ASTEEL GROUP

ASTEEL GROUP BERHAD

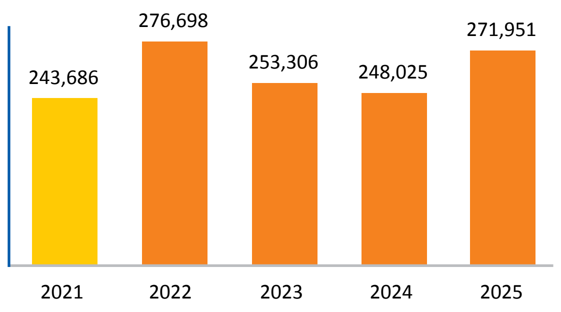
REGISTRATION NO. 1977 0100 1682 (032939-U)

ANNUAL REPORT

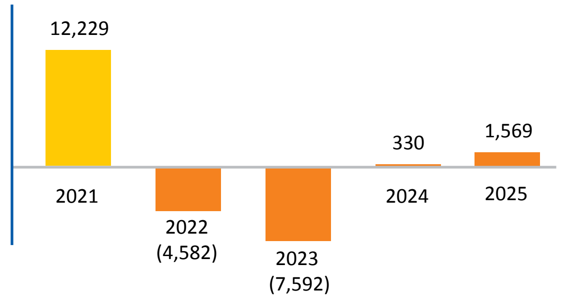
2025

1 FINANCIAL HIGHLIGHTS

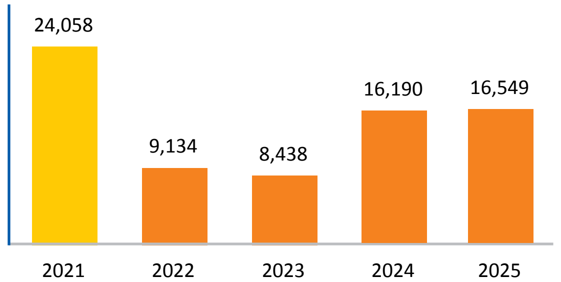
(RM'000)		2021	2022	2023	2024	2025
OPERATING RESULTS						
Revenue		243,686	276,698	253,306	248,025	271,951
Operating Profit/(Loss)		12,229	(4,582)	(7,592)	330	1,569
Profit/(Loss) Before Tax		11,498	(4,582)	(7,592)	330	1,569
Profit/(Loss) Attributable to owners of the Company		6,421	(5,914)	(6,362)	(2,187)	20
EBITDA		24,058	9,134	8,438	16,190	16,549
Key Balance Sheet Data						
Share Capital		49,467	53,827	53,827	53,827	53,827
Total Borrowings		87,445	94,739	117,149	98,193	103,979
Cash and cash equivalents		6,338	6,778	7,243	5,965	9,205
Ratio Analysis						
Gearing Ratio	Times	1.07	1.16	1.45	1.25	1.31
Gross Profit Margin	%	19.65	12.46	12.83	15.81	16.69



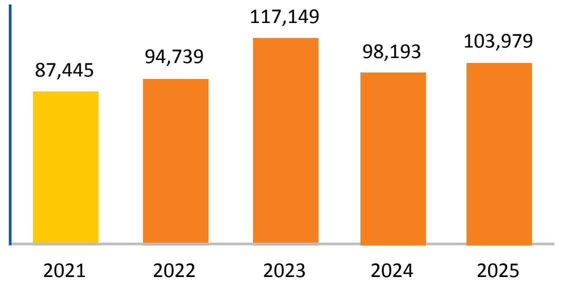
REVENUE (RM'000)



OPERATING PROFIT (RM'000)



EBITDA (RM'000)



TOTAL BORROWINGS (RM'000)

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2 GROUP MANAGING DIRECTOR'S MESSAGE

Resilience, Transformation, and Growth

Dear Valued shareholders,

Dato' Sri Victor Hii

As we reflect on the financial year ended 2025, I am pleased to present our Annual Report at a time when resilience, discipline, and forward-thinking strategies continue to define our journey. Throughout the year, we remained steadfast in our commitment to operational excellence, financial prudence, and long-term value creation. Despite challenging steel market and facing headwinds from importation, our Group demonstrated resilience by strengthening core fundamentals, enhancing productivity, and driving strategic initiatives that reinforce our competitive position. I am pleased to report that ASTEEL Group has further strengthened its financial position, achieving revenue of RM272 million, a 10% increase over the previous year, and profit before tax of RM1.57 million, which is RM1.24 million higher than in 2024. Our performance this year is a testament to the dedication of our people, the trust of our partners, and the confidence of our shareholders.

Operational Performance and Strategic Execution

In 2025, we sharpened our focus on efficiency, innovation, and disciplined growth. We continued to optimise our portfolio, streamline processes, and embrace digital transformation to improve service delivery and operational agility. Strategic investments in technology and infrastructure have strengthened our capabilities and positioned us to capture emerging opportunities.

We also enhanced risk management frameworks across the Group, ensuring that we remain agile and responsive in an increasingly complex environment. Our balanced approach—combining prudent cost management with targeted investments—has enabled us to deliver sustainable returns while safeguarding long-term resilience.

Sustainability and Responsible Growth

Sustainability remains integral to our corporate strategy and long-term value creation framework. During the year, we made meaningful progress in advancing our environmental, social, and governance (ESG) priorities through structured, measurable initiatives. These efforts focused on reducing our environmental impact, strengthening partnerships with the communities in which we operate, and reinforcing a culture of transparency, accountability, and ethical governance.

In line with our commitment to the highest standards of integrity, we commenced the process of obtaining ISO 37001:2025 certification, further enhancing our anti-bribery and compliance framework. This initiative underscores our proactive approach to risk management and responsible corporate conduct.

Looking Ahead

As we move forward, we remain cautiously optimistic. While global uncertainties persist, we are confident in our strategic direction and the strength of our fundamentals. Our priorities for the coming year will focus on accelerating innovation, expanding strategic partnerships, enhancing customer-centric solutions, and deepening operational excellence.

We will continue to explore new growth avenues while maintaining disciplined capital allocation and robust governance standards. Above all, we are committed to delivering sustainable value to our shareholders and meaningful contributions to the communities in which we operate.

On behalf of the Board and Management, I would like to express my sincere appreciation to our employees for their unwavering dedication, to our customers and partners for their continued trust, and to our shareholders for their steadfast support.

Together, we will continue building a stronger, more resilient, and future-ready Group.

Thank you.

Dato' Sri Victor Hii Lu Thian,
Group Managing Director
ASTEEL Group Berhad

3 MANAGEMENT DISCUSSION AND ANALYSIS

GROUP BUSINESS REVIEW

ASTEEL Group of Companies ("the Group") is principally engaged in the manufacturing of coated steel products and processing of metal roofing, wall cladding & fencing, metal floor decking, light gauge structural components, purlins, and framing systems under the brands of ASTEEL & ASTAR. This segment remains the Group's core business, contributing the majority of total revenue.

The Group is also involved in the trading of building materials, comprising both steel and non-steel components, as well as construction and renovation works, including the installation of Industrialised Building System ("IBS") products and other structural works.

Guided by its core principle of one-stop building solutions provider, the Group continues to strengthen its integrated business model across manufacturing, trading and construction segments.

KEY BUSINESS SEGMENTS:

(i) Coated Steel Products and Metal Roofing

ASTEEL through its subsidiary companies has a network of factories in Sarawak, Sabah, Selangor and Johor, manufacturing metal roofing systems, metal frame products, structural products, architectural products, and light-weight channel products. The coated steel products are manufactured in Kuching and distributed through our extensive networks.

ASTEEL Group also collaborates with Ajiya Berhad through a subsidiary for the processing and trading of tempered and laminated safety glass in the region of Sarawak. The collaboration also includes the production of IBS components.

The diagram below depicts the range of products and the one-stop roof building solution of ASTEEL Group.

(ii) Trading of Building Materials

This division specializes in trading steel and non-steel components which are mainly related to construction industry. The main items under this category are steel coils, window frames, mild steel products, paint and other construction materials.

(iii) Construction Business

This division involved in construction and renovation works which include installation of IBS products and other structural works.

FINANCIAL REVIEW

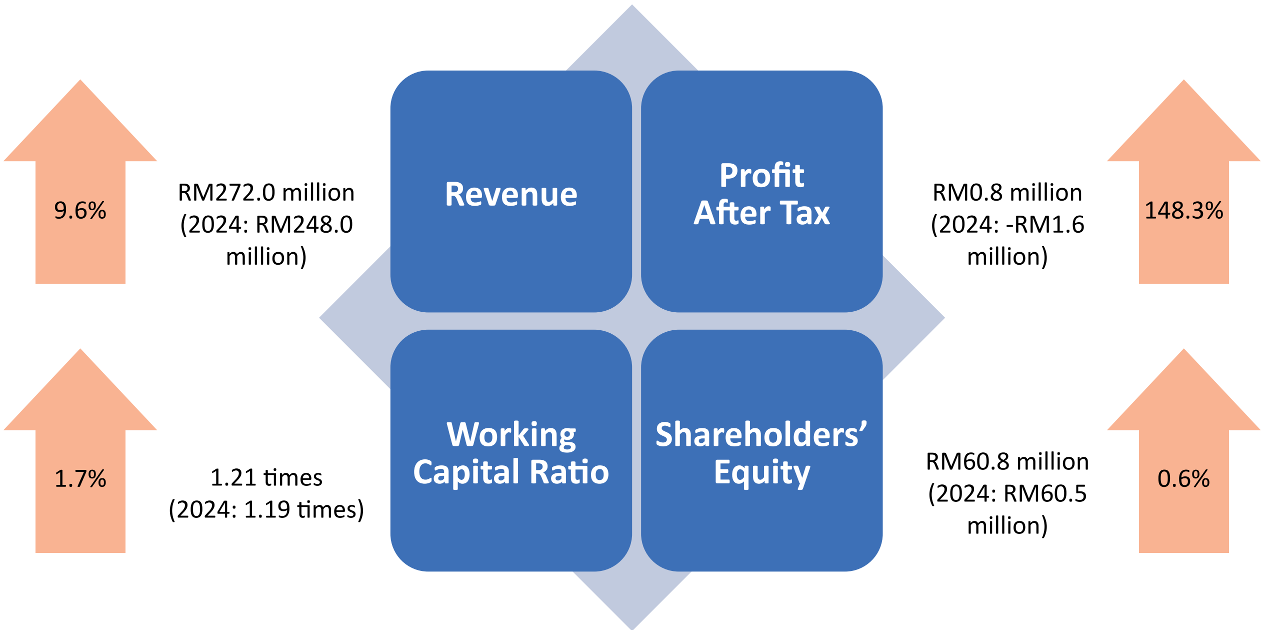
FY2025 marked a year of continued growth and strengthening financial performance for the Group, building on the turnaround achieved in FY2024.

