)

(a) The Group's leasehold land comprise of the following properties on-which its factory plants were erected. The property lessor is the Selangor State Government with no corresponding lease liabilities to the lessor. The leasehold land under the Group's Steel Tube subsidiary is pledged against a banking facility.

Description	Registered title owner	Lease expiry date	Remaining leasehold period	Value (RM)
i. Lot 53, Persiaran Selangor	MST	22.05.2078	53	28,000,000
ii. Lot 49, Jalan Utas 15/17	MIG	13.04.2072	47	44,100,000
iii. Lot 10, Persiaran Selangor	MIG	11.05.2085	60	29,000,000
				101,100,000

The total net book value of these leasehold land that would have been included in the financial statements had these assets been carried at deemed costs less accumulated depreciation is RM34,560,659 (2024: RM35,227,796).

(b) The Group rented properties comprise of buildings for its steel segment, office space for its corporate-office, rented facilities, shop lots and outlets for food segment. As a tenant, the Group does not have ownership rights to full 'risk and reward' of the properties.

The lease liabilities are derived from the stream of fixed rent commitments over the remaining term of the tenancy with the economic assumption on whether the next renewal option is exercised, and discounted using the tenant or lessee's estimated incremental borrowing rates ranging from 5.8% to 9.0% (2024: 5.8% to 9.0%). The deposits paid are refundable and not intended to be applied against rent instalments towards termination or expiry of lease; and as such, are excluded from the discounted lease payment cash flow stream used in computing the lease liabilities.

The ROU assets comprised of these lease liabilities sum adjusted for any pre-payments and restoration cost where contractually applicable. Lease commitments relate to the Group's food trading, distribution, retail and engineering businesses. These lease liabilities or ROU assets for rental properties are excluded from any financial covenant ratios computation unless the netting effect from both is included.

(c) This amount represents the revaluation gain on the leasehold land which are subject to monthly depreciation based on its balanced lease-life, and re-measured at fair value 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(v) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

14 LEASES (CONTINUED)

(A) Group (continued)

Leases as lessee (continued)

(e) 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.

(f) 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.

(g) Included in remeasurement of lease liabilities is the changes in lease payment and lease term.

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

	2025 RM	2024 RM
Current	576,119	368,327
Non-current	2,638,510	2,280,017
	3,214,629	2,648,344

Leases as lessor

The net investment in subleases (also known as lease receivables) comprise of a few sub-tenants occupying the main lease with the terms matching the main lease. The carrying value represents the corresponding lease liability subsumed under the main lease.

	Note	2025 RM	2024 RM
At 1 July		-	-
Changes to assets			
Additional sublease during the year		900,829	-
Lease payments received during the year	(a)	(48,797)	-
Finance income (Note 8)	(b)	26,359	-
Currency exchange difference		30,773	-
At 30 June		909,164	-

(a) This amount represents the contractual rent received from sub-leases on the rented properties which denotes as settlement of the depreciated lease receivables and corresponding implicit interest income over the current financial year.

(b) This amount represents the implicit effective interest income from the carrying sub-lease receivables on a reducing balance monthly rest basis. This implicit interest income, equivalent to the assumed discount rate used, is excluded from any financial ratio covenants computation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

14 LEASES (CONTINUED)

(A) Group (continued)

Leases as lessor (continued)

(c) Net investment in subleases with carrying amount of RM909,164 are segregated into current and non-current assets as follows:

	2025 RM	2024 RM
Current	89,121	-
Non-current	820,043	-
	909,164	-

The following table sets out the maturity analysis of lease receivables showing the undiscounted lease payments to be received after the reporting date.

	2025 RM	2024 RM
Within one year	189,173	
After one year but not more than five years	479,410	-
More than five years	523,210	-
Total undiscounted lease payments receivable	1,191,793	-
Unearned finance income	(282,629)	-
Net investments in leases	909,164	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

14 LEASES (CONTINUED)

(B) Company

Leases as lessee

	Note	ROU assets		Lease liabilities	
		2025 RM	2024 RM	2025 RM	2024 RM
At 1 July					
Rented office space	(a)	465,628	32,224	457,891	21,546
Changes to ROU assets					
Remeasurements	(e)	-	515,772	-	-
Depreciation during the year (Note 7)	(b)	(85,963)	(82,368)	-	-
		(85,963)	433,404	-	-
Changes to Lease liabilities					
Lease payment	(c)	-	-	(107,097)	(84,228)
Interest expense (Note 8)	(d)	-	-	33,989	22,651
Remeasurements	(e)	-	-	-	497,922
		-	-	(73,108)	436,345
At 30 June					
Rented office space	(f)	379,665	465,628	384,783	457,891

(a) The Company rents an office space as its head office. As a tenant, the Company does not have ownership rights to full 'risk and reward' of the property, typical of operating lease.

The lease liability is derived from the stream of fixed rent commitments over the remaining term of the tenancy with the economic assumption whether the next renewal option is exercised, and discounted using the tenant or lessee's estimated incremental borrowing rate at 8.0% (2024: 8.0%) per annum. The ROU assets comprised of the lease liability sum adjusted for any pre-payments and restoration cost where contractually applicable.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

14 LEASES (CONTINUED)

(B) Company

Leases as lessee (continued)

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

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

(d) This amount represents the implicit effective interest charged on the carrying lease liabilities based on a reducing balance monthly rest basis. This implicit interest expense, equivalent to the assumed discount rate used is excluded from any financial ratio covenants computation.

(e) Included in remeasurement of lease liabilities are the changes in lease payment and lease term of Level 15, No. 566 Jalan Ipoh.

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

	2025 RM	2024 RM
Current	79,176	73,108
Non-current	305,607	384,783
	384,783	457,891

The Company does not have any lease arrangement to report as a 'Lessor'.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

14 LEASES (CONTINUED)

Material accounting policy information (continued)

(b) Lease and non-lease components

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

(c) Recognition exemption

Short term leases are leases with a lease term of 12 months or less. Low value assets comprise of small items such as office equipment. Payments associated with short term leases of equipment and vehicles and all leases of low value assets, are recognised on a straight-line bases as an expense in profit or loss.

15 INVESTMENT PROPERTIES

	Company	
	2025 RM	2024 RM
Leasehold land and buildings		
At 1 July	78,200,000	78,000,000
Additions	42,000	479,190
Fair value gain/(loss) (Note 7)	5,058,000	(279,190)
At 30 June	83,300,000	78,200,000

The Company's closing fair values on their investment properties are determined based on methods within Level 3 of the fair value hierarchy. Level 3 fair values of the Company's properties were derived using the sales comparison approach in combination with other market value indicators. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square foot. Valuation on buildings is based on depreciated replacement cost method. The fair values of the properties at the close of the current financial years have been determined by PA International Property Consultants (KL) Sdn. Bhd., an independent professional valuation firm.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

15 INVESTMENT PROPERTIES (CONTINUED)

The Company's investment properties comprise of two separate leasehold land with factory buildings erected thereon, which are rented out to its Steel Tube subsidiary.

Description	Lease expiry date	Remaining leasehold period	Value (RM)
i. Lot 49, Jalan Utas 15/17	13.04.2072	47	50,200,000
ii. Lot 10, Persiaran Selangor	11.05.2085	60	33,100,000
			83,300,000

Direct operating expenses attributable to the rental income generated from these investment properties at Company level totalled RM451,746 (2024: RM620,063).

Minimum lease payments receivable on leases of investment properties are as follows:

	2025 RM	2024 RM
Not later than 1 year	5,040,000	4,620,000
Later than 1 year but not later than 2 years	9,660,000	-
Total	14,700,000	4,620,000

Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

16 INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Investments in subsidiaries at cost:		
- Quoted shares	87,844,865	87,844,865
- Unquoted shares	22,632,819	22,632,819
	110,477,684	110,477,684
Less: Accumulated impairment losses	(21,962,819)	(21,962,819)
	88,514,865	88,514,865
Market value of quoted shares	72,738,080	107,894,818
The movements of investments in subsidiaries are as follows:		
At 1 July	88,514,865	88,067,455
Less: Impairment reversed/(charged) for the year (Note 7)	-	447,410
At 30 June	88,514,865	88,514,865

Investments in Mycron Steel Berhad ("MSB")

The cost of investment in MSB amounting to RM87.8 million has been assessed for impairment based on a Value in Use ("VIU") model in additions to the market value of the shares which are quoted to determine its recoverable amount. The indicative recoverable amount (based on its VIU) of the respective investments is higher than its 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:

	2025 rates		2024 rates	
Assumption	MCRC	MST	MCRC	MST
Terminal growth rate	0%	0%	0%	0%
Pre-tax discount rate	16%	16%	16%	16%

