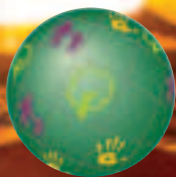


Masteel

MALAYSIA STEEL WORKS (KL) BHD

Registration No. 197101000213 (7878-V)



FTSE4Good

**DELIVERING THE MOST SUSTAINABLE STEEL
FOR MALAYSIA AND BEYOND**

ANNUAL REPORT

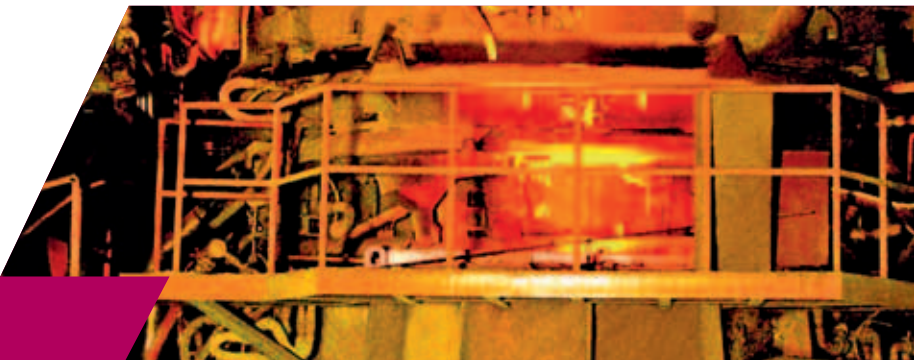
2025



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Form of Proxy



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Fourth (“54th”) Annual General Meeting (“AGM”) of MALAYSIA STEEL WORKS (KL) BHD (“Company”) will be held at Ballroom 2, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan, Malaysia on Thursday, 4 June 2026 at 12.00 noon for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this Notice.

AGENDA

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
- To approve the Directors’ fees up to an aggregate amount of RM168,000.00 for the financial year ending 31 December 2026 and benefits payable to the Directors up to an aggregate amount of RM450,000.00 from 5 June 2026 until the next AGM of the Company and the payment thereof.
- To re-elect the following Directors who are retiring pursuant to Clause 96 of the Constitution of the Company:-
 - Mr. Roy Thean Chong Yew
 - Puan Zueraini Binti Ahmad Basri

Datuk Syed Mohamed Bin Syed Ibrahim who is retiring pursuant to Clause 96 of the Constitution of the Company, has expressed his intention not to seek for re-election. Hence, he will retain his office until the conclusion of the 54th AGM.
- To re-appoint UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

[Please refer to Note (i) of the Explanatory Notes]

(Ordinary Resolution 1)

[Please refer to Note (ii) of the Explanatory Notes]

(Ordinary Resolution 2) (Ordinary Resolution 3)

[Please refer to Note (iii) of the Explanatory Notes]

(Ordinary Resolution 4)

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

- Proposed Continuation in Office of Mr. Roy Thean Chong Yew as Independent Non-Executive Director**
- Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares (“Proposed Renewal of Share Buy-Back Mandate”)**

(Ordinary Resolution 5)

[Please refer to Note (iv) of the Explanatory Notes]

(Ordinary Resolution 6)

[Please refer to Note (v) of the Explanatory Notes]

“THAT approval be and is hereby given to Mr. Roy Thean Chong Yew who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company in accordance with the Malaysian Code on Corporate Governance (“MCCG”).”

“THAT subject to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to make purchases of the Company’s ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Mandate") (Cont'd)

THAT an amount not exceeding the Company's retained earnings account be allocated by the Company for the Proposed Share Buy-Back;

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

- (i) the conclusion of the next AGM of the Company (being the Fifty-Fifth AGM of the Company), at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the Fifty-Fifth AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

THAT upon completion of the purchase(s) by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:-

- (i) distribute the shares as share dividends to the shareholders; or
- (ii) resell the shares or any of the shares on Bursa Securities; or
- (iii) transfer the shares or any of the shares for the purposes of or under an employees' shares scheme; or
- (iv) transfer the shares or any of the shares as purchase consideration; or
- (v) cancel all the ordinary shares so purchased; and/or
- (vi) sell, transfer or otherwise use the shares for such other purposes as allowed by the Act.

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Mandate as may be agreed or allowed by any relevant governmental and/or regulatory authority."

7. Proposed Renewal of Authority under Sections 75 and 76 of the Act and the Constitution of the Company for the Directors to allot and issue shares

"THAT pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorised and empowered to allot and issue shares in the Company at any time until the conclusion of the next AGM of the Company 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 per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at the time of issue, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

(Ordinary Resolution 7)

[Please refer to Note (vi) of the Explanatory Notes]

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. Proposed Renewal of Authority under Sections 75 and 76 of the Act and the Constitution of the Company for the Directors to allot and issue shares (Cont'd)

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings of such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. To transact any other business, of which due notice shall have been given in accordance with the Constitution of the Company and the Act.

By Order of the Board,

TAN AI NING (MAICSA 7015852) (SSM PC No. 202008000067)
NELSON FOO CHEAN EE (MAICSA 7070316) (SSM PC No. 202008003986)
TAN KOK AUN (MACS 01564) (SSM PC No. 201908003805)
Company Secretaries

Selangor Darul Ehsan
29 April 2026

NOTES:-

1. A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) shareholdings to be represented by each proxy.
3. Where a member of the Company is an Exempt Authorised Nominee who holds 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 is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.
5. The proxy form shall be in writing, executed by or on behalf of the appointer or his (her) attorney duly authorised in writing or, if the appointer is a corporation, either be executed under its common seal or by its duly authorised attorney or officer.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:- (CONT'D)

6. The appointment of proxy may be made in the form of hardcopy or by electronic means as specified below and must be received by the Share Registrar, Securities Services (Holdings) Sdn Bhd no later than Tuesday, 2 June 2026 at 12.00 noon or any adjournment thereof:-

In hardcopy form

Deposited at the office of the Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

By electronic means

Alternatively, the instrument appointing of proxy may also be lodged electronically via SS e-Portal at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

If you have submitted your proxy form(s) prior to the AGM and subsequently decide to appoint another person or wish to personally participate in the AGM, please write to eservices@sshsb.com.my to revoke the earlier appointed proxy(ies) no later than Tuesday, 2 June 2026 at 12.00 noon or any adjournment thereof.

7. Pursuant to paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of the AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 26 May 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.

EXPLANATORY NOTES

(i) **Agenda 1 - Audited Financial Statements for the financial year ended 31 December 2025**

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require formal approval of shareholders for the audited financial statements. Hence, this item on the Agenda is not put forward for voting.

(ii) **Ordinary Resolution 1 - Directors' Fees and Benefits Payable**

Section 230(1)(b) of the Act provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiary companies shall be approved at a general meeting.

The shareholders had, at the Fifty-Third ("53rd") AGM held on 30 May 2025 approved the Directors' fees up to an aggregate amount of RM160,000.00 for the financial year ended 31 December 2025 and benefits payable to the Directors up to an aggregate amount of RM450,000.00 from 31 May 2025 until the next AGM of the Company.

During a review in 2026, the Remuneration Committee recommended and the Board has approved, subject to shareholders' approval at 54th AGM, that the Directors' fees for the financial year ending 31 December 2026 at an aggregate amount of RM168,000.00, and the benefits payable to the Directors from 5 June 2026 until the next AGM of the Company to be held in year 2027 remain unchanged.

The proposed increase in Directors' fees is to reflect the increased scope and complexity of the Directors' roles and to ensure that the remuneration remains competitive and commensurate with the responsibilities assumed, taking into consideration prevailing market practices and benchmarking against comparable companies.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES (CONT'D)

(iii) Ordinary Resolutions 2 and 3 - Re-election of Directors

Section 340(1)(b) of the Act provides that the election of directors in place of those retiring shall be approved at annual general meeting. The profiles of the Directors who are standing for re-election as per Agenda item no. 3 are set out in the Directors' profile of the Annual Report 2025.

Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:-

(a) Ordinary Resolution 2 - Re-election of Mr. Roy Thean Chong Yew as Independent Non-Executive Director

Mr. Roy Thean Chong Yew has provided independent oversight over the Group's financial reporting, internal controls and audit matters, and engages constructively with Management and the Auditors. He has consistently exercised due care, objectivity and professional judgement in discharging his duties as an Independent Non-Executive Director of the Company. He also fulfils the requirements of independence as set out in the MMLR of Bursa Securities.

(b) Ordinary Resolution 3 - Re-election of Puan Zueraini Binti Ahmad Basri as Independent Non-Executive Director

Puan Zueraini Binti Ahmad Basri has demonstrated her independence by providing an external and objective perspective to the Board, particularly in guiding and overseeing the Group's risk management framework and strategies. She has discharged her professional duties diligently and proficiently throughout her tenure as an Independent Non-Executive Director of the Company. She also fulfils the requirements of independence as set out in the MMLR of Bursa Securities.

Datuk Syed Mohamed Bin Syed Ibrahim will retire by rotation pursuant to Clause 96 of the Constitution of the Company. As he is not seeking for re-election, he will retire at the conclusion of the 54th AGM.

(iv) **Ordinary Resolution 5 - Proposed Continuation in Office of Mr. Roy Thean Chong Yew as Independent Non-Executive Director**

Practice 5.3 of the MCGG provides that shareholders' approval be sought in the event that the Company intends for an Independent Director who has served in the capacity for more than nine (9) years, to continue to act as Independent Director of the Company.

The Board has via the Nomination Committee assessed the re-appointment of Mr. Roy Thean Chong Yew who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Director of the Company, as he has continued to display a high level of integrity and is objective in his judgement and decision-making in the best interest of the Company, shareholders and stakeholders. His continuation in office as an Independent Non-Executive Director of the Company is to ensure adequate plan in place for orderly succession planning for independent directors to the Board and that the Company has sufficient time in identifying suitable candidate as appropriate. The detailed justifications are as set out in the Corporate Governance Overview Statement.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES (CONT'D)

(v) **Ordinary Resolution 6 - Proposed Renewal of Share Buy-Back Mandate**

Ordinary Resolution 6 proposed under item 6 of the Agenda, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of ordinary shares by the Company up to ten per centum (10%) of the total number of issued shares of the Company at the time of issue as the Directors may deem fit and expedient in the best interests of the Company. The authority will, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the 54th AGM is required by law to be held.

Please refer to the Statement to Shareholders dated 29 April 2026 for further information.

(vi) **Ordinary Resolution 7 - Proposed Renewal of Authority under Sections 75 and 76 of the Act and the Constitution of the Company for the Directors to allot and issue shares**

The Company had, during its 53rd AGM held on 30 May 2025, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. As of the date of this notice, the Company had placed out 54,000,000 new ordinary shares pursuant to this mandate obtained. The proceeds raised from the private placement have been utilised for working capital requirements and defrayment of expenses incidental to the private placement.

Ordinary Resolution 7 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The mandate, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/or acquisition(s). This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

PERSONAL DATA PRIVACY:

By submitting proxy form(s) 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 collection, use and disclosure by the Company (or its agents) of the personal data 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

(Chairman - Independent Non-Executive)

DATUK SYED MOHAMED BIN SYED IBRAHIM

(Executive Vice Chairman)

DATO' SRI TAI HEAN LENG @ TEK HEAN LENG

(Executive Director/Chief Financial Officer)

LAU YOKE LEONG

(Executive Director)

ONG TENG CHUN

(Executive Director)

NG SIEW PENG

(Independent Non-Executive Director)

ROY THEAN CHONG YEW

(Independent Non-Executive Director)

ZUERAINI BINTI AHMAD BASRI

(Independent Non-Executive Director)

ROSDELIMA BINTI MOHD ALI JAAFAR

Audit Committee

Roy Thean Chong Yew
(Chairman)

Zueraini Binti Ahmad Basri

Rosdelima Binti Mohd
Ali Jaafar

Remuneration Committee

Rosdelima Binti Mohd
Ali Jaafar
(Chairperson)

Roy Thean Chong Yew

Zueraini Binti Ahmad Basri

Nomination Committee

Zueraini Binti Ahmad Basri
(Chairperson)

Roy Thean Chong Yew

Rosdelima Binti Mohd
Ali Jaafar

Risk Management Committee

Zueraini Binti Ahmad Basri
(Chairperson)

Ong Teng Chun

Rosdelima Binti Mohd
Ali Jaafar

Company Secretaries

Tan Ai Ning (MAICSA 7015852)
(SSM Practicing Certificate No. 202008000067)

Tan Kok Aun (MACS 01564)
(SSM Practicing Certificate No. 201908003805)

Nelson Foo Chean Ee (MAICSA 7070316)
(SSM Practicing Certificate No. 202008003986)

Registered Office

No. 3A, Mezzanine Floor
Jalan Ipoh Kecil
50350 Kuala Lumpur

Tel : 03-4043 5750

Fax : 03-4043 5755

Email : pcaadvkl@gmail.com

Head Office

Wisma Masteel
Lot 29C, Off Jalan Tandang
Section 51
46050 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7781 1611

Fax : 03-7781 5435

Auditors

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Share Registrar

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel : 03-2084 9000

Fax : 03-2094 9940

Email : info@sshsb.com.my

Principal Bankers

Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
MBSB Bank Berhad
Ambank Berhad
Alliance Bank Berhad
Bank Pembangunan Malaysia Berhad
Bank Kerjasama Rakyat Malaysia Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad

Shares

Stock Name : Masteel

Stock Code : 5098

Warrants

Stock Name : Masteel-WB

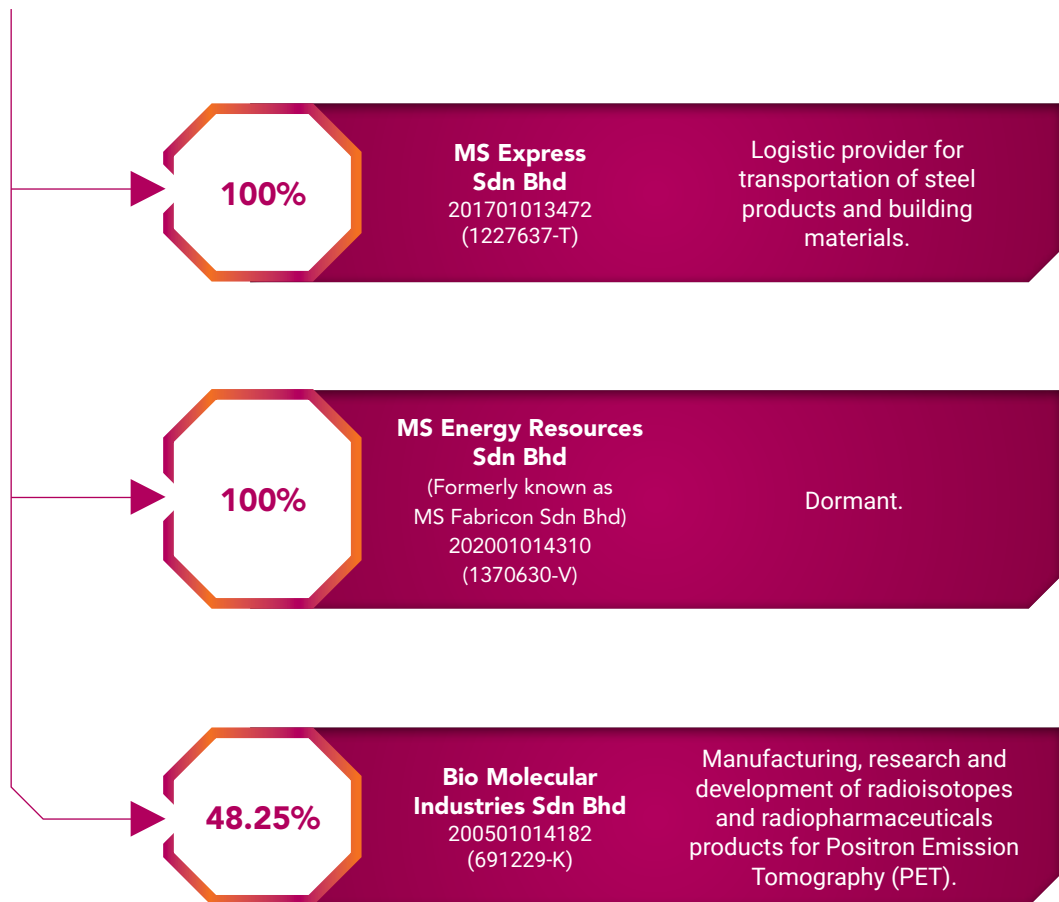
Stock Code : 5098WB

CORPORATE STRUCTURE

Masteel

MALAYSIA STEEL WORKS (KL) BHD

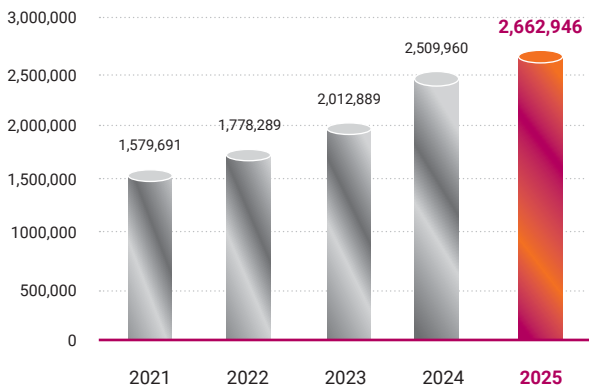
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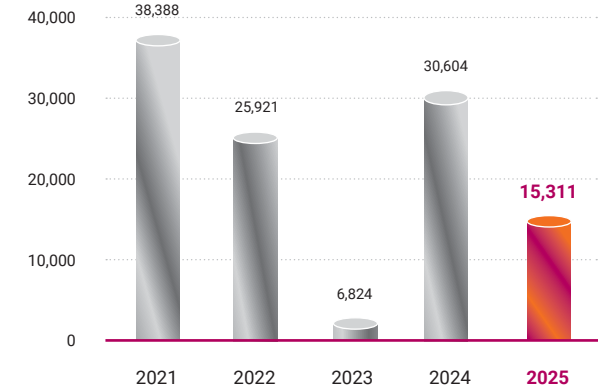
FINANCIAL HIGHLIGHTS

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	1,579,691	1,778,289	2,012,889	2,509,960	2,662,946
Profit before taxation	38,388	25,921	6,824	30,604	15,311
Net Profit for the financial year	32,503	19,071	2,404	16,990	8,668
Total Assets Employed	1,722,730	1,803,456	1,963,333	2,273,186	2,604,546
Total Shareholders' funds	844,372	862,955	865,359	968,373	990,865
Paid-up Share Capital	329,648	329,648	329,648	333,927	347,751
No. of Ordinary Shares in Issue ('000)	679,110	679,110	679,110	692,610	746,610
Gearing Ratio	46.19%	55.43%	57.86%	62.54%	71.02%
Net Assets per Share (RM)	1.24	1.27	1.27	1.40	1.33
Earnings per Share (sen)	4.79	2.82	0.35	2.49	1.22
Diluted Earnings per Share (sen)	3.87	2.39	0.35	2.49	1.22

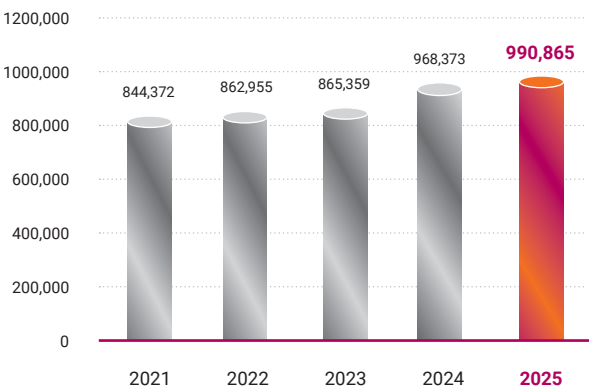
REVENUE RM'000



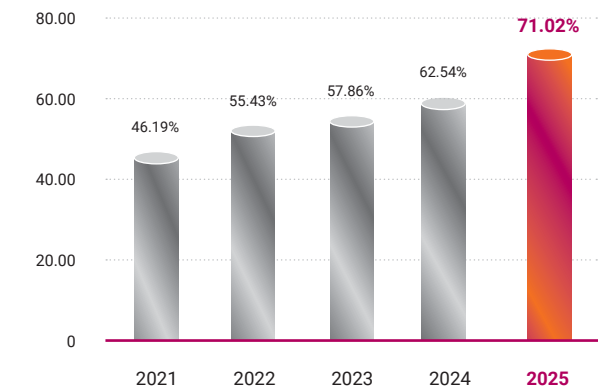
PROFIT BEFORE TAXATION RM'000



TOTAL SHAREHOLDERS' FUNDS RM'000



GEARING RATIO %



DIRECTORS' PROFILE



Nationality
Malaysian

Gender
Male

Age
67

DATUK SYED MOHAMED BIN SYED IBRAHIM

(Independent Non-Executive Chairman)

Datuk Syed Mohamed Bin Syed Ibrahim was appointed as the Independent Non-Executive Chairman of Malaysia Steel Works (KL) Bhd on 1 March 2024. He obtained a Bachelor of Economics (Honours) degree in Analytical Economics from the University of Malaya.

With a distinguished career spanning banking, corporate leadership, real estate development, and business strategy, he brings a wealth of experience and strategic insight to his role. He began his career at Bank Bumiputera (M) Bhd and Bank Rakyat before joining the Johor State Economic Development Corporation, the predecessor of Johor Corporation. His leadership journey saw him take on key roles at Sime Darby Land and Encorp Bhd, before leading the transformation of TH Properties Sdn Bhd's flagship project, Bandar Enstek, as its CEO. His experience extends internationally, having served as Chief Operating Officer at Knowledge Economic City in Madina, Saudi Arabia. Upon returning from Saudi Arabia, he briefly served as Group Director, Property & Infrastructure Division of DRB-HICOM Bhd, overseeing the Group's property development, hospitality, construction and facilities management businesses. He later took on the role of President and Chief Executive Officer of Iskandar Investment Bhd and also served as Chairman of Felda Investment Corporation Bhd and Encorp Bhd.

Datuk Syed Mohamed is currently the President and Chief Executive of Johor Corporation. He also serves as Chairman of KPJ Healthcare University and contributes to social and institutional development through his board roles at Yayasan Sultan Ibrahim and Yayasan Kanser Tunku Laksamana.

He was conferred title of Honorary Professor of Strategic Healthcare Management and Sustainability by KPJ Healthcare University, in recognition of his contributions to healthcare leadership and institutional sustainability. His commitment to knowledge-sharing and industry collaboration is reflected in his roles as an Adjunct Professor at the Faculty of Built Environment and Surveying, Universiti Teknologi Malaysia, and the School of Government, Universiti Utara Malaysia, as well as his appointment as an Eminent Industry Fellow at Universiti Sains Malaysia.

In addition to his corporate and academic contributions, he is Chairman of Waqaf An-Nur Corporation Berhad and JLand Group Sdn Bhd and sits on the board of Johor Darul Ta'zim (JDT) Football Club.

For the financial year ended 31 December 2025, Datuk Syed Mohamed Bin Syed Ibrahim attended four (4) out of six (6) Board meetings of the Company.

DIRECTORS' PROFILE

(CONT'D)



Nationality
Malaysian

Gender
Male

Age
62

DATO' SRI TAI HEAN LENG **@ TEK HEAN LENG**

(Executive Vice Chairman)

Dato' Sri Tai Hean Leng was appointed as an Executive Director of Masteel on 25 April 1994. He is also the Executive Vice Chairman of Masteel. He obtained a Bachelor of Science degree in Mechanical Engineering from the University of Southern California in 1987 and a Master's degree in Finance from the University of Hull, United Kingdom in 1993. He began his practical training in 1987 as a Plant Manager in the manufacturing of Liquefied Petroleum Gas ("LPG") pressure vessels for the oil and gas industries. He has been involved in the formulation and implementation of Masteel's corporate strategies including corporate planning, business expansion and operations. He has more than 38 years of business experience in the iron and steel industry. Dato' Sri Tai sits on the Board of MS Express Sdn Bhd which is the wholly-owned subsidiary of Masteel. He also sits on the Board of Bio Molecular Industries Sdn Bhd, an associate company of Masteel and several private companies in Malaysia. Dato' Sri Tai is a Board member of the Malaysia Steel Institute ("MSI"), the Vice President and Honorary Treasurer of the Malaysia Steel Association ("MSA"), and the President of the Association of Malaysian-owned Steel Enterprises ("AMOSE"). Dato' Sri Tai is a national Council member and also the Vice Chairman of the Sustainable Development & Climate Change Committee ("SDCC") of the Federation of Malaysian Manufacturers ("FMM"). Dato' Sri Tai is also a member of the technical committee for nuclear technology (Jawatankuasa Teknikal Teknologi Nuklear "JTTN") under the Malaysian Nuclear Agency. He does not hold any directorship in any other public company.