The Group recorded total revenue of RM272 million, representing an increase of 10% compared to RM248 milllion in FY2024. The growth was primiaily driven by higher sales volume in coated steel products and metal roofing, supported by improved market demand and stronger sales execution.

The Group achieved a profit before tax of RM1.57 million, an increase of RM1.24 million compared to RM0.33 million in FY2024. EBITDA improved by 2% to RM16.55 million. This improvement reflects enhanced operational efficiency, better cost management and improved products margins.

During the financial year, the Group recorded an impairment on trade receivables of RM3.93 million as part of its prudent assessment of credit risk. Notwithstanding this, the Group's core operations continued to demonstrate improved profitability.

Overall, the Group's financial position strengthened further during the year, underpinned by disciplined working capital management and prudent financial controls.



OPERATION REVIEW

During the year, the Group continued to enhance its operational capabilities and market presence across Malaysia. The Group maintained its network of manufacturing facilities and distribution channels, with eight (8) factories, two (2) ASTEEL Building Stores and one (1) business outlet, ensuring efficient delivery and service to its customers. Operational efficiencies were further improved through better coordination across business segments and optimisation of resources.

The construction segment continued to contribute positively, supported by ongoing projects secured in prior years, including roofing and cladding works for data centre developments in Peninsular Malaysia.

The Group also strengthened its strategic collaborations and supply chain capabilities, particularly in the areas of steel sourcing, inventory management and distribution, enabling better responsiveness to market demand.

The Group's ongoing efforts in optimizing inventory management and enhance operational efficiency have yielded tangible benefit, reducing the stock holding period from 99 days to 96 days. Working capital ratio also improved from 1.19 times to 1.21 times.

ANTICIPATED OR KNOWN RISKS

Economic Uncertainty Risk on Business Sustainability

While Malaysia's economy remains on a growth trajectory, global economic conditions continue to present uncertainties, particularly in relation to interest rates, inflationary pressures and geopolitical developments.

Geopolitical tensions in the Middle East, including the ongoing conflict involving Iran, have introduced additional uncertainty to the global economic outlook. Any disruption to energy supply could result in higher oil prices, leading to increased inflationary pressures, elevated operating costs and potential moderation in economic growth in Malaysia, which may indirectly affect the Group's operating environment.

Steel prices remain subject to volatility due to global supply-demand dynamics, particularly influenced by China's production and export activities. The Group continues to adopt prudent procurement and inventory management strategies to mitigate the impact of price fluctuations.

Competition Risk

The Group continues to face competition from low-cost imported steel products in a price-sensitive market environment. Nevertheless, ongoing regulatory measures, including anti-dumping actions, are expected to support a fairer competitive landscape.

The Group remains focused on product quality, reliability and value-added services to differentiate itself from competitors.

Operational and Cost Risk

Rising labour costs and regulatory requirements remain key challenges. The Group continues to address these through:

- Process improvements
- Automation where feasible
- Stringent cost control measures

Financial Risk

The Group's financial risks management policies are set out in Note 25 of the notes to the financial statements.

PROSPECTS

The Group remains cautiously optimistic about the 2026 outlook. Supported by the first full year of implementation of the 13th Malaysia Plan and Budget 2026 with key national infrastructure projects, including the Penang LRT, ongoing Pan Borneo Highway phases, and the expansion of hyperscale data centres in Johor and Selangor, are expected to drive demand for coil, sheet and structural steel products. Domestically, both public and private sector construction activities that gained momentum in the second half of 2025 are anticipated to sustain demand for building and roofing materials.

The introduction of the National Carbon Tax in 2026 marks an important transition for the industry. The Group is proactively implementing Energy Management Systems and efficiency initiatives to mitigate potential cost impacts and maintain competitiveness. While global overcapacity, weak demand in China and raw material price volatility continue to pose challenges, regional infrastructure spending and supply adjustments are expected to provide relative price stability.

The Group also expects to benefit from CIDB enforcement actions against illegal imports and anti-dumping measures from some countries, which support fairer competition for local producers. Notwithstanding pricing pressures and fluctuating input costs, the Group will continue to focus on branding, cost efficiency and operational optimisation to safeguard margins and sustain profitability in 2026.

4 CORPORATE INFORMATION

Board of Directors

Tan Sri (Dr.) Soh Thian Lai *PSM, DIMP,*
Adjunct Professor (UTHM, TAR UMT)
Executive Chairman

Dato' Sri Victor Hii Lu Thian *SSAP SMW DIMP*
Group Managing Director

Ms Yan Ying Chieh
Senior Independent Non-Executive Director

Datin Josephine Ak Hilary Dom @ Josephine John
Independent Non-Executive Director

Ms Wong Siew Si
Independent Non-Executive Director

Ms Khor Hun Nee
Independent Non-Executive Director

Mr Wee Hiang Chyn *KMN, AMN*
Independent Non-Executive Director

Mr Christopher Hii Lu Ming
Non-Independent Non-Executive Director

Company Secretaries

Ms Voon Jan Moi (MAICSA 7021367)
Practicing Certificate No.: 202008001906

Datuk Ir Michael Hii Ee Sing (LS 0000872)
Practicing Certificate No.: 201908003344

Incorporation

Incorporated on 29 April 1977 in Malaysia

Listing

Listed on Main Market of
Bursa Malaysia Securities Berhad
Sector: ***Industrial Products***
Stock Code: ***7020*** *Stock Name:* ***ASTEEL***

Bursa LINK Agent

Tengis Corporate Services Sdn Bhd

Registered Address

Lot 712 Block 7 Demak Laut Industrial Park
93050 Kuching Sarawak Malaysia.
Tel: +60 82 433 888 Fax: +60 82 433 889

Corporate Office/Business Address

No. 52-4 and 53-4 Setia Avenue
No.2 Jalan Setia Prima S U13/S, Seksyen U13
Setia Alam, 40170 Shah Alam
Selangor Darul Ehsan.
Tel: +60 3 5037 6228 Fax: +60 3 5037 6229

Email : cosec@asteel.com.my

Audit and Risk Committee

Ms Yan Ying Chieh
Senior Independent Non-Executive Director

Datin Josephine Ak Hilary Dom @ Josephine John
Independent Non-Executive Director

Ms Khor Hun Nee
Independent Non-Executive Director

Bankers

Alliance Bank Malaysia Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
Affin Bank Berhad
Ambank (M) Berhad
Malayan Banking Berhad
Malaysian Industrial Development Finance Bhd
MBSB Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

Investment Banks

UOB Kay Hian Securities (M) Sdn Bhd

Legal Advisors

Clement & Co Advocates
J.M. Chong, Vincent Chee & Co.
Lim & Teo Advocates
Tang & Partners, Advocates

Auditors

KPMG PLT (AF 0758)

Internal Auditors

In House

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No.8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia
Tel: +60 3 2783 9299 Fax: +60 3 2783 9222

Certification

ISO 9001:2015
MS ISO 9001:2015
ISO 37001:2025

Website : ***http://www.asteel.com.my***

CORPORATE STRUCTURE

(as at 1 February 2026)

ASTEEL Group

ASTEEL Group Berhad
Reg. No. 1977 0100 1682 (032939-U)

- 80.36% — **ASTEEL Resources Sdn Bhd** (ARSB Group), Reg. No. 2014 0102 7116 (1103206-T)
  - 100% — ASTEEL Sdn Bhd, Reg. No. 1996 0102 0690 (393042-D)
  - 100% — ASTEEL (Sarawak) Sdn Bhd, Reg. No. 2020 0100 7411 (1363731-A)
    - 100% — AS Tiles & Interior Design Sdn Bhd, Reg. No. 2020 0100 9209 (1365529-M)
    - 70% — AS Trans Paint Sdn Bhd, Reg. No. 1992 0100 8265 (239768-D)
    - 51% — AS Singai Sdn Bhd, Reg. No. 2020 0103 5980 (1392301-X)
  - 100% — ASTEEL (Sabah) Sdn Bhd, Reg. No. 2013 0103 2378 (1062207-W)
  - 100% — ASTEEL Development Sdn Bhd, Reg. No. 2013 0103 2399 (1062228-D)
  - 100% — ASTEEL Works Sdn Bhd, Reg. No. 2019 0102 0757 (1330086-T)
  - 100% — ASTEEL Synergy Sdn Bhd, Reg. No. 2020 0100 2709 (1359028-V)
  - 100% — ASTEEL Dynamic Sdn Bhd, Reg. No. 2020 0100 2704 (1359023-T)
  - 60% — ASTEEL AJIYA Sdn Bhd, Reg. No. 2018 0101 7853 (1279869-K)
  - 50% — ASTEEL Top-Mech Sdn Bhd, Reg. No. 2021 0100 1789 (1402087-D)
  - 100% — ASTEEL (NZ) Private Limited, 8167701, NZBN : 9429049224276
    - 51% — ASTEEL Unique Group Limited, 9112292, NZBN : 9429051906566
  - 11.34% — ASTAR Steel Sdn Bhd, Reg. No. 2007 0102 4273 (782292-U)
- 100% — **Starshine Holdings Sdn Bhd** (STARSHINE), Reg. No. 2010 0103 6948 (920871-A)
  - 100% — ASTEEL Marketing Sdn Bhd, Reg. No. 1998 0100 1945 (458071-P)
    - 100% — Star Shine Steel Products Sdn Bhd, Reg. No. 2003 0101 7325 (619745-P)
    - 100% — Star Shine Resources Sdn Bhd, Reg. No. 2010 0104 3533 (927461-U)
    - 51.41% — ASTAR Steel Sdn Bhd, Reg. No. 2007 0102 4273 (782292-U)
  - 100% — Star Shine Global Trading Sdn Bhd, Reg. No. 2001 0103 1201 (566960-K)
  - 100% — Star Shine Industries Sdn Bhd, Reg. No. 1996 0100 3887 (376233-T)