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 its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name	Principal activities	Group's effective interest	
		2025 %	2024 %
Mycron Steel Berhad ("MSB") [1]	Investment holding and provision of management services to subsidiaries	74.1	74.1
Melewar Steel Services Sdn Bhd ("MSS") [1]	Dormant	100.0	100.0
Melewar Steel Assets Sdn Bhd ("MSA") [1]	Dormant	100.0	100.0
Melewar Metal Trading Sdn Bhd (formerly known as Melewar Steel Mills Sdn Bhd) ("MMT") [1]	Trading of steel and iron products/scraps	100.0	100.0
Ausgard Quick Assembly Systems Sdn Bhd ("Ausgard") [1]	Supply and construct quick assembly homes	100.0	100.0
Melewar Imperial Limited ("MIL") [1]	Investment holding	100.0	100.0
3Bumi Sdn Bhd ("3Bumi") [1]	Investment holding	100.0	100.0
Subsidiaries of MSB			
Mycron Steel CRC Sdn Bhd ("MCRC") [1]	Manufacturing and trading of steel cold rolled coils	74.1	74.1
Melewar Steel Tube Sdn Bhd ("MST") [1]	Manufacturing and trading of steel tubes and pipes	74.1	74.1
Silver Victory Sdn Bhd ("SV") [1]	Trading and export of steel related products	74.1	74.1
Subsidiaries of MIL			
Melewar Steel UK Ltd ("MSUK") [2])	Dormant	100.0	100.0
Jack Nathan Limited ("JNL") [2][3]	Steel tubes distribution, storage solutions and food retail in the United Kingdom	100.0	100.0
Subsidiaries of 3Bumi			
3Bumi Trading Sdn Bhd ("3BT") [1]	Trading of frozen meat and seafood	100.0	100.0
3Bumi Oleo Sdn Bhd ("3BO") [1]	Bottling and distribution of palm olein edible oil	80.0	80.0
3Bumi (Cambodia) Co., Ltd ("3BC") [4]	Food distribution and retail business	100.0	100.0
3Padi Growers Sdn Bhd ("3Padi") [1]	Dormant	100.0	100.0
3Dara Sdn Bhd ("3Dara") [1]	Dormant	100.0	100.0

(1) The entity's principal place of business and country of incorporation is in Malaysia and audited by KPMG PLT Malaysia.
(2) The entity's principal place of business and country of incorporation is in England and Wales which exempts it from statutory audit requirement.
(3) JNL is exempted from audit under the UK laws for small private limited companies.
(4) 3BC's principal place of business and country of incorporation is in Cambodia and exempted from audit under the Cambodian laws for small private limited companies.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Information relating to subsidiary with a material non-controlling interest

The summarised financial information of MSB is as follows:

	MSB Group	
	2025 RM	2024 RM
Statement of Comprehensive Income		
Revenue for the financial year	721,882,950	801,811,804
Net (loss)/profit for the financial year	(1,295,071)	16,971,649
Total comprehensive profit	5,199,484	18,845,357
Statement of Financial Position		
Current assets	349,503,461	451,110,332
Non-current assets	365,021,507	366,838,276
Current liabilities	(138,578,211)	(238,265,121)
Non-current liabilities	(58,458,105)	(67,394,317)
Net assets	517,488,652	512,289,170
Statement of Cash Flows		
Net operating cash flows	59,294,075	(29,736,720)
Net investing cash flows	(4,363,862)	1,211,396
Net financing cash flows	(68,047,421)	19,657,682
Net change in cash and cash equivalents	(13,117,207)	(8,867,642)
Non-controlling interests effective equity interest	25.9%	25.9%
Carrying amount of non-controlling interests	133,854,588	132,509,680
Net (loss)/profit for the financial year attributable to non-controlling interests of the Group	(334,986)	4,389,919
Total comprehensive income attributable to non-controlling interests of the Group	1,344,908	4,874,576

Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

17 DEFERRED TAX

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	1,005,024	300,103	-	-
Deferred tax liabilities				
- deferred tax liabilities to be settled after more than 12 months	(61,938,356)	(58,595,796)	(19,367,597)	(18,148,061)
	(60,933,332)	(58,295,693)	(19,367,597)	(18,148,061)
At 1 July	(58,295,693)	(55,964,447)	(18,148,061)	(18,262,284)
Credited/(Debited) to the profit or loss (Note 11):				
- property, plant and equipment	1,420,812	166,594	(100,567)	56,651
- investment properties	-	-	(1,120,050)	67,006
- right-of-use assets	285,479	445,167	20,632	(104,018)
- net investment in sublease	175,952	-	-	-
- lease liabilities	(446,889)	23,763	(17,546)	104,723
- unutilised tax losses	1,349,510	(283,539)	-	-
- unabsorbed capital allowances	(834,850)	(1,770,412)	-	-
- unutilised reinvestment allowance	(1,549,559)	43,200	-	-
	400,455	(1,375,227)	(1,217,531)	124,362
(Debited)/Credited to asset revaluation reserve:				
- property, plant and equipment	(927,437)	(509,936)	(2,005)	(10,139)
- right-of-use assets	(2,110,657)	(446,083)	-	-
	(2,637,639)	(2,331,246)	(1,219,536)	114,223
At 30 June	(60,933,332)	(58,295,693)	(19,367,597)	(18,148,061)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

17 DEFERRED TAX (CONTINUED)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subject to income tax:				
Deferred tax assets (before offsetting):				
- lease liabilities	195,442	642,331	92,348	109,894
- unutilised reinvestment allowance	8,842,973	10,392,532	-	-
- unutilised tax losses	4,217,568	2,868,058	-	-
- unabsorbed capital allowances	-	834,850	-	-
	13,255,983	14,737,771	92,348	109,894
Offsetting	(12,250,959)	(14,437,668)	(92,348)	(109,894)
Deferred tax assets (after offsetting)	1,005,024	300,103	-	-
Deferred tax liabilities (before offsetting):				
- property, plant and equipment	(47,283,683)	(48,167,058)	(2,294,397)	(2,191,825)
- investment properties	-	-	(17,074,428)	(15,954,378)
- right-of-use assets	(20,410,558)	(18,585,380)	(91,120)	(111,752)
- net investment in sublease	175,952	-	-	-
	(67,518,289)	(66,752,438)	(19,459,945)	(18,257,955)
Offsetting	12,250,959	14,437,668	92,348	109,894
	(55,267,330)	(52,314,770)	(19,367,597)	(18,148,061)
Subject to real property gains tax:				
Deferred tax liabilities:				
- freehold land	(6,671,026)	(6,281,026)	-	-
Deferred tax liabilities (after offsetting)	(61,938,356)	(58,595,796)	(19,367,597)	(18,148,061)
Deferred tax liabilities (cumulative amount charged to equity)	(14,113,528)	(9,923,249)	(146,874)	(144,869)

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" mainly expire in year of assessment ("YA") 2028 and YA 2029. The allowable carry forward period for 'unutilised reinvestment allowance' 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

17 DEFERRED TAX (CONTINUED)

As such, the amount of unutilised tax losses and unutilised capital allowances for which no deferred tax asset is recognised in the statement of financial position are as follows:

	Group	
	2025 RM	2024 RM
Deductible temporary differences	135,947	316,184
Unutilised capital allowances	14,355,719	14,084,686
Unutilised tax losses		
2028	310,705	310,705
2029	111,614	111,614
2030	128,722	128,722
2031	567,854	567,854
2032	2,650,765	2,650,765
2033	3,465,717	3,739,906
2034	2,544,236	2,337,743
2035	4,384,741	-
	28,656,020	24,248,179
Deferred tax assets not recognised at 24% (2024: 24%)	6,877,445	5,819,563

Deductible temporary differences and unutilised capital allowances have no expiry. Deferred tax assets were not recognised as the subsidiaries do not have foreseeable taxable profits against which the deductible temporary differences, unutilised tax losses and unutilised capital allowances can be utilised.

Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

18 INVENTORIES

	Group	
	2025 RM	2024 RM
Raw materials	113,263,234	174,076,741
Work-in-progress	12,984,994	16,334,043
Finished goods	62,520,193	69,524,507
Consumables	10,641,616	8,600,112
	199,410,037	268,535,403

Included in raw materials and finished goods are goods-in-transit amounting to RM35,975,497 (2024: RM49,647,759).

Inventories expensed to 'cost of sales' during the current financial year amounted to RM594,076,271 (2024: RM678,896,204), including inventories written off amounting to RM1,069,271 (2024: RM223,447) primarily due to product expiry and inventories written down to net realisable value amounting to RM169,747 (2024: Nil).

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

19 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables [(a)]	83,560,583	107,122,862	-	-
Less: Accumulated impairment	(37,126)	(1,164,007)	-	-
	83,523,457	105,958,855	-	-
Other receivables [(b)]	2,680,486	4,119,190	5,250	6,237
Less: Accumulated impairment	(1,389,613)	(2,153,211)	-	-
	1,290,873	1,965,979	5,250	6,237
Refundable deposits	990,379	778,700	58,519	72,034
Prepayments	1,874,868	1,145,524	81,189	86,522
	2,865,247	1,924,224	139,708	158,556
Total receivables, deposits and prepayments	87,679,577	109,849,058	144,958	164,793

(a) Based on the Expected Credit Loss ("ECL") model assessment, a few subsidiaries have made impairment allowance and a write-off of its impairment allowance when it was determined to be irrecoverable in the current financial year.