Dato' Sri Tai attended all six (6) Board meetings of the Company held during the financial year ended 31 December 2025.



Nationality
Malaysian

Gender
Male

Age
57

LAU YOKE LEONG

*(Executive Director/
Chief Financial Officer)*

Lau Yoke Leong was appointed as an Executive Director of Masteel on 16 April 2007. He joined Masteel as an Accountant in July 2000, was promoted as Chief Accountant in June 2004, and was appointed as Chief Financial Officer in April 2016. He is a Fellow Chartered Certified Accountant ("FCCA") and a member of the Malaysian Institute of Accountants ("MIA"). He has more than 24 years of experience in various fields of accounting, audit, taxation and management matters as well as an in-house training instructor on updating accounting standards and audit software programs, corporate restructuring, corporate exercise and due diligence assignments. He started his accounting profession in 1994 as an auditor with Messrs Ong & Wong. He completed the professional qualification from The Association of Chartered Certified Accountants in late 1995. Upon graduation in 1995, he joined another public accounting firm, Messrs T.H.Liew & Gan before moving on to Messrs Deloitte Touche Tohmatsu from 1996 to 1999. From 1999 to 2000, he was with Bell Management Services Sdn Bhd before joining Masteel. Mr. Lau also sits on the Board of MS Energy Resources Sdn Bhd (formerly known as MS Fabricon Sdn Bhd) which is the wholly-owned subsidiary of Masteel. He also sits on the Board of Bio Molecular Industries Sdn Bhd, an associate company of Masteel and several private companies in Malaysia. He does not hold any directorship in any other public company.

Mr. Lau attended all six (6) Board meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONT'D)



Nationality
Malaysian

Gender
Male

Age
58

ONG TENG CHUN

(Executive Director)

(Member of the Risk Management Committee)

Ong Teng Chun was appointed as an Executive Director of Masteel on 30 September 2015. He joined Masteel as an Assistant Finance Manager in September 1998 and was subsequently promoted to the position of Senior Vice President in July 2010. His principal duties include managing the Financial, Treasury and Risk Management of Masteel. He was also en-tasked to spearhead the marketing division of steel bars. He obtained his Bachelor of Business degree majoring in Banking and Finance, in 1991, from Curtin University, Western Australia. Prior to joining Masteel, Mr. Ong worked in Malaysian International Merchant Bankers Bhd ("MIMB"), where he was actively engaged in various syndicated fundraising exercises and structuring of project loan facilities. He also sits on the Board of a private company in Malaysia. He does not hold any directorship in any other public company.

Mr. Ong attended all six (6) Board Meetings of the Company held during the financial year ended 31 December 2025.



Nationality
Malaysian

Gender
Female

Age
47

NG SIEW PENG

(Executive Director)

Ng Siew Peng was appointed as an Executive Director of Masteel on 23 November 2017. She holds a Master of Business Administration (Finance) from the University of Southern Queensland, Australia, and has over 22 years of experience in corporate finance and corporate governance.

Ms. Ng joined Masteel in October 2012 as an Assistant Finance Manager and was subsequently promoted to Corporate Manager in April 2016. In her current capacity, she is responsible for upholding the integrity of the Company's governance framework and overseeing compliance with statutory and regulatory requirements. She also spearheads Masteel's sustainability team, driving the Company's Environmental, Social and Governance ("ESG") strategies and initiatives.

Prior to joining Masteel, she held key roles at Frontken Corporation Berhad, where she worked closely with the Senior Vice President to support the achievement of corporate objectives and undertook various finance-related assignments. From 2004 to 2010, she served with Soon Seng Palm Oil Mill Sdn Bhd, assisting the Group Director in the implementation and coordination of new overseas investment plans. She also sits on the Board of several private companies in Malaysia. She does not hold any directorship in any other public company.

Ms. Ng attended all six (6) Board Meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONT'D)



Nationality
Malaysian

Gender
Male

Age
54

ROY THEAN CHONG YEW

*(Independent Non-Executive Director)
(Chairman of Audit Committee, Member of Nomination Committee
and Remuneration Committee)*

Roy Thean Chong Yew was appointed as an Independent Non-Executive Director of Masteel on 2 July 2015. He is a member of the Malaysian Institute of Certified Public Accountants ("MICPA"), Malaysian Institute of Accountants ("MIA") and a Chartered Member of Institute of Internal Auditors of Malaysia ("CMIIA"). He started embarking on his career path in 1994 with PKF Malaysia. After accumulating extensive working experience in his field, he left PKF Malaysia as an Audit Manager in 2003 to join a professional services firm, Russell Bedford Malaysia Business Advisory Sdn. Bhd. ("RB MBA") for another six (6) years, rising to the position of an Executive Director. In 2009, he left RB MBA to start his own business venture. With over 29 years of working experience in local and international professional services firms, Mr. Roy Thean has been involved in rendering a wide and diverse range of professional services to public listed companies and multinational and large national enterprises. His work encompasses a wide range of professional services with his core practice being in corporate finance and advisory work for transaction support services including business valuations, financial due diligence, preparation of business plans and financial modeling, internal control and business risk review, corporate governance, risk management, merger / acquisition-related services, internal and external auditing. Presently, Mr. Roy Thean is holding directorships in JAG Berhad which is listed on the ACE Market and Teladan Group Berhad which is listed on the Main Market.

Mr. Roy Thean attended all six (6) Board Meetings of the Company held during the financial year ended 31 December 2025.



Nationality
Malaysian

Gender
Female

Age
52

ZUERAINI BINTI AHMAD BASRI

*(Independent Non-Executive Director)
(Chairperson of Nomination Committee and Risk Management
Committee, Member of Audit Committee and Remuneration Committee)*

Zueraini Binti Ahmad Basri was appointed as an Independent Non-Executive Director on 1 July 2022. She holds a Bachelor of Business Administration in Finance & Organisational Behavior from the University of Missouri-St. Louis and a Master's degree in Finance from RMIT University, Melbourne. Puan Zueraini is currently a PhD candidate, with her research focused on risk, governance and sustainability. In addition, she completed a certification from Universiti Malaya-Wales in "driving sustainable business strategies" to further enhance her contribution in ESG and sustainability-related initiatives. She is a member of the Institute of Corporate Directors Malaysia (ICDM).

With over 28 years of experience in risk management within local and foreign financial institutions, Puan Zueraini has extensive expertise in enterprise-wide risk governance, credit risk, operational risk, market risk and business continuity management. She previously served as the first Chief Risk Officer of BMW Financial Services Malaysia where she led the establishment and implementation of integrated risk management frameworks to support sustainable business growth.

Throughout her banking career, she has overseen credit evaluation across commercial, corporate and investment portfolios, covering both conventional and Islamic banking practices. Her strengths include assessing credit and financial viability, structuring financing solutions and strengthening corporate governance and risk management frameworks. She consistently advocates proactive risk strategies aligned to business objectives and promotes a strong risk culture. Puan Zueraini does not hold directorship in any other public company.

Pn. Zueraini attended all six (6) Board Meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE
(CONT'D)**Nationality**
Malaysian**Gender**
Female**Age**
62**ROSDELIMA BINTI MOHD ALI JAAFAR***(Independent Non-Executive Director)**(Chairperson of Remuneration Committee, Member of Nomination Committee, Risk Management Committee and Audit Committee)*

Rosdelima Binti Mohd Ali Jaafar was appointed as an Independent Non-Executive Director on 1 March 2024. Puan Rosdelima obtained her Bachelor of Accountancy from MARA Technological University (UiTM) and Master in Business Administration (Strategic Management) from International Islamic University Malaysia. She is a member of Malaysian Institute of Accountants ("MIA") and a member of Malaysian Association of Tax Accountants ("MATA"). She has over 22 years of experience being a partner in an audit firm Rosdelima & Co. She was involved mainly in statutory audits of small and medium-sized enterprises. She is also a partner of Ramli & Co., an audit firm that is vastly involved in many public sector audits as a private audit firm appointed by the National Audit Department to perform the audit for Federal Statutory Bodies, State Statutory Bodies, Local Councils on behalf of the Auditor General of Malaysia. Prior to establishing Rosdelima & Co, she was a Senior Account Executive with Kaf-Seagroatt & Campbell Sdn. Bhd., a stockbroking firm. She does not hold any directorship in any other public company.

For the financial year ended 31 December 2025, Puan Rosdelima attended all six (6) Board meetings of the Company.

Notes to Directors' Profile:-**1. Family Relationships**

None of the Directors has a family relationship with any other directors/ major shareholders, except for the Executive Vice Chairman, who is related to a major shareholder.

2. Conflict of Interests / Potential Conflict of Interests

The Company has entered into a short-term tenancy agreement of one (1) year with Soon Seng Hardware Sdn Bhd ("SSH") on 1 January 2025. Dato' Sri Tai Hean Leng @ Tek Hean Leng, Ms Ng Siew Peng and Mr Lau Yoke Leong have interests by virtue of their respective directorships and/or shareholdings in SSH as follows:-

- (a) Dato' Sri Tai Hean Leng @ Tek Hean Leng is a Director and Shareholder, holding a 33.33% equity interest in SSH.
- (b) Ms Ng Siew Peng is a shareholder of SSH, holding a 33.33% equity interest in SSH
- (c) Mr Lau Yoke Leong is a Director of SSH.

Save for the aforesaid Directors, none of the Directors have any conflict of interests / potential conflict of interests with the Company.

3. Conviction of Offences

The members of the Board have no convictions for any offences within the past five (5) years or have been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2025, other than traffic offences (if any).

PARTICULARS OF KEY SENIOR MANAGEMENT

TEO CHEE KOON

General Manager

Nationality
Malaysian

Gender
Male

Age
46

Teo Chee Koon was appointed as General Manager responsible for Production, QA & Scrap Management on 1 June 2025. He joined the Company in August 2012 as Assistant QA Manager and has since progressed through several leadership roles, including QA Manager, Production cum QA Manager, and Senior Production cum QA Manager.

He holds a Bachelor's Degree in Material Science from University Kebangsaan Malaysia and has over 22 years of experience in quality control and production management. His expertise includes process inspection, ISO compliance, operational improvement, and scrap yield optimisation.

Mr. Teo plays a key role in strengthening production efficiency, ensuring product quality consistency, and driving operational excellence.

None of the Key Senior Management has any directorship in public companies and listed issuers. None of the Key Senior Management has a family relationship with any directors/ major shareholders. None of the Key Senior Management have any conflict of interest / potential conflict of interest with the Company. The Key Senior Management have no convictions for any offences within the past five (5) years or have been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2025, other than traffic offences (if any).

MANAGEMENT DISCUSSION AND ANALYSIS

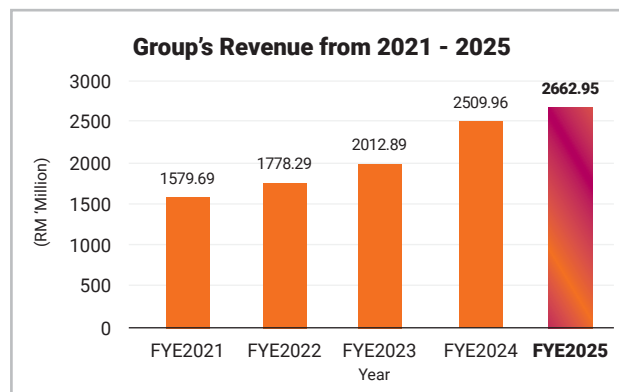
GROUP'S BUSINESS AND OPERATIONS

Masteel's principal business activities are in the manufacturing and marketing of high tensile steel bars, mild steel bars and prime steel billets which comply with the Malaysian Standard (MS 146:2014 & MS 144:2014), Australasian Certification Authority for Reinforcing and Structural Steels [(“ACRS”) (Australia)] for the construction and infrastructure sectors and ISO 9001 (Quality Management System). In addition, Masteel has also been accredited ISO 14001 (Environmental Management Systems), ISO 50001:2018 (Energy Management System) & ISO 45001 (Occupational Health and Safety Management Systems). The Company has two (2) 100%-owned subsidiaries i.e., MS Express Sdn Bhd (“MSX”) and MS Energy Resources Sdn Bhd (“MSE”) (formerly known as MS Fabricon Sdn Bhd (“MSF”). MSX is mainly involved in the transportation and logistics of steel bar and billets between Masteel's Bukit Raja and Petaling Jaya facilities. Presently, MSE is a dormant entity.

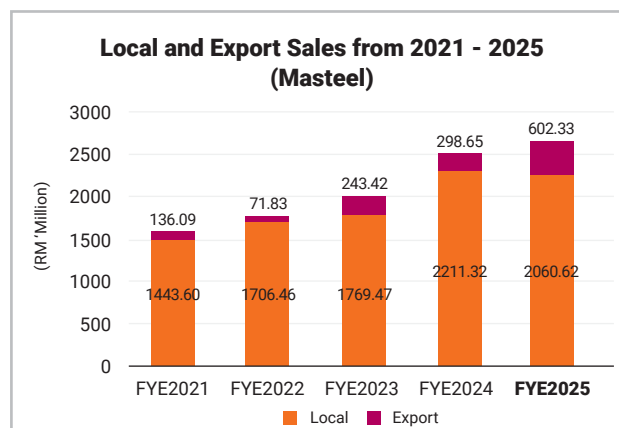
Masteel also has a 48.25% owned associate company, Bio Molecular Industries Sdn Bhd (“Bio-M”), which is a strategic partnership between Masteel and Curium International S.A., which is a worldwide leader in radiopharmaceuticals. Bio-M has its own cyclotron and a dedicated radiochemistry lab for R&D in its facility and it is principally involved in producing radiopharmaceuticals for the diagnosis and management of cancer patients [(Positron Emission Tomography) PET]. Bio-M is GMP-certified by the local National Pharmaceutical Control Bureau (NPCB). The company has also been granted the BioNexus Status by Malaysian Biotechnology Corporation Sdn Bhd and the facility is also licensed by the Atomic Energy Licensing Board.

The manufacturing facilities of Masteel are located in Petaling Jaya and Bukit Raja, Klang, Selangor. The geographical presence of the sales of its steel bars are primarily in the Klang Valley, Selangor, southern region of Peninsular Malaysia and the East Coast of West Malaysia. Its radioisotopes manufacturing facility is located in Bandar Enstek, Negeri Sembilan. The main market for its radioisotopes are hospitals throughout Malaysia.

The main drivers of revenue for the Group are from the sales of steel bars and billets.



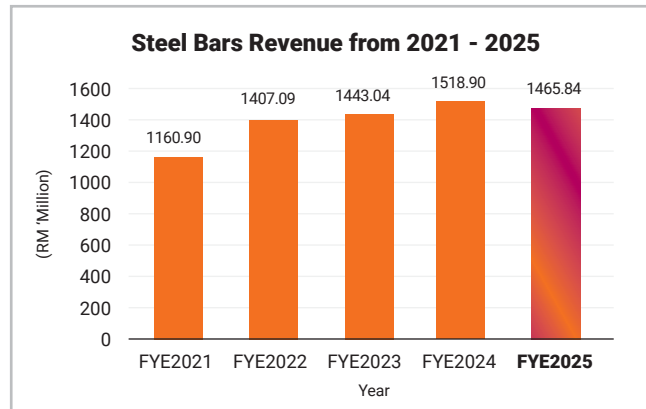
The distribution between local and export sales for the past 5 years are as follows:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROUP'S BUSINESS AND OPERATIONS (CONT'D)

The sales revenue from steel bars in the past 5 years are as follows:



BUSINESS OBJECTIVES

The objective of the Company's manufacturing activities is to maximize shareholders' value through the generation of profits by increasing sales volume and widening profit margin per MT with most efficient utilisation of minimum overhead and capital.

Whilst the Company is constantly striving to improve its productivity and cost efficiency through continuous management upskilling and upgrading of its plant and machinery, whilst focusing its core objective of being a sustainable steel producer to better serve its home market and new markets across the continents.

Ongoing development on the technology and methodology to improve the efficiencies and reliability of the manufacturing facilities are key agendas for the management team of the Company. The utilisation of a new environmentally efficient steel melting facility also improves the billet production efficiency and reduce reliance on various consumables which constitutes a significant amount of the production cost. The Company also further embarked on High-Speed Steel Bar Rolling facility to improved its cost of production efficiency. These technological transformations will eventually enable the Company to keep the costs of production in check and remain competitive in the industry. Besides to remain competitive, this technological transformation further reduces Green House Gases ("GHG") emission which is in line with our Company's mission as the first ultra-low GHG emission "green" integrated steel mill in Malaysia.

The Company employs and retains a dedicated and experienced workforce which is accustomed to the challenges of the cyclical nature inherent in the steel business and the demanding working environment of heavy industry.

The complexity of ensuring consistently high utilization rate of all manufacturing facilities is a major factor that can affect the costs and competitiveness of its products. The Company has in place stringent and comprehensive training, inspection and maintenance programs with extensive incentives and penalty schemes to ensure the fullest compliance. Other external factors such as market pricing, exchange rate fluctuations and cost-push factors are harder to mitigate and anticipate.

Although majority of Covid-19 pandemic restrictions had been removed, Masteel is still observing some critical Covid-19 prevention measures which are also applicable to the recent tuberculosis outbreak in Malaysia to ensure the safety and wellbeing of its employees whilst mitigating any disruption to its operation.

It is the business philosophy of the Company to be prudent when expending its financial resources and is constantly remaining vigilant and informed about future economic and industry trends.

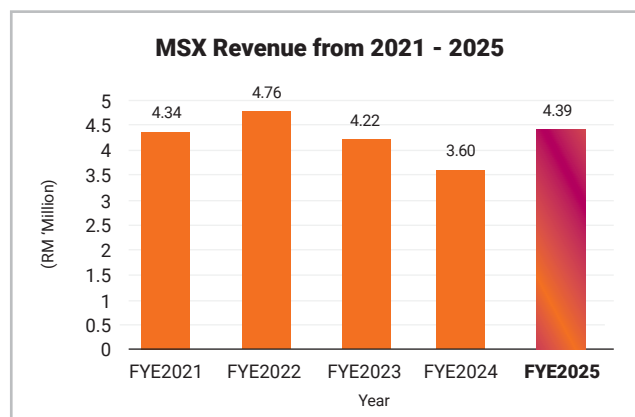
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL RESULTS AND FINANCIAL CONDITION

The Group's key financial performance for FYE2025 is as follows:

- (a) For the year under review, the Group's revenue increased by 5.98% to RM2.66 billion as compared to RM2.51 billion in the previous financial year. The increase in revenue was mainly attributed to higher sales volume of steel products achieved from the export and domestic markets. A higher export volume was achieved mainly due to improvement of our sales of ACRS-accredited steel bars to Australian market and our prime steel billets to Turkey market as a consequence of competitive pricing and duty free access under a Free Trade Agreement. During the year under review, despite a marginal decrease in the steel bars revenue from RM1.52 billion in 2024 to RM1.47 billion in 2025, the sales quantity of steel bars had increased by 14% in 2025 as a consequence of our ability to capture a higher market share in the domestic market. In local market, Malaysia's construction sector in 2025 demonstrated a solid performance which grew by 12.5% to RM178.6 billion underpinned by broad-based growth across all sub-sectors according to the Department of Statistics Malaysia ("DOSM").
- (b) The Group recorded a decrease in its profit before tax from RM30.60 million in FYE2024 to RM15.31 million in FYE2025. The Group's weaker performance was mainly due to an increased distribution cost related to higher local forwarding charges due to the surge in our export volume of steel products. Other than that, the Group also having lower forex gain in FYE2025.

In FYE2025, the Group managed to record an improved turnover despite operating in a very challenging global and local economic environments which has been caused by numerous complex and interconnected challenges such as the escalation of Trump's tariffs trade war, geopolitical tensions including the on-going Russia/Ukraine war, Israel-Palestine conflict, high inflationary and interest rate regime and patchy economic recovery of China. Nevertheless, in comparison to other locally-owned steel mills, the Group had achieved a commendable performance mainly due to the improvement of its steel manufacturing productivity and cost efficiency arising from its substantial technological transformation investments since 2018.

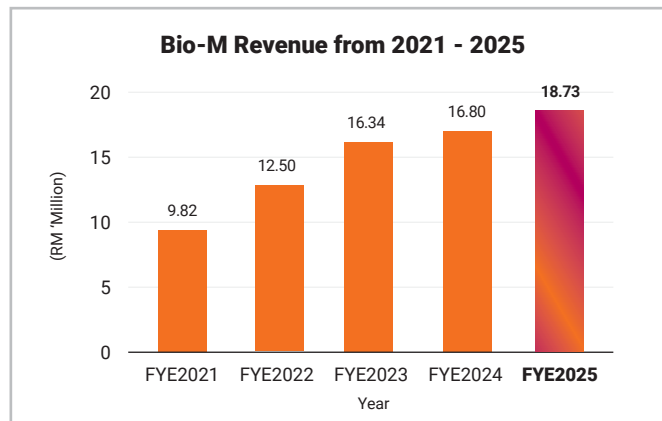


During the year under review, in line with the improvement of Masteel's distribution channel in 2025, more steel bars were being directly sent out from its Bukit Raja plant to the Company's end-users' sites without having them being sorted out in Petaling Jaya plant. Therefore, MSX's revenue increased marginally by 21.94% from RM3.60 million in FYE2024 to RM4.39 million in FYE2025. In line with increase in revenue, MSX's profit after taxation ("PAT") increased by 133.33% from RM0.39 million in FYE2024 to RM0.91 million in FYE2025. The main reason for the improvement in its profitability was because of the Company's increased efficiency in managing its fleet of trucks as a consequence of lower maintenance downtime.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

Bio-M, the associate company which is the leading radioisotopes manufacturer in Malaysia for PET-CT imaging of cancer had recorded a turnover of RM18.73 million in FYE2025, an increase of 11.49% from RM16.80 million in FYE 2024. During the year under review, Bio-M's gross profit increased by 22.94% from RM8.15 million in FYE 2024 to RM10.02 million in FYE 2025 as a consequence of lower production cost. Thus, the Company also recorded a higher profit before taxation of RM6.68 million in FYE2025 as compared to profit before taxation of RM4.82 million recorded in FYE2024.



The financial outcome of the Group other than being driven by the available manufacturing capacities is also affected by actual sales volumes, selling price of its end products and raw material costs. In addition, the magnitude of the increase in energy costs, labour costs, and financial costs will also affect the final financial outcome of the Group.