BOARD OF DIRECTORS

TAN SRI (DR.) SOH THIAN LAI
PSM, DIMP, Adjunct Professor (UTHM, TAR UMT)
Executive Chairman

DATO' SRI VICTOR HII LU THIAN
SSAP SMW DIMP
Group Managing Director

MS YAN YING CHIEH
Senior Independent Non-Executive Director

DATIN JOSEPHINE ANAK HILARY DOM @ JOSEPHINE JOHN
Independent Non-Executive Director

MS WONG SIEW SI
Independent Non-Executive Director

MS KHOR HUN NEE
Independent Non-Executive Director

MR CHRISTOPHER HII LU MING
Non-Independent Non-Executive Director

MR WEE HIANG CHYN
Independent Non-Executive Director

TAN SRI (DR.) SOH THIAN LAI

PSM, DIMP, Adjunct Professor (UTHM, TAR UMT)
(Malaysian, age 65, Male)
Executive Chairman

BOARD APPOINTMENT
15 March 2012

BOARD COMMITTEES
Chairman of ESOS Committee.

EDUCATION AND EXPERIENCE
Tan Sri (Dr.) Soh graduated from the Tunku Abdul Rahman College with a Diploma in Technology (Materials Engineering) in 1985. He later obtained a Diploma in Management from Malaysian Institute of Management (MIM) in 1991 and a Master of Business Administration from the University of Bath, United Kingdom in 1994. He was upgraded as a Fellow Member of Malaysia Institute of Management (MIM) in 2010. Tan Sri (Dr.) Soh was conferred with the Honorary Doctorate Degree by Universiti Tun Hussein Onn Malaysia (UTHM) in December 2025.

Tan Sri (Dr.) Soh is one of the major shareholders to ASTEEL Group Berhad (Listed on the Main Market of Bursa Malaysia Securities Berhad) specialising in roofing products & building materials with operations in West Malaysia, Sabah and Sarawak. He has 40 years of experience in corporate management and he is currently the Executive Chairman of ASTEEL Group Berhad.

Tan Sri (Dr.) Soh is currently the President Emeritus of the Federation of Malaysian Manufacturing (FMM) (formerly known as Federation of Malaysian Manufacturers) and Immediate Past President of the National Chamber of Commerce & Industry of Malaysia (NCCIM). He also serves on the Board of Directors of the Malaysian Investment Development Authority (MIDA) under the Ministry of Investment Trade and Industry and the Chairman of MIDA Audit and Integrity Committee; and also appointed by the Minister as Chairman of East Asia Business Council (EABC). He is also appointed as Adjunct Professor by Universiti Tun Hussein Onn Malaysia (UTHM) and Tunku Abdul Rahman University of Management and Technology (TAR UMT).

Tan Sri (Dr.) Soh serves on several key national level councils namely the National Employment Council (NEC); National Science Council (NSC); Advisory Committee for the Malaysian Higher Education Development Plan (PPPTM) 2026-2035; and National Geoeconomic Command Centre Taskforce under MITI. He is the 1st and current Board Chairman of Government-Industry TVET Coordination Body (GITC) under MTVET. He is also a member of the Malaysian Steel Council (MSC); and member of Finance and Investment Committee of Tunku Abdul Rahman University of Management and Technology (TAR UMT) and member of the Anti-corruption Caucus established by the Malaysian Anti-Corruption Commission (MACC). Tan Sri is also the Chairman of the ASEAN Manufacturing Network (Malaysia) under ASEAN Business Advisory Council (BAC).

Tan Sri (Dr.) Soh was the former Chairman of the Technical Committee of the TVET Empowerment Cabinet Committee; and founding member and former Director of Malaysian Steel Institute (MSI). Tan Sri (Dr.) Soh has also formerly served as member of PEMUDAH (Special Task Force to Facilitate Business) under the Prime Minister's Office; National TVET Council (MTVET); Economic Action Council (EAC); Malaysian Qualifications Agency (MQA) and Malaysian Standard & Accreditation Council (MSDAM).

Tan Sri (Dr.) Soh is the Honorary President of the Malaysian Iron & Steel Industry Federation (MISIF); and former Vice President of Asean Iron & Steel Council.

He attended all four (4) Board meetings held during the financial year ended 31 December 2025.

His shareholdings in the Company and the Group are disclosed in the Directors' interest section under the heading "Analysis of Shareholdings" on pages 129 and 130 of this annual report.

OTHER DIRECTORSHIP IN PUBLIC COMPANY
Federation of Malaysian Manufacturing (FMM)
(formerly known as Federation of Malaysian Manufacturers)
Government - Industry TVET Coordination Body
GS1 Malaysia Berhad
Yayasan PKT

DATO' SRI VICTOR HII LU THIAN

SSAP SMW DIMP
(Malaysian, age 51, Male)
Group Managing Director

BOARD APPOINTMENT
27 February 2006

BOARD COMMITTEES
A Member of ESOS Committee.

EDUCATION AND EXPERIENCE
Dato' Sri Victor Hii holds an Executive Master of Science in Project Management, Master of Business Administration in Management, IME Mini MBA Executive Program in Business Management (Singapore/Denmark), Bachelor of Business Administration in Management, Bachelor of Science (Project Management), and Diploma in Executive Secretaryship.

He serves as Vice President of Federation of Malaysian Manufacturing (FMM) (formerly known as Federation of Malaysian Manufacturers) and chairs the FMM Industrial Linkage & Supply Chain Committee; He is Vice President IV for Malaysian Iron & Steel Industry Federation (MISIF) and Immediate Past Chairman for MISIF Sarawak branch.

An active member of Sarawak's skills-development ecosystem, he is a council member of Pusat Pembangunan Kemahiran Sarawak/Sarawak Skills (Chairman of Industry Driven Consultative Committee, Member of Establishment Committee and Member of the Marketing and Employability Committee).

In industry associations he is the Vice President of Sarawak Manufacturers' Association (SMA) and Vice President of Kuching and Kota Samarahan Division Hardware and Machinery Merchants' Association;

His community and advisory roles include Advisor to Kuching Life Care Society (Pertubuhan Pemeliharaan Hayat Kuching); Deputy Chairman of Koh Yang (Kho Clan) Association; Chairman to Board of Management of SJK St. Paul Kuching and Vice President of Rotary Club of Kuching Central.

He attended all four (4) Board meetings held during the financial year ended 31 December 2025.

Dato' Sri Victor Hii is a brother of Mr Christopher Hii Lu Ming, who is a Director and major shareholder of the Company. His shareholdings in the Company and the Group are disclosed in the Directors' interest section under the heading "Analysis of Shareholdings" on pages 129 and 130 of this annual report.

OTHER DIRECTORSHIP IN PUBLIC COMPANY
Federation of Malaysian Manufacturing (FMM)
(formerly known as Federation of Malaysian Manufacturers)
Malaysian Iron & Steel Industry Federation

MS YAN YING CHIEH

(Malaysian, age 63, Female)
Senior Independent Non-Executive Director

BOARD APPOINTMENT
3 July 2017

BOARD COMMITTEES
Chairlady of Audit and Risk Committee, and a member of Nomination, Remuneration and ESOS Committees.

EDUCATION AND EXPERIENCE
Ms Yan is a member of the Association of Chartered Certified Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia. She has over 25 years of experience in senior financial management and the financial services sector.

Ms Yan studied accountancy in Tunku Abdul Rahman College and started her career in auditing. After several years with a couple of audit firms, she ventured into corporate advisory services with a well-established merchant bank in Malaysia. Subsequently, she joined a public listed company in the oil and gas industry as Finance Manager and later served as Chief Financial Officer for over 10 years. Ms Yan is also a Certified Financial Planner and has been in the financial planning/advisory services since 2010.

She does not have any direct or indirect shareholdings in the Company and Group. Ms Yan has no family relationship with any Directors or major shareholders of the Company. She has no conflict of interest with the Company.

She attended all four (4) Board meetings held during the financial year ended 31 December 2025.

DATIN JOSEPHINE ANAK HILARY DOM @ JOSEPHINE JOHN

(Malaysian, age 71, Female)
Independent Non-Executive Director

BOARD APPOINTMENT
1 February 2023

BOARD COMMITTEES
Chairlady of Remuneration Committee, and a member of Audit and Risk Committee.

EDUCATION AND EXPERIENCE
Datin Josephine was appointed to the Board on 1 February 2023. She holds a Bachelor's Degree in Economics from Universiti Malaya, Malaysia and has over 38 years of experience in the field of taxation as well as in senior management and leadership roles. She had also represented the country in presenting technical papers in international tax conferences such as Commonwealth Association of Tax Administrators (Accra, Ghana), Study Group on Asia-Pacific Tax Administrator And Research (Cebu, Philippines), IMF-Japan High Level Tax conference for Asian Countries (Tokyo). She retired as the Sarawak State Director of Inland Revenue Board, Sarawak in 2014.

She attended all four (4) Board meetings held during the financial year ended 31 December 2025.

She also sits on the Board of other public companies, Amanah Saham Sarawak Berhad, Petroleum Sarawak Berhad and Hartanah Kenyalang Berhad (formerly known as Hartanah Kenyalang Sdn Bhd). She does not have any direct or indirect shareholdings in the Company and Group. Datin Josephine has no family relationship with any Directors or major shareholders of the Company. She has no conflict of interest with the Company.