(b) For the current financial year, the Steel Tube subsidiary has made a reversal of impairment on other receivables upon settlement of its outstanding debts. A few subsidiaries have made impairment allowance and a write-off of its impairment allowance when it was determined to be irrecoverable in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

19 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

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				
2025				
Gross carrying amount	1,290,873	-	1,389,613	2,680,486
Loss allowance	-	-	(1,389,613)	(1,389,613)
Net carrying amount	1,290,873	-	-	1,290,873
2024				
Gross carrying amount	1,965,979	-	2,153,211	4,119,190
Loss allowance	-	-	(2,153,211)	(2,153,211)
Net carrying amount	1,965,979	-	-	1,965,979
COMPANY				
2025				
Gross/Net carrying amount	5,250	-	-	5,250
2024				
Gross/Net carrying amount	6,237	-	-	6,237

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 July	6,396,411	5,002,733	3,796,411	2,102,733
Additions	-	6,769,900	-	6,769,900
Fair value loss (Note 7)	(2,893,205)	(3,387,378)	(2,093,205)	(3,087,378)
Interest income	1,250	11,156	1,250	11,156
Redemption	(550,000)	(2,000,000)	(550,000)	(2,000,000)
At 30 June	2,954,456	6,396,411	1,154,456	3,796,411

GROUP

a) Quoted shares

(i) On 14 June 2022, the Company's listed subsidiary, Mycron Steel Berhad ("MSB") subscribed for 10,000,000 Unitrade Industries Berhad's ("Unitrade") Initial Public Offerings ("IPO") shares at 32.0 sen per share for a total outlay of RM3,200,000, which represented around 0.6% of Unitrade's enlarged post-IPO share capital.

The investment was made by MSB at the recommendation of its steel subsidiaries on the agreement that the steel subsidiaries borne the capital gains/(losses) of the said investment. MSB stands to benefit from its direct 100% holdings in the steel subsidiaries, and any dividends arising from the said investment.

Unitrade is the Steel Tube subsidiary's single largest customer with a long business relation history. Unitrade is unrelated to the Group or any of its Directors or management. Unitrade's share price closed at 18.0 sen per share on 30 June 2025 (2024: 26.0 sen), resulting in a mark-to-market loss of RM800,000 (2024: RM300,000) charged to the Group's statement of comprehensive income (Note 7). The fair value of the investment in Unitrade as at 30 June 2025 is RM1,800,000 (2024:RM2,600,000).

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 MSB is free to deal as it sees fit.

(ii) In the preceding financial year, the Company acquired an additional 37,000,000 shares in KNM Group Berhad ("KNM") from the open market for a total consideration of RM6,269,900. As at 30 June 2025, KNM share price closed at 3.0 sen per share (2024: 8.5 sen), resulting in a mark-to-market loss of RM2,101,000 (2024: RM3,124,900) charged to the Company's statement of comprehensive income for the current financial year (Note 7). The investment is disclosed in Note 31 as a related party transaction.

The fair value of the investment in KNM as at 30 June 2025 is RM1,146,000 (2024: RM3,247,000).

This investment is reflected in Note 5 as a financial instrument fair valued at Level 1 hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

GROUP (CONTINUED)

b) Investment funds

The investment funds generated interest income of RM1,250 (2024: RM11,156) during the financial year. A fair value gain of RM7,795 (2024: RM37,522) was recorded at the end of the current financial year, as disclosed in Note 7 to the financial statements.

During the year, the Company has redeemed the invested amount of RM550,000 (2024: RM2,000,000). The fair value of the investment funds as at 30 June 2025 was RM8,456 (2024: RM549,411).

This investment is reflected in Note 5 as a financial instrument fair valued at Level 2 hierarchy.

21 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

GROUP

The Group's derivatives comprise solely of Forward Foreign Currency Exchange 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 Forward Foreign Currency Exchange 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.

	Group			
	2025		2024	
	Assets RM	Liabilities RM	Assets RM	Liabilities RM
Forward foreign currency exchange contract - fair value hedge (designated)	472,390	(558,772)	124,763	(32,629)
Forward foreign currency exchange contract - fair value through profit and loss (not designated)	1,333	(7,921)	-	-
	473,723	(566,693)	124,763	(32,629)

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 statements of financial position as either current financial assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

21 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

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

(i) Derivatives designated and fair value hedge accounted

As at 30 June 2025

Forward foreign currency exchange contracts as hedge instrument

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2025	9,638,000	4.2753	3,340	(488,165)
August 2025	6,190,000	4.2314	-	(70,607)
Total	15,828,000		3,340	(558,772)

Contracted payment obligation and/or trade payables as hedge item

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2025	9,638,000	4.2753	488,165	(3,340)
August 2025	6,190,000	4.2314	70,607	-
Total	15,828,000		558,772	(3,340)

Net fair value loss from the hedging instruments of RM555,432 and the corresponding net fair value gain from the hedged item of RM555,432 are taken-up in the statement of comprehensive income as net off-set.

Forward foreign currency exchange contracts as hedge instrument

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2025	1,900,000	4.4149	371,450	-
August 2025	1,000,000	4.2196	97,600	-
Total	2,900,000		469,050	-

Contracted receivables and/or trade receivables as hedge item

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2025	1,900,000	4.4149	-	(371,450)
August 2025	1,000,000	4.2196	-	(97,600)
Total	2,900,000		-	(469,050)

Net fair value gain from the hedging instruments of RM469,050 and the corresponding net fair value loss from the hedged item of RM469,050 are taken-up in the statement of comprehensive income as net off-set.

As at 30 June 2024

Forward foreign currency exchange contracts as hedge instrument

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2024	8,735,000	4.7195	33,480	(12,035)
August 2024	4,802,000	4.6941	91,283	(20,594)
Total	13,537,000		124,763	(32,629)

Contracted payment obligation and/or trade payables as hedge item

Maturity period of contract	Notional value long USD	Average contracted rate USD/RM	Fair value	
			Financial assets RM	Financial liabilities RM
July 2024	8,735,000	4.7195	12,035	(33,480)
August 2024	4,802,000	4.6941	20,594	(91,283)
Total	13,537,000		32,629	(124,763)

Net fair value gain from the hedging instruments of RM92,134 and the corresponding net fair value loss from the hedged item of RM92,134 were taken-up in the statement of comprehensive income as net off-set.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

21 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

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

(ii) Derivatives not designated and not hedge accounted

As at 30 June 2025

Forward foreign currency exchange contracts as undesignated hedge instrument

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

These derivatives were not hedge accounted primarily due to the late inception of these hedging instruments which gave rise to timing and basis-rate mismatch between the intended hedge items and the contracted foreign exchange rate.

In the preceding financial year, there was no forward foreign currency exchange contract as undesignated hedge instrument.

COMPANY

The Company's derivatives comprised solely of 20,188,722 free detachable warrants arising from the subscription of MSB's Rights Issue. These warrants were exercisable options listed on Bursa Malaysia and were tradable anytime over its 5 years' tenure to maturity. In that regard, these derivatives were fair valued at initial recognition and at each period's close based on the active market quoted closing price, with the changes in fair value charged to profit or loss (Note 5).

	2025 RM	2024 RM
At 1 July	-	2,119,816
Fair value loss on derivatives (Note 7)	-	(2,034,834)
Disposal of warrants	-	(84,982)
At 30 June	-	-

In the preceding financial year, the Company disposed of 3,809,300 listed detachable warrants at 2.23 sen per warrant for a cash consideration of RM84,982. The remaining 16,379,422 unexercised listed detachable warrants lapsed and became invalid. At the Company level, these warrants that were previously classified as 'Derivative Financial Assets' were derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

22 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries are generally unsecured and interest free.

Intercompany balances which are trade in nature are subject to credit terms between 30 to 90 days (2024: 30 to 90 days) whilst, non-trade transactions are repayable upon demand. For the current and the comparative preceding reporting period, there were no outstanding balances in relation to trade.

	Company	
	2025 RM	2024 RM
Amounts due from subsidiaries: [(a)]		
Non-trade	34,398,888	30,703,406
Less: Accumulated impairment (Note 4(c)(iv)) [(b)]	(34,391,301)	(30,699,940)
	7,587	3,466
Amounts due to subsidiaries: [(c)]		
Non-trade	(4,112,648)	(3,613,557)

(a) The 'amounts due from subsidiaries' for the current financial year comprise mostly advances, and charge-back of payments made on behalf.

(b) During the current financial year, the Company made impairment charges on the advances made to its subsidiaries of RM3,691,361 (2024: RM2,374,440) due to non-performance.

(c) The 'amounts due to subsidiaries' comprise mainly of advance given by subsidiaries to the Company.