The following are the risk factors that could affect the financial performance of the Company:

- 1) Political stability has contributed to Malaysia's economic growth since its independence in 1957 as well as its recovery from the many previous economic recessions. Unprecedented unity government of Malaysia which provides a strong foundation of economic growth and stability, will also be able to mitigate the negative effects associated with political instability of a country.
- 2) The pace of rollout of new megaprojects under the 2026 Budget coupled with the current softness in the property sector, in particular commercial building and residential property, are the major risk factors which could affect the local demand for steel bars. Nevertheless, with the improved political stability situation in the country, acceleration on the implementation of infrastructure projects with high multiplier effects and anticipated easing of interest rate, Malaysia's economy is poised for continued growth in 2026 with forecast range of 4% to 5%. In view of the existence of several favorable macroeconomic factors including a strong Ringgit, stable interest rates and political stability, the Malaysia property market is poised to remain stable in 2026 despite the potential economic headwinds from the prevailing conflict in West Asia and other global geopolitical tensions.
- 3) The risk of imported steel bars being dumped into Malaysia due to various tariffs on all US steel import imposed by President Trump is not imminent as the previous steel tariff on Malaysian steel was 25% in 2018 has not impacted our Company's export revenue as US is not our target market. Furthermore, the present international freight charges remain high which are not conducive for the dumping of steel products into Malaysia. Nevertheless, our Company via Malaysia Steel Association ("MSA") and Malaysian Iron & Steel Industry Federation ("MISIF") has been engaging with MITI to step up the necessary trade measures, particularly safeguard measures if there are any signs of a dumping activities due to trade diversion from manufacturers in the affected countries into Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

- 4) The Company is susceptible to any adverse movement in borrowing cost as the Company is reliant on short-term borrowings to meet its working capital requirements. Any decision by the Bank Negara Malaysia to revise the monetary policy by changing the overnight policy rate will impact the borrowing cost of the Company. In line, with the expectation of US Fed Rate to be remained stable with delayed rate cut towards end 2026. Malaysia OPR is expected to be maintained at 2.75%. Nevertheless, as a cost-conscious manufacturer, the Company is always on the lookout for alternative financing options such as equity funding.
- 5) Certain operational risks which are inherent in the manufacturing industry such as disruption of electricity supply and fire hazards will affect production of the plant and have a negative impact on the financial performance of the Company. The Company had engaged with Tenaga Nasional Berhad ("TNB") to provide another high voltage cable (132kv Incomer) in order to mitigate any potential power supply disruption to its Bukit Raja plant. The new 132kv Incomer project was completed in March 2026. The risk of potential fire hazard exists as the nature of the steel manufacturing processes involves the use of furnaces to generate heat for the melting of scrap metals. With the existence of this fire hazard, the management of the Company has implemented various mitigating measures such as installing effective fire suppression systems, providing suitable firefighting equipment and training for employees on fire-fighting techniques.
- 6) The cost of the Company's steel production is subjected to fluctuations in prices of raw materials, in particular scrap metal and electricity tariff. In some situations, increases in the prices of raw materials and electricity tariff cannot be directly passed to the customers in order to remain price-competitive and to maintain the Company's market share. A prolonged conflict in West Asia will drive up energy prices, imported scrap metal cost and shipping expenses, which would eventually affect the production costs of our Company's steel products. In essence, a significant increase in the market prices of raw materials and increase in energy cost will have an adverse effect on the business and future earnings of the Company. Nevertheless, the management of the Company will endeavour to mitigate any potential increase in cost by striving for higher output and better production cost efficiency with the implementation of new technology packages and manpower retraining.
- 7) Foreign exchange volatility risk will continue to be minimized and mitigated through constant monitoring of the foreign exchange market and the Company's overall forex exposure. In addition, the Company is anticipating to increase its foreign currency-based revenue via the export of billets. Thereby, this anticipated increase of exports will provide a natural hedge to a portion of its forex exposure.
- 8) Our steel manufacturing business operates in a market characterised by strong competition resulting from a number of established local and foreign steel players as well as some volume of imported steel products. Such competition, arising from local steel producers or imported steel products, may result in a loss of market share and a margin compression on our steel products.
- 9) Global steel industry is susceptible to geopolitical and natural disaster risks that will affect the supply chain of steel industry. The Russia-Ukraine war which was erupted in early 2022 coupled with the recent massive earthquake in Turkey have a disruptive effect on the global steel supply chain as their combined crude steel output accounts to approximately 138 million tonnes. Besides affecting the crude steel output, these geopolitical tensions and natural disaster will also trigger severe disruption to global market's critical raw materials supply chain. The eventual repercussion of the supply chain disruptions in relation to raw materials and steel products will have a continued inflationary impact on the costs of raw materials and building materials which in turn will have a detrimental knock-on effect on the global economic growth. While on the current West Asia conflict, it has led to the closure of the Strait of Hormuz. It is the world most critical energy chokepoint, through which approximately 20% to 30% of global oil and another 20% of liquefied natural gas ("LNG") pass daily.

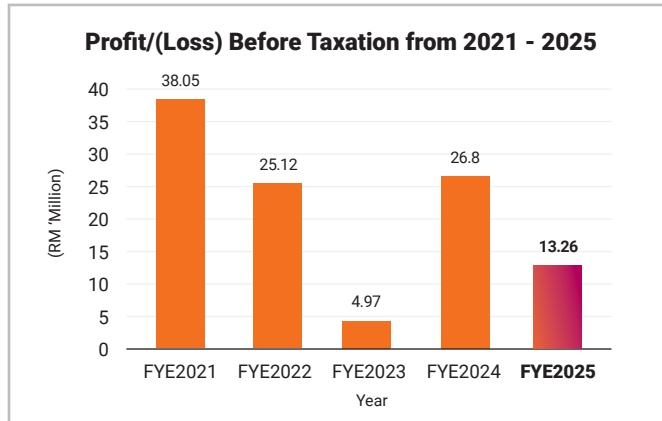
Furthermore, the above war had also further damaged the energy facilities and infrastructure of the Gulf Cooperation Council ("GCC") countries and Iran.

These above consequences arising from the West Asia conflict will eventually mutated into an economic tsunami, driving up the prices of energy, fertilizers, agricultural products and ultimately food itself.

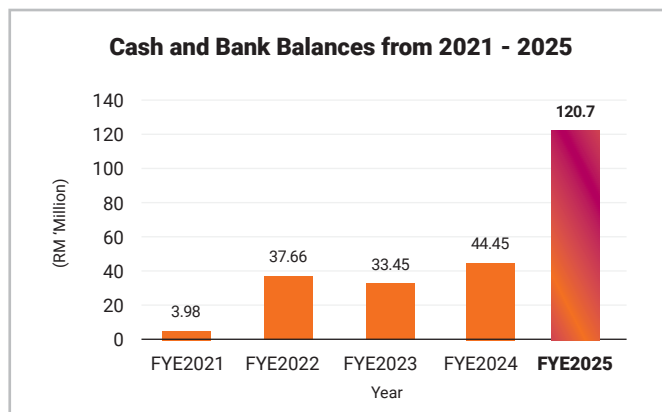
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL SECTION OF THE COMPANY

- 1) The Company's revenue increased by 5.98% from RM2.51 billion in FYE2024 to RM2.66 billion in FYE2025 attributed by the surge in the export sales which increased by 101.68% from RM298.65 million in FYE 2024 to RM602.33 million in FYE 2025.



- 2) In FYE2025, the Company recorded a Profit before Tax ("PBT") of RM13.26 million as compared to Profit Before Tax of RM26.80 million in FYE 2024. The decline in its profitability was mainly due to lower selling prices and an increased distribution cost related to higher local forwarding charges due to the surge in our export volume of steel products.
- 3) As at 31 December 2025, the Company's inventories value increased by 15.18% from RM857.00 million as at 31 December 2024 to RM987.13 million as at 31 December 2025 as a result of higher quantity of work-in-progress goods (steel billet) and raw materials.
- 4) In line with the Company's improved turnover, the Company's trade receivable also increased by 9.79% from RM329.45 million in FYE 2024 to RM361.71 million in FYE 2025.

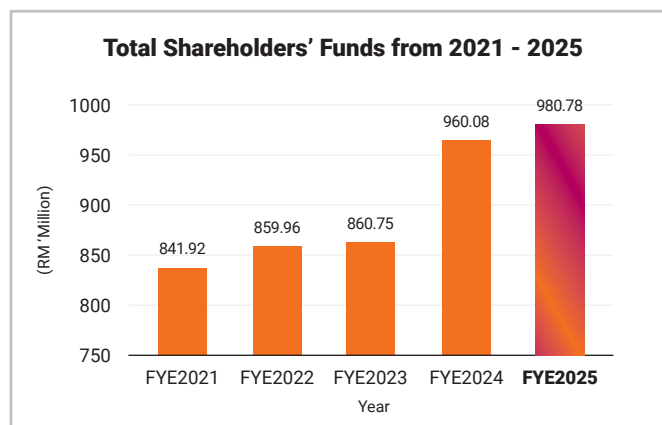


- 5) In line with the Company's focus in increasing its export sales, the cash and bank balances increased by 171.54% from RM44.45 million in FYE 2024 to RM120.70 million in FYE 2025, mainly due to the advance payments received from our customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL SECTION OF THE COMPANY (CONT'D)

- 6) During the year under review, the higher inventories recorded were partly being funded by an increase in the Company's short-term borrowings. The Company's short-term borrowings increased by 8.19% from RM580.99 million in FYE2024 to RM628.56 million in FYE2025.
- 7) In line with the Company's enhanced liquidity, its payments to trade creditors improved from RM503.26 million as at 31 December 2024 to RM436.35 million as at 31 December 2025.
- 8) During the year under review, the Company's property, plant and equipment increased by 9.75% from RM991.41 million as at 31 December 2024 to RM1,088.10 million on 31 December 2025. The increase was primarily due to the Company's new capital expenditure investment in enhancing its steel billet and steel bar production productivity and cost efficiency.
- 9) The new capex investment was funded by a new drawdown of term loan amounting to RM35.0 million and internal generated fund.
- 10) During the financial year, the issued and paid-up share capital of the Company was increased from RM333.93 million to RM347.75 million through the issuance of 54 million new ordinary shares at RM0.256 per ordinary share via private placement to eligible investors for a total cash contribution of RM13.82 million to fund the Group's and the Company's working capital requirements.



- 11) The Company's shareholders' funds had increased by 2.16% to RM980.78 million as at 31 December 2025 as compared to RM960.08 million in the previous year. The increase was contributed by the following:
 - a. Proceeds from private placement of new Masteel shares amounting to RM13.82 million.
 - b. An increase in retained earnings of RM6.88 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FORWARD LOOKING STATEMENTS

Global steel industry outlook for 2025 remains cautiously optimistic, with signs of mild recovery and moderate growth in China's economy, the world's second biggest economy, amidst facing multiple headwinds such as high inflationary environment due to higher energy prices, increased freight rates and insurance premiums, interrupted shipping logistic and disrupted global supply chains.

Recently, China's March 2026 purchasing Manager's Index expanded at its fastest pace (50.4) from 49.0 in February 2026 above the 50% threshold and recording the highest point in the previous 12 months stimulated by Chinese New Year holiday spending and a moderate rebound in property and infrastructure investment on the back of government's support. Meanwhile, Iran's two largest steel plants had recently been shutdown due multiple rounds of severe US-Israeli strikes. These damages on Iranian steel plants, being major exporters of semi-finished steels coupled with the closure of the Strait of Hormuz will be impacting the supply of slabs and billets into importing countries in Gulf as well as Turkey and Indonesia. Masteel, as an established regional billet exporter, will be able to capitalise on the lack of Iranian's biller supply into Turkey and Indonesia.

Masteel remains upbeat on the Company's prospects as prices of its steel products are firming upward supported by our government's various fiscal stimulus measures including, acceleration on the implementation of infrastructure projects which offer high multiplier impact. Under the 2026 Budget of RM470 billion, Prime Minister Datuk Sri Anwar Ibrahim provided a sizable budget of RM81 billion for development expenditure for 2026 which will augur well for the entire infrastructure and construction sectors. Construction sector is expected to have a growth between 4.3% to 6.1% in 2026 supported by "Data centres boom..... equivalent to about RM21.00 billion worth of data centres construction value each year for at least the next 2 years" (according to Kenanga Research) coupled with the increasing investment in industrial developments and transport infrastructure projects.

Despite of the margin compression on the sales of steel products, Masteel was still able to achieve a commendable profitable performance in FYE2025 contributed by the successful implementation of additional technological enhancements on its melting furnaces in July 2025 which resulted in increasing its billet production capacity and the overall cost of billet production. Furthermore, we had also installed a new regenerative reheating furnace coupled with an upgraded rolling mill equipment in our Petaling Jaya plant to improve its cost efficiency, operational productivity and to increase its steel bar sizes variant.

On another positive note, we believe Masteel which is centrally located is able to capture a higher market share particularly in Klang Valley, Selangor and the southern region of Peninsular Malaysia as the recent stricter enforcement policy on overloaded trucks, which resulted in higher transportation costs, will disadvantage our competitors which are located in Northern and Eastern regions of Peninsular Malaysia.

Masteel is well-positioned to capitalise on any potential economic boom in the long steel sector due to its latest state-of-the-art steel melting and rolling mill facilities, the successful technological upgrades and revamping of its Klang rolling mill along with the technological enhancements on its Bukit Raja melting furnaces project.

To further support and bolster an orderly and sustainable development of Malaysia's steel sector, Ministry of Investment, Trade and Industry ("MITI") acknowledged that the local iron and steel industry is facing various structural challenges. To address these challenges, the Government unveiled Malaysia's Steel Industry Roadmap 2035 on 29 September 2025 "aims to reduce overproduction, strengthen the industry and shift to low-carbon practices to meet net zero goals. In the immediate term, we must stabilize by managing overcapacity, restructuring licensing frameworks, enforcing discipline against illegal operators, securing domestic raw materials and laying foundations for decarbonization" as mentioned by Investment Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FORWARD LOOKING STATEMENTS (CONT'D)

As part of Malaysia's commitment to achieving net-zero emission by 2050, the government had first announced the introduction of a carbon tax under its 2025 Budget, which initially will focus on high-emission industries such as iron, steel and energy sectors. Masteel, being the lowest GHG emission steel mill in the country, stands to benefit from the implementation of the policy by the end of 2026 as it will make the production costs of Masteel's steel products very competitive versus other steel mills which will bare significantly higher carbon tax.

Masteel's subsidiary, MSX, is expected to continue its contribution to the Group's cost-saving initiatives by delivering its steel bars directly to Masteel's end customers' sites which will reduce its dependence on third party transporters.

In the radiopharmaceutical division, the quantity of radioisotopes in 2026 is expected to grow organically with the addition of four new customers who will be launching their Positron Emission Tomography - Computed Tomography (PET-CT) services. These new customers are estimated to order approximately 10,800 mCi of radioisotopes per year, alongside an estimated all-in price increase of 7%.

On Masteel's endeavour in increasing the value creation to its stakeholders, the Company is cognisant of the importance of adopting Environmental, Social and Governance ("ESG") best practices in the steel manufacturing activities. Masteel is the first steel mill in Malaysia included in the FTSE4GOOD Bursa Malaysia Index and ranks within the top 25% of public listed companies assessed by FTSE Russell, achieving the highest ESG rating of 4 stars among Main Market issuers. Masteel is also the first and only Malaysian company to be awarded the Platinum Sustainability Rating by RAM Sustainability Sdn Bhd.

During the year under review, Masteel achieved significant milestones in FY2025 with multiple prestigious recognitions, including the Prime Minister's Hibiscus Award ("PMHA") 2024/2025 – Notable Achievement in Environmental Performance, the Asia ESG Positive Impact Awards 2025 (Gold Award in Energy Efficiency and Silver Award in Innovative Partnership for Large Companies), and The Star ESG Positive Impact Awards (Gold Winner in Energy Efficiency and Innovative Partnership for Large Companies). In addition, Masteel was recognised as a 3-Star Lister by the UN Global Compact Network Malaysia & Brunei ("UNGCMYB"). Masteel also maintained our 4-star FTSE Bursa Malaysia EMAS ESG Rating, placing us among the top 25% of listed companies. These recognitions reflect the effectiveness of our ESG strategy and reinforce stakeholder confidence in our sustainability performance.

Since 2024, the Company had optimised its bar production process by eliminating the electric induction heater for billet reheating and instead the produced red-hot billets are directly charged from the Continuous Casting Machine to the rolling mill plant. This optimisation further reduced energy consumption and directly lowered the Company's carbon footprint. The achievements of multiple prestigious, nationally and regionally recognised ESG awards, together with the attainment of two third-party verified Environmental Product Declarations ("EPDs") under the globally recognised EPD Hub programme for the Company's steel billets and reinforcing bars, underscore Masteel's strong commitment to sustainability and transparency. EPDs are increasingly critical for building material manufacturers, as they provide credible, standardised disclosures that meet the evolving expectations of environmentally conscious and highly regulated markets. This achievement reinforces the Company's position as one of Malaysia's most sustainable, ultra-low GHG emissions integrated steel producers, and is expected to enhance investors' confidence and support that augur well for a positive long-term share price performance of the Company.

Masteel is advancing steadily towards its long-term ambition to surpass Malaysia's national commitment of achieving net-zero emissions by 2050. This is underpinned by a RM5 million investment in a Carbon Capture, Utilisation and Storage ("CCUS") project, undertaken in collaboration with ACE Gases Sdn Bhd and Universiti Tunku Abdul Rahman ("UTAR") through the evolution of the Masteel Sustainability Grant. These initiatives are integral to the Group's structured decarbonisation roadmap, which targets a 10% reduction in GHG emissions by 2026 and the achievement of net-zero emissions by 2030.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

In recognising the importance of good governance as a fundamental part of discharging their responsibilities, the Board of Directors (“**Board**”) of Malaysia Steel Works (KL) Bhd (“**Masteel**” or “**Company**”) has taken steps to evaluate and implement the Group’s corporate governance policies and procedures. The Board is committed to ensure that good corporate governance is practiced and complied with throughout the Group within the framework as expounded by the Malaysian Code on Corporate Governance 2021 (“**MCCG 2021**”) and Corporate Governance Guide (4th Edition) to enhance the shareholders’ value.

This Corporate Governance Overview Statement is supported by a Corporate Governance Report, prepared in the prescribed format as outlined in Paragraph 15.25(2) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) so as to map the application of the Company’s corporate governance practices against the MCCG 2021. The Corporate Governance Report is available on the Company’s website at www.masteel.com.my, as well as via an announcement on the website of Bursa Securities.

This Statement should also be read in conjunction with the other statements in this Annual Report, namely the Audit Committee (“**AC**”) Report, Statement on Risk Management and Internal Control, and Sustainability Report, for a more holistic and granular understanding of the Group’s corporate governance framework and practices.

Summary of Corporate Governance Practices

Masteel has benchmarked its practices against the relevant promulgations and higher order practices, across the three (3) principles of the MCCG 2021, namely:-

- Principle A: Board Leadership and Effectiveness;
- Principle B: Effective Audit and Risk Management; and
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

As at the date of this statement, Masteel has applied most of the practices espoused by the MCCG 2021 (“**Practices**”), except for the following:-

- Practice 5.3 - Tenure of independent directors does not exceed a cumulative term limit of nine (9) years, and if does, to seek shareholders’ approval via two-tier voting process;
- Practice 5.4 (Step Up) - Policy which limits the tenure of independent directors to nine (9) years;
- Practice 8.2 - Disclosure on a named basis of the Company’s top five (5) senior management’s remuneration in bands of RM50,000;
- Practice 8.3 (Step Up) - Fully disclose the detailed remuneration of each member of senior management on a named basis;
- Practice 12.2 - Adoption of integrated reporting based on a globally recognised framework;
- Practice 13.3 - Leverage technology to facilitate voting including voting in absentia and remote shareholders’ participation at general meetings; and
- Practice 13.5 - The conduct of a virtual general meeting (fully virtual or hybrid) should support meaningful engagement between the Board, senior management and shareholders.

Amongst the five (5) Step Ups advocated by the MCCG 2021, the Board has adopted the following:-

- Step Up 4.5 - The board identifies a designated person to provide dedicated focus to manage sustainability strategically;
- Step Up 9.4 - The AC should comprise solely Independent Directors; and
- Step Up 10.3 - The board establishes a Risk Management Committee (“**RMC**”), which comprises a majority of independent directors, to oversee the company’s risk management framework and policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

INTRODUCTION (CONT'D)

Summary of Corporate Governance Practices (Cont'd)

The Step Ups are aspirational practices to facilitate companies in achieving greater excellence in corporate governance. Accordingly, the adoption of Step Ups is voluntary and in the heightened self-interest of Masteel.

In line with the requirements of the MCCG 2021, the Group has provided clear and forthcoming explanations for any departures from the Practices in the Corporate Governance Report. With regards to departure in Practices, the Board has disclosed the alternative measures in place which will achieve similar outcomes to those Intended Outcomes of the MCCG 2021. The explanations for the departures, supplemented with disclosure on the alternative practices, are contained in the Corporate Governance Report.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Group acknowledges the pivotal role played by the Board in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. In discharging this role, the Board is responsible for the overall corporate governance of the Group by setting the appropriate tone at the top, including formulating the Group's strategic direction, establishing goals for Management and monitoring the achievement of these goals.

The Board is guided by a Board Charter, which clearly sets out the duties and responsibilities of the Board, including matters reserved for the Board's collective decision, thereby ensuring a clear division of responsibilities. The Limits of Authority further delineate the levels of authority and approval thresholds for expenditures and decision-making within the Group.

The Group continuously takes proactive measures to ensure that adequate procedures are in place to prevent any persons associated with the Group from undertaking corrupt conduct. In this regard, the Group has adopted an Anti-Bribery and Anti-Corruption Policy, which is subject to periodic review at appropriate intervals or at least once every three (3) years to assess its suitability, adequacy and effectiveness.

An Integrity Committee has been established and a Compliance Officer appointed to assist RMC in overseeing and implementing anti-bribery and anti-corruption measures and responses, in accordance with the Guidelines on Adequate Procedures issued pursuant to the Malaysian Anti-Corruption Commission (Amendment) Act 2018. As part of its governance framework, the Company maintains a Register of Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship (GEHTDS), which is reviewed by the Integrity Committee on a regular basis.

The Executive Vice Chairman, together with the Executive Directors and supported by the Management, are closely involved in the Company's day-to-day operations to ensure that shareholders' long-term interests are safeguarded. Through oversight, review and counsel, the Board establishes and promotes the Group's business and organisational objectives, provides leadership to the Group, oversees the Group's business affairs and integrity, and works closely with Management in determining the Group's mission and long-term strategic direction.

Collectively, the Board brings a balanced mix of skills and experience appropriate to the Group's business owing to Directors' diverse backgrounds in business, accounting, finance, political and commercial fields.

In order to assist in the discharge of its responsibilities, the Board has established the following Board Committees to undertake specific functions and to provide recommendations and advice:-

- AC;
- Remuneration Committee ("RC");
- Nomination Committee ("NC"); and
- RMC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Terms of Reference of each Board Committee have been established to clearly set out the respective roles and responsibilities of the Board Committees, thereby providing guidance and clarity in the discharge of their duties to the Company. Each Board Committee operates within its Terms of Reference, which have been approved by the Board and are subject to periodic review.

The Board appoints the Chairman and members of each Board Committee amongst themselves. The Chairman of the respective Board Committees reports to the Board on key matters deliberated at the Board Committees' meetings and makes necessary recommendations to the Board. Notwithstanding the delegation of functions to the Board Committees, the ultimate responsibility for decision-making lies with the Board.

The Board is also mindful of the importance of devoting sufficient time and attention to effectively discharge their responsibilities and to continuously enhance their professional skills. Accordingly, Directors are required to notify the Chairman of the Board prior to accepting any new directorships, notwithstanding that the MMLR allows a director to hold directorships in up to five (5) listed issuers. None of the Directors hold more than five (5) directorships in other listed issuers on Bursa Securities.

The Board is satisfied with the level of time commitment given by the Directors in discharging their roles and responsibilities. All Directors have complied with the minimum 50% attendance requirement for the Board meetings under the MMLR of Bursa Securities. Details of the Board members' attendance at the Board and Board Committee meetings for the financial year ended ("FYE") 31 December 2025 are as follows:-

Name of Directors	Board	AC	RC	NC	RMC
Datuk Syed Mohamed Bin Syed Ibrahim - Independent Non-Executive Chairman	4/6	-	-	-	-
Dato' Sri Tai Hean Leng @ Tek Hean Leng - Executive Vice Chairman	6/6	-	-	-	-
Mr. Lau Yoke Leong - Executive Director/Chief Financial Officer	6/6	-	-	-	-
Mr. Ong Teng Chun - Executive Director	6/6	-	-	-	2/2
Ms. Ng Siew Peng - Executive Director	6/6	-	-	-	-
Mr. Roy Thean Chong Yew - Independent Non-Executive Director	6/6	6/6	2/2	1/1	-
Puan Zueraini Binti Ahmad Basri - Independent Non-Executive Director	6/6	6/6	2/2	1/1	2/2
Puan Rosdelima Binti Mohd Ali Jaafar - Independent Non-Executive Director	6/6	6/6	2/2	1/1	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

There is a clear division of responsibilities between the Chairman and Executive Vice Chairman, who also assumes the role of Principal Executive Officer of the Company, to ensure an appropriate balance of power and authority. The respective roles and responsibilities are set out in the Board Charter.