OTHER DIRECTORSHIP IN PUBLIC COMPANY
Amanah Saham Sarawak Berhad
Petroleum Sarawak Berhad
Hartanah Kenyalang Berhad (fka Hartanah Kenyalang Sdn Bhd)

MS WONG SIEW SI

(Malaysian, age 62, Female)
Independent Non-Executive Director

BOARD APPOINTMENT
1 February 2023

BOARD COMMITTEES
Chairlady of Nomination Committee and a member of Sustainability Committee.

EDUCATION AND EXPERIENCE
Ms Wong was appointed to the Board on 1 February 2023. She holds a Diploma in Accounting from Stamford College, Singapore. She was admitted as a Member of the Association of Accounting Technicians, United Kingdom in 1989 and was subsequently awarded Full Membership in 2022. She is also a member of the Institute of Corporate Directors Malaysia since 2019. She brings over 42 years of experience in credit risk management, corporate recovery, wealth management, auditing, consulting, banking, brokerage and securities. She is also a Member of the Sustainability Committee of the Company.

She attended all four (4) Board meetings held during the financial year ended 31 December 2025.

She also holds directorship in other public listed companies, namely Olympia Industries Berhad and Reach Ten Holdings Berhad. She does not hold any direct or indirect shareholdings in the Company and Group. Ms Wong has no family relationship with any Directors or major shareholders of the Company. She has no conflict of interest with the Company.

She is currently a Marketing Representative for CGS International Securities Malaysia Sdn Bhd and CGS International Wealth Management Sdn Bhd. She is also an Introducer for CGS International Securities Singapore Pte Ltd.

OTHER DIRECTORSHIP IN PUBLIC COMPANY
Olympia Industries Berhad
Reach Ten Holdings Berhad

MS KHOR HUN NEE

(Malaysian, age 49, Female)
Independent Non-Executive Director

BOARD APPOINTMENT
1 February 2023

BOARD COMMITTEES
A member of Audit and Risk, Remuneration and Sustainability Committees.

EDUCATION AND EXPERIENCE
Ms Khor was appointed to the Board on 1 February 2023. She is a fellow member of the Association of Chartered Certified Accountants and member of Malaysian Institute of Accountants. She has over 24 years of experience in auditing, accounting and financial services sector. She is also a member of the Sustainability Committee of the Company.

She attended all four (4) Board meetings held during the financial year ended 31 December 2025.

She was a Director of SWS Capital Berhad and Fiamma Holdings Berhad. She also holds directorship in other public companies, namely Jaks Resources Berhad and Hextar Retail Berhad. She does not have any direct or indirect shareholdings in the Company and Group. Ms Khor has no family relationship with any Directors or major shareholders of the Company. She has no conflict of interest with the Company.

OTHER DIRECTORSHIP IN PUBLIC COMPANY
Jaks Resources Berhad
Hextar Retail Berhad

MR WEE HIANG CHYN

(Malaysian, age 64, Male)
Independent Non-Executive Director

BOARD APPOINTMENT
1 July 2025

BOARD COMMITTEES
Chairman of Sustainability Committee.

EDUCATION AND EXPERIENCE
Mr Wee was appointed to the Board on 1 July 2025.

He graduated from, Carleton University Ottawa, Ontario, Canada with a Bachelor in Economics.

Mr Wee is the President of the Master Builders Association Malaysia (MBAM) since 2022. At the national level, he serves on the Board of Construction Industry Development Board Malaysia (CIDB) and was on Board of Construction Labour Exchange Berhad (CLAB) from 2020 until 2023. He is a member of the Panel of Experts under the Local Government Development Ministry, the Council of Experts under the Government-Industry TVET Coordination Body (GITC), and an Advisory Member for the CIDB Construction Law Report. He was appointed as a Board of Advisory member for the Pusat Kecemerlangan Kejuruteraan dan Teknologi, JKR (CREaTE) LPC Tier 1 in December 2025. He is also the chairman of the Sustainability Committee of the Company.

Mr Wee is deeply committed to promoting mediation and dispute resolution in the construction sector. He founded the MBAM Mediation Service and is an empanelled mediator with both the Asian International Arbitration Centre (AIAC) and CIDB. Since November 2024, he has also served on the Panel of Experts at the Borneo International Centre for Arbitration and Mediation (BICAM), and he is an International Mediator for the CHINCA Mediation Centre respectively since November 2024 and June 2025.

Internationally, Wee holds several prominent positions. He is a Board Member and Chairman of the Conditions of Contracts Committee at the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA), and serves as its Ambassador to the Federation International of Consulting Engineers (FIDIC). He is also a Board Member of the ASEAN Constructors' Federation. In July 2023, he was appointed as a Committee Member of the Regional Comprehensive Economic Partnership (RCEP) Industry Cooperation Committee under the China-ASEAN Business Council, where he contributes to regional industrial collaboration and integration. He continues to hold various past and current leadership roles within national and international construction bodies.

Since his appointment to the Board on 1 July 2025, Mr Wee attended two (2) Board meetings applicable to him during the financial year ended 31 December 2025.

He does not have any direct or indirect shareholdings in the Company and Group. Mr Wee has no family relationship with any Directors or major shareholders of the Company. He has no conflict of interest with the Company.

MR CHRISTOPHER HII LU MING

(Malaysian, age 49, Male)
Non-Independent
Non-Executive Director

BOARD APPOINTMENT
2 January 2014

BOARD COMMITTEES
A Member of Nomination Committee

EDUCATION AND EXPERIENCE
Mr Christopher Hii was re-designated from Executive Director to Non-Independent Non-Executive Director on 1 September 2015. He graduated from University of Canterbury, New Zealand with a Bachelor's of Science Honours Degree in Mechanical Engineering in 2000.

Mr Christopher Hii joined ASTEEL in the year 2000 as a Mechanical Engineer and involved in the construction of ASTEEL factory and office buildings and in the management and operations of ASTEEL including production, quality assurance, control and logistics.

He attended all four (4) Board meetings held during the financial year ended 31 December 2025.

Mr Christopher Hii is a brother of Dato' Sri Victor Hii Lu Thian, who is a Director and major shareholder of the Company. His shareholdings in the Company and the Group are disclosed in the Directors' interest section under the heading Analysis of Shareholdings on pages 129 and 130 of this annual report.

Notes:
Save as disclosed above, none of the Directors have:
- *any family relationships with any Director of the Company, and/or major shareholders of the Company save for Dato' Sri Victor Hii and Mr Christopher Hii.*
- *any conflicts of interest with the Company other than the significant related party transactions as disclosed in the Notes to the Financial Statements of this Annual Report.*
- *any conviction of offences within the past five (5) years (other than traffic offences).*
- *any sanction and/or penalty imposed on them by the regulatory bodies during FY2025.*

PROFILE OF KEY SENIOR MANAGEMENT

TAN SRI (DR.) SOH THIAN LAI
(Malaysian, age 65, Male)
Executive Chairman

Please refer to description under the heading **"Directors' Profile"** on **Page 12**.

DATO' SRI VICTOR HII LU THIAN
(Malaysian, age 51, Male)
Group Managing Director

Please refer to description under the heading **"Directors' Profile"** on **Page 13**.

MR GOH KWAN SENG
(Malaysian, age 56, Male)
Senior Executive Director – ASTAR Steel Sdn Bhd ("ASTAR")

Appointment
1 September 2022

Education and Experience
Mr. Goh Kwan Seng graduated from Auckland University of Technology, he holds a Bachelor Degree of Architecture. His prior work experience includes Jabatan Kerja Raya Malaysia as Architecture Technician, Sales and Marketing Manager (Southern) - Concrete Products Division in MCB Holdings Berhad Group, Regional Sales and Marketing Manager (Southern) - Concrete Products Division in PJD Holdings Berhad Group. Deputy General Manager – Metal Roll Forming Division in Ajiya Berhad.

He was appointed as Joint Managing Director on 9 August 2019 and re-designated as Senior Executive Director of the Company with effect from 1 September 2022.

MS AW CHIEW LAN
(Malaysian, age 55, Female)
Chief Financial Officer

Appointment
1 January 2025

Education and Experience
Ms Aw Chiew Lan is a graduate of the Association of Chartered Certified Accountants ("ACCA"). She is a member of Malaysian Institute of Accountants and a fellow member of ACCA since 2002.

Ms Aw joined ASTEEL in 1991 and had since been responsible for financial reporting and administrative affair of ASTEEL Group. She was part of the Due Diligence Working Group for corporate exercises, ensuring smooth completion and implementation.

On 1 July 2015, she was appointed Director of Finance for ARSB Group of Companies, overseeing its financial affairs. In January 2025, Ms Aw was redesignated to Chief Financial Officer of ASTEEL Group where she is primarily responsible for the Group's financial management, including strategic financial planning, risk management, and corporate governance. She plays a crucial role in driving financial sustainability, optimizing operational efficiencies and ensuring compliance with regulatory requirements.

MS FOO AI TING
(Malaysian, age 51, Female)
Director for Management Support cum Special Assistant to Executive Chairman

Appointment
1 July 2017

Education and Experience
Ms Foo Ai Ting graduated in 1999 from University of Malaya with a Bachelor of Arts (Honours) majoring in Economics and obtained a Master of Economics from the same university in 2002.

She began her career in 1999 with S.Kian Seng Sdn Bhd as Purchasing Executive and was promoted to Costing Executive in 2000. In 2002, she joined Hing Tai (2020) Sdn Bhd as Administrative and Human Resources Executive. In 2006, she joined Sorella (M) Sdn Bhd as Senior Human Resources Executive. In 2007, she joined ASTEEL Marketing Sdn. Bhd. as Assistant Manager for the Corporate Affairs Department and appointed as Special Assistant to AGB Group Executive Chairman in 2012 and assumed her current position in July 2017. She is responsible for overseeing Group Administration and Human Resource Department, Group Procurement and Purchasing and IT Department of Starshine Group of Companies. Ms Foo was appointed as Director of ASTAR Steel Sdn Bhd on 1 July 2017 and Director of ASTEEL Marketing Sdn Bhd on 13 May 2024. Ms. Foo serves on the Federation of Malaysian Manufacturing (FMM) (formerly known as Federation of Malaysian Manufacturers) Customs Committee for the 2026–2027 term.