23 CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits with licensed banks	26,972,989	18,591,689	-	-
Cash and bank balances	30,228,715	51,985,934	340,423	205,377
Cash and cash equivalents	57,201,704	70,577,623	340,423	205,377

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

23 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group		Company	
	2025 % per annum	2024 % per annum	2025 % per annumm	2024 % per annum
Deposits with licensed banks	3.01	2.84	-	-

These unrestricted deposits with licensed banks of the Group and of the Company are mainly in the forms of short-term fixed deposits and money market REPO (repurchase agreements) having placement periods ranging between 10 and 64 days (2024: 1 and 70 days). The Company does not have any money market REPO at the close of the current financial year.

24 PAYABLES AND ACCRUED LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables	39,072,544	88,218,674	-	-
Other payables	8,479,911	9,394,107	284,506	137,147
Shareholder's advances	950,000	1,500,000	950,000	1,500,000
Accruals	8,409,559	10,233,120	576,295	539,784
Provision for construction contracts	-	20,197	-	-
Provision for restoration costs	149,950	119,000	-	-
Advances received from customers	660,109	400,000	-	-
Deposit received	203,764	-	567,500	567,500
	57,925,837	109,885,098	2,378,301	2,744,431

Included in trade payables are interest bearing suppliers' credit with balances amounting to RM Nil (2024: RM39,169,997). These credit facilities have interest bearing credit periods of up to 150 days (2024: 150 days).

Included in other payables is the interest payable relating to shareholder's advances of RM40,208 (2024: RM8,877) and in accruals is the factoring interest of RM24,319 (2024: RM7,120) respectively.

Shareholder's advances comprise of a temporary bridging loan of RM5.0 million obtained from a major shareholder, Melewar Khyra Sdn Bhd with interests payable at 8.00% per annum. The Company has obtained RM1.5 million of temporary bridging loan in the previous financial year and has an outstanding amount of RM950,000 at the close of the current financial year. Interests charged for the current financial year amounting to RM228,921 (2024:RM8,877) as disclosed in Note 8 to the financial statements.

The remaining payables and accrued liabilities are generally interest free and within accorded interest free credit periods ranging between cash term to 60 days (2024: cash term to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

25 CONTRACT LIABILITIES

	Group	
	2025 RM	2024 RM
Contract liabilities	423,255	338,805

The contract liabilities reflect the Group's outstanding obligations in relation to consideration received from contracts comprising mostly of upfront non-refunded deposits.

Significant changes to contract liabilities during the financial year are as follows:

	Group	
	2025 RM	2024 RM
At 1 July	338,805	6,418,669
- considerations received	2,309,424	4,351,704
- revenue recognised	(2,224,974)	(10,431,568)
At 30 June	423,255	338,805
Composition of closing contract liabilities:		
- payment received or receivable for work not performed	423,255	338,805

The Group applies the practical expedient in MFRS 15 "*Revenue from Contracts with Customers*" for not disclosing the aggregate amount of the revenue expected to be recognised in the future as the contracted performance obligation would be fulfilled in less than one year.

Revenue from contract with customers of the Group of RM338,805 (2024: RM6,418,669) recognised in the current financial year relates to brought forward contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

26 BORROWINGS

The Company does not have any borrowings from financial institutions. The Group's borrowings as tabulated below are incepted directly by the operations at subsidiary level.

	Group	
	2025 RM	2024 RM
Current		
Bankers' acceptance	68,430,000	118,960,000
Hire-purchase creditors	1,523,940	415,664
Term loan	-	4,347,552
Mortgage loan	8,038,578	2,377,033
Factoring	1,101,774	355,507
	79,094,292	126,455,756
Non-current		
Hire-purchase creditors	1,422,247	458,118
Mortgage loan	-	7,841,639
	1,422,247	8,299,757
Total		
Bankers' acceptance	68,430,000	118,960,000
Hire-purchase creditors	2,946,187	873,782
Term loan	-	4,347,552
Mortgage loan	8,038,578	10,218,672
Factoring	1,101,774	355,507
	80,516,539	134,755,513

The Group's total interest cost attributed to the above borrowings for the current financial year is RM5,403,151 (2024: RM6,713,244) compared to the preceding financial year. The Group does not have any overdue position on the outstanding borrowings from financial institutions.

The carrying amounts of the borrowings approximate their fair values as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

26 BORROWINGS (CONTINUED)

Contractual terms of borrowings

	Contractual interest rate at reporting date per annum	Functional currency/ exposure	Total carrying amount RM	< 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM
Group								
At 30 June 2025								
Secured								
- Bankers' acceptance [(a)]	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 [(b)]	5.91%	RM	8,038,578	8,038,578	-	-	-	-
- Factoring [(c)]	15.00%	RM	1,101,774	1,101,774	-	-	-	-
			80,516,539	79,094,292	982,910	378,642	32,205	28,490
At 30 June 2024								
Secured								
- Bankers' acceptance [(a)]	4.57% - 5.78%	RM	118,960,000	118,960,000	-	-	-	-
- Hire-purchase creditors	2.23% - 2.55%	RM	873,782	415,664	213,902	140,906	103,310	-
- Term loan [(a)]	5.59%	RM	4,347,552	4,347,552	-	-	-	-
- Mortgage loan [(b)]	5.84%	RM	10,218,672	2,377,033	2,323,914	2,416,730	2,513,252	587,743
- Factoring [(c)]	15.00%	RM	355,507	355,507	-	-	-	-
			134,755,513	126,455,756	2,537,816	2,557,636	2,616,562	587,743

(a) The term loan and a portion of the bankers' acceptance are secured with fixed and floating charge via a debenture by the Cold Rolled Coil subsidiary. A portion of the bankers' acceptance is secured with fixed and floating charge via a separate debenture by the Steel Tube subsidiary (Note 13(iii)).

(b) Mortgage loan is taken by the Steel Tube subsidiary and secured against a corporate guarantee from its immediate holding company, Mycron Steel Berhad and a first party open charge on the leasehold land and building.

(c) Factoring facility taken by the Group's Food segment.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

26 BORROWINGS (CONTINUED)

Contractual terms of borrowings (continued)

	Group	
	2025 RM	2024 RM
Total carrying amount		
Secured	80,516,539	134,755,513

At amortised cost

The carrying amount of the borrowings approximated their fair values at reporting date.

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

	Group	
	2025 per annum	2024 per annum
Bankers' acceptance	4.64%	4.85%
Hire-purchase creditors	2.45%	2.37%
Term loan	-	5.59%
Mortgage loan	5.91%	5.84%
Factoring	15.00%	15.00%

The stated contractual interest rate for the hire-purchase is at 'flat-rate', whilst the rest are on 'reducing balance' basis.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

26 BORROWINGS (CONTINUED)

The details of the hire-purchase creditors at the reporting date are as follows:

	Group	
	2025 RM	2024 RM
Future minimum lease payment of hire-purchase creditors:		
Payable within one year	1,629,682	451,349
Payable between one and two years	1,020,471	229,649
Payable between two and three years	386,837	148,149
Payable between three and four years	34,320	105,037
Payable between four and five years	29,094	-
	3,100,404	934,184
Less: Future finance charges	(154,217)	(60,402)
Present value	2,946,187	873,782
Carrying amount of hire-purchase creditors:		
Payable within one year	1,523,940	415,664
Payable between one and two years	982,910	213,902
Payable between two and three years	378,642	140,906
Payable between three and four years	32,205	103,310
Payable between four and five years	28,490	-
Carrying amount	2,946,187	873,782

Hire-purchase creditors are effectively secured as the rights to assets revert to the lessors in the event of default.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

27 SHARE CAPITAL

	Group/Company			
	2025		2024	
	Number of shares	Nominal value RM	Number of shares	Nominal value RM
Issued and fully paid with no par value				
At 1 July	359,456,103	253,791,194	359,417,703	250,207,537
Exercise of warrants	-	-	38,400	17,407
Transfer of lapsed warrants not exercised	-	-	-	3,566,250
At 30 June	359,456,103	253,791,194	359,456,103	253,791,194

In the preceding financial year, the Company increased its issued and paid-up share capital by way of issuance of 38,400 new ordinary shares arising from the exercise of warrants amounting to cash consideration of RM15,360 (Note 28). The remaining 66,909,018 units of the unexercised warrants expired and were delisted from Bursa Securities (Note 28). Upon the expiry of these warrants, the warrant reserve was transferred back to the nominal value of the shares.

28 WARRANT RESERVE

	Group/Company			
	2025		2024	
	Number of warrants	Nominal value RM	Number of warrants	Nominal value RM
At 1 July	-	-	66,947,418	3,568,297
Exercise of warrants	-	-	(38,400)	(2,047)
Transfer of lapsed warrants not exercised	-	-	(66,909,018)	(3,566,250)
At 30 June	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

28 WARRANT RESERVE (CONTINUED)

Pursuant to the 'Rights issue with warrant' exercise listed on 24 August 2018, 66,947,418 free detachable warrants with salient terms were outlined as below.

(a) The warrants can be exercised any time during the tenure of 5 years commencing from the date of issue on 24 August 2018 to 23 August 2023 ("Exercise Period"). Warrants which are not exercised during the Exercise Period will lapse and cease to be valid; and

(b) Each warrant entitles the holder to subscribe for one new ordinary share in the Company at the exercise price of RM0.40 at any time during the Exercise Period.