The Independent Non-Executive Chairman, Datuk Syed Mohamed Bin Syed Ibrahim, is responsible for providing leadership and promoting high standards of corporate governance, effectiveness and integrity. The Executive Vice Chairman, Dato' Sri Tai Hean Leng @ Tek Hean Leng, is entrusted by the Board with the day-to-day management of the Group's business and operations, as well as the implementation of the Board's policies and decisions.

The Board is of the view that the Chairman of the Board should not be a member of any Board Committee, in order to preserve effective checks and balances and to ensure objectivity in the deliberations and decision-making of the Board Committees. During the financial year under review, the Chairman of the Board was not a member of any Board Committee and did not participate in any Board Committees meetings.

The Board recognises the importance of business sustainability, and takes into consideration the Environmental, Social and Governance ("ESG") impacts in the conduct of the Group's businesses. The Group is committed to embedding sustainability considerations into its operations and decision-making processes.

In this regard, the Board has adopted a Sustainability Policy, which sets out guidelines for the Group's sustainability initiatives, as well as their implementation and integration into the Group's overall business operations. The Sustainability Policy is available on the Company's website at www.masteel.com.my.

The Group monitors its ESG targets and performance on a regular basis and, where appropriate, communicates relevant information to its stakeholders. Detailed disclosures on the Group's sustainability practices, initiatives and performance are set out in the stand-alone Sustainability Report 2025.

The Board has access to the advice and services of the Company Secretaries, who are qualified to act as company secretaries under the Companies Act 2016. Ms. Tan Ai Ning and Mr. Nelson Foo Chean Ee are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), while Mr Tan Kok Aun is a member of the Malaysian Association of Company Secretaries (MACS). The Company Secretaries provide continuous support to the Board in discharging its fiduciary duties and leadership role in shaping and strengthening the Group's corporate governance.

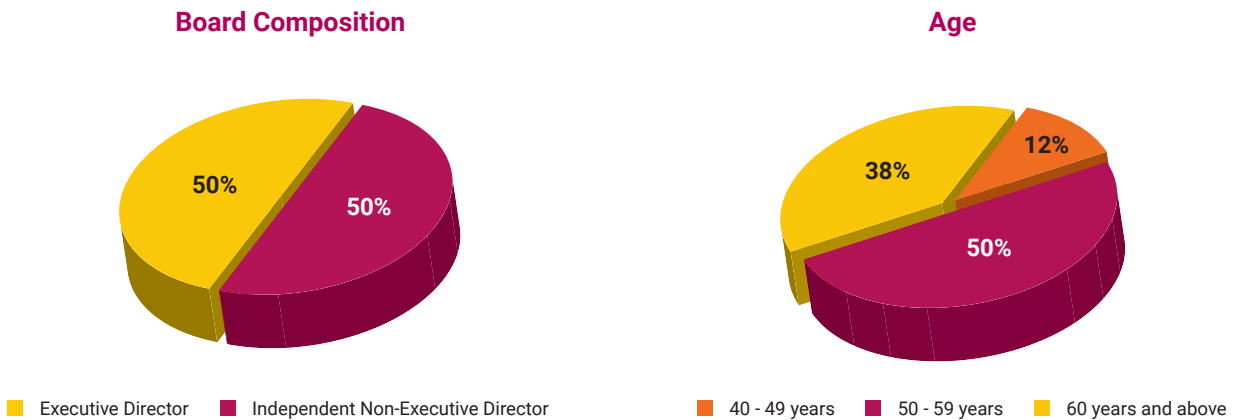
Notices of meetings are circulated to Directors at least seven (7) days prior to the meetings. Management provides the Board with detailed meeting materials at least five (5) business days in advance to ensure Directors are adequately informed prior to deliberation. Where necessary, Senior Management may be invited to attend meetings to brief the Board and the Board Committees on matters requiring clarification or further explanation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition

The summary of Board composition and age group as at 9 April 2026 is set out below:-



The Board currently comprises eight (8) members, consisting of four (4) Executive Directors and four (4) Independent Non-Executive Directors. The Board composition complies with Paragraph 15.02 of the MMLR, which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

The current size and composition of the Board are adequate for facilitating effective and objective decision-making, taking into account the scope and nature of the Group's business and operations. The Board composition also meets the recommendation of Practice 5.2 of the MCG 2021, which calls for at least half of the Board to comprise Independent Directors.

The Board is satisfied that there is an appropriate balance of Independent and Non-Independent Directors, ensuring that matters are thoroughly discussed and decisions are made in the best interests of the Company and its stakeholders.

In addition, the Board recognises diversity as an important criterion in determining Board composition, as it brings different perspectives that enhance Board effectiveness and decision-making. In line with Practice 5.9 of the MCG 2021, which calls for at least 30% of the Board to comprise women Directors, the Board currently comprises three (3) female directors, representing 37.50% of the total Board members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. NC

The NC comprises exclusively Independent Non-Executive Directors, as follows:-

Name	Designation
Puan Zueraini Binti Ahmad Basri	Chairperson
Mr. Roy Thean Chong Yew	Member
Puan Rosdelima Binti Mohd Ali Jaafar	Member

The Board, through the NC, conducted an annual assessment of the effectiveness of the Board as a whole and the contribution of each individual Director. The assessment was conducted in-house and facilitated by Boardroom Corporate Services Sdn Bhd, the Company's external corporate secretarial services provider.

The effectiveness of the Board Committees was assessed in terms of their composition, required mix of skills, experience, structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairmen of the respective Board Committees.

The Chairperson of the NC, Puan Zueraini Binti Ahmad Basri, is an Independent Non-Executive Director. During the FYE 31 December 2025, the NC held one (1) meeting and all members registered full attendance.

During the FYE 31 December 2025, the NC undertook the following activities in the discharge of its duties:

- Reviewed and assessed the performance and effectiveness of the Board as a whole and Board Committees;
- Reviewed and assessed the Directors' characters, experiences, integrity and competence and time commitment;
- Reviewed and assessed the mix of skills and experience of each Individual Director;
- Reviewed and assessed the independence of the Independent Directors of the Company;
- Reviewed the terms of office and performance of the AC and each of its members;
- Assessed the Fit and Proper of Directors retiring by rotation pursuant to the Company's Constitution, in accordance with the Company's Fit and Proper Policy;
- Reviewed, considered and recommended to the Board for approval, the re-election of Directors who retire by rotation pursuant to the Company's Constitution and subsequently tabling at the forthcoming Annual General Meeting ("**AGM**").
- Reviewed and assessed the independence of Mr. Roy Thean Chong Yew, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, and recommended to the Board for consideration and subsequently tabling at the forthcoming AGM.
- Reviewed and discussed the suitable training programme for continuous development of Directors to strengthen their contributions to the Board.
- Reviewed and discussed the succession planning of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. NC (Cont'd)

The Directors have individually or collectively attended various training programmes during the FYE 31 December 2025, amongst others, the following:-

Name of Directors	Programmes Attended
Datuk Syed Mohamed Bin Syed Ibrahim	<ul style="list-style-type: none"> AI Leadership Conference 2025 Navigating Global Shifts : Boardroom Strategies for Geopolitics, Sustainability and Climate Leadership Annual Flagship Public Policy Conference
Dato' Sri Tai Hean Leng @ Tek Hean Leng	<ul style="list-style-type: none"> Beyond Firewalls : A Director's Guide to Cybersecurity in an Uncertain World Boardroom Under Fire : D&O Protection & Director Liability in Malaysia's Evolving Risk Landscape
Mr. Lau Yoke Leong	<ul style="list-style-type: none"> The Journey into the AI Age : Game Changer for Your Digital Transformation Era Programme International Conference on Nuclear Energy-Paving the way for a Sustainable Energy Source in Asean Advanced Generative AI for Accounting & Finance Professionals : Private & Local Analysis with Python Carbon Accounting and Reporting : From Basics to Best Practices
Mr. Ong Teng Chun	<ul style="list-style-type: none"> Maximising the Value of Advanced Technology for Governance : AI, Blockchain, Crypto and Quantum Computing Trust on Trial : Fiduciary Duties in the Modern Boardroom
Ms. Ng Siew Peng	<ul style="list-style-type: none"> Navigating National Sustainability Reporting Framework & Latest Bursa Listing Requirements E-invoicing for Directors Overview of Climate-Related Physical Risks Rethinking Compliance Risk Game Changer : AI-Tech to Elevate Sustainability Reporting and Advisory UN Global Compact Network Malaysia & Brunei (UNGCMYB) IFRS S2 Accelerator Securities Commission's Climate Adaptation and Resilience (A&R) Conference 2025
Mr. Roy Thean Chong Yew	<ul style="list-style-type: none"> MACFE Fraud Conference 2025 – Strengthening Governance and Innovation in Fraud Prevention LEAN Process Improvement Fraud and Financial Scandals
Puan Zueraini Ahmad Basri	<ul style="list-style-type: none"> Navigating the National Sustainability Reporting Framework and Latest Bursa Listing Requirements ESG Essentials : Driving Sustainable Business Strategies Train-the-trainer
Puan Rosdelima Mohd Ali Jaafar	<ul style="list-style-type: none"> MBRS 2.0 – Annual Return Seminar Belanjawan 2025 MBRS 2.0 For Preparers – Financial Statement Bengkel Cukai Pendapatan Korporat Mandatory Accreditation Programme Part II Audit Committee Conference 2025 – Navigating Risk, Driving Resilience

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. NC (Cont'd)

The Directors will continue to attend relevant training programmes to further enhance their skills and knowledge, enabling them to discharge their duties more effectively.

The Company Secretaries facilitate the organisation of internal training programmes and keep the Directors informed of relevant external training programmes. The Company Secretaries also circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board quarterly on these updates at Board meetings.

(i) Appointment to the Board and Re-election of Directors

The Board has adopted a Directors' Fit and Proper Policy, which sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment and/or re-election of the Directors of the Company. The Directors' Fit and Proper Policy is available on the Company's website at www.masteel.com.my.

In evaluating the suitability of candidates for the Board, the NC reviews the completed Fit and Proper Self-declaration Form and assesses whether the candidates possess the necessary background, skills, professional expertise and character. During the financial year under review, no additional Directors were appointed.

Pursuant to the Company's Constitution, all Directors are subject to retirement by rotation. In ascertaining the number of directors to retire annually, at least one-third (1/3) of the Directors are required to retire, and the Company ensures that all Directors stand for re-election at least once in every three (3) years.

The NC is also responsible for conducting fit and proper assessments on the Directors who are due for retirement at the AGM. Based on the assessment, the NC and the Board satisfied with the performance of the following Directors who are subject to retirement pursuant to Clause 96 of the Company's Constitution at the forthcoming AGM:-

- (i) Datuk Syed Mohamed Bin Syed Ibrahim
- (ii) Mr. Roy Thean Chong Yew
- (iii) Puan Zueraini Binti Ahmad Basri

All the aforesaid Directors have expressed their intention to seek for re-election at the forthcoming AGM, with the exception of Datuk Syed Mohamed Bin Syed Ibrahim, who shall retain the office until the conclusion of the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. NC (Cont'd)

(ii) Tenure of Independent Director

The Board Charter allows an Independent Director who has served for a cumulative term exceeding nine (9) years to be retained, subject to shareholders' approval during the AGM.

The NC evaluates the independence of the Independent Director prior to their recommendation to the Board on retaining the Independent Director with valid justifications.

The invaluable knowledge of the Independent Directors gained through the years, as well as their continued contribution will provide stability and benefits to the Board and the Group as a whole. The Board believes that the integrity of the Directors in discharging their responsibilities in the best interest of the Company, after having provided all the relevant confirmation on their independence, will be able to determine if they can continue to bring independence and objective judgement on Board deliberations and decision making.

Mr. Roy Thean Chong Yew, the Independent Non-Executive Director, has served the Company for a cumulative term of more than nine (9) years. Notwithstanding his extended tenure, the Board has determined that he is able to carry out his duties in a fair, impartial and conscientious manner based on the following justifications:-

- (a) He fulfilled the criteria under the definition on Independent Director as stated in the MMLR, and therefore is able to bring independent and objective judgement to the Board.
- (b) He has contributed sufficient time and effort and attended all the Board meetings.
- (c) The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company.
- (d) He understands the Company's business operations which enables him to participate actively and contribute during deliberations or discussions at the Board meetings without compromising his independence and objective judgement.
- (e) He has exercised his due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

The Board (*save for Mr. Roy Thean Chong Yew who is interested and therefore abstained from deliberation and discussion on his own proposed continuation in office*) unanimously recommended that Mr. Roy Thean Chong Yew continues to serve as an Independent Non-Executive Director of the Company, subject to the approval of the shareholders at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

IV. Remuneration

The RC comprises exclusively Independent Non-Executive Directors, as follows:-

Name	Designation
Puan Rosdelima Binti Mohd Ali Jaafar	Chairperson
Mr. Roy Thean Chong Yew	Member
Puan Zueraini Binti Ahmad Basri	Member

The Board, through the RC, has established a Directors' Remuneration Policy to assist the Group in attracting, retaining and motivating Directors who are able to contribute effectively to the success and long-term sustainability of the Group.

During the financial year under review, the RC convened two (2) meetings, all of which were fully attended by the RC members. The RC reviewed the remuneration of the Executive Vice Chairman and Executive Directors, taking into consideration the level of risk and responsibility, individual's performance indicators, and the performance of the Company. The RC was satisfied that their remuneration packages are benchmarked against comparable companies within similar industry.

The RC also reviewed the Directors' fees and benefits payable to the Non-Executive Directors, which appropriately reflect the experience, responsibilities and time commitment of the individual Non-Executive Directors.

The level and structure of the Group's remuneration policy are aligned with the business strategy and long-term objectives of the Group, and are appropriate to attract, retain and motivate the Directors to provide good stewardship, as well as motivate key management personnel to successfully manage the Group. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.

Details of the remuneration of the Board are disclosed in the Corporate Governance Report and in Note 27 to the Financial Statements of the Company for the FYE 31 December 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board is assisted by the AC in overseeing the Group's financial reporting processes and the integrity of its financial reporting, as well as ensuring that the Group's financial statements comply with the applicable financial reporting standards in Malaysia.

The AC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board. All members of the AC are financially literate, with the Chairman and another member of the AC being members of the Malaysian Institute of Accountants.

The AC comprises exclusively Independent Non-Executive Directors, as follows:-

Name	Designation
Mr. Roy Thean Chong Yew	Chairman
Puan Zueraini Binti Ahmad Basri	Member
Puan Rosdelima Binti Mohd Ali Jaafar	Member

Details of the composition of the AC, its roles and responsibilities, number of meetings and attendance, as well as a summary of the AC activities and Internal Auditors' activities during the FYE 31 December 2025 are set out on pages 42 to 45 of the Audit Committee Report of this Annual Report.

The AC regularly reviews and scrutinises the reports of the Internal Auditors and conducts an annual assessment on the adequacy of the Internal Audit function's scope of work and resources. The Terms of Reference of the AC requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. During the financial year under review, the Company has not appointed any former key audit partner as Director of the Company.

In addition, the AC has established procedures to assess the suitability, objectivity and independence of the External Auditors on an annual basis, as set out in the External Auditors Assessment Policy.

On 8 December 2025, the Board appointed UHY Malaysia PLT ("**UHY**") as the External Auditors of the Company in place of the resigning External Auditors, RSM Malaysia PLT ("**RSM**"). The change was effected with a view to enhancing auditor independence and objectivity, having taken into consideration the long tenure of RSM, which had served as the Company's External Auditors for a period of ten (10) years since 2016. The AC, having assessed and was satisfied with the suitability, independence and objectivity of UHY and recommended the re-appointment of UHY as the External Auditors of the Company for the financial year ending 31 December 2026 to the Board, subject to shareholders' approval at the forthcoming AGM.

During the FYE 31 December 2025, the AC met with the External Auditors twice without the presence of Management (i.e. 7 April 2025 and 12 December 2025) to discuss key audit matters and issues requiring the attention of the AC and Board.

The AC also reviewed and discussed Internal Auditor's findings together with Management's responses to ensure that the agreed remedial actions proposed by the Internal Auditors were implemented in a timely manner.

All members of the AC undertake continuous professional development to keep themselves abreast of developments in accounting and auditing standards, practices and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control Framework

The RMC, which comprises a majority of Independent Non-Executive Directors, assists the Board in fulfilling its responsibilities for risk governance and oversight. This includes establishing and maintaining a sound internal control framework to manage risks, as well as overseeing the Group's risk management activities and approving the appropriate risk management procedures and measurement methodologies across the Group. With the assistance of an external consultant, the Group has adopted an Enterprise Risk Management ("ERM") approach to develop an effective and sound ERM framework.

The RMC comprises the following members:-

Name	Designation
Puan Zueraini Binti Ahmad Basri	Chairperson
Mr. Ong Teng Chun	Member
Puan Rosdelima Binti Mohd Ali Jaafar	Member

The Board has established an internal audit function within the Group, known as the Internal Audit Department ("IAD"), which is independent from the Group's operating units. The principal role of the IAD is to conduct regular and systematic reviews of the system of internal control to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. The IAD is responsible for providing the AC with independent and objective reports on the adequacy and effectiveness of internal controls across the Group's operating units, as well as the level of compliance with the Group's established policies and procedures and relevant statutory requirements. Internal audit reports, together with Management's responses and proposed action plans, are presented to the AC on a quarterly basis.

The principles and guidelines promulgated by the Institute of Internal Auditors (IIA) in the International Professional Practices Framework (IPPF) for an internal audit function to be considered effective has been adopted.

Details of the Group's risk management and internal control framework are set out on pages 46 to 49 of the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the importance of maintaining transparency and accountability to shareholders as a key element of good corporate governance. Accordingly, the Board maintains a high level of disclosure and communication with shareholders, stakeholders and the public in general through disclosures to Bursa Securities and to the press. The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to the investors via the announcements of its quarterly results, Annual Report, announcements to Bursa Securities and press releases.

The Board has put in place a Corporate Disclosure Policy and Procedures to ensure compliance with the disclosure requirements as stipulated in the MMLR and also to set out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

The Company has established a dedicated section for corporation information on the Company's website at www.masteel.com.my, which is accessible by the public at large to obtain information on the Company's Board Charter, Terms of Reference of each Board Committee, press releases, corporate information, operation activities, financial performance as well as the Company's share price.

The Board will review and update the existing policies and procedures as and when necessary to ensure that they are updated in accordance with the prevailing legal and regulatory promulgations as well as best practices.

II. Conduct of General Meetings

The AGM serves as a principal forum for two-way communication between shareholders and the Board. Shareholders are provided with the opportunity to participate in the Question and Answer session, during which they may raise questions pertaining to the Group's businesses and affairs. The Chairman and the other members of the Board, together with the Management and the Company's External Auditors, are present at the AGM to respond to queries raised by shareholders.

The Company conducted its Fifty-Third ("53rd") AGM physically at Wyndham Acmar Klang Hotel on 30 May 2025. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

The Company has implemented poll voting for all resolutions set out in the notice of the general meeting of the Company to ensure accurate verification and transparent counting of votes. In addition, the Company appointed independent scrutineers to validate the votes cast at the general meeting.

In line with the recommendation of MCCG 2021, the notice of the AGM was issued at least twenty-eight (28) days prior to the AGM. In addition to being dispatched to shareholders, the Notice of AGM was also published in a nationally circulated newspaper and announced on the website of Bursa Securities.

When special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions are provided in the notice of the AGM under the explanatory notes.

The outcome of all resolutions proposed at the 53rd AGM was announced to Bursa Securities at the end of the meeting day while the minutes of the said meeting were published on the Company's website as soon as practicable after the conclusion of the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

FOCUS AREAS AND FUTURE PRIORITIES ON CORPORATE GOVERNANCE

The Board, against a challenging business backdrop, focused its attention on the foundational aspects of its roles as they relate to the creation of long-term value for stakeholders. The Board will continue to enhance the corporate disclosure requirements in the best interest of the shareholders and stakeholders of the Company in the upcoming years.

During the year under review, the Company has been actively embedding the Environmental, Social and Governance factors in business decision-making processes to meet the global demand for ESG as well as for long-term sustainability of the Group.

The areas to be prioritised by the Board will be those principles yet to be adopted by the Company as disclosed in the Corporate Governance Report 2025.

This Statement is made in accordance with a resolution of the Board dated 9 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

During the financial year ended 31 December 2025, the Company had undertaken the remaining of the Private Placement of up to 10% of the Company's total number of issued shares, excluding treasury shares.

A total of 54,000,000 new ordinary shares were issued via private placement to eligible investors at an exercise price of RM0.256 per share which represents a discount of approximately 2.14% to the 5-day VWAP @ RM0.2616 of Masteel shares, for a total cash contribution of RM13,824,000 to fund the Group's and the Company's working capital requirements.

The total proceeds raised as at the reporting date by the Company from the Private Placement had been utilised in the following manner :-

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Utilisation Timeframe	Deviation		Explanation
				RM'000	%	
Working capital	13,775	13,775	Within 6 months	-	-	
Estimated expenses	49	49	Upon completion	-	-	
Total	13,824	13,824		-	-	

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for the services rendered to the Company and the Group by the external auditors during the financial year under review are as follows :-

Type of Fees	The Company (RM'000)	The Group (RM'000)
Audit fee	160	172
Non-audit fee	9	9

3. MATERIAL CONTRACTS

There was no material contract entered by the Company and its subsidiaries involving Directors and/or major shareholders' interest during the financial year ended 31 December 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring the financial statements for each financial year are drawn up in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting and the requirements of the Companies Act 2016 in Malaysia and to give a true and fair view of the state of affairs, the financial results and cash flows of the Group and the Company.

In preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2025, the Directors have:

- adopted the appropriate accounting policies and applied them consistently;
- made reasonable and prudent judgment and estimates;
- considered the relevant and applicable approved accounting standards in Malaysia; and
- prepare the financial statements on a going concern basis.

The Directors have also taken all necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

AUDIT COMMITTEE REPORT

The objective of the Audit Committee (“AC”) is to assist the Board in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the AC shall:-

- (a) Oversee and appraise the quality of the audits conducted both by the Group’s Internal Auditors and External Auditors (“EA”) and enhance their independence by providing direction to and oversight of their functions;
- (b) Maintain open lines of communication between the Board, the Internal Auditors and the EA for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- (c) Determine the adequacy of the Group’s administrative, financial reporting, operating and accounting controls.

MEMBERS

The AC comprises the following members:-

Name	Designation	Directorship
Mr Roy Thean Chong Yew *	Chairman	Independent Non-Executive Director
Puan Zueraini binti Ahmad Basri	Member	Independent Non-Executive Director
Puan Rosdelima binti Mohd Ali Jaafar *	Member	Independent Non-Executive Director

* Member of the Malaysian Institute of Accountants (“MIA”).

The terms of reference of the AC is available for reference on the Company’s website at www.masteel.com.my/InvestorRelations/AuditCommittee.

During the financial year under review, six (6) AC meetings were held which recorded full attendance from all the members of the AC, as follows:-

Committee Members	Number of Attendance Achieved
Mr Roy Thean Chong Yew	6/6
Puan Zueraini binti Ahmad Basri	6/6
Puan Rosdelima binti Mohd Ali Jaafar	6/6

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF AC WORKS

The AC carried out main works during the FYE 31 December 2025 in discharging its duties and responsibilities in accordance with its terms of reference which are as follows:-

Financial Reporting and Annual Reporting

- Reviewed the Group's quarterly reports with the adoption of the new MFRS for the Group before recommending to the Board for consideration and approval. The First, Second, Third and Fourth Quarter Interim Financial Reports were tabled at the AC meetings held on 27 May 2025, 26 August 2025, 27 November 2025 and 26 February 2026 respectively. The quarterly interim financial reports were prepared in accordance with MFRS 134, IAS 34, Companies Act 2016 and Paragraph 9.22 of the MMLR.
- Reviewed the Group's draft audited financial statements for the FYE 31 December 2024 at the AC meeting held on 7 April 2025 before recommending to the Board for approval.
- Reviewed the Corporate Governance ("CG") Report, CG Overview Statement, AC Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for inclusion in the Annual Report.