TS. FONG FUI YEE
(Malaysian, age 47, Male)
Chief Business Development & Corporate Affairs Officer – ASTEEL Group

Appointment
12 May 2018

Education and Experience
Ts. Fong Fui Yee graduated in 2003 from Coventry University of UK with Master in Manufacturing and he also graduated in 2022 from Universiti Malaysia Sarawak (UNIMAS) with Executive Master in Leadership Development. He held the title of Professional Technologist (Ts.) being a registered member with Malaysia Board of Technologists (MBOT).

He first joined ASTEEL in 2003 as a Quality Controller and he has worked in various department including production, sales, marketing and business development. With the vast technical experience in the group of more than 22 years, he is actively collaborating with Swinburne University and UNIMAS in product research and development. He is also actively engaged in industrialised buildings products solution, steel product design, industry speaker for various universities and institutions, project management and analyst on business acquisition. Currently he oversees the business development and corporate affair of ASTEEL Group of Companies. He has been appointed as MISIF Council Member and Sarawak Branch Chairman. He also being appointed by UNIMAS as Industrial Advisory Panel member under Faculty of Engineering, he served as the Honorary Treasurer of Technological Associations of Malaysia (TAM) Sarawak Branch, served as the Honorary Treasurer of Persatuan Alumni AOTS Malaysia (PAAM) Sarawak Branch and also Committee of Persatuan Industri Demak Laut (PIDE).

MR KOH TECK HOE

(Malaysian, age 51, Male)
Executive Director
– ASTEEL Marketing Sdn Bhd ("ASM")

Appointment
12 May 2022

Education and Experience
Mr Koh Teck Hoe graduated from Taiwan National Pingtung Polytechnic Institute in Business Administration in year 1997. He joined Amalgamated Industrial Steel Bhd as Sales Executive in 1997.

Mr Koh joined Star Shine Industries Sdn Bhd on 15 August 2008 as Sales Manager to spearhead its business development, marketing and trading operations and on 1 October 2016, he was transferred to ASTEEL Marketing Sdn. Bhd. as Assistant General Manager – Sales.

Mr Koh was appointed as Executive Director of ASTEEL Marketing Sdn. Bhd. on 12 May 2022 and Director of Star Shine Steel Products Sdn Bhd on 22 Feb 2024.

MR CHONG KON YU

(Malaysian, Age 63, Male)
Executive Director cum General Manager
– ASTEEL (Sabah) Sdn Bhd ("ASSB")

Appointment
1 January 2022

Education and Experience
Mr Chong Kon Yu commenced his career in Accounting and Auditing in 1982 and joined PricewaterhouseCoopers (formerly Coopers & Lybrand), an International Accounting Firm in 1988, where he gained extensive exposure across industries including manufacturing, banking, property development, plantation, telecommunication, hotel and trading. He left the profession in 1993 to pursue corporate roles in finance and operations.

Prior to joining ASTEEL Group, he held the position of Finance Manager with Kemayan Group and K-STEEL Group, overseeing finance, roll forming, hardware and building materials businesses in Sabah.

Mr Chong joined ASTEEL Group in December 2013 as Senior Manager - Operations, and was appointed Executive Director cum General Manager on 1 January 2022. He oversees the overall expansion, operational management and business performance of ASTEEL (Sabah) Sdn Bhd. Under his leadership, the Group strengthened its footprint in Sabah with the establishment of branches in Tawau and Lahad Datu, in addition to its Kota Kinabalu operations.

With over a decade of service to the Group, he remains committed to driving sustainable growth, operational excellence and strengthening ASTEEL's presence in Sabah's building materials sector.

TS. DENNIS NG TEE WUI

(Malaysian, Age 39, Male)
Executive Director cum General Manager
– ASTEEL Development Sdn Bhd ("ADSB")

Appointment
1 January 2023

Education and Experience
Ts. Dennis Ng graduated from Politeknik Kuching Sarawak with a Diploma in Civil Engineering in the year 2007, later in 2011 he obtained a Bachelor Degree in Civil Engineering from Universiti Tun Hussein Onn Malaysia. He then served the State Government Local Authorities in Miri and Sarikei, Sarawak between 2012 to 2017. Later in the year 2018, he joined ASTEEL Group of Companies as a Senior Manager overseeing the Engineering, Design and Project Division. He is passionate on cross architectural–engineering building solutions, integrated project design, functionality and present-ability of building materials.

MR TING SIE GAIN

(Malaysian, age 51, Male)
Chief Operating Officer

Appointment
1 July 2024

Education and Experience
Mr Ting Sie Gain graduated from University Technology Malaysia in 1998 with a Bachelor's degree in Mechanical Engineering, majoring in Marine Technology. He later obtained a Master of Business and Administration from University Sarawak Malaysia in 2007.

He began his career in 1998 with Samling Dorfohom Sdn Bhd as Assistant Mechanical Engineer and was promoted to Production cum Process Engineer in 1999. From the year 2000 to 2013 he held key positions in various companies, serving as a Facilities Manager, Terminal Manager and Assistant General Manager. Prior to joining ASTEEL Group, he held the position of General Manager of Gold Coin Sarawak Sdn Bhd since 2015.

Mr Ting joined ASTEEL Group in 2023 as General Manager. In July 2024, he was promoted to Chief Operating Officer of ASTEEL Group Berhad overseeing Group Human Resource, Supply Chain, Process Compliance and IT. Additionally, he holds the position of General Manager for several ASTEEL Group subsidiaries.

Notes:
Save as disclosed above, none of the key senior management have:
- *any directorship in public companies and listed issuers;*
- *any family relationship with any directors and/or major shareholders of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences (other than traffic offences) within the past five (5) years; and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year under review.*

5 CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the "Board") of ASTEEL Group Berhad recognises that a well-defined corporate governance structure is vital in enhancing corporate accountability, long-term sustainability as well as business growth in its overall management of the Group to safeguard and enhance shareholder value while taking into account the interest of other stakeholders. The Board is guided by the measures set out in Bursa Malaysia Securities Berhad's ("Bursa Securities"), Main Market Listing Requirements ("MMLR") and Malaysian Code on Corporate Governance 2021 ("MCCG") in developing its corporate governance structure. The governance processes are regularly reviewed and refined in accordance to the needs and circumstances of the Group.

The Board is pleased to report on the extent in which the governance principles and its processes are internalized within the group; and the role of the Board and its relationship with shareholders, investors, management as well as Committees during the financial year ended 31 December 2025 ("FY2025") and to the date of this Statement. The Board believes that the Company has complied substantially with the best practices of MCCG and the provisions in MMLR except where stated in this Statement. This statement is to be read together with the CG Report 2025 of the Company which is available at website of Bursa Malaysia at https://www.bursamalaysia.com/market_information/announcements/company_announcement.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

(i) Board of Directors

The Board is entrusted with the overall management, strategic direction, formulation of policies and overseeing the business of the Group. The Board has delegated the policies implementation to the Executive Chairman and Group Managing Director who also oversee the Group's operations, develop and implement business strategies. The Independent Non-Executive Directors fulfil a pivotal role in corporate accountability by providing independent views, advice and judgement to enable a balanced and unbiased decision-making process in safeguarding shareholders' interest.

(ii) Board Charter

Board Charter formalises and sets out the role and responsibilities of the Board and ensures Directors acting on behalf of the Company are aware of the various legislations and regulations affecting their conduct and that the principles and practices of good governance are applied in their dealings in respect of the Company. Board Charter comprises, among others, well defined terms of reference ("TOR") and various relevant internal processes. The Board Charter is reviewed from time to time to reflect changes to the Board's policies, procedures and processes as well as incorporate amendments on the relevant rules and regulations to ensure it remains consistent with the Board's objectives, current law and best practice.

(iii) Directors' Code of Ethics

The Board has formalised a Code of Ethics setting out the manner in which the Directors conduct themselves. It provides transparency, integrity and accountability as well as clear direction on conducting business, guidance on disclosure of interest, maintaining confidentiality and disclosure of information, good practices and internal control. The Code is reviewed from time to time to ensure best practices are incorporated.

(iv) Anti-Bribery and Anti-Corruption, Code of Conduct and Whistleblowing Policy & Procedure

The Board has a set of Whistle Blowing Policy & Procedures to provide a framework to promote and secure whistleblowing without fear of adverse consequences. Employees, shareholders and stakeholders may use the procedures set out in this Policy to report any matters of concern. As the Group reinforces its principle towards zero-tolerance approach to bribery and corruption in all its forms, proactive actions have been taken to strengthen the Group's internal processes and practices during the financial year to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt activities.

The Group has also implemented ISO 37001:2025 Anti-Bribery Management System in August 2025 as part of the Group's ongoing commitment to uphold integrity, transparency and ethical business conduct.

The Board Charter, Code of Ethics and Whistleblowing Policy & Procedure which include conflict of interests are embedded in the Board Charter and are available on the Company's website (www.asteel.com.my) for easy access by the shareholders and the public.

(v) Sustainability of business

The Board is mindful of its responsibility on the Environmental, Social Governance ("ESG") aspects of business sustainability. As such, the ESG aspects are considered by the Board in the review and approval of corporate strategies.

In addition, the Company has carried out various efforts addressing the ESG aspects of its business sustainability, which include capitalising on technology to promote environmental sustainability for its development projects, maintaining open and effective communication channels with its shareholders, and giving back to the community via its corporate social responsibility activities. Details report on sustainability activities are provided under the heading of Sustainability Report in this Annual Report.

(vi) Role and Responsibilities of the Board

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing, approving and monitoring of overall strategies and direction of the Company, including sustainability of the Group's businesses;
- overseeing and evaluating the conduct and performance of the Group's businesses;
- identifying and managing principal risks facing the Group and ensuring the implementation of appropriate systems to manage these risks;
- ensuring appropriate corporate disclosure policy and procedures are in place for effective dissemination of information which is comprehensive, accurate and timely and leverage on information technology, where applicable;
- reviewing and monitoring the systems of risk management and internal control, continuous disclosure, legal and regulatory compliance and other significant corporate policies; and
- succession planning, including appointing, training, fixing the compensation of, and, where appropriate, replacing members of the Board and Senior Management.