These issued warrants represent the obligation of the Company to issue new shares at the fixed exercise price upon election by the holder, normally under circumstances when the traded market price of the mother share exceeds the 'exercise price'.

The Company allocates a portion of the sum raised from the Rights issue to represent the fair value of these issued free warrants as reserve to meet the aforementioned obligation. The Company has determined the initial recognition value of the warrant reserve at RM0.0533 per warrant (or RM3,568,297) based on the Black-Scholes model which took into consideration of the underlying variables such as the mother share-price, time-to-maturity, exercise price, and risk-free rate at the initial listing date.

In the preceding financial year, the Company has increased its issued and paid-up share capital by way of issuance of 38,400 new ordinary shares arising from the exercise of warrants (Note 27). The remaining 66,909,018 units of the unexercised warrants expired and delisted from Bursa Securities, which resulted in the remaining reserve been transferred back to share capital.

29 ACQUISITION OF NON-CONTROLLING INTERESTS

In the preceding financial year, the Group acquired the remaining 10% interest in 3BT for RM1 in cash, increasing its ownership from 90% to 100%. The carrying amount of 3BT's net liabilities in the Group's financial statement on the date of acquisition was RM8,410,202. The Group recognised an increase in non-controlling interests of RM841,020, and a decrease in retained earnings of RM841,021.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

30 ASSETS REVALUATION RESERVE

The assets revaluation reserve is used to record changes on fair value surplus of the Group's property, plant and equipment (see Note 13) and right-of-use assets (see Note 14) 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.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 July	93,294,724	90,751,990	458,761	426,656
Revaluation surplus on:				
- property, plant and equipment	6,139,323	2,124,733	8,355	42,244
- right-of-use assets	8,794,405	1,858,677	-	-
Deferred tax:				
- property, plant and equipment	(927,437)	(509,936)	(2,005)	(10,139)
- right-of-use assets	(2,110,657)	(446,083)	-	-
Non-controlling interests share in evaluation surplus on:				
- property, plant and equipment	(1,210,632)	(371,359)	-	-
- right-of-use assets	(469,262)	(113,298)	-	-
At 30 June	103,510,464	93,294,724	465,111	458,761

31 DEFERRED INCOME ON GRANT

	Group	
	2025 RM	2024 RM
At 1 July	8,103,935	5,731,458
Addition	-	3,900,000
Recognised in profit or loss (Note 7)	(347,500)	(1,527,523)
At 30 June	7,756,435	8,103,935
Analysed as:		
- Non-current	7,756,435	8,103,935

In financial year 2021, the Group's Cold Rolled Coil subsidiary received a government grant of RM6,100,000 under the Domestic Investment Strategic Fund for its qualifying 'high technology' investments on plant and equipment while the balance of the grant of RM3,900,000 was received in the preceding financial year. The grant received is recorded as 'deferred income on grant' under non-current liabilities and to be amortised to profit or loss over the useful life of the assets in tandem with its depreciation. There were no further outstanding unrecognised grants under application or processing in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

31 DEFERRED INCOME ON GRANT (CONTINUED)

Material accounting policy information

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

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

32 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant transactions with related parties.

The Group has a controlling related party relationship with its subsidiaries.

The Director of the Company, Tunku Dato' Yaacob Khyra have or deemed to have financial interests in the companies set out below and thus these companies are deemed to be the related parties to the Group:

- Trace Management Services Sdn Bhd
- MAA Corporation Sdn Bhd
- MAAX Factor Sdn Bhd
- Melewar Khyra Sdn Bhd
- KNM Group Berhad

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties during the financial year based on agreed terms and prices are as follows (stated as debit or (credit) against the counterparty):

Entity	Type of transaction	Group 2025 RM	Group 2024 RM
Trade related – received/receivable			
Related companies			
MAAX Factor Sdn Bhd	Factoring proceeds	2,989,485	355,507
	Interest charged	107,332	7,120
Melewar Khyra Sdn Bhd	Shareholder's advances	950,000	1,500,000
	Interest charged	228,921	8,877
KNM Group Berhad	Acquisition of quoted shares	-	6,269,900
Non-trade related – paid/payable			
Related companies			
Trace Management Services Sdn Bhd	Corporate secretarial services	(362,098)	(378,522)
MAA Corporation Sdn Bhd	Rental	(160,600)	(126,621)

Entity	Type of transaction	Company 2025 RM	Company 2024 RM
Trade related – received/receivable			
Subsidiaries			
Melewar Steel Tube Sdn Bhd	Rental income	5,040,000	5,040,000
	Management fee income	1,260,000	1,260,000
	Payment received	(6,300,000)	(6,300,000)
Mycron Steel CRC Sdn Bhd	Management fee income	1,260,000	1,260,000
	Payment received	(1,260,000)	(1,260,000)
Melewar Metal Trading Sdn Bhd (formerly known as Melewar Steel Mills Sdn Bhd)	Management fee income	330,000	-
	Dividend income	200,000	500,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties during the financial year based on agreed terms and prices are as follows (stated as debit or (credit) against the counterparty): (continued)

Entity	Type of transaction	Company 2025 RM	Company 2024 RM
Non-trade related – received/ receivable			
Subsidiaries			
Melewar Steel Tube Sdn Bhd	Expenses paid on behalf	437,333	437,377
	Advances repaid	(433,213)	(437,484)
Mycron Steel CRC Sdn Bhd	Expenses paid on behalf	11,884	88,009
	Advances repaid	(11,884)	(88,009)
Melewar Steel Assets Sdn Bhd	Advances given	8,000	6,000
	Interest charged	4,151	1,334
Melewar Imperial Limited	Advances given	1,040,343	1,016,374
	Expenses paid on behalf	111,492	9,402
	Interest charged	487,379	157,169
Ausgard Quick Assembly Systems Sdn Bhd	Advances given	80,000	-
	Expenses paid on behalf	1,371	500
	Interest charged	33,079	10,707
3Bumi Sdn Bhd	Advances given	738,863	1,274,815
	Advances repaid	(104,089)	(654,050)
	Expenses paid on behalf	280,192	199,853
	Interest charged	1,012,441	351,285
3Padi Growers Sdn Bhd	Interest charged	-	1,551

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties during the financial year based on agreed terms and prices are as follows (stated as debit or (credit) against the counterparty): (continued)

Entity	Type of transaction	Company 2025 RM	Company 2024 RM
Trade related – paid/payable			
Subsidiaries			
Mycron Steel CRC Sdn Bhd	Advances received	1,685,000	2,033,441
Non-trade related – paid/payable			
Subsidiaries			
Melewar Metal Trading Sdn Bhd (formerly known as Melewar Steel Mills Sdn Bhd)	Advances received	670,000	-
Melewar Steel Services Sdn Bhd	Advances received	150,000	-
	Interest Charged	26,045	-
Melewar Steel Tube Sdn Bhd	Advances repaid	15,920	138,242
	Expenses paid on behalf	(16,830)	(138,258)
Related companies			
Trace Management Services Sdn Bhd	Corporate secretarial services	(164,811)	(173,373)
MAA Corporation Sdn Bhd	Rental	(140,566)	(126,621)
Melewar Khyra Sdn Bhd	Shareholder's advances	950,000	1,500,000
	Interest charged	228,921	8,877
KNM Group Berhad	Acquisition of quoted shares	-	6,269,900

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amounts due from subsidiaries				
Ausgard Quick Assembly System Sdn Bhd	-	-	-	-
Melewar Steel Tube Sdn Bhd	-	-	6,562	3,350
	-	-	6,562	3,350
Amounts due to subsidiaries				
Melewar Steel Services Sdn Bhd	-	-	676,045	500,000
Melewar Metal Trading Sdn Bhd (formerly known as Melewar Steel Mills Sdn Bhd)	-	-	1,750,000	1,080,000
Mycron Steel CRC Sdn Bhd	-	-	1,685,000	2,033,441
	-	-	4,111,045	3,613,441
Amount due to related companies				
Trace Management Services Sdn Bhd	103,859	10,958	103,751	8,185
Melewar Khyra Sdn Bhd	990,208	1,508,877	990,208	1,508,877
MAAX Factor Sdn Bhd #	1,126,093	362,627	-	-
	2,220,160	1,882,462	1,093,959	1,517,062

Included in the amount due to MAAX Factor Sdn Bhd is the accruals for interest of RM24,319 (2024: RM7,120).

(c) The Directors of the Company are of the opinion that the above transactions and balances were carried out on terms and conditions negotiated and agreed amongst the related parties.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

32 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(d) 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 all Directors and Non-Director Executives are set out below.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonuses and other emoluments	12,681,426	9,807,777	1,918,592	1,826,239
Allowances	459,638	419,254	147,298	141,226
Estimated monetary value of benefits-in-kind	103,860	105,331	34,082	29,183
Defined contribution plan	1,779,283	1,357,622	197,596	189,616
	15,024,207	11,689,984	2,297,568	2,186,264

33 SEGMENTAL ANALYSES

Reportable Segments

(a) The Steel Tube segment is in the business of manufacturing and sales of steel pipes and tubes.