Internal Audit

- Reviewed and assessed yearly internal audit plan, scope of internal audit reports, internal audit findings and areas for improvements and recommendations, if any.
- Assessed the performance of the Internal Audit Department ("IAD") and satisfied that the IAD have discharged their responsibilities in a commendable manner, performed competently, functioning effectively and have received sufficient resources and adequate authority in order to carry out their work in accordance to the Internal Audit Charter.
- Reviewed the external Quality Assurance Review ("QAR") Report on the IAD dated 27 November 2025 and noted the findings and improvement recommendations to be implemented in the year 2026. The QAR report was conducted once every five (5) years by a qualified and independent reviewer.

Corporate Governance

- Conducted periodic reassessment and refinement on corporate governance including terms of reference of AC before recommending to the Board for consideration and approval.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF AC WORKS (CONT'D)

The AC carried out main works during the FYE 31 December 2025 in discharging its duties and responsibilities in accordance with its terms of reference which are as follows:- (Cont'd)

External Audit

- Reviewed and discussed the audit findings raised by the EA for the draft Audited Financial Statements for the FYE 31 December 2024.
- Reviewed and discussed with the EA of the Group on their Audit Status Memorandum for the Group for the FYE 31 December 2024 on 27 February 2025 and Audit Planning Memorandum for the FYE 31 December 2025 on 12 December 2025.
- Held two (2) private meetings with the EA without the presence of the Executive Directors and Management on 7 April 2025 and 12 December 2025 to ensure there were no restrictions and the scope of their audit is in line with the MCCG.
- Assessed the performance, suitability, objectivity and independence of the EA and was satisfied with the performance and the suitability of the EA and recognized that the provision of non-audit services by UHY Malaysia PLT for the FYE 2025 did not in any way impair their objectivity independence as EA of the Company.
- Reviewed and discussed on the recommendation of the appointment of UHY Malaysia PLT as EA of the Group to the Board and reviewed their objectivity, independence, audit fees and to approve non-audit services.

Risk Management Framework and Internal Control System

- Reviewed and discussed the effectiveness of the risk management framework and internal control system of the Group.

Related Party Transactions

- Reviewed if there is any, the related party transactions and/or recurrent related party transactions entered into by the Company and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms, and the disclosure of such transactions in the Annual Report of the Company, and to review conflicts of interests that may arise within the Company or the Group.

Conflict of Interests / Potential Conflict of Interests

- Reviewed any conflict of interests / potential conflict of interests that may arise within the Group on quarterly basis, including any transaction, procedure or course of conduct that raises question of management integrity.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The internal audit activities are carried out in-house by the IAD of the Group, headed by a qualified personnel and a member of IIA (Institute of Internal Auditors Malaysia). The IAD is independent of the operations of the respective operating units. The principal role of the department is to undertake independent regular and systematic reviews of the system and internal control so as to provide reasonable assurance that such system continue to operate satisfactorily and effectively. It is the responsibility of the IAD to provide the AC with independence and objective report on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements. The internal audit reports are presented together with the Management's response and proposed action plans to the AC quarterly.

During the financial year under review, the IAD carried out the following:-

- a) Executed internal control reviews in accordance with the approved risk based internal audit plan. The business processes reviewed are as follows:-
 - Review on the 2024 Sustainability Report and ensure that the information/data contained was consistent with the supporting documents
 - Review and evaluate whether the finished goods ie steel bar pricing are in accordance with the approved selling prices and volumes
 - Review and assess on the plant compliance with the Occupational Safety and Health Act (OSHA) 1994
 - Review and examine whether the sales incentive paid were according to the approved schemes
 - Review and ensure that the monthly payrolls were accurate and the statutory contributions were paid accordingly
 - Review and evaluate the reliability of the new weighbridge at Bukit Raja with a stamping certificate by a licensed calibrator to generate accurate weighing tonnage
 - Review and ensure that the procurement process for consumables and spare parts were in accordance with the standard operation procedures
 - Review and ensure that the Cybersecurity and Information Technology general controls are in accordance with the Information Technology policy
- b) Performed follow-up review to ensure that corrective actions have been taken in a timely manner.

The results of the abovementioned work carried out by the IAD were tabled to the AC at their scheduled meetings.

The cost incurred for the IAD of the Group in respect of the FYE 31 December 2025 amounted to RM427,415.

An overview of the state of internal control within the Group is set out in the Statement on Risk Management and Internal Control on pages 46 to 49 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”), the Board is pleased to present the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2025, which has been prepared in accordance with the “Statement on Risk Management and Internal Control (“Sormic”) Guidance for Directors of Public Listed Companies” by The Institute of Internal Auditors Malaysia.

BOARD RESPONSIBILITIES

The Board has overall responsibility for risk management and system of internal controls of the Group comprising the Company and its subsidiary companies, excluding the associated company.

The Board recognises the importance of maintaining a sound risk management framework and internal control system for good corporate governance and efficient work processes. The Board acknowledges its overall responsibility and re-affirms its commitment to maintaining a sound system of risk management and internal controls and for reviewing its adequacy and effectiveness to safeguard shareholders’ investment and the Group’s assets.

In discharging its stewardship responsibilities, the Board recognises that the internal control system in the Group:-

- is a logical and systematic method of identifying, analysing, assessing, treating and monitoring the Group’s risk;
- is a continuous ongoing process and updated from time to time in response to the changes in the business environment;
- should be an integral part of the Group’s management practices; and
- enable the Group to not only minimise losses but maximise opportunities.

RISK MANAGEMENT

In dealing with its stewardship responsibilities, the Board recognises that effective risk management is an integral part of good business management practice. The Board acknowledges that all areas of the Group’s business activities involve some degree of risk and it is committed to ensure that the Group has an effective risk management framework, which allows the Management to manage risk within defined risk parameters. All identified risks are dealt with and managed within limits and controls. These limits and controls are monitored closely and adjusted periodically, taking into account changes in market conditions, products and processes.

The Board has a Risk Management Committee (“RMC”) to oversee the implementation of the risk management framework, internal control, integrity and sustainability reporting matter.

The Board and Management are presently practicing proactive significant risks identification on a biannually basis, particularly ESG: Environment, ESG: Social, ESG: Governance Risk Management, ESG: Tax & Corporate Governance and ESG: Anti-Bribery & Anti-Corruption, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at level acceptable to the Board.

Risk Management Officer has been appointed to facilitate a continual process to identify, evaluate, manage and monitor significant risks that the Group faces in its businesses, operations, environmental, social and governance related matters. The risk owners, mainly the department head will update their Key Risk Registers at specific intervals i.e. semi-annually basis for Company risks level. The RMC reviews the key risks and planned actions to ascertain if those risks are mitigated and are managed appropriately. The RMC report shall be tabled to the Board for review and evaluation twice a year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

The Group has adopted and implemented the Anti-Bribery and Corruption Policy, and the Guidelines on Adequate Procedures pursuant to the Section 17A(5) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and has an Integrity Committee to assist the RMC in establishing an oversight body which reflects the Group's:-

- strict zero-tolerance approach to any instance of bribery and corruption, and to act promptly and appropriately should it occur;
- shall not indulge, participate or facilitate in any form of bribery and corruption;
- to maintain the Register of Gifts, Entertainment, Hospitality, Travel, Donation and Sponsorship ("GEHTDS"); and
- to collaborate with its internal and external stakeholders in practicing good governance and accountability to combat all forms of bribery and corruption.

The Group had vow to comply to The Cyber Security Act 2024 (Act 854). During the financial year ended 31 December 2025, the Group continued to strengthen its cybersecurity governance and compliance readiness as part of its broader commitment to operational resilience, risk management, and responsible corporate stewardship. Key initiatives undertaken during the year included assessment on the Company current cybersecurity posture.

In line with these objectives, the Group undertook a review of its cybersecurity gap. The review also supported the Group efforts to enhance documentation and reinforce the foundational elements necessary for a more mature cybersecurity posture.

In recognition of the increasing financial and operational implications of climate change, the Group expanded its risk management scope. In FY2025, the Group conducted a periodic review of the Material Sustainability Matters ("MSMs") identified in FY2024 to reassess their relevance and significance in accordance with the materiality principles set out under IFRS S1.

Risk Management Framework ("RMF")

The Group's RMF has outlined in the Risk Management Policy by making reference to the 'Three Lines of Defense' model, which has been adopted by the Institute of Internal Auditors – Global. The RMF prescribes a structured and integrated approach in managing key business risks with the aim of safeguarding the shareholders' interests and the Group's assets.

The RMF clearly defines the authority and accountability in implementing the risk management process and internal control system. The management of each business unit is responsible to identify, evaluate, manage and monitor significant risks applicable to their respective areas of business and in formulating suitable internal controls to mitigate and control these risks.

The Group has established an Enterprise Risk Management (ERM) framework to proactively identify, evaluate, and manage significant risks within the risk universe.

Oversight of the RMF is provided by the Risk Management Committee ("RMC"), which adopts an Enterprise Risk Management ("ERM") approach to safeguard the Group against potential financial losses, reputational impacts, and operational disruptions. Risk considerations are embedded into strategic planning, capital allocation, and key management decisions to ensure sustainability-related risks and opportunities are appropriately considered at both operational and Board levels. The RMC conducts regular risk assessments and provides semi-annually risk updates to the Board of Directors, strengthening governance, accountability, and oversight. Emerging risks, mitigation measures, and response strategies are continuously reviewed and integrated into corporate risk register.

The Risk Management Policy is to ensure it is relevant and adequate to manage the organisation risks, which continue to evolve along with the changing business environment and its sustainability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT

Internal Audit Function

The Internal Audit Department (“**IAD**”) reports directly to the Audit Committee (“**AC**”), to assist the AC in discharging its duties and responsibilities and to provide reports on the adequacy and effectiveness of the risk management functions, systems and internal controls in the Group.

During the financial year, the external Quality Assurance Review (“**QAR**”) Report was completed on 27 November 2025 and noted the findings and improvement recommendations to be implemented in the year 2026. The QAR report was conducted once every five (5) years by a qualified and independent reviewer.

Control and Monitoring Process

The IAD’s scope covers audit planning, liaison with the International Standard Organisation (“**ISO**”) and reviewed the Group’s processes in the Standard Operation Procedures (“**SOP**”) to ensure the various procedures are followed.

Internal audit reports, incorporating any observations, audit recommendations and management responses with regard to the audit findings relating to the weaknesses or non-compliance with policies and procedures in the systems and controls of the respective operations, were reviewed quarterly at AC meeting before recommending to the Board. Internal Auditors and AC carry out discussion and deliberation of the strategic issues facing the businesses and resolutions to mitigate such risk. The AC also reviews and approves the internal audit plan annually.

Besides that, the Board also delegates the daily running of the business to the Executive Vice Chairman (“**EVC**”) and his management team. The EVC plays a pivotal role in communicating the Board’s expectations of the system of internal control to the Management, where a clear organisational structure with defined lines of responsibility, delegation of authority, segregation of duties and information flow exist, to ensure decisions are made and actions taken by the appropriate person. This is achieved on a day-to-day basis, through active participation by the EVC in the operations of the business.

During the financial year under review, the Internal Audit has conducted a total of eight (8) internal control reviews which covered the areas on business operations, governance, marketing, procurement, finance, information technology, risk management and human resources. Ad-hoc audits were also commissioned by the IAD’s when necessary. The findings of the reviews and follow up actions were discussed with Senior Management and subsequently presented to the Board and AC.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Whistleblowing

The Group upholds high standards of employee conducts and is committed to maintaining a respectful, inclusive and harmonious workplace. Employees are regularly reminded of the Group’s Code of Conduct, which sets out ethical standards, professional behaviour and expectations of mutual respect. A Whistleblowing Policy is aligned with the Whistleblower Protection Act 2010 with the objective to allow employees to report any misconduct or concerns confidentiality, ensuring transparency and accountability across all levels of the organisation.

Assurance from Management and Conclusion

The Board is of the view that the system of risk management and internal control in place for the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard the Group’s assets, as well as the shareholders’ investments, and the interests of customers, regulators, employees, and other stakeholders.

The Board has received assurance from the Executive Vice Chairman and Chief Financial Officer that the Group’s risk management and internal control systems are operating adequately and effectively, in all material aspects based on risk management and internal controls framework adopted by the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirement of the Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement. The External Auditors have performed limited assurance procedures on this Statement in accordance with Malaysian Approved Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report as issued by the Malaysia Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and internal control system or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group including the assessment and opinion by the Directors and management thereon.

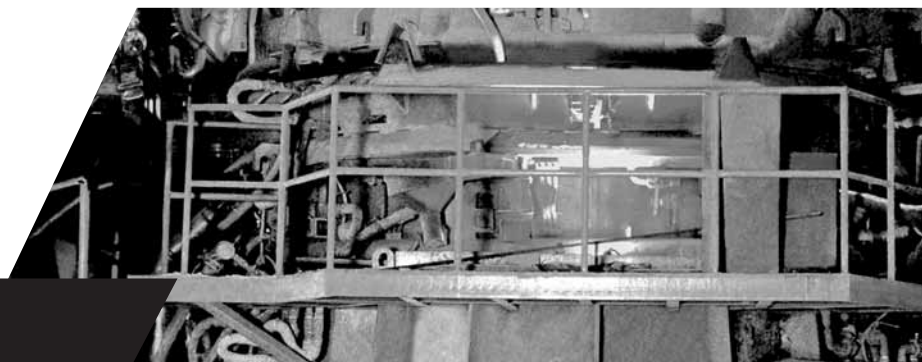
The External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

This statement is made in accordance with a resolution of the Board dated 9 April 2026.



Financial **STATEMENTS**

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are manufacturing of steel bars and steel billets. The principal activities of the subsidiaries are engaged in transportation and logistics, fabrication and trading of steel products.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	8,668	6,882

In the opinion of the Directors, the financial results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors do not recommend the payment of any dividend for the current financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM333,927,197 to RM347,751,199 through the issuance of 54,000,000 new ordinary shares at RM0.256 per ordinary share via private placement to eligible investors for a total cash contribution of RM13,824,000 to fund the Group's and the Company's working capital requirements.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any new debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

WARRANT

On 22 October 2021, the Company issued 226,369,915 free detachable warrants ("Warrants 2021/2026") pursuant to the rights share with warrants on the basis of one (1) warrant for every one (1) rights share subscribed.

The warrants are constituted by a deed poll dated 7 May 2021 and first supplemental deed poll dated 2 September 2021 to supplement and vary the deed poll for the revision of the issue price of the rights share from RM0.586 to RM0.395.

The salient term of warrants are as follows:

- (i) each warrant entitles the registered holder, at any time during the exercise period, to subscribe for one (1) new ordinary share of the Company at the exercise price;
- (ii) the exercise price for the warrant was fixed at RM0.395 per warrant;
- (iii) the issue date of warrant is 22 October 2021 and are valid for exercise for a period of 5 years from its issue date and will expire on 21 October 2026. Any warrant not exercised by its expiry date will thereafter lapse and cease to be valid for any purpose; and
- (iv) the new shares to be issued arising from the exercise of the warrant will, upon allotment and issuance, rank pari-passu in all respects with then existing shares, save and except that the said new shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, prior to the date of allotment of the said new shares.

The number of unexercised warrants is as follows:

	2025 ('000)
At 1 January/31 December	226,370

There was no warrant being exercised during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

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

Dato' Sri Tai Hean Leng @ Tek Hean Leng *
Lau Yoke Leong *
Roy Thean Chong Yew
Ong Teng Chun
Ng Siew Peng
Zueraini Binti Ahmad Basri
Datuk Syed Mohamed bin Syed Ibrahim
Rosdelima binti Mohd Ali Jaafar

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:

Lim Eng Soon

* Directors of the Company and of its subsidiaries

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and warrants of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follows:

	Number of ordinary shares			As at 31.12.2025
	As at 1.1.2025	Bought	Sold	
Interest in the Company				
Direct interests:				
Dato' Sri Tai Hean Leng @ Tek Hean Leng	1,425,000	–	–	1,425,000
Datuk Syed Mohamed Bin Syed Ibrahim	100,000	–	–	100,000
Indirect interest:				
Dato' Sri Tai Hean Leng @ Tek Hean Leng	217,781,800	8,500,000	–	226,281,800

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and warrants of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follows: (Cont'd)

	Number of warrants (Warrants 2021/2026)			As at 31.12.2025
	As at 1.1.2025	Bought	Sold	
Interest in the Company				
Direct interest:				
Dato' Sri Tai Hean Leng @ Tek Hean Leng	475,000	–	–	475,000
Indirect interest:				
Dato' Sri Tai Hean Leng @ Tek Hean Leng *	72,346,284	–	–	72,346,284

* Deemed interest by virtue of his interest in TYY Resources Sdn. Bhd. ("TYY"), a body corporate holding shares in the Company.

Pursuant to Section 8 of the Companies Act 2016, by virtue of his interests in the shares of TYY, Dato' Sri Tai Hean Leng @ Tek Hean Leng is also deemed to be interested in the shares of the Company and its subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the notes to the financial statements or the fixed salary of a full time employee of the company or of related corporations) 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, other than a certain Director who has significant financial interests in a company which traded with a company in the Group in the ordinary course of business as disclosed in Note 36 to the financial statements.

During and at the end of the financial year, the Company was not a party to any arrangement whose subject is to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The amount of remuneration of the Directors or past Directors of the Group and of the Company comprising remuneration received/receivable from the Group and from the Company during the financial year are as follows:

	Group and Company RM'000
Executive Directors	
Salaries, bonus and statutory contributions	3,607
Fees	80
Allowances	38
	3,725
Non-executive Directors	
Fees	80
Allowances	342
	422
Total Executive Directors' remuneration	3,725
Total Non-executive Directors' remuneration	422
	4,147
Grand total	4,147

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of insurance premium paid of RM21,000 for the Directors and officers of the Group and of the Company.

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

DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off nor any doubtful debts to be provided for; and
 - (ii) to ensure that the current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would require any write off for bad debts or the setting up of provision for doubtful debts in the financial statements of the Group and of the Company; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the Group's and in the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year and which secure the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which have arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability 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 will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.

DIRECTORS' REPORT
(CONT'D)**AUDITORS' REMUNERATION**

The amounts paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- statutory audit	172	160
- other services	9	9
	<hr/>	<hr/>
	181	169

AUDITORS

The auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 9 April 2026.

DATUK SYED MOHAMED BIN SYED IBRAHIM

DATO' SRI TAI HEAN LENG @ TEK HEAN LENG

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of the **Malaysia Steel Works (KL) Bhd.**, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance and cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

DATUK SYED MOHAMED BIN SYED IBRAHIM

DATO' SRI TAI HEAN LENG @ TEK HEAN LENG

9 April 2026

STATUTORY DECLARATION

BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **LAU YOKE LEONG**, being the director primarily responsible for the financial management of **Malaysia Steel Works (KL) Bhd.**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements 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.

LAU YOKE LEONG
MIA number: 14053

Subscribed and solemnly declared by the abovenamed Lau Yoke Leong at Kuala Lumpur in the Federal Territory on 9 April 2026.

Before me,

ZAINUL ABIDIN BIN AHMAD
W790
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIA STEEL WORKS (KL) BHD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Malaysia Steel Works (KL) Bhd., which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 65 to 127.

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 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters

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.

Key audit matter	How we addressed the key audit matter
<p>Revenue recognition</p> <p>The Group's and the Company's revenue primarily comprise income from the manufacturing and sale of steel bars and steel billets. For the financial year ended 31 December 2025, the Group recorded revenue of RM2.663 billion (31 December 2024: RM2.510 billion).</p> <p>Revenue recognition was considered a key audit matter due to the significant volume of transactions undertaken and the diversity in contractual terms and pricing arrangements across customers. Given these factors, there is a risk that revenue may not be recognised in the appropriate reporting period.</p> <p>In addition, auditing standards presume a risk of fraud in relation to revenue recognition, particularly in respect of the timing of recognition.</p> <p>Revenue from the sale of goods is recognised at a point in time when control of the goods has been transferred to the customer, generally upon delivery in accordance with the terms of the underlying sales contracts or purchase orders.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Considered compliance on the revenue recognition criteria as stated in MFRS 15 <i>Revenue from Contracts with Customers</i>. • Discussed with management, understand of the entity and consideration of the composition of the revenue and its attributes, identify specific risks associated with revenue recognition. We also reviewed for any changes in the compliance of the revenue recognition policies, if any to ensure compliance with the standard. • Performed design and implementation procedures over the sales cycle to understand the business and identified management's control procedures in the key operating cycle. • Assessed the operating effectiveness on the relevant controls identified within the sales cycle. • Performed analytical review procedures, including monthly sales and gross profit margin analysis. • Performed cut-off test related to sales to ascertain that proper cut off for sales. • Review journal entries for significant unusual revenue transactions near or after year-end including post-closing journal transactions. • Perform test of details over samples selected to ensure the recorded sales are valid and related to sales of goods.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 Directors' Report and Statement on Risk Management and Internal Controls 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 other information 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 other information and, in doing so, consider whether the other information 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 this other information, 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 Malaysian Financial Reporting Standards, International Financial Reporting 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 Group's and the Company's ability 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis to form an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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

(CONT'D)

OTHER MATTERS

- (a) The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on these statements on 7 April 2025.
- (b) 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.