(vii) Access to information and advice

To assist in the discharge of their responsibilities, Directors are entitled to full and unrestricted access, either as a full Board or in their individual capacity, to all information and reports on financial, operational, corporate regulatory, business development and audit matters for decisions to be made on an informed basis. To expedite the conduct of Board meetings, all Directors receive the meeting agenda accompanied with a set of Board papers prior to the meetings.

(viii) Company Secretaries

The Company is supported by two Company Secretaries. Both Company Secretaries are qualified Secretaries under Section 235(2)(a) of the Companies Act 2016.

The Company Secretaries support the Board to ensure its effective functioning, and in managing the corporate governance framework of the Group. The Company Secretaries also advise the Directors on their fiduciary and statutory duties, as well as compliances with company law, the MMLR, the Company's Constitution, the MCCG, Board policies, and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliances, as and when necessary.

Both Company Secretaries attended the 2025 Annual General Meeting ("AGM") and at least one (1) Company Secretary attends all Board and Board committee meetings during the FY2025. All deliberations at the AGM and all Board and Board committee meetings are formally minuted for the Board's reference and for action plans to be communicated to the Management to work on and to report back to the Board on follow-up actions. The Board is also updated on the Directors' Resolutions in Writing passed, Directors' dealings pursuant to Chapter 14 of the MMLR, announcements made to Bursa Securities and circulars or correspondences from Bursa Malaysia Berhad, at every scheduled Board meeting during the year. The Company Secretaries also update the Board on changes in the regulatory requirements.

The Company Secretaries has and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, changes in the regulatory environment, industry updates and other pertinent matters.

They undergo regular training and also attended the relevant continuous professional development programmes. The Directors are satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its function and duties.

(ix) Board Composition and Diversity

During the financial year 2025, the Board comprised of nine (9) members, with seven (7) Non-Executive Directors (including five (5) Independent Directors) and two (2) Executive Directors.

One (1) Independent Director retired on 28 February 2025 and subsequently another one (1) Independent Director was appointed on 1 July 2025 and the Board currently comprises nine (9) members, with seven (7) Non-Executive Directors (including five (5) Independent Directors) and two (2) Executive Directors.

The Directors, with their diverse backgrounds and qualifications in both the public and private sectors and academic backgrounds, provide a collective range of skills, expertise and experience in engineering, entrepreneurship, accounting and audit, taxation and government which is vital to effectively lead the Group. The profile of each Director is set out under the heading Directors' Profile in this Annual Report.

The existing Board complies with the MMLR which requires one-third of the Board to be independent. The Independent Non-Executive Directors have fulfilled the independence criteria set out in the Board Charter and MMLR. They are individuals with integrity and high calibre who always play important roles by exercising independent judgement, participate objectively in the Board's decision making process and acted in the best interest of the Group and ensure that the interests of minority shareholders are safeguarded. They bring with them independent views, advice and judgement on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities within which the Group conducts its business. Independent Directors are vital in protecting the interests of minority shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality and objectivity. The Non-Independent Non-Executive Directors have also contributed essential business know how and management experience relevant to the Group.

The structure, size and composition of the Board are reviewed annually to ensure that it has the appropriate mix of expertise and experience.

The gender, age, ethnicity and knowledge diversity of the Board is as follows.

	Gender		Age				Ethnicity			Industry Knowledge / Profession			
	Male	Female	40-49 years	50-59 years	60-69 years	70-75 years	Chinese	Others - Iban	Japanese	Metallurgy / Engineering	Management	Accounting & Finance	Arbitrate
Tan Sri (Dr.) Soh Thian Lai	√				√		√			√	√		
Dato' Sri Victor Hii Lu Thian	√			√			√			√	√		
Ms Yan Ying Chieh		√			√		√					√	
Datin Josephine Anak Hilary Dom @ Josephine John		√				√		√			√	√	
Ms Wong Siew Si		√			√		√					√	
Ms Khor Hun Nee		√	√				√					√	
Mr Wee Hiang Chyn	√				√		√			√			√
Mr Christopher Hii Lu Ming	√		√				√			√			
Mr Koichiro Nakazawa	√		√						√		√		

There is a clear division of role and responsibility between the Executive Chairman and the Group Managing Director to ensure a balance of power and accountability for the Board to make well-considered decisions. The Chairman leads and ensures effective and comprehensive Board discussion on strategic issues, business planning, other matters brought to the Board and responsible for the Board's effectiveness and standard of conduct.

The Executive Chairman together with the Group Managing Director oversee the business operations and development of the Group as well as implementation of policies and ensures that strategies, policies and matters approved by the Board are effectively implemented. The Executive Chairman and Group Managing Director also provide overall oversight, guidance, advice between the Board of Directors and Management.

Currently, the Board consists of 44.4% female directors who participated actively in all deliberations. Female staff at Senior Management level constitutes 31.4%. Both the Board and Senior Management's Gender diversity has exceeded our policy target of 30%.

(x) Board Meetings and Directors' Training

The Board meets at least four (4) times annually, with the meetings scheduled well in advance at the beginning of each financial year to facilitate the Directors in managing their meeting plans. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

At the quarterly meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings. Four (4) meetings were held during the FY2025 which were attended by all the Directors.

Name of Director	Meetings attended	Percentage of attendance (%)
Tan Sri (Dr.) Soh Thian Lai *(Executive Chairman)*	4/4	100%
Dato' Sri Victor Hii Lu Thian *(Group Managing Director)*	4/4	100%
Ms Yan Ying Chieh *(Senior Independent Non-Executive Director)*	4/4	100%
Datin Josephine Anak Hilary Dom @ Josephine John *(Independent Non-Executive Director)*	4/4	100%
Ms Wong Siew Si *(Independent Non-Executive Director)*	4/4	100%
Ms Khor Hun Nee *(Independent Non-Executive Director)*	4/4	100%
Mr Wee Hiang Chyn *(Independent Non-Executive Director)*	2/2	100%
Mr Christopher Hii Lu Ming *(Non-Independent Non-Executive Director)*	4/4	100%
Mr Koichiro Nakazawa *(Non-Independent Non-Executive Director)*	4/4	100%

Chief Financial Officer ("CFO"), Founder and Group Advisor were permanent invitees to Board meetings to present reports on matters relating to their areas of responsibility, and to provide insight into reports or recommendations submitted to the Board. The matters discussed, considered, deliberated and approved by the Board in FY2025, included, *inter alia*, highlights of the Group's business and performance; annual plans and budget as well as subsequent mid-year review ; quarterly and full year results; corporate proposals; significant asset disposal; and risk and control situation encompassing risk management and governance initiatives.

The Board has also stipulated in its Board Charter, the need for Directors to notify the Chairman prior to accepting any new directorship and the notification includes an indication of time that will be spent on the new appointment, in order for the Chairman to assess if Directors are able to commit sufficient time to discharge their duties and responsibilities in the Company.

The Board is mindful that continuous education is vital for Board members to gain insight into the state of economy, technological advances, regulatory updates and management strategies to enhance the Board's skill sets and knowledge in discharging its responsibilities. During FY2025, the Directors have also attended other relevant trainings and seminars organised by relevant regulatory and professional bodies to keep abreast of latest developments and changes to regulatory requirements.

The Nomination Committee identifies the training needs of each Director via the performance evaluation of the individual Directors. The continuous education programmes attended by the Directors during FY2025 were as follows:

Name of Directors	Name of Training Attended
Tan Sri (Dr.) Soh Thian Lai	• EABC Seminar on RCEP • GS1 Global Forum 2025 • FMM Press Conference - FMM Business Conditions Survey • Thailand Economic Forum 2025 • Luncheon Meeting with H.E. Dr Asif Nazrul, Honourable Adviser for Expatriates' Welfare and Overseas Employment, Bangladesh • China (Xinjiang)-ASEAN Economic and Trade Exchange Conference • EABC Seminar on RCEP • National Economic Forum (NEF) 2025 • Korea-Malaysia Business Forum 2025 • East Asia Business Forum 2025 • ASEAN Business and Investment Summit 2025
Dato' Sri Victor Hii Lu Thian	• Anti Bribery Management System Training • Sarawak 13MP Technical working group stakeholder engagement with private sector • CIDB Exam • ESG Training • Swinburne Swk Masterplan 2030 Launching • Asia HRD Congress 2025 • Workshop on Graduate Employability And Industry Readiness • SME Community Outreach Programme • FMM Dialogue session with MACC • TAX Submit 2025 by KPMG
Ms Yan Ying Chieh	• AFA Annual Conference • Phillip Capital Investment Conference • A Journey Through the Looking Glass:Towards Future-Proofing Malaysia's Food Security • Empowering Entrepreneurs: Financial Planning for Entrepreneurship • How are Boards tracking the progress and quality of Sustainability Reporting • 2026 Malaysian Budget Talk
Datin Josephine Anak Hilary Dom @ Josephine John	• Finance Essentials for Non-Finance Directors • Transfer Pricing & Tax Corporate Governance Seminar 2025 • Corporate Governance & Ethical Decision Making • Anti-Bribery & Anti-Corruption Awareness with MACC Sarawak • National Tax Conference 2025 • Seminar Percukaian Kebangsaan 2025 • Anti Money Laundering, Counter Financing of Terrorism & Counter Proliferation, Financing in Capital Markets • Strategies for combating Cyber Fraud in a rapidly evolving threat landscape