(b) The Cold Rolled Coil segment is in the business of manufacturing and sales of cold rolled coils.

(c) The investment holding segment refers to companies with investments in subsidiaries, and companies with investments in quoted and unquoted equity securities.

(d) 'Others' comprise of companies involved in the food, trade retail business, modular construction, and metal scraps trading businesses; plus dormant companies, where sectorally they do not meet the minimum financial thresholds to be reported separately as a material segment.

The reported segments are strategic business units offering different products and services, and are managed separately. The Group's Executive Committee comprising key functional heads and Executive Directors 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 on negotiated terms and conditions agreed between the related parties. Geographic segment is not applicable as the business of the Group are substantially carried out in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2025					
Revenue					
Total revenue	244,983,954	498,743,290	16,050,346	8,465,451	768,243,041
Inter segment	-	(21,844,294)	(16,050,346)	(1,499,540)	(39,394,180)
Total revenue	244,983,954	476,898,996	-	6,965,911	728,848,861
Segmented by steel products:					
- cold rolled coils	-	465,300,601	-	-	465,300,601
- steel tubes and pipes	242,501,891	-	-	24,870	242,526,761
- steel scraps and by-products	628,262	11,228,802	-	-	11,857,064
Processing service income	1,853,801	369,593	-	-	2,223,394
Trading of foods	-	-	-	6,806,066	6,806,066
Lease rental income	-	-	-	134,975	134,975
Total revenue	244,983,954	476,898,996	-	6,965,911	728,848,861
Segment results					
Profit from operations	(3,830,826)	7,780,398	1,336,103	(4,959,241)	326,434
Loss on investment in quoted shares	(400,000)	(400,000)	(2,093,205)	-	(2,893,205)
Finance income	484,667	1,095,459	2,534,886	60,775	4,175,787
Finance costs	(3,903,222)	(2,926,634)	(1,339,645)	(1,814,893)	(9,984,394)
Total (loss)/profit before tax	(7,649,381)	5,549,223	438,139	(6,713,359)	(8,375,378)
Consolidation elimination *	10,474,534	7,670,184	(18,605,138)	1,077,580	617,160
External profit/(loss) before tax	2,825,153	13,219,407	(18,166,999)	(5,635,779)	(7,758,218)
Tax expense	2,095,382	(1,771,917)	(852,316)	(103,975)	(632,826)
Net profit/(loss) after tax	4,920,535	11,447,490	(19,019,315)	(5,739,754)	(8,391,044)

* Major items include net intercompany impairments of RM6,653,650, reversal of fair value gain on investment properties of RM5,058,000, intercompany elimination of depreciation on ROU assets of RM4,463,813 and recognition of depreciation of RM2,031,058 arising from conversion of investment properties ("IP") to property, plant and equipment ("PPE") at Group level and inter segment elimination.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2025					
Segment assets					
Total segment assets	279,548,154	435,269,886	89,177,244	7,573,445	811,568,729
Consolidation elimination #	(43,050,543)	(7,221,257)	141,750	(1,600,572)	(51,730,622)
Total segment assets	236,497,611	428,048,629	89,318,994	5,972,873	759,838,107
Other information					
Depreciation:					
- property, plant and equipment	3,439,325	9,960,891	880,369	503,945	14,784,530
- right-of-use assets	487,092	-	1,393,275	489,699	2,370,066
Impairment (reversal)/loss:					
- property, plant and equipment	(320,718)	1,011,622	(5,403)	16,794	702,295
- trade receivables	-	-	-	(28,676)	(28,676)
- other receivables	(12,000)	-	-	24,477	12,477
Additions of property, plant and equipment	3,287,225	5,766,884	68,731	388,735	9,511,575

Relates to reversal of fair value gain of IP of RM83,300,000 recognised as PPE at Group level, reversal of intangible assets of RM27,507,403 and offset by the elimination of intercompany ROU assets of RM60,041,422 at Group level.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2024					
Revenue					
Total revenue	283,853,863	547,651,930	14,426,712	10,498,112	856,430,617
Inter segment	-	(29,693,990)	(14,426,712)	(2,142,300)	(46,263,002)
Total revenue	283,853,863	517,957,940	-	8,355,812	810,167,615
Segmented by steel products:					
- cold rolled coils	-	502,225,937	-	-	502,225,937
- steel tubes and pipes	281,170,828	-	-	24,128	281,194,956
- steel scraps and by-products	1,018,994	15,734,035	-	-	16,753,029
Processing service income	1,664,041	(2,032)	-	-	1,662,009
Trading of foods	-	-	-	8,133,908	8,133,908
Lease rental income	-	-	-	197,776	197,776
Total revenue	283,853,863	517,957,940	-	8,355,812	810,167,615
Segment results					
Profit from operations	13,287,899	14,492,262	(3,152,832)	(4,152,361)	20,474,968
Loss on investment in quoted shares	(150,000)	(150,000)	(3,087,378)	-	(3,387,378)
Finance income	707,993	1,115,717	549,329	23	2,373,062
Interest on borrowings	(4,115,168)	(3,913,058)	(40,486)	(499,605)	(8,568,317)
Interest on lease liabilities	(836,644)	-	(22,651)	(177,337)	(1,036,632)
Total profit/(loss) before tax	8,894,080	11,544,921	(5,754,018)	(4,829,280)	9,855,703
Consolidation elimination *	9,047,641	7,203,756	(10,275,078)	(1,968,913)	4,007,406
External profit/(loss) before tax	17,941,721	18,748,677	(16,029,096)	(6,798,193)	13,863,109
Tax expense	(440,546)	(2,833,385)	(786,242)	(253,213)	(4,313,386)
Net profit/(loss) after tax	17,501,175	15,915,292	(16,815,338)	(7,051,406)	9,549,723

* Major items include net intercompany impairments of RM3,985,838, reversal of fair value gain on investment properties of RM279,190, reversal of fair value loss on derivative financial assets of RM2,034,834, intercompany elimination of depreciation on ROU assets of RM4,463,813 and recognition of depreciation of RM1,735,072 arising from conversion of investment properties ("IP") to property, plant and equipment ("PPE") at Group level and inter segment elimination.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

	Steel tube RM	Cold rolled coil RM	Investment holding RM	Others RM	Total RM
2024					
Segment assets					
Total segment assets	358,321,123	461,873,493	87,710,989	9,474,365	917,379,970
Consolidation elimination #	(48,331,614)	(7,505,399)	138,570	(1,297,670)	(56,996,113)
Total segment assets	309,989,509	454,368,094	87,849,559	8,176,695	860,383,857
Other information					
Depreciation:					
- property, plant and equipment	3,560,676	11,276,071	610,327	245,280	15,692,354
- right-of-use assets	476,336	-	1,364,709	339,291	2,180,336
Impairment loss/(reversal):					
- property, plant and equipment	257,266	(742,176)	7,724	-	(477,186)
- trade receivables	-	-	-	114,050	114,050
- other receivables	-	-	-	1,191,474	1,191,474
Additions of property, plant and equipment	3,093,231	2,225,837	479,190	154,957	5,953,215

Relates to reversal of fair value gain of IP of RM78,200,000 recognised as PPE at Group level, reversal of intangible assets of RM27,507,403 and offset by the elimination of intercompany ROU assets of RM 50,477,609 at Group level.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

33 SEGMENTAL ANALYSES (CONTINUED)

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

	Group	
	2025 RM	2024 RM
Segment assets	759,838,107	860,383,857
Derivatives financial assets	473,723	124,763
Deferred tax assets	1,005,024	300,103
Current tax receivables	3,125,931	2,024,313
	764,442,785	862,833,036

Information about major customers

Revenue from two major customers amounting to RM92.4 million (2024: RM125.4 million) and RM86.5 million (2024: RM104.5 million) contributed to 25% (2024: 29%) of the Group's revenue. These two major customers are each from the Cold Rolled Coil segment and the Steel Tube segment.

Geographic Areas

Although the Group's businesses are carried out entirely in Malaysia for the domestic market, its Steel Tube and Cold Rolled Coil segments also serve foreign markets where feasible. The Group's export sales exceed the threshold of 10% or more of total revenue, warranting further analysis by geographic segments:

	Year-to-Date Revenue			
	Steel tube RM	Cold rolled coil RM	Others RM	Total RM
2025				
Malaysia	214,212,751	339,295,196	6,727,498	560,235,445
ASEAN *	28,964,374	-	27,656	28,992,030
Non-ASEAN	1,806,829	137,603,800	210,757	139,621,386
Total external revenue	244,983,954	476,898,996	6,965,911	728,848,861
2024				
Malaysia	241,039,847	318,951,840	7,941,848	567,933,535
ASEAN *	37,649,677	-	185,396	37,835,073
Non-ASEAN	5,164,339	199,006,100	228,568	204,399,007
Total external revenue	283,853,863	517,957,940	8,355,812	810,167,615

* ASEAN: Association of South East Asian Nations

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

34 FINANCIAL GUARANTEES

As at 30 June 2025, the Company has corporate guarantees issued to lenders for suppliers' credit extended to its Steel Tube subsidiary amounting to RM22,300,000 (2024: RM23,000,000).