UHY Malaysia PLT

202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

HAR HOU WEI

Approved Number: 03665/05/2026 J
Chartered Accountant

KUALA LUMPUR

9 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	1,088,740	991,412	1,088,100	991,412
Right-of-use assets	5	5,930	3,256	4,444	2,705
Investments in subsidiaries	6	–	–	500	500
Investment in an associate	7	14,089	13,079	9,708	9,708
		1,108,759	1,007,747	1,102,752	1,004,325
Current Assets					
Inventories	8	987,130	856,998	987,130	856,998
Trade receivables	9	361,707	329,452	361,707	329,452
Other receivables	10	9,823	10,495	9,686	10,455
Amount due from a subsidiary	11	–	–	85	–
Amount due from an associate	12	–	724	–	724
Tax recoverable		457	546	457	546
Fixed deposits with licensed banks	13	15,785	22,412	15,785	22,412
Cash and bank balances		120,885	44,812	120,699	44,454
		1,495,787	1,265,439	1,495,549	1,265,041
TOTAL ASSETS		2,604,546	2,273,186	2,598,301	2,269,366

STATEMENTS OF FINANCIAL POSITION

(CONT'D)

	Note	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY					
Equity attributable to owners of the Company					
Share capital	14	347,751	333,927	347,751	333,927
Treasury shares	15	(587)	(587)	(587)	(587)
Revaluation reserves		158,394	158,394	158,394	158,394
Warrant reserves	16	32,824	32,824	32,824	32,824
Retained earnings	17	452,483	443,815	442,403	435,521
TOTAL EQUITY		990,865	968,373	980,785	960,079
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	18	3,517	2,068	2,753	1,734
Bank borrowings	19	69,792	21,875	69,792	21,875
Deferred tax liabilities	20	45,375	39,089	45,312	39,022
		118,684	63,032	117,857	62,631
Current Liabilities					
Trade payables	21	436,664	503,545	436,353	503,257
Other payables	22	57,519	76,563	57,330	76,386
Contract liabilities	23	370,235	79,997	370,235	79,997
Amount due to a subsidiary	11	–	–	5,879	5,528
Tax payables		206	34	–	–
Lease liabilities	18	1,812	650	1,301	496
Bank borrowings	19	628,561	580,992	628,561	580,992
		1,494,997	1,241,781	1,499,659	1,246,656
TOTAL LIABILITIES		1,613,681	1,304,813	1,617,516	1,309,287
TOTAL EQUITY AND LIABILITIES		2,604,546	2,273,186	2,598,301	2,269,366

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	24	2,662,946	2,509,960	2,662,946	2,509,960
Cost of Sales		(2,554,968)	(2,400,021)	(2,555,178)	(2,401,006)
Gross profit		107,978	109,939	107,768	108,954
Other operating income		21,390	27,607	23,817	27,607
Dirtribution costs		(33,637)	(26,203)	(35,129)	(26,203)
Administrative expenses		(50,209)	(52,012)	(49,604)	(52,757)
Profit from operations	25	45,522	59,331	46,852	57,601
Finance costs	28	(33,647)	(30,838)	(33,593)	(30,803)
Share of results of an associate		3,436	2,111	–	–
Profit before taxation		15,311	30,604	13,259	26,798
Taxation	29	(6,643)	(13,614)	(6,377)	(13,497)
Net profit for the financial year		8,668	16,990	6,882	13,301

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	GROUP		COMPANY	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Surplus on revaluation of property, plant and equipment		-	99,344	-	99,344
Deferred tax liabilities on revaluation surplus of property, plant and equipment		-	(17,599)	-	(17,599)
Other comprehensive income for the financial year		-	81,745	-	81,745
Total comprehensive income for the financial year		8,668	98,735	6,882	95,046
Net profit for the financial year attributable to:					
Owners of the parent		8,668	16,990	6,882	13,301
Total comprehensive income for the financial year attributable to:					
Owners of the parent		8,668	98,735	6,882	95,046
Earnings per share (sen):					
- Basic and diluted	30	1.22	2.49		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Non-Distributable			Distributable		Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Revaluation reserves RM'000	Warrants reserves RM'000	Retained earnings RM'000	
GROUP							
At 1 January 2025		333,927	(587)	158,394	32,824	443,815	968,373
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	8,668	8,668
Transaction with owners:							
Private placement	14	13,824	-	-	-	-	13,824
At 31 December 2025		347,751	(587)	158,394	32,824	452,483	990,865
At 1 January 2024		329,648	(587)	76,649	32,824	426,825	865,359
Net profit for the financial year		-	-	-	-	16,990	16,990
Surplus on revaluation of property, plant and equipment		-	-	99,344	-	-	99,344
Deferred tax liabilities on revaluation surplus of property, plant and equipment		-	-	(17,599)	-	-	(17,599)
Total comprehensive income for the financial year		-	-	81,745	-	16,990	98,735
Transaction with owners:							
Private placement	14	4,279	-	-	-	-	4,279
At 31 December 2024		333,927	(587)	158,394	32,824	443,815	968,373

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

	Note	Non-Distributable			Distributable	Total equity
		Share capital	Treasury shares	Revaluation reserves		
		RM'000	RM'000	RM'000	RM'000	RM'000
COMPANY						
At 1 January 2025		333,927	(587)	158,394	435,521	960,079
Net profit for the financial year, representing total comprehensive income for the financial year		-	-	-	6,882	6,882
Transaction with owners:						
Private placement	14	13,824	-	-	-	13,824
At 31 December 2025		347,751	(587)	158,394	442,403	980,785
At 1 January 2024						
Net profit for the financial year		329,648	(587)	76,649	422,220	860,754
Surplus on revaluation of property, plant and equipment		-	-	-	13,301	13,301
Deferred tax liabilities on revaluation surplus of property, plant and equipment		-	-	99,344	-	99,344
Total comprehensive income		-	-	81,745	13,301	95,046
Transaction with owners:						
Private placement	14	4,279	-	-	-	4,279
At 31 December 2024		333,927	(587)	158,394	435,521	960,079

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash Flows from Operating Activities				
Profit before taxation	15,311	30,604	13,259	26,798
Adjustments for:				
Bad debt written off	–	–	–	1,191
Depreciation of:				
- property, plant and equipment	38,275	33,259	38,194	33,259
- right-of-use assets	2,066	1,565	1,774	1,352
Interest expenses	33,647	30,838	33,593	30,803
Gain on disposal of right-of-use assets	–	(145)	–	(145)
Inventories written down	527	2,869	527	2,869
Interest income	(1,032)	(1,390)	(1,032)	(1,390)
Property, plant and equipment written off	–	5	–	5
Share of results of an associate	(3,436)	(2,111)	–	–
Unrealised foreign exchange (gain)/loss	(6,842)	3,155	(6,842)	3,155
Operating profit before working capital changes	78,516	98,649	79,473	97,897
Changes in working capital:				
Inventories	(130,659)	(68,801)	(130,659)	(68,801)
Receivables	(31,583)	(52,668)	(31,486)	(52,746)
Payables	(79,083)	99,292	(79,118)	99,156
Contract liabilities	290,238	(31,525)	290,238	(31,525)
Cash flows from operations	127,429	44,947	128,448	43,981
Interest paid	(33,647)	(30,838)	(33,593)	(30,803)
Interest received	1,032	1,390	1,032	1,390
Tax paid	(130)	(293)	(32)	(125)
Tax refunded	34	188	34	188
	(32,711)	(29,553)	(32,559)	(29,350)
Net cash flows from operating activities	94,718	15,394	95,889	14,631

STATEMENTS OF CASH FLOWS

(CONT'D)

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash Flows From Investing Activities				
Dividend received	2,426	–	–	–
Net changes in:				
- amount due from an associate	724	3	724	3
- amount due from a subsidiary	–	–	(85)	–
- Placement of fixed deposit pledged	6,627	(1,843)	6,627	(1,843)
Proceeds from disposal of right-of-use assets	–	200	–	200
Purchase of property, plant and equipment	(135,603)	(110,058)	(134,882)	(110,058)
Purchase of right-of-use assets	(510)	(549)	(373)	(549)
Net cash flows used in investing activities	(126,336)	(112,247)	(127,989)	(112,247)
Cash Flows From Financing Activities				
Net changes on amount due to a subsidiary	–	–	351	582
Net changes on bills payable	113,735	112,479	113,735	112,479
Net changes on revolving credit	107	29,814	107	29,814
Repayments of lease liabilities	(1,619)	(2,327)	(1,316)	(2,154)
Drawdown of term loans	35,000	1,965	35,000	31,779
Repayments of term loans	(48,862)	(39,393)	(48,862)	(69,207)
Net proceeds from issuance of ordinary shares	13,824	4,279	13,824	4,279
Net cash flows from financing activities	112,185	106,817	112,839	107,572
Net changes in cash and cash equivalents	80,567	9,964	80,739	9,956
Cash and cash equivalents at the beginning of the financial year	40,318	30,354	39,960	30,004
Cash and cash equivalents at the end of the financial year	120,885	40,318	120,699	39,960

STATEMENTS OF CASH FLOWS (CONT'D)

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and cash equivalents at the end of the financial year comprise:				
Fixed deposits with licensed banks	15,785	22,412	15,785	22,412
Cash and bank balances	120,885	44,812	120,699	44,454
Bank overdrafts	-	(4,494)	-	(4,494)
	136,670	62,730	136,484	62,372
Less: Fixed deposit pledged for credit facilities	(15,785)	(22,412)	(15,785)	(22,412)
	120,885	40,318	120,699	39,960

Notes to the statements of cash flows

	GROUP		COMPANY	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash outflows for leases as a lessee				
Included in net cash from operating activities:				
Lease expenses relating to:				
- short-term leases	(8,749)	(3,031)	(8,749)	(3,031)
- low value assets	-	(671)	-	(671)
Included in net cash from financing activities:				
Payments of lease liabilities	(1,619)	(2,327)	(1,316)	(2,154)
Total cash outflows for leases	(10,368)	(6,029)	(10,065)	(5,856)

STATEMENTS OF CASH FLOWS

(CONT'D)

Notes to the statements of cash flows (Cont'd)

	Note	At 1 January RM'000	Financing cash flows RM'000	Non-cash changes New lease RM'000	At 31 December RM'000
Group					
2025					
Lease liabilities	18	2,718	(1,619)	4,230	5,329
Bill payables	19	493,843	113,735	-	607,578
Revolving credit	19	34,814	107	-	34,921
Term loans	19	69,716	(13,862)	-	55,854
		601,091	98,361	4,230	703,682
2024					
Lease liabilities	18	3,762	(2,327)	1,283	2,718
Bill payables	19	381,364	112,479	-	493,843
Revolving credit	19	5,000	29,814	-	34,814
Term loans	19	107,144	(37,428)	-	69,716
		497,270	102,538	1,283	601,091
Company					
2025					
Lease liabilities	18	2,230	(1,316)	3,140	4,054
Bill payables	19	493,843	113,735	-	607,578
Revolving credit	19	34,814	107	-	34,921
Term loans	19	69,716	(13,862)	-	55,854
Amount due to a subsidiary	11	5,528	351	-	5,879
		606,131	99,015	3,140	708,286
2024					
Lease liabilities	18	3,101	(2,154)	1,283	2,230
Bill payables	19	381,364	112,479	-	493,843
Revolving credit	19	5,000	29,814	-	34,814
Term loans	19	107,144	(37,428)	-	69,716
Amount due to a subsidiary	11	4,946	582	-	5,528
		501,555	103,293	1,283	606,131

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE INFORMATION

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

The registered office of the Company is located at No.3A, Mezzanine Floor, Jalan Ipoh Kecil, 50350 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal place of business is located at Wisma Masteel, Lot 29C, Off Jalan Tandang, Section 51, 46050 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are manufacturing of steel bars and steel billets. The principal activities of the subsidiaries are engaged in transportation and logistics, fabrication and trading of steel products.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statement of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by MASB but are not yet effective for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 7 and MFRS 9	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11		1 January 2026
• Amendments to MFRS 1		
• Amendments to MFRS 7		
• Amendments to MFRS 9		
• Amendments to MFRS 10		
• Amendments to MFRS 107		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new and amendments to standards, if applicable when they become effective.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company except as disclosed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

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.

(iii) New disclosures of expenses by nature

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.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statements of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumption

In preparing its financial statements, the Group and the Company have made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group and the Company periodically monitor such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and 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 addressed below:

Loss allowances of financial assets

The Group and the Company recognise impairment losses for trade receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Group's and the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Group's and the Company's financial positions and results.

Quantities and valuation of raw materials

The Group and the Company appoint an independent quantity surveyor to determine the quantities of its raw materials at the end of the financial year. The Directors, at the advice of the appointed quantity surveyor, exercised judgement and made assumptions in the selection and deployment of the most suitable valuation techniques in ensuing quantities determination.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of potential voting rights that the Group has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Group controls another entity.

The Group's financial statements incorporate the results, cash flows, assets and liabilities of Malaysia Steel Works (KL) Bhd. and all of its directly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Group and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Upon loss of control of a subsidiary, the Group's profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments excludes transaction costs.

(ii) Associate

Investment in an associate is accounted using the equity method. Under the equity method, the investment is recorded at cost and thereafter adjusted for post-acquisition results and other changes in net assets of the associate.

In the Company's separate financial statements, investment in an associate is stated at cost less accumulated impairment losses. On disposal, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Transactions eliminated on consolidation

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

After initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its useful economic life as follows:

Leasehold land	58 - 99 years
Buildings	13 ¹ / ₃ - 50 years
Plant and machinery	10 - 33 ¹ / ₃ years
Electrical installation	13 ¹ / ₃ years
Factory and electrical equipment	10 years
Motor vehicles	5 years
Office equipment	6 ² / ₃ - 5 years
Furniture and fittings	6 ² / ₃ years

Freehold and leasehold land is stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation surplus is credit to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised.

A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (Cont'd)

Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(c) Leases

As a lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The principal annual depreciation rates are as follows:

Plant and machinery	33 ¹ / ₃ years
Motor vehicles	5 years
Hostel	Over the remaining lease terms

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Leases (Cont'd)

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Contingent rents are recognised as revenue in the period in which they are earned.

(d) Impairment

(i) Non-financial assets

The carrying amounts of non-current assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

An impairment loss is recognised in profit or loss for the amount by which the carrying amount of the non-financial asset or its related cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

(ii) Financial assets

The Group and the Company apply the expected credit loss ("ECL") model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost. Except for trade receivables, a 12-month expected credit loss is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime ECL is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group and the Company have availed the exception to the 12-month ECL requirement to recognise only lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Impairment (Cont'd)

(ii) Financial assets (Cont'd)

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. For operational simplifications: (a) a 12-month ECL is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and (b) credit risk is considered to have increase significantly if payments are more than 180 days past due if no other borrower-specific information is available without undue cost or effort.

The ECL is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecast of future economic conditions. The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidence of impairment), the lifetime ECL is determined individually.

For trade receivable, the lifetime ECL is determined at the end of each reporting period using a provision matrix. For each significant receivable, individual lifetime ECL is assessed separately. For significant receivables which are not impaired, they are grouped into risk classes by type of customers and businesses, and the ageing of the receivables. Collective lifetime ECLs are determined using past loss rates, which are updated for effects of current conditions and reasonable forecasts for future economic conditions. In the event that the economic or industry outlook is expected to worsen, the past loss rates are increased to reflect the worsening economic conditions.

(e) Inventories

Inventories are carried in the statements of financial position at the lower of cost and net realisable value. Cost is determined on a first-in, first-out ("FIFO") basis. The cost of work-in-progress and finished goods comprises materials, direct labour and attributable production overheads based on normal levels of activity.

(f) Contract liabilities

The contract liabilities represent deposits received for sales of steel bars and steel billets for which performance obligations have not been satisfied. Contract liabilities are recognised as revenue when the Group and the Company perform its obligation under the contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Equity

(i) Treasury shares

The cost of treasury shares purchased is shown as a deduction from equity in the statements of financial position. When treasury shares are sold or reissued, they are credited to equity. As a result, no gain or loss on treasury shares is included in profit or loss.

(ii) Warrants

The warrants issued by the Company are recognised as an equity instrument in the statements of financial position. Its value is determined based on the difference between the gross proceeds from the issuance of the rights share and is classified as warrant reserves in equity.

The issuance of ordinary shares upon exercise of the warrants is treated as a new subscription of ordinary shares in the Company. The proceeds are credited to share capital. The warrant reserve in relation to the unexercised warrants will be reversed upon the expiry of the warrants.

(iii) Revaluation reserves

The revaluation reserves represent increase in the fair value of freehold and leasehold lands measured using revaluation model.

(h) Employee benefits

(i) Short-term benefit

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees' Provident Fund ("EPF"). The contributions are recognised as a liability after deducting any contribution already paid and as an expense in profit or loss in the period in which the employee render their services. Once the contributions have been paid, the Group and the Company have no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Revenue recognition

Sales of steel bars and steel billets

Revenue from sales of steel bars and steel billets are recognised at a point in time when control of the goods and services is passed to the customer, which is the point in time when the significant risks and rewards are transferred to the customer and the transaction has met the probability of inflows and measurement reliability requirements of MFRS 15.

The Group and the Company measure revenue from sales of steel bars and steel billets at the amount of the transaction price that is allocated to that performance obligation, which is usually the invoice price, net of a trade discounts and volume rebates given to the customer.

(j) Income tax

Tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that the Group and the Company consider that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's and the Company's intention is to settle the amounts on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

	Revaluation		Cost					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Group								
2025								
At valuation								
At 1 January	133	230,296	82,871	-	-	-	-	313,300
Additions	-	-	972	-	-	-	-	972
At 31 December	133	230,296	83,843	-	-	-	-	314,272
At cost								
At 1 January	-	-	-	1,159,156	4,514	5,458	49,722	1,218,850
Additions	-	-	-	85,936	718	342	47,635	134,631
Reclassification	-	-	-	42,377	-	-	(42,377)	-
Transferred from right-of-use assets	-	-	-	-	389	-	-	389
At 31 December	-	-	-	1,287,469	5,621	5,800	54,980	1,353,870

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	← Revaluation →		← Cost →					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Group								
2025								
Accumulated depreciation								
At 1 January	-	-	34,299	497,229	4,397	4,813	-	540,738
Charge for the financial year	-	2,851	1,489	33,556	167	212	-	38,275
Transferred from right-of-use assets	5	-	-	-	389	-	-	389
At 31 December	-	2,851	35,788	530,785	4,953	5,025	-	579,402
Net carrying amount								
At valuation	133	227,445	48,055	-	-	-	-	275,633
At cost	-	-	-	756,684	668	775	54,980	813,107
At 31 December	133	227,445	48,055	756,684	668	775	54,980	1,088,740

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Revaluation		Cost					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Group								
2024								
At valuation								
At 1 January	108	140,480	77,003	-	-	-	-	217,591
Additions	-	-	5,868	-	-	-	-	5,868
Revaluation surplus	25	99,319	-	-	-	-	-	99,344
Elimination of accumulated depreciation on revaluation	-	(9,503)	-	-	-	-	-	(9,503)
At 31 December	133	230,296	82,871	-	-	-	-	313,300
At cost								
At 1 January	-	-	-	1,068,271	4,514	5,230	19,950	1,097,965
Additions	-	-	-	3,451	-	234	100,505	104,190
Written off	-	-	-	-	-	(6)	-	(6)
Reclassification	-	-	-	70,733	-	-	(70,733)	-
Transferred from right-of-use assets	5	-	-	16,701	-	-	-	16,701
At 31 December	-	-	-	1,159,156	4,514	5,458	49,722	1,218,850

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	← Revaluation →		← Cost →					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Group 2024								
Accumulated depreciation								
At 1 January	-	7,693	32,878	464,881	4,297	4,604	-	514,353
Charge for the financial year	-	1,810	1,421	29,718	100	210	-	33,259
Written off	-	-	-	-	-	(1)	-	(1)
Transferred from right-of-use assets	-	-	-	2,630	-	-	-	2,630
Elimination of accumulated depreciation on revaluation	-	(9,503)	-	-	-	-	-	(9,503)
At 31 December	-	-	34,299	497,229	4,397	4,813	-	540,738
Net carrying amount								
At valuation	133	230,296	48,572	-	-	-	-	279,001
At cost	-	-	-	661,927	117	645	49,722	712,411
At 31 December	133	230,296	48,572	661,927	117	645	49,722	991,412

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Revaluation		Cost					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Company 2025								
At valuation								
At 1 January	133	230,296	82,871	-	-	-	-	313,300
Additions	-	-	972	-	-	-	-	972
At 31 December	133	230,296	83,843	-	-	-	-	314,272
At cost								
At 1 January	-	-	-	1,159,156	2,796	5,458	49,722	1,217,132
Additions	-	-	-	85,936	-	339	47,635	133,910
Reclassification	-	-	-	42,377	-	-	(42,377)	-
At 31 December	-	-	-	1,287,469	2,796	5,797	54,980	1,351,042

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Revaluation		Cost					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Company								
2025								
Accumulated depreciation								
At 1 January	-	-	34,299	497,229	2,679	4,813	-	539,020
Charge for the financial year	-	2,851	1,489	33,556	87	211	-	38,194
At 31 December	-	2,851	35,788	530,785	2,766	5,024	-	577,214
Net carrying amount								
At valuation	133	227,445	48,055	-	-	-	-	275,633
At cost	-	-	-	756,684	30	773	54,980	812,467
At 31 December	133	227,445	48,055	756,684	30	773	54,980	1,088,100

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Revaluation		Cost					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Company								
2024								
At valuation								
At 1 January	108	140,480	77,003	-	-	-	-	217,591
Additions	-	-	5,868	-	-	-	-	5,868
Revaluation surplus	25	99,319	-	-	-	-	-	99,344
Elimination of accumulated depreciation on revaluation	-	(9,503)	-	-	-	-	-	(9,503)
At 31 December	133	230,296	82,871	-	-	-	-	313,300
At cost								
At 1 January	-	-	-	1,068,271	2,796	5,230	19,950	1,096,247
Additions	-	-	-	3,451	-	234	100,505	104,190
Written off	-	-	-	-	-	(6)	-	(6)
Reclassification	-	-	-	70,733	-	-	(70,733)	-
Transferred from right-of-use assets	5	-	-	16,701	-	-	-	16,701
At 31 December	-	-	-	1,159,156	2,796	5,458	49,722	1,217,132

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	← Revaluation →		← Cost →					Total RM'000
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery, electrical installation, factory and electrical equipment RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	
Company 2024								
Accumulated depreciation								
At 1 January	-	7,693	32,878	464,881	2,579	4,604	-	512,635
Charge for the financial year	-	1,810	1,421	29,718	100	210	-	33,259
Written off	-	-	-	-	-	(1)	-	(1)
Transferred from right-of-use assets	-	-	-	2,630	-	-	-	2,630
Elimination of accumulated depreciation on revaluation	-	(9,503)	-	-	-	-	-	(9,503)
At 31 December	-	-	34,299	497,229	2,679	4,813	-	539,020
Net carrying amount								
At valuation	133	230,296	48,572	-	-	-	-	279,001
At cost	-	-	-	661,927	117	645	49,722	712,411
At 31 December	133	230,296	48,572	661,927	117	645	49,722	991,412

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Assets pledged as securities to financial institutions

The carrying amounts of property, plant and equipment are pledged to licensed bank as security for bank borrowings as disclosed in Note 19 in the financial statements are as follows:

	Group and Company	
	2025	2024
	RM'000	RM'000
Leasehold land	227,445	230,296
Buildings	45,355	46,721
Plant and machinery	736,295	639,228
Capital work-in-progress	54,980	49,722
	1,064,075	965,967

(b) Lease periods

The leasehold land of the Group and of the Company have unexpired periods of lease of 42 to 86 years (2024: 43 to 87 years).

(c) Valuation of freehold land and leasehold land

The freehold land and leasehold land of the Group and of the Company were revalued on 31 December 2024 based upon valuations carried out by independent professional valuers using the fair value method which is determined by reference to Comparison Method.

The revaluation surplus on freehold land and leasehold land amounted to RM99,344,000 was recognised in other comprehensive income and accumulated in revaluation reserves.

The fair values of the freehold land and leasehold land are within level 2 of the fair value hierarchy.

The fair values of freehold land and leasehold land were arrived at based on recent transactions and by assessing prices of similar land in the surrounding areas with adjustments made for differences in location, size and shape of the land, tenure, if any and other relevant characteristics.

The fair value measurements of the freehold land and leasehold land are based on the highest and best use which does not differ from their actual use.

Had the freehold land and leasehold land carried at historical cost, the carrying amount of the freehold land and leasehold land that would have been included in the financial statements of the Group and of the Company as at reporting date would be RM65,000 and RM58,583,000 (2024: RM65,000 and RM59,430,000) respectively.