Name of Directors	Name of Training Attended
Ms Wong Siew Si	• CGSI 17th Annual Corporate Day – The Rise of an Asian Tiger • Forum Ekonomi Malaysia 2025 • ICDM BSC Advocacy Dialogue & Debate session "Impact in Action from Leadership to Stewardship" • E-Invoicing Essentials for Board Directors: Navigating the Compliance landscape • Masterclass 2025 – Carbon pricing & Markets : EU Insights & Implications for Malaysia • Anti-Money Laundering Countering the Financing of Terrorism and Countering Proliferation Financing in Capital Markets • Board leadership in Industry Disruption: Steering company through Market shifts • Financial Masterclass - Bitcoin & Cryptocurrencies, the Future of wealth in a Digital world • Empowering Stock market Professionals with today's AI for the Capital markets of tomorrow • Trump, Trade & Trends : Navigating Economic Uncertainties • Financial Masterclass – Delivering Impactful presentations by using the storytelling method & AI Assistance • EXPO 2025 Special Symposium – Shaping the Future of Asean & Japan • ICDM Advocacy Dialogue Session : E-Invoicing & its Impact on Directors • Valuation on Mergers & Acquisitions • Asean Business Forum 2025 "From Vision to Reality : Asean Partnership fueling Sustainable Growth" • The Age of Artificial Intelligence- The Impact & Applications in Financial Services • CGM Directors Masterclass "Overview of Climate-related physical risks" • ICDM BNRC Dialogue "Implementing Strategies with skill matrix" • Powertalk 2025 Series "Leading for Longevity: The Board's Role in driving Innovation" • ICDM BRMC Dialogue "Governance in an Era of Trade Uncertainty: Navigating Tariffs, Risks and Opportunities" • Urban Biodiversity Conference : "Coexistence" - Shared Environment for Balance & Resilience" • MyFinTech 2025 -Building AI knowledge base to combat Investment scam -The Evolving Scam landscape, trends & technologies -Cross-Agency Enforcement: Coordinated takedown of a scam network • Sustainable Construction Symposium 2025 "Building Trends redefined: The next Level" • Navigating anti-corruption : Insights on the US Foreign Corrupt Practices ACT (FCPA) & the Impact on Asean business • Malaysia's Natural Heritage: Are we protecting what truly matters? • CGM Roundtable Series 2025: Carbon Sinks sector Part 1 "Building verifiable carbon sinks for Malaysia Net Zero Future" • CGM Roundtable Series 2025: Carbon Markets & Transition Credits • CGM Roundtable Series 2025: Power: Energy & Efficiency "Building a stronger energy efficiency ecosystem" • CGM Roundtable Series 2025: "Building Better: Low carbon materials & Circular Construction" • CGM Roundtable Series 2025: Blended Finance Access • CGM Roundtable Series 2025: Built Environment – Restoring Urban Biodiversity & Natural Heritage • Malaysian Carbon Market Forum 2025 • Code of Conduct Training • Inside the Boardroom Malaysia Chapter 2 • Annual Conference Financial Street Forum 2025 "Integrating Finance, Expertise & Commerce for High Quality Belt & Road Cooperation" • CIB EPPM Presidential Dialogue "Resilient Construction- Forging ahead in uncertain time" • Directors' Masterclass Series "Responsible Climate Risk Management by Investors" • How are Boards tracking the progress and quality of Sustainability Reporting • Applying the IFRS Sustainability Disclosure Standards

Name of Directors	Name of Training Attended
Ms Khor Hun Nee	• Greenhouse Gas Protocol for Accounting Professionals: The Basics • MIA Digital Month 2025: Tools and Technologies for Sustainability Reporting in Malaysia • MIA TOWN Hall Final Session: Gain insights into future for accounting professional and MIA strategic initiatives • E-Invoicing and its Impact on Directors • Robotic Process Automation (RPA) In Accounting: Transforming Audits And Financial Processes • Plan Writing Express Workshop • Overview of the Third Edition of the IFRS for SMEs Accounting Standards • BRMC Board Risk Management Committee Dialogue & Networking | Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities • Preview of the Aspiring Directors Immersion Programme (ADIP) gateway to master the dynamics of board leadership and governance. * Current Directors: Building your boardroom competencies and leadership skills. • Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness • FIMM Annual Convention returns in 2025 with a forward-looking theme — Navigating the Future. - Market Outlook: Insights from Fund Managers and Analysts • MIA Town Hall 2025/2026
Mr Christopher Hii Lu Ming	• Sustainability reporting - Are you ready for external assurance? • Bursa Malaysia Workshop on IFRS Sustainability Standards
Mr Wee Hiang Chyn	• Mandatory Accreditation Programme (MAP) Part I
Mr Koichiro Nakazawa	• Mandatory Accreditation Programme (MAP) Part ll

The Company ensures that Directors are briefed by the Auditors, Company Secretaries and relevant professionals from time to time on changes to practices, guidelines, regulations and accounting standards as well as other relevant issues affecting the steel industry. Articles and reports relevant to the Company's businesses were also circulated to Directors for information. The Company Secretaries distribute the relevant statutory and regulatory requirements from time to time for the Board's reference and brief the Board on the updates, where applicable.

(xi) Board Committees and Meetings

The Board has delegated specific responsibilities to Committees in order to assist the Board to efficiently discharge its responsibilities. The Board has established five Committees, namely Audit and Risk Committee, Nomination Committee, Remuneration Committee, Sustainability Committee and Employee Share Option Scheme ("ESOS") Committee. The authorities and responsibilities of each Committee are set out in Board Charter and the Committees administer within the defined TOR. The Committees determine their own meeting agendas and frequency of meetings. The respective Chairperson of the Committees would report salient issues to the Board for notation, decision or approval.

Senior Management of the Group and external advisers are invited to attend Board and/or Committee meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary.

In discharging the Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Company.

The composition of Committees is as follows:

(a) Audit and Risk Committee

The Audit and Risk Committee ("ARC") was established on 1 July 2019 with the merging of Audit Committee ("AC") which was formed on 25 April 1997 and Board Risk Committee ("RC"), formed on 10 May 2016. ARC comprised of three (3) members, all of whom are Independent Non-Executive Directors with accounting or related financial management expertise or experience. Audit and Risk Committee Chairperson is Ms Yan Ying Chieh and the members are Datin Josephine Anak Hilary Dom @ Josephine John and Ms Khor Hun Nee.

ARC met five (5) times during FY2025. More information on the functions, duties and activities carried out by the ARC during FY2025 is set out under the heading Audit and Risk Committee Report.

Name of ARC Members	Meetings attended	Percentage of attendance (%)
Ms Yan Ying Chieh *(Senior Independent Non-Executive Director / ARC Chairperson)*	5/5	100%
Datin Josephine Anak Hilary Dom @ Josephine John *(Independent Non-Executive Director / Member)*	5/5	100%
Ms Khor Hun Nee *(Independent Non-Executive Director / Member)*	5/5	100%

(b) Nomination Committee

The Board established a Nomination Committee ("NC") on 13 March 2001 to consider candidates for directorship and Board Committee membership, and to review the effectiveness of the Board, through performance assessment of the Board, Board Committees and individual Directors.

The NC held one (1) meeting during FY2025.

Name of NC Members	Meetings attended	Percentage of attendance (%)
Ms Wong Siew Si *(Independent Non-Executive Director / NC Chairperson)*	1/1	100%
Ms Yan Ying Chieh *(Senior Independent Non-Executive Director/ Member)*	1/1	100%
Mr Christopher Hii Lu Ming *(Non-Independent Non-Executive Director / Member)*	1/1	100%

During FY2025, the NC carried out, and reported to the Board the outcome of the following key activities:

- performed an assessment on the Board, Board Committees and individual Directors for the FY2025 and reported the outcome to the Board;
- reviewed and recommended the re-appointment and/or re-election of Directors retiring pursuant to the Companies Act 2016 and the Company's Constitution, including the appointment of a new Director to the Board;
- reviewed the term of office and performance of an Audit and Risk Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference; and
- reviewed the training records provided by the Directors to the Company.

A formal performance assessment of the Board, Board Committees and individual Director enables the Board to assess their respective performance and identify areas for improvement. A formal assessment of the Board's effectiveness was conducted for the FY2025, and was guided by the Corporate Governance Guide – "Towards Boardroom Excellence", taking into consideration the following key aspects for assessment:

- appropriate size, composition, independence, mix of skills and experience within the Board and the Board Committees;
- clear definition of the Board and Board Committees' roles and responsibilities;
- functioning of the Board and Board Committees in a productive, objective, timely, effective and efficient manner;
- open communication of information and active participation within Board and Board Committees; and
- proper discharge of responsibilities and leadership by the Chairman of the Board and Board Committees.

In recommending the re-appointment or re-election of Directors, the Nomination Committee took into account the following:

- the required mix of skills, experience and diversity, including gender, age and ethnicity, where appropriate;
- character, knowledge, expertise, professionalism, integrity and time availability;
- the results of the assessment on individual Directors, including the Independent Directors, Executive Directors and the Managing Director/Chief Executive Officer, and
- in the case of Independent Directors, their abilities to discharge such responsibilities and functions as expected from Independent Directors.

Proposed appointment of member(s) to the Board to fill casual vacancy and proposed re-election or re-appointment of Directors seeking re-election or re-appointment at the Annual General Meeting are recommended by the Nomination Committee to the Board for approval or tabling at the Annual General Meeting for shareholders' approval, as the case may be.

The Company Secretaries are tasked to ensure that all appointments are properly made and that all necessary information is obtained from the Directors, for the Company's records and for the purposes of meeting statutory obligations as well as obligations arising from the MMLR.

(c) Remuneration Committee

To assist the Board on fair remuneration practices and attracting, retaining and motivating Directors, the Board established a Remuneration Committee ("RC") to review Directors' remuneration matters and make relevant recommendations to the Board.

The RC held one (1) meeting during FY2025.

Name of RC Members	Meetings attended	Percentage of attendance (%)
Datin Josephine Anak Hilary Dom @ Josephine John *(Independent Non-Executive Director / RC Chairperson)*	1/1	100%
Ms Yan Ying Chieh *(Independent Non-Executive Director / Member)*	0/1	0%
Ms Khor Hun Nee *(Independent Non-Executive Director / Member)*	1/1	100%

Directors do not participate in the discussion of their own remuneration.