35 MATERIAL LITIGATION, COMMITMENTS AND CONTINGENT LIABILITIES

(a) At the end of the financial year, the Group's Cold Rolled Coil subsidiary and Steel Tube subsidiary have an outstanding capital commitment that has been approved and contracted for of around RM1,038,199 and RM727,300 respectively, for the upgrading of its existing plant and machineries. Other than these, there are no other material capital expenditures approved but not contracted for at the close of the current financial year.

(b) The Directors are not aware of any circumstances or developments giving rise to contingent liabilities or assets warranting disclosure.

(c) The Cold Rolled Coil subsidiary has on 29 November 2023 obtained leave from the Kuala Lumpur High Court to commence judicial review proceedings on decisions made by the Ministry of Investment, Trade & Industry (MITI) to remove anti-dumping duties on Cold Rolled Coil imported from South Korea and Vietnam. At the same hearing, the High Court also granted a 'Stay of Proceedings' on the said MITI's ruling pending outcome of the judicial review which has since been initiated. The Korean & Vietnam parties (not originally named as parties to the judicial proceedings) have since applied for 'intervention & redaction' on the matter. In the 'case management' hearing on 6 August 2024, the Court has fixed various dates for the Respondents, Interveners, and Applicants to file their affidavits & affidavits-in-reply, followed by written submissions & submissions-in-reply lasting until 18 April 2025 (now rescheduled to 20 June 2025). Culminating from that, the Court has fixed the Judicial Review Application to be heard on 8 May 2025 (now rescheduled to 8 December 2025).

Besides the aforementioned, the Group did 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 is not aware of any proceedings pending or against the Group or of any other facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position and business of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

36 FINANCIAL INSTRUMENTS BY CATEGORY

	2025		2024	
	At amortised cost RM	Fair value through profit or loss RM	At amortised cost RM	Fair value through profit or loss RM
Group				
Financial assets per statements of financial position:				
Non-current				
Net investment in subleases	820,043	-	-	-
Current				
Receivables and deposits	85,804,709	-	108,703,534	-
Net investment in subleases	89,121	-	-	-
Financial asset at fair value through profit or loss	-	2,954,456	-	6,396,411
Derivative financial assets	-	473,723	-	124,763
Deposits with licensed banks	26,972,989	-	18,591,689	-
Cash and bank balances	30,228,715	-	51,985,934	-
Total financial assets	143,915,577	3,428,179	179,281,157	6,521,174
Financial liabilities per statements of financial position:				
Non-current				
Borrowings	1,422,247	-	8,299,757	-
Lease liabilities [(a)]	2,638,510	-	2,280,017	-
Current				
Payables and accrued liabilities (excluding payroll liabilities)	54,851,135	-	107,274,277	-
Borrowings	79,094,292	-	126,455,756	-
Derivative financial liabilities	566,693	-	32,629	-
Lease liabilities [(a)]	576,119	-	368,327	-
Total financial liabilities	139,148,996	-	244,710,763	-

[(a)] For the current financial year, the Group's financial liabilities is exaggerated by RM3,214,629 (2024: RM2,648,344) with the inclusion of 'lease liabilities' whilst its corresponding ROU is deemed as a non-financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

36 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	2025		2024	
	At amortised cost RM	Fair value through profit or loss RM	At amortised cost RM	Fair value through profit or loss RM
Company				
Financial assets per statements of financial position:				
Current				
Receivables and deposits	63,769	-	78,271	-
Financial asset at fair value through profit or loss	-	1,154,456	-	3,796,411
Amounts due from subsidiaries	7,587	-	3,466	-
Cash and bank balances	340,423	-	205,377	-
Total financial assets	411,779	1,154,456	287,114	3,796,411
Financial liabilities per statements of financial position:				
Non-current				
Lease liabilities [(b)]	305,607	-	384,783	-
Current				
Payables and accrued liabilities (excluding payroll liabilities)	1,628,506	-	2,011,147	-
Amounts due to subsidiaries	4,112,648	-	3,613,557	-
Lease liabilities [(b)]	79,176	-	73,108	-
Total financial liabilities	6,125,937	-	6,082,595	-

[(b)] For the current financial year, the Company's financial liabilities is exaggerated by RM384,783 (2024: RM457,891) with the inclusion of 'lease liabilities' whilst its corresponding ROU asset is deemed as a non-financial asset.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 June 2025
(Continued)

37 MANAGEMENT DEFINED PERFORMANCE MEASURE (MPM)

Management use earnings before interest, taxes, depreciation and amortisation (EBITDA) as a MPM to monitor operating performance and assess the cash-generating ability of the Group's core business. It provides a clearer view of operational profitability by eliminating the effect of non-cash items from earnings. Management believes this MPM provides valuable insight into the Group's core operational profitability and allows stakeholders to better evaluate the Group's ability to generate cash from its core business.

The reconciliation of EBITDA to Operating Profit for the Group are as follows:

	2025 RM	Tax effect [(a)] RM	Effect on NCI RM
EBITDA (MPM)	16,862,556		
Depreciation on property, plant and equipment	(14,784,530)	**(3,548,287)**	**(3,485,057)**
Depreciation on leasehold land	(1,794,405)	**(430,657)**	**(125,992)**
	(16,578,935)		
Operating profit	283,621		

	2024 RM	Tax effect [(a)] RM	Effect on NCI RM
EBITDA (MPM)	41,098,458		
Depreciation on property, plant and equipment	(15,692,354)	(3,766,165)	(3,856,485)
Depreciation on leasehold land	(1,758,677)	(422,082)	(123,210)
	(17,451,031)		
Operating profit	23,647,427		

[(a)] The tax effect is calculated based on the statutory tax rate applicable in Malaysia at the end of 2025, at 24%.

PROPERTIES OWNED

By Melewar Industrial Group Berhad and its Subsidiaries

No.	Address of property	Lease expiry date	Brief description and existing use	Land area (*)	Approximate age of building (years) (^)	Net book value (RM)
1	Lot 53, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor	22.5.2078	Factory cum office building	196,301 sq. ft. (4.51 acres)	34	34,000,000
2	Lot 49, Jalan Utas 15/17, Seksyen 15, 40200 Shah Alam, Selangor	13.4.2072	Factory building	315,802 sq. ft. (7.25 acres)	51	50,200,000
3	Lot 10, Persiaran Selangor, Seksyen 15, 40200 Shah Alam, Selangor	11.5.2085	Factory building	232,262 sq. ft. (5.33 acres)	39	33,100,000
4	Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor	Freehold	Factory cum office building	763,758 sq. ft. (17.53 acres)	35	122,500,000

The properties were revalued in June 2025.

* *Based on surveyed land area.*

^ *From the date of Certificate of Fitness for Occupation.*

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the **56th Annual General Meeting ("AGM")** of the Company will be held at the **Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur ("Main Venue")** on **Wednesday, 3 December 2025 at 11.30 a.m.** for the following purposes:

AGENDA	RESOLUTION
AS ORDINARY BUSINESS	
1. To receive the Audited Financial Statements for the year ended 30 June 2025 together with the Reports of the Directors and the Auditors thereon. ***[Please refer to Explanatory Note A]***	
2. To approve the payment of Directors' fees amounting to RM408,000.00 for the period from 1 January 2026 to 31 December 2026 to be payable quarterly in arrears to the Non-Executive Directors of the Company.	**1**
3. To approve an amount of up to RM87,000.00 as benefits payable to the Non-Executive Directors of the Company for the period from 1 January 2026 to 31 December 2026. ***[Please refer to Explanatory Note B]***	**2**
4. To re-elect the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and who, being eligible, offer themselves for re-election:	
(i) Kwo Shih Kang	**3**
(ii) Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram	**4**
5. To re-appoint Messrs. KPMG PLT as Auditors of the Company, to hold office until conclusion of the next AGM and to authorise the Directors to fix their remuneration.	**5**
AS SPECIAL BUSINESS	
6. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-	
(a) Proposed Renewal of Share Buy-Back Authority	**6**

"THAT subject to compliance with Section 127 of the Companies Act 2016 ("the Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority, the Company be and is hereby unconditionally and generally authorised to purchase and hold such amount of shares in the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time-to-time through the Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company and the maximum funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company available at the time of the intended purchase.

NOTICE OF 56TH ANNUAL GENERAL MEETING

RESOLUTION

AND THAT such authority shall commence immediately upon passing of this Ordinary Resolution and will expire at the conclusion of the next AGM of the Company unless earlier revoked or varied by Ordinary Resolution of shareholders of the Company in a general meeting or upon the expiration of the period within which the next AGM is required by law to be held whichever is earlier but not so as to prejudice the completion of purchase(s) made by the Company before the aforesaid expiry date.

AND THAT the Directors be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Renewal of Share Buy-Back Authority and further THAT authority be and is hereby given to the Directors to decide in their absolute discretion to either retain the shares so purchased as treasury shares or cancel them or both."