(d) Purchase of property, plant and equipment

The aggregate costs of the property, plant and equipment of the Group and of the Company are purchased under cash payments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS

	Note	Hostel RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
Group					
2025					
Cost					
At 1 January		–	–	5,792	5,792
Additions		1,485	501	2,754	4,740
Transferred to property, plant and equipment	4	–	–	(389)	(389)
At 31 December		1,485	501	8,157	10,143
Accumulated depreciation					
At 1 January		–	–	2,536	2,536
Charge for the financial year		709	17	1,340	2,066
Transferred to property, plant and equipment	4	–	–	(389)	(389)
At 31 December		709	17	3,487	4,213
Net carrying amount					
At 31 December		776	484	4,670	5,930
2024					
Cost					
At 1 January		–	16,701	4,425	21,126
Additions		–	–	1,832	1,832
Disposals		–	–	(465)	(465)
Transferred to property, plant and equipment	4	–	(16,701)	–	(16,701)
At 31 December		–	–	5,792	5,792
Accumulated depreciation					
At 1 January		–	2,128	1,883	4,011
Charge for the financial year		–	502	1,063	1,565
Disposals		–	–	(410)	(410)
Transferred to property, plant and equipment	4	–	(2,630)	–	(2,630)
At 31 December		–	–	2,536	2,536
Net carrying amount					
At 31 December		–	–	3,256	3,256

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

	Note	Hostel RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
Company					
2025					
Cost					
At 1 January		–	–	4,533	4,533
Additions		1,485	501	1,527	3,513
At 31 December		1,485	501	6,060	8,046
Accumulated depreciation					
At 1 January		–	–	1,828	1,828
Charge for the financial year		709	17	1,048	1,774
At 31 December		709	17	2,876	3,602
Net carrying amount					
At 31 December		776	484	3,184	4,444
2024					
Cost					
At 1 January		–	16,701	3,166	19,867
Additions		–	–	1,832	1,832
Disposals		–	–	(465)	(465)
Transferred to property, plant and equipment	4	–	(16,701)	–	(16,701)
At 31 December		–	–	4,533	4,533
Accumulated depreciation					
At 1 January		–	2,128	1,388	3,516
Charge for the financial year		–	502	850	1,352
Disposals		–	–	(410)	(410)
Transferred to property, plant and equipment	4	–	(2,630)	–	(2,630)
At 31 December		–	–	1,828	1,828
Net carrying amount					
At 31 December		–	–	2,705	2,705

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

(a) Assets pledged as securities to financial institutions

The carrying amounts of right-of-use assets are pledged to licensed bank as security for lease liabilities as disclosed in Note 18 in the financial statements are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Plant and machinery	484	–	484	–
Motor vehicles	4,670	3,256	3,184	2,705
	5,154	3,256	3,668	2,705

(b) Purchase of right-of-use assets

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Aggregate costs	4,740	1,832	3,513	1,832
Less: Lease financing	(4,230)	(1,283)	(3,140)	(1,283)
Cash payments	510	549	373	549

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	500	500

The details of the subsidiaries, of which are all incorporated and principally operating in Malaysia, are as follows:

Details of the subsidiaries are as follows:

Name of company	Effective interest		Principal activities
	2025 %	2024 %	
MS Express Sdn. Bhd.	100	100	Transportation and logistics
MS Energy Resources Sdn. Bhd. * (F.K.A. MS Fabricon Sdn. Bhd.)	100	100	Fabrication and trading of steel products

* This subsidiary has remained dormant since previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost				
At 1 January	13,079	10,968	9,708	9,708
Share of results	3,436	2,111	-	-
Dividends receivable	(2,426)	-	-	-
At 31 December	14,089	13,079	9,708	9,708

Details of the associate are as follows:

Name of company	Effective interest		Principal activity
	2025 %	2024 %	
Bio Molecular Industries Sdn. Bhd.	48.25	48.25	Manufacturing, research and development of radioisotopes and radiopharmaceuticals products

The associate, incorporated and principally operating in Malaysia, is not audited by UHY Malaysia PLT.

Summarised financial information of the associate, not adjusted for the percentage ownership held by the Group:

	Effective ownership interest %	Revenue (100%) RM'000	Net profit for the financial year (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
2025	48.25	18,729	7,122	31,327	2,129
2024	48.25	16,803	4,375	31,434	4,328

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVENTORIES

	Group and Company	
	2025 RM'000	2024 RM'000
At cost		
Raw materials	729,487	674,836
Consumables	66,824	70,689
Goods-in-transit	27,345	979
Work-in-progress	48,801	16,491
Finished goods	33,580	44,153
	906,037	807,148
At net realisable value		
Finished goods	81,093	49,850
	987,130	856,998
Recognised in profit or loss:		
Inventories recognised as cost of sales	2,554,968	2,400,021
Inventories written down	527	2,869

9. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally ranges from 30 to 180 days (2024: 30 to 180 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Analysis of trade receivables aging as at the end of the reporting period are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Neither past due nor impaired	299,536	314,170
Past due not impaired:		
Less than 30 days	35,335	13,341
31 to 60 days	25,983	1,927
61 to 90 days	456	–
More than 90 days	397	14
	62,171	15,282
	361,707	329,452

As at 31 December 2025, gross trade receivables of RM62,171,000 (2024: RM15,282,000) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	99	–	–	–
Deposits	4,316	3,199	4,316	3,199
Advance payments	3,234	6,333	3,234	6,333
Prepayments	2,174	963	2,136	923
	9,823	10,495	9,686	10,455

Included in the Group's and the Company's deposits are deposits paid related to purchase of property, plant and equipment amounting to RM3,728,365 (2024: RM 2,618,293).

11. AMOUNT DUE FROM/(TO) A SUBSIDIARY

The amount due from/(to) a subsidiary arose from advances, which is unsecured and interest-free and is repayable on demand.

12. AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate represents advances, which is unsecured, bears interest rate at 3.97% (2024: 3.55%) per annum and is repayable on demand.

13. FIXED DEPOSITS WITH LICENSED BANKS

The range of interest rates of deposits that were effective as at the financial year end are as 1.95% to 2.7% (2024: 2.08% to 2.25%) per annum at placement maturities of 2 to 1,279 days (2024: 2 to 1,275 days).

Fixed deposits with a licensed bank of the Group and of the Company amounting to RM15,785,470 (2024: RM22,411,601) have been pledged for trade financings and bank overdraft granted to the Group and to the Company as disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2025 Units (‘000)	2024 Units (‘000)	2025 RM’000	2024 RM’000
Issued and fully paid (no par value)				
Ordinary shares				
At 1 January	692,610	679,110	333,927	329,648
Private placement	54,000	13,500	13,824	4,279
At 31 December	746,610	692,610	347,751	333,927

During the financial year, the issued and paid-up share capital of the Company was increased from RM333,927,197 to RM347,751,199 through the issuance of 54,000,000 new ordinary shares at RM0.256 per ordinary share via private placement to eligible investors for a total cash contribution of RM13,824,000 to fund the Group’s and the Company’s working capital requirements.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividend as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with reference shareholders with regard to the Company’s residual assets. In respect of the Company’s treasury shares held by the Company as disclosed in Note 15 to the financial statements, all rights are suspended until those shares are reissued.

15. TREASURY SHARES

	Group and Company			
	Number of shares		Amount	
	2025 Units (‘000)	2024 Units (‘000)	2025 RM’000	2024 RM’000
At cost				
At 1 January/31 December	1,840	1,840	(587)	(587)

The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the interest of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed under Section 127 of the Companies Act 2016. The Company has the right to cancel these treasury shares, distribute these treasury shares as share dividends to the shareholders and/ or resell these treasury shares on the Bursa Malaysia. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

At the end of the financial year, the number of outstanding shares in issue after setting off the treasury shares against equity was 744,769,746 (2024: 690,769,746).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

16. WARRANT RESERVES

On 22 October 2021, the Company issued 226,369,915 free detachable warrants ("Warrants 2021/2026") pursuant to the rights share with warrants on the basis of one (1) warrant for every one (1) rights share subscribed.

The warrants are constituted by a deed poll dated 7 May 2021 and first supplemental deed poll dated 2 September 2021 to supplement and vary the deed poll for the revision of the issue price of the rights share from RM0.586 to RM0.395.

The salient term of warrants is as follows:

- (i) each warrant entitles the registered holder, at any time during the exercise period, to subscribe for one (1) new ordinary share of the Company at the exercise price;
- (ii) the exercise price for the warrant was fixed at RM0.395 per warrant;
- (iii) the issue date of warrant is 22 October 2021 and are valid for exercise for a period of 5 years from its issue date and will expire on 21 October 2026. Any warrant not exercised by its expiry date will thereafter lapse and cease to be valid for any purpose; and
- (iv) the new shares to be issued arising from the exercise of the warrant will, upon allotment and issuance, rank pari-passu in all respects with then existing shares, save and except that the said new shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, prior to the date of allotment of the said new shares.

The movements in warrants are as follows:

	Number of unexercised warrants 2025	Number of unexercised warrants 2024
At 1 January/31 December	226,369,915	226,369,915

There was no warrant being exercised during the financial year.

17. RETAINED EARNINGS

Retained earnings are distributable by way of single-tier dividends. These dividends, if declared, are tax exempted in the hands of shareholders.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. LEASE LIABILITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	2,718	3,762	2,230	3,101
Additions	4,230	1,283	3,140	1,283
Accretion of interest	235	232	181	197
Payments	(1,854)	(2,559)	(1,497)	(2,351)
At 31 December	5,329	2,718	4,054	2,230
Presented as:				
Non-current	3,517	2,068	2,753	1,734
Current	1,812	650	1,301	496
	5,329	2,718	4,054	2,230

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Within one year	2,042	779	1,461	600
Between one to two years	1,351	710	859	531
Between two to five years	2,244	1,320	1,889	1,142
Later than five years	287	258	288	258
	5,924	3,067	4,497	2,531
Less: Future finance charges	(595)	(349)	(443)	(301)
Present value of lease liabilities	5,329	2,718	4,054	2,230

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

18. LEASE LIABILITIES (CONT'D)

The Group and the Company lease hostel, motor vehicles and plant and machinery. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(a) Obligations under lease liabilities

These obligations are secured by a charge over the leased assets as disclosed in Note 5 to the financial statements. The interest rate of the Group and of the Company for the leases range from 2.11% to 7.68% (2024: 2.11% to 3.48%) per annum.

(b) Renewal and termination options

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company include the renewal period as part of the lease term for leases of hostel with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. BANK BORROWINGS

	Group and Company	
	2025	2024
	RM'000	RM'000
Non-current liabilities		
Secured		
Term loans	44,917	21,875
Revolving credit	24,875	–
	69,792	21,875
Current liabilities		
Secured		
Bank overdrafts	–	4,494
Bill payables	607,578	493,843
Revolving credit	10,046	34,814
Terms loans	10,937	47,841
	628,561	580,992
	698,353	602,867
Total borrowings		
Secured		
Bank overdrafts	–	4,494
Bill payables	607,578	493,843
Revolving credit	34,921	34,814
Term loans	55,854	69,716
	698,353	602,867

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

19. BANK BORROWINGS (CONT'D)

The range of interest rates per annum are as follows:

	Group and Company	
	2025	2024
	%	%
Bank overdrafts	7.62 - 7.92	8.17 - 8.37
Bill payable	3.44 - 6.48	1.50 - 7.69
Revolving credit	5.00 - 6.00	5.00 - 6.40
Term loans	6.00 - 7.55	5.85 - 7.54

The term loans are repayable on a monthly (2024: monthly) basis through number of instalments and commencement date as below:

	Total number of instalments	Commencement date
Term loan I	66	May 2023
Term loan II	20	January 2024
Term loan III	20	January 2024
Term loan IV	120	May 2024
Term loan V	84	April 2025

The bank borrowings are secured by the following:

- Debentures over certain property, plant and equipment of the Group and of the Company as disclosed in Note 4 to the financial statements;
- First fixed charge over all leasehold land of the Group and of the Company, as disclosed in Note 4 to the financial statements;
- Fixed deposits of the Group and of the Company pledged with a licensed bank as disclosed in Note 13 to the financial statements;
- Memorandum of deposit and letter of set-off of fixed deposit by a related party; and
- Legal charge over the land held by a related party.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. BANK BORROWINGS (CONT'D)

Facilities	Group and Company		Interest Rate	Terms of repayment
	2025 RM'000	2024 RM'000		
Term loan I	20,689	28,017	2.50% above one-month Effective Cost of Fund ("ECOF") per annum	The term loan repayment commenced on 29 May 2023 and is repayable by 65 equal instalments of RM607,000 each with final instalment of RM545,000.
Term loan II	–	15,400	2.5% above Cost of Fund per annum	The term loan repayment commenced in January 2024 and is repayable by 20 equal instalments of RM3,696,000 each.
Term loan III	–	24,600	1.50% above one-month Effective ECOF per annum	The term loan repayment commenced in January 2024 and is repayable by 20 equal instalments of RM7,380,000 each.
Term loan IV	6	1,699	1.5% above Cost of Fund per annum	The term loan repayment commenced in May 2024 and is repayable by 119 equal instalments of RM33,333 each with final installment of RM33,373.
Term loan V	35,159	–	Base Financing Rate	The term loan provides for a 12-month grace period, with repayments expected to commence in April 2026. The loan is repayable by 84 equal instalments of RM596,162 each, with a final instalment of RM596,111.
	55,854	69,716		

Breach of loan covenants

According to the terms of the loan agreement, the secured bill payables with a carrying amount of RM23,760,043 (2024:RM23,843,235) contains a debt covenant that at the end of the reporting period, the Group shall maintain a debt-to-equity ratio (*defined as total liabilities divided by total equity*) of not more than 1.35 times.

As at 31 December 2025, the Group's debt-to-equity ratio was 1.63 times, resulting in the bill payables being repayable on demand. Subsequently, management has successfully obtained a one-time waiver from bank for the non-compliance and the breach was remedied.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

20. DEFERRED TAX LIABILITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	39,089	8,040	39,022	7,926
Recognised in profit or loss	6,286	13,450	6,290	13,497
Recognised in other comprehensive income	–	17,599	–	17,599
At 31 December	45,375	39,089	45,312	39,022

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	101,331	92,450	101,331	92,450
Deferred tax liabilities	(146,706)	(131,539)	(146,643)	(131,472)
	(45,375)	(39,089)	(45,312)	(39,022)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets

	Other deductible temporary differences RM'000	Unabsorbed capital allowance and reinvestment allowance RM'000	Total RM'000
2025			
At 1 January	1,505	90,945	92,450
Recognised in profit or loss	(77)	8,958	8,881
At 31 December	1,428	99,903	101,331
2024			
At 1 January	4,418	92,023	96,441
Recognised in profit or loss	(2,913)	(1,078)	(3,991)
At 31 December	1,505	90,945	92,450

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (Cont'd)

Deferred tax liabilities

	Property, plant and equipment RM'000	Other taxable temporary differences RM'000	Total RM'000
Group			
2025			
At 1 January	(130,782)	(757)	(131,539)
Recognised in profit or loss	(12,340)	(2,827)	(15,167)
At 31 December	(143,122)	(3,584)	(146,706)
2024			
At 1 January	(104,984)	503	(104,481)
Recognised in profit or loss	(8,199)	(1,260)	(9,459)
Recognised in other comprehensive income	(17,599)	-	(17,599)
At 31 December	(130,782)	(757)	(131,539)
Company			
2025			
At 1 January	(130,715)	(757)	(131,472)
Recognised in profit or loss	(12,344)	(2,827)	(15,171)
At 31 December	(143,059)	(3,584)	(146,643)
2024			
At 1 January	(104,870)	503	(104,367)
Recognised in profit or loss	(8,246)	(1,260)	(9,506)
Recognised in other comprehensive income	(17,599)	-	(17,599)
At 31 December	(130,715)	(757)	(131,472)

21. TRADE PAYABLES

The normal trade credit terms of the Group and of the Company range from 14 to 90 days (2024: 14 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other payables	57	143	–	51
Sales and service tax payables	19	–	–	–
Deposits received	36	–	36	–
Accruals	57,407	76,420	57,294	76,335
	57,519	76,563	57,330	76,386

23. CONTRACT LIABILITIES

The Group and the Company apply the practical expedient in MFRS 15 *Revenue from Contracts with Customers* on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

Set out below is the amount of revenue recognised from:

	Group and Company	
	2025 RM'000	2024 RM'000
Amounts included in advance payment received at the beginning of the financial year	79,997	111,522

24. REVENUE

	Group and Company	
	2025 RM'000	2024 RM'000
Revenue from contracts with customers:		
- Sales of steel bars and steel billets	2,662,946	2,509,960
Timing of revenue recognition		
- At a point in time	2,662,946	2,509,960

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. PROFIT FROM OPERATIONS

Other than disclosed elsewhere in the financial statements, profit from operations is arrived after charging/(crediting):

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration				
- statutory audit	172	170	160	160
- other services	9	9	9	9
Bad debt written off	-	-	-	1,191
Depreciation of:				
- property, plant and equipment	38,275	33,259	38,194	33,259
- right-of-use assets	2,066	1,565	1,774	1,352
Expenses relating to:				
- short-term leases	8,749	3,031	8,749	3,031
- low value assets	-	671	-	671
Gain on disposal of right-of-use assets	-	(145)	-	(145)
Interest income	(1,032)	(1,390)	(1,032)	(1,390)
Inventories written down	527	2,869	527	2,869
Property, plant and equipment written off	-	5	-	5
(Gain)/Loss on foreign exchange				
- realised	(13,152)	(26,048)	(13,152)	(26,048)
- unrealised	(6,842)	3,155	(6,842)	3,155
Rental income	(96)	-	(96)	-

26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, bonus, allowances and overtime	55,650	56,905	54,568	55,850
Employees provident fund	2,339	2,702	2,214	2,583
Social security costs	646	579	630	564
Other benefits	243	331	234	323
	58,878	60,517	57,646	59,320

Included in employee benefits expense of the Group and of the Company are Directors' remuneration as disclosed in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. DIRECTORS' REMUNERATION

	Group and Company	
	2025	2024
	RM'000	RM'000
Executive Directors:		
Salaries, bonus and statutory contributions	3,607	3,121
Fees	80	80
Allowances	38	38
	3,725	3,239
Non-executive Directors:		
Fees	80	82
Allowances	342	334
	422	416
Total Executive Directors' remuneration	3,725	3,239
Total Non-executive Directors' remuneration	422	416
Grand total	4,147	3,655

28. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Bill payables	26,552	24,014	26,552	24,014
- Bank overdrafts	328	342	328	342
- Revolving credit	428	330	428	330
- Lease liabilities	235	232	181	197
- Term loans	6,104	5,920	6,104	5,920
	33,647	30,838	33,593	30,803

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax expenses recognised in profit or loss:				
Malaysian income tax				
Current tax provision	359	161	87	–
(Over)/Underprovision in prior years	(2)	3	–	–
	357	164	87	–
Deferred tax:				
Relating to origination and reversal of temporary differences	5,833	13,398	5,730	13,368
Underprovision in prior years	453	52	560	129
	6,286	13,450	6,290	13,497
	6,643	13,614	6,377	13,497

The reconciliation between the tax expense and profit before taxation multiplied by the statutory tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation	15,311	30,604	13,259	26,798
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	3,675	7,345	3,182	6,432
Income not subject to tax	(582)	–	(582)	–
Expenses not deductible for tax purposes	3,099	6,214	3,217	6,936
(Over)/Underprovision of taxation in prior years	(2)	3	–	–
Underprovision of deferred taxation in prior years	453	52	560	129
Tax expense for the year	6,643	13,614	6,377	13,497

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

30. EARNINGS PER SHARE

Basic and diluted earnings per share

The basic and diluted earnings per ordinary share of the Group is calculated based on the profit attributable to owners of the Company divided by the weighted average number of shares in issue.

	Group	
	2025 RM'000	2024 RM'000
Net profit for the financial year, attributable to owners of the parent	8,668	16,990
Weighted average number of ordinary shares in issue ('000)		
- Issued ordinary shares as at 1 January	692,610	679,110
- Treasury shares held as at 1 January	(1,840)	(1,840)
- Effect of private placement	21,748	4,364
Weighted average number of ordinary shares in issue as at 31 December ('000)	712,518	681,634
Basic earnings per share (sen)	1.22	2.49

The warrants exercisable at end of the financial year ended 31 December 2025 do not have a dilutive effect to the earnings per ordinary share as the average market price per ordinary share for the financial year does not exceed the exercise price of the warrants.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. FINANCIAL INSTRUMENTS

Categories of financial instruments of the Group and of the Company are as follows:

At amortised cost

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets				
Trade receivables	361,707	329,452	361,707	329,452
Other receivables ¹	4,415	3,199	4,316	3,199
Amount due from a subsidiary	–	–	85	–
Amount due from an associate	–	724	–	724
Fixed deposits with licensed banks	15,785	22,412	15,785	22,412
Cash and bank balances	120,885	44,812	120,699	44,454
	502,792	400,599	502,592	400,241
Financial liabilities				
Trade payables	436,664	503,545	436,353	503,257
Other payables	57,519	76,563	57,330	76,386
Amount due to a subsidiary	–	–	5,879	5,528
Lease liabilities	5,329	2,718	4,054	2,230
Bank Borrowings	698,353	602,867	698,353	602,867
	1,197,865	1,185,693	1,201,969	1,190,268

Note

¹ excluding prepayments and advance payment made.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

32. FINANCIAL RISK MANAGEMENT POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's and the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits or occasionally, in short-term commercial papers.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. The Group's and the Company's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt.

The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rate fall.

The interest rate profile of the Group's and of the Company's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rates				
Fixed deposits with licensed banks	(15,785)	(22,412)	(15,785)	(22,412)
Lease liabilities	5,329	2,718	4,054	2,230
	(10,456)	(19,694)	(11,731)	(20,182)
Floating rates				
Bank overdrafts	–	4,494	–	4,494
Bill payables	607,578	493,843	607,578	493,843
Revolving credit	34,921	34,814	34,921	34,814
Term loans	55,854	69,716	55,854	69,716
	698,353	602,867	698,353	602,867
	687,897	583,173	686,622	582,685

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Interest rate risk (Cont'd)

Interest rate sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instrument

The Group and the Company do not account for any fixed rate financial liabilities at "fair value through profit or loss" and does not designate derivatives as hedging instrument under fair value hedge accounting method. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss substantially.

(ii) Interest rate risk sensitivity analysis

The Group's and the Company's floating rate borrowings are exposed to variability in future interest payments. If the interest rates at the end of the reporting period changed by 100 basis points with all other variables held constant, it would impact the Group's and the Company's profit before taxation by approximately RM6,983,526 (2024: RM6,028,673).

(b) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's and the Company's credit risk is primarily attributable to trade receivables. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis and the Group's and the Company's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group and the Company do not offer credit terms without the specific approval of the Head of Credit Control. Since the Group and the Company trade only with recognised and creditworthy third parties, there is no requirement for collateral.

When an account is more than 180 days past due, the credit risk is considered to have increased significantly since the initial recognition. The Group and the Company identify as a default account if it is more than 180 days past due and the customer is having significant financial difficulties (analysed by financial measures of reported losses, negative cash flows, and qualitative evaluation of the customer's characteristics). The Group and the Company classify an impaired receivable when a customer is in default, in liquidation or other financial reorganisation.

For each significant receivable, the Group and the Company use a probability of default method that categories based on ageing profiles. The ECL is measured based on total outstanding trade receivables as per aged bracket multiply by probability of default. Probability of default is based on the Company's past experiences, current conditions and forecast of future economic benefits.

At the end of the reporting period, the maximum exposures to credit risk of the Group and of the Company are represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit risk (Cont'd)

Concentration of credit risk

The Group and the Company assess concentrations of credit risk by exposure to single-large customers, industry sectors and overseas jurisdictions.

100% of the Group's and the Company's trade receivables were concentrated within Malaysia. At the reporting date, the Group and the Company have significant concentration of credit risk in the form of outstanding balances due from 3 (2024: 5) customers, representing 74% (2024: 82%) of the Group's and the Company's trade receivables.

Cash and bank balances and fixed deposits with licensed banks are placed with major financial institutions which have low credit risks and any expected credit losses arising on these financial assets are insignificant.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars ("USD"), Chinese Yuan Renminbi ("CNY") and Euro ("EURO"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

The Group and the Company maintain a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The currency exposure profile of financial assets and financial liabilities at the end of the reporting period are as follows:

	USD RM'000	CNY RM'000	EURO RM'000	Total RM'000
Group and Company				
2025				
Cash and bank balances	2,493	–	–	2,493
Trade payables	(153,706)	(1,561)	(51,452)	(206,719)
	(151,213)	(1,561)	(51,452)	(204,226)
2024				
Trade payables	(194,744)	(96)	(62,865)	(257,705)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Foreign currency risk (Cont'd)

The following table demonstrates the sensitivity analysis of the Group's and of the Company's profit after tax and equity to a reasonably possible change in the exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

	Effect on profit after tax	
	2025 RM'000	2024 RM'000
Group and Company		
USD/RM		
- strengthened by 5%	5,746	7,400
- weakened by 5%	(5,746)	(7,400)
CNY/RM		
- strengthened by 5%	59	4
- weakened by 5%	(59)	(4)
EURO/RM		
- strengthened by 5%	1,955	2,389
- weakened by 5%	(1,955)	(2,389)

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables.

The Group and the Company manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

Maturity analysis

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	On demand or less than 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000	Total contractual cash flows RM'000	Carrying amount RM'000
Group					
2025					
<i>Non derivative financial liabilities</i>					
Trade payables	436,664	–	–	436,664	436,664
Other payables ¹	57,519	–	–	57,519	57,519
Bank borrowings	633,791	69,808	8,755	712,354	698,353
Lease liabilities	2,042	3,595	287	5,924	5,329
	1,130,016	73,403	9,042	1,212,461	1,197,865
2024					
<i>Non derivative financial liabilities</i>					
Trade payables	503,545	–	–	503,545	503,545
Other payables ¹	76,563	–	–	76,563	76,563
Bank borrowings	588,294	26,724	–	615,018	602,867
Lease liabilities	779	2,030	258	3,067	2,718
	1,169,181	28,754	258	1,198,193	1,185,693

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (Cont'd)

	On demand or less than 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000	Total contractual cash flows RM'000	Carrying amount RM'000
Company					
2025					
Non derivative financial liabilities					
Trade payables	436,353	-	-	436,353	436,353
Other payables	57,330	-	-	57,330	57,330
Amount due to a subsidiary	5,879	-	-	5,879	5,879
Bank borrowings	633,791	69,808	8,755	712,354	698,353
Lease liabilities	1,461	2,748	288	4,497	4,054
	1,134,814	72,556	9,043	1,216,413	1,201,969
2024					
Non derivative financial liabilities					
Trade payables	503,257	-	-	503,257	503,257
Other payables	76,386	-	-	76,386	76,386
Amount due to a subsidiary	5,528	-	-	5,528	5,528
Bank borrowings	588,294	26,724	-	615,018	602,867
Lease liabilities	600	1,673	258	2,531	2,230
	1,174,065	28,397	258	1,202,720	1,190,268

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

32. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(e) Fair value information

Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables (excluding prepayments and advance payment made), trade and other payables (excluding advance payment received) are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of bank borrowings are reasonable approximations of fair values as the current rates offered to the Group and to the Company approximate to the market rates for similar borrowing of the same remaining maturities.

The carrying amounts of the current portion of lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Lease liabilities are accounted for as long-term financial liabilities

The fair values of these financial instruments are estimated based on future contractual cash flows discounted at incremental borrowing rate for similar type of borrowing or leasing arrangements at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. SEGMENT INFORMATION

(a) Business segment

The Group is primarily operating in one business segment which is the manufacturing of steel bars and steel billets.

(b) Geographical information

The Group's business segments are managed in two (2) main geographical areas:

	Revenue RM'000	Total assets RM'000	Capital expenditure RM'000
2025			
Malaysia	2,060,619	2,604,546	140,343
Outside Malaysia	602,327	-	-
	2,662,946	2,604,546	140,343
2024			
Malaysia	2,211,315	2,273,186	111,890
Outside Malaysia	298,645	-	-
	2,509,960	2,273,186	111,890

In determining the geographical segments of the Group, sales are based on the countries in which the customers are located. Total assets and capital expenditure are determined based on where the assets are located, and all assets are located in Malaysia.

(c) Major customers

Revenue from one (2024: two) major customers amounted to RM411,832,734 (2024: RM921,181,164) arising from sales of steel bars and steel billets.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

34. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The gearing ratios as at 31 December 2025 and 2024 were as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease liabilities	18	5,329	2,718	4,054	2,230
Bank borrowings	19	698,353	602,867	698,353	602,867
		703,682	605,585	702,407	605,097
Total equity		990,865	968,373	980,785	960,079
Gearing ratio (times)		0.71	0.63	0.72	0.63

There was no change in the Group's and the Company's approach to capital management during the financial year.

Under the requirements of borrowing facilities, the Group and the Company are required to comply with several financial covenants. As at the reporting date, the Group and the Company had complied with all the financial covenants, other than those disclosed in Note 19 to the financial statements.

35. CAPITAL COMMITMENTS

	Group and Company	
	2025 RM'000	2024 RM'000
Acquisition of property, plant and equipment - contracted but not provided for	6,300	26,819

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel includes all the Directors of the Group and of the Company.

The Group and the Company have related party relationship with its subsidiaries, associate and key management personnel.

Significant related party transactions

The significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Company	
	2025 RM'000	2024 RM'000
Transactions with subsidiaries:		
Transportation charges paid/payable	4,389	3,594
Transactions with an associate:		
Interest income received/receivable	(2)	(29)
Transactions with a company in which the Director of the Company has substantial financial interests:		
Expenses relating to short-term lease	360	-

Compensation of key management personnel

The Board of Directors defined that key management personnel of the Group and of the Company are Directors of the Group and of the Company. The compensation of key management personnel during the financial year is disclosed in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

37. COMPARATIVE FIGURES

Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2024.

	As previously stated RM'000	Reclassification RM'000	As reclassified RM'000
GROUP			
Statements of Financial Position			
as at 31 December 2024			
Trade and other receivables	340,671	(340,671)	-
Trade receivables	-	329,452	329,452
Other receivables	-	10,495	10,495
Amount due from an associate	-	724	724
Trade and other payables	(660,105)	660,105	-
Trade payables	-	(503,545)	(503,545)
Other payables	-	(76,563)	(76,563)
Contract liabilities	-	(79,997)	(79,997)
<hr/>			
Statements of Cash Flow			
for the financial year ended			
31 December 2024			
Cash flows from operating activities			
Changes in working capital:			
Payables	67,767	31,525	99,292
Contract liabilities	-	(31,525)	(31,525)
<hr/>			
Cash flows from operations			
Interest paid	(30,606)	(232)	(30,838)
Interest received	-	1,390	1,390
<hr/>			
Cash flows from investing activities			
Interest received	1,390	(1,390)	-
<hr/>			
Cash flows from financing activities			
Interest paid on lease liabilities	(232)	232	-
<hr/>			

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. COMPARATIVE FIGURES (CONT'D)

Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2024. (Cont'd)

	As previously stated RM'000	Reclassification RM'000	As reclassified RM'000
COMPANY			
Statements of Financial Position			
as at 31 December 2024			
Trade and other receivables	340,631	(340,631)	-
Trade receivables	-	329,452	329,452
Other receivables	-	10,455	10,455
Amount due from an associate	-	724	724
Amount due to a subsidiary	-	(5,528)	(5,528)
Trade and other payables	(665,168)	665,168	-
Trade payables	-	(503,257)	(503,257)
Other payables	-	(76,386)	(76,386)
Contract liabilities	-	(79,997)	(79,997)
Statements of Cash Flow			
for the financial year ended			
31 December 2024			
Cash flows from operating activities			
Changes in working capital:			
Payables	68,213	30,943	99,156
Contract liabilities	-	(31,525)	(31,525)
Cash flows from operations			
Interest paid	(30,606)	(197)	(30,803)
Interest received	-	1,390	1,390
Cash flows from investing activities			
Interest received	1,390	(1,390)	-
Cash flows from financing activities			
Net changes on amount due to a subsidiary	-	582	582
Interest paid on lease liabilities	(197)	197	-

38. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution by the Directors on 9 April 2026.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	Group	
	2025 (RM'000)	2024 (RM'000)
Total Income		
Revenue	2,662,946	2,509,960
Other operating income	21,390	27,607
Share of results of an associate	3,436	2,111
Total	2,687,772	2,539,678
Total Assets	2,604,546	2,273,186

(B) Business Activities

	Group	
	2025 (RM'000)	2024 (RM'000)
Shariah Non-Compliant Activities		
Total	-	-

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position

(i) Cash Component

	Group	
Islamic Account/Instruments	2025 (RM'000)	2024 (RM'000)
Deposits with licensed banks	2,411	17,160
Cash at bank	37,394	20,929
Total	39,805	38,089
Conventional Account/Instruments		
Cash & bank balance	83,492	19,844
Deposits with licensed banks	13,374	5,252
Total	96,866	25,096

(ii) Debt Component

	Group	
Islamic Financing	2025 (RM'000)	2024 (RM'000)
Current		
Term loans	3,647	40,000
Bill payables	246,984	187,390
Revolving credit	10,046	34,814
Non-Current		
Term loans	31,512	-
Revolving credit	24,875	-
Total	317,064	262,204

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(C) Component of Financial Position (Cont'd)

(ii) Debt Component (Cont'd)

	Group	
	2025 (RM'000)	2024 (RM'000)
Conventional Borrowings		
Current		
Bank overdraft	–	4,494
Term loans	7,290	7,841
Bill payables	360,594	306,453
Lease Liabilities	1,812	650
Non-Current		
Term loans	13,405	21,875
Lease Liabilities	3,517	2,068
Total	386,618	343,381

LIST OF PROPERTIES

AS AT 31 DECEMBER 2025

Location	Existing Use	Approximate		Land Area (Built-up Area)	Net Book Value (RM'000)	Date of Acquisition	Date of Revaluation
		Age of Building (Years)	Tenure				
Wisma Masteel Lot 29C, Off Jalan Tandang, Section 51 46050 Petaling Jaya Selangor Darul Ehsan	Office, factory and warehouse	37 years	Leasehold for 99 years expiring on 15 April 2067	130,897 sq. ft. (63,187 sq. ft.)	Land – 22,482 Building – Nil	30-Sep-05	31-Dec-24
Lot 29B, Off Jalan Tandang, Section 51 46050 Petaling Jaya Selangor Darul Ehsan	Factory	11 years	Leasehold for 99 years expiring on 15 April 2067	110,425 sq. ft. (69,960 sq. ft.)	Land – 18,949 Building – Nil	22-Dec-09	31-Dec-24
Lot 13039 Jalan Waja, Bukit Raja Industrial Estate 41050 Klang Selangor Darul Ehsan	Office, factory and warehouse	19 years	Leasehold for 99 years expiring on 3 December 2111	1,562,266 sq. ft. (187,220 sq. ft.)	Land – 186,012 Building – 44,705	30-Sep-05	31-Dec-24
Unit B-05-3 5th Floor Block B (West Wing) PJ8 Office Suite No. 23, Jalan Barat Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	Office	10 years	Leasehold for 99 years expiring on 5 March 2106	(4,176 sq. ft.)	Land – Nil Building – 379	6-Nov-08	NIL
Unit B-05-3A 5th Floor Block B (West Wing) PJ8 Office Suite No. 23, Jalan Barat Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	Office	10 years	Leasehold for 99 years expiring on 5 March 2106	(3,003 sq. ft.)	Land – Nil Building – 271	6-Nov-08	NIL
GRN 33304 Lot 3780 Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	Bungalow	35 years	Freehold	5,403 sq. ft. (1,334 sq. ft.)	Land – 135 Building – Nil	30-Sep-05	31-Dec-24
GRN 45572 Lot 43031 Mukim of Bentong District of Bentong State of Pahang Darul Makmur	Antara Genting-Condominium (B-33-03A)	99 years	Freehold	520 sq. ft.	Land – Nil Building – 944	31-Jan-22	NIL
GRN 45572 Lot 43031 Mukim of Bentong District of Bentong State of Pahang Darul Makmur	Antara Genting-Condominium (B-33-05)	99 years	Freehold	1,066 sq. ft.	Land – Nil Building – 1,756	31-Jan-22	NIL

ANALYSIS OF SHAREHOLDINGS

AS AT 25 MARCH 2026

Total number of issued shares : 746,609,746 ordinary shares (including 1,840,000 treasury shares)
 Voting Rights : One (1) vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS

Size of holdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital ^[1]
1 - 99	1,277	13.05	49,021	0.01
100 - 1,000	877	8.97	396,257	0.05
1,001 - 10,000	3,601	36.81	20,467,432	2.75
10,001 - 100,000	3,433	35.10	115,149,736	15.46
100,001 - 37,238,486 ^[2]	593	6.06	382,425,500	51.35
37,238,487 and above ^[3]	1	0.01	226,281,800	30.38
TOTAL	9,782	100.00	744,769,746	100.00

Notes:-

^[1] Excluding a total of 1,840,000 ordinary shares bought-back by the Company and retained as treasury shares as at 25 March 2026.

^[2] Less than 5% of issued shares (excluding treasury shares).

^[3] 5% and above of issued shares (excluding treasury shares).

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital ^[1]	No. of Shares	% of Issued Capital ^[1]
Dato' Sri Tai Hean Leng @ Tek Hean Leng	1,425,000	0.19	227,981,532 ^[2]	30.61
Datuk Syed Mohamed Bin Syed Ibrahim	100,000	0.01	-	-

Notes:-

^[1] Excluding a total of 1,840,000 ordinary shares bought-back by the Company and retained as treasury shares as at 25 March 2026.

^[2] The indirect interests are registered in the name of the following shareholders:-

- i. TYY Resources Sdn Bhd - 226,281,800 ordinary shares (Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of his interest in TYY Resources Sdn Bhd).
- ii. Estate of Tai Ho Seng @ Teh Hoo Sing - 1,699,732 ordinary shares (Shares held in trust by Dato' Sri Tai Hean Leng @ Tek Hean Leng for the Estate of Tai Ho Seng @ Teh Hoo Sing in the capacity as an administrator for the Estate).

Pursuant to Section 8(4) of the Companies Act 2016, by virtue of his interests in the shares of the Company, Dato' Sri Tai Hean Leng @ Tek Hean Leng is also deemed to have an interest in the shares of the subsidiary of the Company to the extent the Company has an interest.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital ^[1]	No. of Shares	% of Issued Capital ^[1]
TYT Resources Sdn Bhd	226,281,800	30.38	–	–
Dato' Sri Tai Hean Leng @ Tek Hean Leng	1,425,000	0.19	227,981,532 ^[2]	30.61
Estate of Tai Chet Siang, Deceased	–	–	226,281,800 ^[2(i)]	30.38

Notes:-

^[1] Excluding a total of 1,840,000 ordinary shares bought-back by the Company and retained as treasury shares as at 25 March 2026.

^[2] The indirect interests are registered in the name of the following shareholders:-

- i. TYT Resources Sdn Bhd - 226,281,800 ordinary shares (Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of his interest in TYT Resources Sdn Bhd).
- ii. Estate of Tai Ho Seng @ Teh Hoo Sing - 1,699,732 ordinary shares (Shares held in trust by Dato' Sri Tai Hean Leng @ Tek Hean Leng for the Estate of Tai Ho Seng @ Teh Hoo Sing in the capacity as an administrator for the Estate).

THE 30 LARGEST SECURITIES HOLDERS

No.	Names	No. of Shares	%
1.	TYT RESOURCES SDN BHD	226,281,800	30.38
2.	HARUM MAJUINDAH SDN BHD	32,653,400	4.38
3.	RAYA REKAJAYA SDN BHD	29,523,056	3.96
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	19,905,500	2.67
5.	KEMAJUAN REKACEKAP SDN BHD	10,495,465	1.41
6.	IFAST NOMINEES (TEMPATAN) SDN BHD GLOBAL SUCCESS NETWORK SDN BHD	10,000,000	1.34
7.	YAYASAN GURU TUN HUSSEIN ONN	8,758,500	1.18
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	6,349,680	0.85
9.	YICK HOE FERROUS STEEL SDN BHD	5,980,000	0.80
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSMCF)	5,066,000	0.68
11.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR QUEK SEE KUI	5,012,300	0.67
12.	VICTOR LIM FUNG TUANG	5,009,300	0.67
13.	SU MING YAW	4,992,450	0.67
14.	MAH SIEW SEONG	4,888,000	0.66
15.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ER SOON PUAY	4,308,300	0.58

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

THE 30 LARGEST SECURITIES HOLDERS (CONT'D)

No.	Names	No. of Shares	%
16.	LEE YOKE HEAN	4,000,000	0.54
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG YIEW ON (6000006)	3,808,400	0.51
18.	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAYA REKAJAYA SDN BHD	3,519,880	0.47
19.	YAYASAN GURU TUN HUSSEIN ONN	3,450,000	0.46
20.	TAI HEAN LENG @ TEK HEAN LENG ^[1]	3,124,732	0.42
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD YAP THONG YEE	2,630,000	0.35
22.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (B)	2,400,000	0.32
23.	TOH SAW LOOI	2,395,500	0.32
24.	LIM CHIN SEAN	2,380,000	0.32
25.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW GOO @ LAW YEOW CHING	2,250,000	0.30
26.	LIM AH HOCK	2,132,000	0.29
27.	TAN PENG CHUNG	2,100,000	0.28
28.	NG TENG SONG	2,029,500	0.27
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH TAI SOON (E-KKU/JPI)	2,003,700	0.27
30.	BAN HOCK SENG SDN BHD	2,000,000	0.27

Note:-

^[1] 1,699,732 ordinary shares are held in trust by Dato' Tai Hean Leng @ Tek Hean Leng for the Estate of Tai Ho Seng @ Teh Hoo Sing in his capacity as the administrator of the Estate.

ANALYSIS OF WARRANT HOLDINGS

AS AT 25 MARCH 2026

Total number of issued warrants B	:	226,369,915
Exercise price of the warrants B	:	RM0.3950
Issue date of the warrants B	:	22 October 2021
Expiry date of the warrants B	:	21 October 2026

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of holdings	No. of Holders	% of Holders	No. of Warrants	% of Issued Warrants
1 - 99	121	6.88	5,486	0.00
100 - 1,000	187	10.64	108,952	0.05
1,001 - 10,000	756	43.00	3,737,541	1.65
10,001 - 100,000	501	28.50	17,876,273	7.90
100,001 - 11,318,494 ^[1]	191	10.86	114,498,479	50.58
11,318,495 and above ^[2]	2	0.11	90,143,184	39.82
TOTAL	1,758	100.00	226,369,915	100.00

Notes:-

- ^[1] Less than 5% of issued warrants
^[2] 5% and above of issued warrants

DIRECTORS' WARRANT HOLDINGS AS PER REGISTER OF DIRECTORS' WARRANT HOLDINGS

Name of Director	Direct Interest		Indirect Interest	
	No. of Warrants	% of Issued Warrants	No. of Warrants	% of Issued Warrants
Dato' Sri Tai Hean Leng @ Tek Hean Leng	475,000	0.21	72,346,284 ^[1]	31.96

Note:-

- ^[1] Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his interest in TYY Resources Sdn Bhd.

ANALYSIS OF WARRANT HOLDINGS

(CONT'D)

THE 30 LARGEST WARRANT HOLDERS

No.	Names	No. of Warrants	%
1.	TYE RESOURCES SDN BHD	72,346,284	31.96
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	17,796,900	7.86
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSMCF)	10,585,600	4.68
4.	ER SOON PUAY	7,794,400	3.44
5.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR LEE TAT KWONG (LI DAGUANG)	4,227,600	1.87
6.	NG KIM HOCK	3,729,900	1.65
7.	MOOMOO NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHIN CHYUAN	3,276,000	1.45
8.	QUEK SEE KUI	2,715,100	1.20
9.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR JESSIE NG SWEE TIANG (JESSIE HUANG RUIZHEN)	2,638,700	1.17
10.	TAY KIM TECK	2,475,000	1.09
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	2,300,000	1.02
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	2,116,560	0.94
13.	NG ENG KEONG	1,800,050	0.80
14.	MAH SIEW SEONG	1,780,000	0.79
15.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM KAY ENG (E-PDG)	1,700,000	0.75
16.	SU MING YAW	1,664,150	0.74
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR ER ZHI ZHENG	1,565,000	0.69
18.	SIM KAY ENG	1,550,700	0.69
19.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHIN HUI	1,435,700	0.63
20.	YAP BEE HOONG	1,300,000	0.57
21.	NG KEK CHONG	1,296,400	0.57
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD YAP THONG YEE	1,200,000	0.53
23.	HARUM MAJUINDAH SDN BHD	1,084,000	0.48
24.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KONG HAN	1,050,000	0.46
25.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	1,013,600	0.45
26.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR HONG POH YUNG (SMART)	1,000,000	0.44
27.	LAM YEW MUN	1,000,000	0.44
28.	NG KOK PHENG	1,000,000	0.44
29.	YEO ANN SECK	1,000,000	0.44
30.	YEO KIAN CHAI	1,000,000	0.44

PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate	Scope 1	tCO2e	490710	To reduce 10% reduction in GHG emissions by 2026 (from 2017 baseline). Net zero by 2030 (from 2017 baseline).	External (Limited)
Climate	Scope 2 (Location-based)	tCO2e	330192.99	To reduce 10% reduction in GHG emissions by 2026 (from 2017 baseline).	External (Limited)
Climate	Scope 2 (Market-based)	tCO2e	Nil	-	No assurance
Climate	Total Scope 3	tCO2e	224798	To reduce 10% reduction in GHG emissions by 2026 (from 2017 baseline).	No assurance
Climate	Scope 3 - Category 6: Business Travel	tCO2e	1.96	-	External (Limited)
Climate	Scope 3 - Category 7: Employee Commuting	tCO2e	308.72	-	External (Limited)
Climate	Scope 3 - Category 8: Upstream leased assets	tCO2e	232.37	-	Internal
Climate	Scope 3 - Category 9: Downstream transportation and distribution	tCO2e	1344.74	-	Internal
Climate	Scope 3 - Category 13: Downstream leased assets	tCO2e	36019	-	Internal

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MALAYSIA STEEL WORKS (KL) BHD

[Registration No. 197101000213 (7878-V)]

CDS Account No.

No. of Shares held

FORM OF PROXY

I/We Tel:
[Full name in block, and as per NRIC/Passport/Registration No.]

of

being member(s) of Malaysia Steel Works (KL) Bhd, hereby appoint:-

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

and/or

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

or failing him/her, * the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifty-Fourth Annual General Meeting ("54th AGM") of the Company which will be held at Ballroom 2, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan, Malaysia on Thursday, 4 June 2026 at 12.00 noon or at any adjournment thereof. I/We indicate with an "x" in the spaces below how I/we wish my/our vote to be cast.

* Please delete the words "Chairman of the Meeting" if you wish to appoint other person(s) to be your proxy/proxies.

NO.	RESOLUTIONS		FOR	AGAINST
1.	Approval of Directors' fees for the financial year ending 31 December 2026 and the benefits payable from 5 June 2026 until the next AGM	Ordinary Resolution 1		
2.	Re-election of Mr. Roy Thean Chong Yew as Director	Ordinary Resolution 2		
3.	Re-election of Puan Zueraini Binti Ahmad Basri as Director	Ordinary Resolution 3		
4.	Re-appointment of UHY Malaysia PLT as Auditors	Ordinary Resolution 4		
5.	Proposed Continuation in office of Mr. Roy Thean Chong Yew as Independent Non-Executive Director	Ordinary Resolution 5		
6.	Proposed Renewal of Share Buy-Back Mandate	Ordinary Resolution 6		
7.	Proposed Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 and the Constitution of the Company for the Directors to allot and issue shares	Ordinary Resolution 7		

(Please indicate with an "X" in the space provided how you wish your vote to be cast. If you do not do so, your proxy will vote or abstain at his(her) discretion).

Dated this day of, 2026

.....
Signature of Shareholder/Common Seal



NOTES:-

1. A member [other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991] entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the members to speak at the meeting.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) shareholdings to be represented by each proxy.
3. Where a member of the Company is an Exempt Authorised Nominee who holds 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 is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it is entitled to appoint not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where an Authorised Nominee appoints two (2) proxies to attend and vote at the AGM, the proportion of shareholdings to be represented by each proxy must be specified in the proxy form, failing which, the appointment shall be invalid.
5. The proxy form shall be in writing, executed by or on behalf of the appointer or his (her) attorney duly authorised in writing or, if the appointer is a corporation, either be executed under its common seal or by its duly authorised attorney or officer.
6. The appointment of proxy may be made in the form of hardcopy or by electronic means as specified below and must be received by the Share Registrar, Securities Services (Holdings) Sdn Bhd no later than Tuesday, 2 June 2026 at 12.00 noon or any adjournment thereof:-

In hardcopy form

Deposited at the office of the Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

By electronic means

Alternatively, the instrument appointing of proxy may also be lodged electronically via SS e-Portal at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

If you have submitted your proxy form(s) prior to the AGM and subsequently decide to appoint another person or wish to personally participate in the AGM, please write to eservices@sshsb.com.my to revoke the earlier appointed proxy(ies) no later than Tuesday, 2 June 2026 at 12.00 noon or any adjournment thereof.

7. Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the AGM will be put to vote by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 26 May 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on his (her) behalf.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 29 April 2026.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
SECURITIES SERVICES (HOLDINGS) SDN BHD
[197701005827 (36869-T)]
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

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MALAYSIA STEEL WORKS (KL) BHD

Registration No. 197101000213 (7878-V)

HEAD OFFICE ADDRESS

Wisma Masteel, Lot 29C, Off Jalan Tandang, Section 51,
46050 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

Tel: 603-7781 1611 | **Fax:** 603-7781 5435