(b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature with Trace Management Services Sdn Bhd **7**

"THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 3 December 2024 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and/or its subsidiaries to enter into the recurrent related party transaction ("RRPT") of a revenue or trading nature as set out in Section 3.3(A)(i) of Part B of the Circular to Shareholders dated 30 October 2025 ("the Circular"), with Trace Management Services Sdn Bhd ("the Related Party") mentioned therein which are necessary, for the Company and/or its subsidiaries for day-to-day operations which are carried out in the ordinary course of business on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of minority shareholders.

THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or Extraordinary General Meeting ("EGM") whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company;

whichever is the earlier.

THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

NOTICE OF 56TH ANNUAL GENERAL MEETING

		RESOLUTION
(c)	**Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**	**8**

"THAT the mandate granted by the shareholders of the Company on 3 December 2024 pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, authorising the Company and its subsidiaries ("the MIG Group") to enter into the RRPTs which are necessary for MIG Group's day-to-day operations as set out in Sections 3.3(A)(ii), 3.3(A)(iii) and 3.3(B) of Part B of the Circular with the related parties mentioned therein, be and are hereby renewed, provided that:-

(i) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company; and

(ii) the transactions are made at arm's length and on normal commercial terms.

AND THAT, authority conferred by such renewed and granted mandate shall continue to be in force (unless revoked or varied by the Company in general meeting) until:

(i) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at that meeting or EGM whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or

(iii) revoked or varied by resolution passed by the shareholders in general meeting of the Company;

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(d)	**Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act**	**9**

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time until the conclusion of the next AGM, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued."

By Order of the Board

KENNETH GOH KWAN WENG (BC/G/88)
Company Secretary

Kuala Lumpur
30 October 2025

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTES:-

1. *The 56th AGM of the Company will be held physically whereby shareholders/proxies/corporate representatives will have to be physically present at the Main Venue and there will be no option for shareholders to participate virtually.*

2. *Applicable to shares held through a nominee account.*

3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*

4. *Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*

5. *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*

6. *The instrument appointing a proxy shall be in writing, executed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.*

7. *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

8. *Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*

9. *Any alteration in the Form of Proxy must be initialled.*

10. *Form of Proxy sent through facsimile transmission shall not be accepted.*

11. *For the purpose of determining a member who shall be entitled to attend this 56th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 27 November 2025. Only a depositor whose name appears on the Record of Depositors as at 27 November 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.*

NOTICE OF 56TH ANNUAL GENERAL MEETING

12. Explanatory Notes to Ordinary Business:

(A) Audited Financial Statements for Financial Year Ended 30 June 2025

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

(B) Benefits Payable to Non-Executive Directors (Ordinary Resolution 2)

Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 2 is to seek shareholders' approval for payment of Directors' Benefits (excluding Directors' fees) to the Non-Executive Directors for the period from 1 January 2026 to 31 December 2026.

The benefits comprises the meeting allowances, benefits-in-kind and other emoluments payable to the Non-Executive Directors of the Company.

In determining the estimated total amount of remuneration (excluding Directors' fees) for the Non-Executive Directors of the Company, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the directors' remuneration (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the relevant period.

13. Explanatory Notes to Special Business of Agenda 6:

(C) Proposed Renewal of Share Buy-Back Authority (Ordinary Resolution 6)

The Proposed Ordinary Resolution 6, if passed, would empower the Directors to exercise the power of the Company to purchase its own shares ("the Proposal") by utilising its financial resources not immediately required. The Proposal may have a positive impact on the market price of the Company's shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

(D) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolutions 7 and 8)

The Proposed Ordinary Resolutions 7 and 8, if passed, will empower the Company to conduct RRPTs of a revenue or trading nature which are necessary for the Group's day-to-day operations, and will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

NOTICE OF 56TH ANNUAL GENERAL MEETING

(E) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Act (Ordinary Resolution 9)

The Ordinary Resolution proposed under Resolution 9 of the Agenda is a renewal of the general mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act. This mandate will provide flexibility for the Company to undertake future possible fund raising activities, including but not limited to placement of shares for purpose of funding the Company's future investment projects, working capital and/or acquisition(s) without having to convene another general meeting.

The Proposed Resolution 9, if passed, will give authority to the Directors of the Company, from the date of the above AGM, to issue and allot shares in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 55th AGM held on 3 December 2024 and which will lapse at the conclusion of the 56th AGM to be held on 3 December 2025.

14. Pursuant to Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions set out in the Notice of the 56th AGM will be put to vote on a poll.

The detailed information on Special Business of Agenda 6 except for Ordinary Resolution 9 as mentioned above is set out in the Circular to Shareholders of the Company dated 30 October 2025 which is available at the Share Registrar's website at https://www.tracemanagement.com.my.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities, the details of the Directors who are seeking for re-election or re-appointment in Agenda 4 of the Notice of the 56th AGM of the Company are set out in the Directors' Profile on pages 79 and 81 of this Annual Report.

The detailed information relating to general mandate for issue of securities pursuant to Paragraph 6.03(3) of the Listing Requirements of Bursa Securities are set out under Note E of the Notice of the 56th AGM of the Company.

FORM OF PROXY

(please refer to the Notes behind)

MELEWAR INDUSTRIAL GROUP BERHAD
(Registration No. 196901000102 (8444-W))
(Incorporated in Malaysia)

No. of Shares Held	CDS Account No.

I/We _____

(Full Name as per NRIC / Passport / Certificate of Incorporation in Capital Letters)

NRIC No./Passport No./Registration No.: _____ Tel. No.: _____

of _____

(Full Address)

being a member of **MELEWAR INDUSTRIAL GROUP BERHAD** hereby appoint:

Full Name of Proxy in Capital Letters	*NRIC No./Passport No. of Proxy*	*Proportion of Shareholdings to be Represented*	
	Contact No. of Proxy	*No. of Shares*	*%*
	Email Address of Proxy		

and (if more than one (1) proxy)

Full Name of Proxy in Capital Letters	*NRIC No./Passport No. of Proxy*	*Proportion of Shareholdings to be Represented*	
	Contact No. of Proxy	*No. of Shares*	*%*
	Email Address of Proxy		

or failing him / her, the * Chairman of the Meeting as *my / our proxy to vote for *me / us and on *my / our behalf at the **56th Annual General Meeting ("AGM")** of **Melewar Industrial Group Berhad ("the Company")** to be held at the **Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur ("Main Venue")** on **Wednesday, 3 December 2025** at **11.30 a.m.** and at any adjournment thereof, on the following resolutions referred to in the Notice of the 56th AGM. *My / our proxy is to vote as indicated below:

		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
Resolution	**Ordinary Business**				
1	To approve the payment of Directors' fees amounting to RM408,000 for the period from 1 January 2026 to 31 December 2026 to be payable quarterly in arrears to the Non-Executive Directors of the Company.				
2	To approve an amount of up to RM87,000 as benefits payable to the Non-Executive Directors of the Company for the period from 1 January 2026 to 31 December 2026.				
	To re-elect the following Directors who are retiring in accordance with Article 96(1) of the Company's Constitution and who, being eligible, offer themselves for re-election:				
3	(i) Kwo Shih Kang				
4	(ii) Dato' Dr. Kili Ghandhi Raj A/L K R Somasundram				
5	To re-appoint Messrs. KPMG PLT as Auditors of the Company, to hold office until conclusion of the next AGM and to authorise the Directors to fix their remuneration.				
	Special Business				
6	To approve the Proposed Renewal of Share Buy-Back Authority.				
7	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature with Trace Management Services Sdn Bhd.				
8	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.				
9	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.				

(Please indicate with a "√" or "x" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.)

Dated this _____ day of _____ 2025

_____
Signature of Shareholder(s)/Common Seal

NOTES:-

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2) *Applicable to shares held through a nominee account.*
3) *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his / her stead. A proxy may but need not be a member of the Company.*
4) *Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he / she specifies the proportion of his / her shareholdings to be represented by each proxy.*
5) *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6) *The instrument appointing a proxy shall be in writing, executed by the appointor or of his / her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer or attorney so authorised.*
7) *The instrument appointing a proxy must be deposited at the Company's Registered Office, Suite 11.05, 11th Floor, No. 566, Jalan Ipoh, 51200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
8) *Please ensure ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*
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11) *For the purpose of determining a member who shall be entitled to attend this 56th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Articles 72(4)(a), 72(4)(b) and 72(4)(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 27 November 2025. Only a depositor whose name appears on the Record of Depositors as at 27 November 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and/or vote on his / her behalf.*

**** Please strike out whichever is not desired (Unless otherwise instructed, the proxy may vote as he / she thinks fit).***

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STAMP

The Secretary
MELEWAR INDUSTRIAL GROUP BERHAD
Suite 11.05, 11th Floor
No. 566, Jalan Ipoh
51200 Kuala Lumpur

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NOTICE
There will be No Distribution of Door Gift

www.melewar-mig.com

MELEWAR INDUSTRIAL GROUP BERHAD

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