The details of the remuneration of each individual director for the financial year ended 31 December 2025 is as follows:

Executive Director	Salary	EPF	Other Benefits	Total
Tan Sri (Dr.) Soh Thian Lai	565,000	72,480	60,000	697,480
Dato' Sri Victor Hii Lu Thian	632,750	98,808	156,730	888,288
Total	**1,197,750**	**171,288**	**216,730**	**1,585,768**

Non Executive Director	Fee	Other Allowances	Total
Mr Liew Jee Min @ Chong Jee Min	8,750	2,360	11,110
Ms Yan Ying Chieh	57,000	11,540	68,540
Datin Josephine Anak Hilary Dom @ Josephine John	49,500	11,000	60,500
Ms Wong Siew Si	48,500	6,540	55,040
Ms Khor Hun Nee	48,000	11,000	59,000
Mr Wee Hiang Chyn	24,000	2,000	26,000
Mr Christopher Hii Lu Ming	31,000	3,000	34,000
Mr Koichiro Nakazawa	30,000	-	30,000
Total	296,750	47,440	344,190

The Company has identified its top ten (10) Senior Management positions as follows:

- Executive Chairman
- Group Managing Director
- Executive Director - ASSB
- Executive Director - ADSB
- Executive Director - ASM
- Chief Financial Officer
- Chief Business Development & Corporate Affairs Officer - ASTEEL Group
- Senior Executive Director - ASTAR
- Director of Management Support
- Chief Operating Officer

The Board is of the view that it is not in the best interest of the Company to disclose the remuneration details of the Senior Management on an individual, named basis due to privacy and confidentiality, competition and risk of staff poaching.

(d) Sustainability Committee

Sustainability Committee was formed on 8 August 2025, comprising of Mr Wee Hiang Chyn (Chairman), Ms Khor Hun Nee and Ms Wong Siew Si. Sustainability Committee is to assist the Board in fulfilling its oversight responsibilities relating to ESG strategy and integration into business objectives, sustainability performance and disclosure, compliance with ESG-related laws, regulations and reporting standards and management of ESG risks and opportunities.

The Sustainability Committee is assisted by the Sustainability Working Committee.

(e) ESOS Committee

ESOS Committee was formed on 8 November 2016, and it comprises of Tan Sri (Dr.) Soh Thian Lai (Chairman), Dato' Sri Victor Hii Lu Thian, Ms Yan Ying Chieh and Ms Aw Chiew Lan. ESOS Committee is responsible for implementing, regulating, allocating and administering the ESOS Scheme.

The shareholders of the Company had at an Extraordinary General Meeting ("EGM") held on 30 June 2016 approved the establishment of an ESOS Scheme of up to 15% of the prevailing issued share capital of the Company for the eligible employees (including Directors) of the Company and its subsidiaries who meet the criteria of eligibility for participation in the ESOS as set out in the By-Laws containing the Rules, Terms and Conditions of the ESOS as approved by the shareholders at the EGM held thereat.

The ESOS was extended for another five years to expire on 8 November 2026 vide the announcement made to Bursa Securities in accordance to By-Law 19.3 on 5 August 2021.

There were no option shares exercised nor any new offer made for the year ended 31 December 2025.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(i) Financial Reporting

It is the Board's commitment to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects at the end of each reporting period and financial year. This is primarily done through the quarterly announcement of the Group's results to Bursa Securities, the annual financial statements of the Group and the Company as well as the reports of the Board of Directors, the Executive Deputy Chairman and the Group Managing Director in their respective review of operations included in the Annual Report.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

In assisting the Board to discharge its duties on financial reporting, the Board has established the Audit and Risk Committee ("ARC"), comprises of five Independent Non-Executive Directors, with Ms Yan Ying Chieh as the ARC Chairperson. The composition of ARC, including its roles and responsibilities, are set out in the ARC Report. One of the key responsibilities of ARC in its specific terms of reference is to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the FY2025, the Group has used appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company.

In assessing the independence of external auditors, the ARC obtained assurance from the External Auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The board also put in place a Non-Assurance Services Pre-Approval Policy to cover the non-audit services provided by External Auditor to ensure that the engagement will not affect its independence.

The total amount of audit and non-audit fees incurred for services rendered to the Group for the FY2025 by the Company's external auditors, KPMG PLT, and a firm and company affiliated to KPMG PLT are set out below:

KPMG	Group RM	Company RM
KPMG PLT Audit Fees - Statutory Audit	277,500	38,000
Non-Audit Fees • KPMG PLT • Local Affiliate of KPMG PLT	 8,000 40,471	 - 5,500

(ii) State of Internal Controls

The Board regards risk management and internal controls as an integral part of the overall management processes. The following represent the key elements of the Group's risk management and internal control structure:

i. an organisational structure in the Group with formally defined lines of responsibility and delegation of authority;
ii. review and approval of annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;
iii. quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business and competitive environment;
iv. active participation and involvement by the Executive Deputy Chairman and the Group Managing Director in the day-to-day running of the major businesses and regular discussions with the senior management of smaller business units on operational issues; and
v. monthly financial reporting by subsidiaries to the Company.

The Statement on Risk Management and Internal Control, which provides an overview of the state of internal control within the Group, is set out under the heading Statement on Risk Management and Internal Control in this Annual report.

In line with the MMLR and the MCCG, the Board has established an internal audit function, which reports directly to the ARC on the adequacy and effectiveness of the system of internal controls from the perspective of governance, risk and controls.

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

(i) Corporate Disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, as of the date of this Statement, the Board has formalised pertinent corporate disclosure policies and procedures to govern its information disclosure practices.

The Company's corporate website at www.asteel.com.my serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to-date information on the Group's activities, financial results, major strategic developments and other matters affecting stakeholders' interests.

To augment the process of disclosure, the Board has earmarked a dedicated section for corporate governance on the Company's website, where information on the Company's announcements to the regulators, the Board Charter, rights of shareholders, and the Company's Annual Report may be accessed.

(ii) Shareholder Participation at General Meetings

The Annual General Meeting ("AGM") of the Company serves as the principal forum that provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, audited Financial Statements, and corporate developments in the Group, the resolutions being proposed and concerns over the Group's businesses, to the Board for clarification. The Chairman as well as the Executive Deputy Chairman, Group Managing Director and the external auditors, if so required, respond to shareholders' questions during the meeting.

Last year, the Financial Statements and reports were circulated to the shareholders well before the AGM date in compliance of the MMLR and Companies Act 2016. All the resolutions set out in the Notice of the last AGM were put to vote by poll and duly passed. The outcome of the AGM was announced to Bursa Securities on the same day.

The Notice of forthcoming AGM together with the Financial Statements and reports will be circulated to shareholders in accordance to the requirements of the MMLR and Companies Act 2016.

The Company has adopted MMLR that any resolution set out in the notice of any general meetings is voted by poll and the appointment of an independent scrutineer to validate the votes cast at AGM held thereat. The Company will continue to adhere to this poll voting for any resolution to be moved at any general meetings and the appointment of independent scrutineer to validate the votes cast at the general meeting.

The Board maintains an open channel of communication with its shareholders, institutional investors and the investing public at large with the objective of providing a clear and complete picture of the Group's performance and position. The Company values feedback and dialogues with its investors and believes that a constructive and effective investor relationship is an essential factor in enhancing value for its shareholders.

The Company's 48th AGM was held physically on 26 June 2025. During the proceedings of the AGM, the Chairman conducted the meeting in accordance to agenda with interactive participation from the shareholders. The voting by poll was undertaken by the scrutineer physically and further underscored the recognition of the principle of one vote one share.

During the financial year 2025, shareholders and the public can also convey their concerns and queries directly to the Senior Independent Non-Executive Director, Ms Yan Ying Chieh at email address sined@asteel.com.my from 1 January 2025 onwards.

In addition to various announcements made during FY2025, the timely release of annual reports, circulars to shareholders, press releases and financial results on a quarterly basis provide shareholders and investors with an overview of the Group's performance and operations.

Such approaches allow shareholders and the investment communities to make more informed investment decisions based not only on past performance but also the future direction of the Company.

iii) Material Contracts with Substantial Shareholders

The Company had obtained shareholders' approval in respect of renewal and new shareholders' mandate for recurrent related party transactions ("RRPT") of a revenue or trading nature at the AGM held on 26 June 2025. The Company has introduced proper processes and procedures to monitor, track and identify RRPT. ARC reviewed RRPT on a quarterly basis to ensure compliance with internal process and procedure as well as provisions of MMLR. As a procedure any Director who has interest in a transaction abstains from participation in the deliberation of the RRPT.

(iv) Board Changes

The changes to the Board are set out below.

(a) Mr Wee Hiang Chyn was appointed as Independent Non-Executive Director effective 1 July 2025;

(b) Mr Koichiro Nakazawa resigned as Non-Independent Non-Executive Director of the Company with effect from 7 April 2026.

(c) Mr Satoru Kojima ceased as Alternate Director to Mr Koichiro Nakazawa with effect from 7 April 2026.

This statement is issued in accordance with a resolution of the Board of Directors dated 29 April 2026.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

This Statement on Risk Management and Internal Control is intended to provide our stakeholders and readers of this Annual Report with sufficient and meaningful information about the adequacy and current state of ASTEEL Group Berhad ("ASTEEL")'s system of risk management and internal control.

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Principles and Best Practices provisions relating to internal control provided in the Malaysian Code on Corporate Governance 2021, the Board of Directors ("the Board") of listed issuers are required to include in their Annual Report a "Statement on the state of its Risk Management and Internal Control". The Board of Directors is pleased to include a statement on the state of the Group's system of risk management and internal control in this annual report.

BOARD'S RESPONSIBILITY AND ACCOUNTABILITY

ASTEEL recognises that effective risk management and a sound system of internal control are fundamental to good corporate governance. The Board acknowledges its responsibility to maintain sound risk management and internal control system to address all key risks which the Group considers relevant and material to its operations while Management plays an integral role in assisting the design and implementation of the Board's policies on risks and controls.

In view of the inherent limitations in any such system, the Board recognises that the system is designed to manage and mitigate the Group's risks within an acceptable and acknowledged risk profile, rather than eliminate the risks that may impede the achievement of business objectives and goals of the Group. Accordingly, such a system may only provide reasonable but not absolute assurance against willful misstatement of management and financial information and records or against financial losses and fraud.

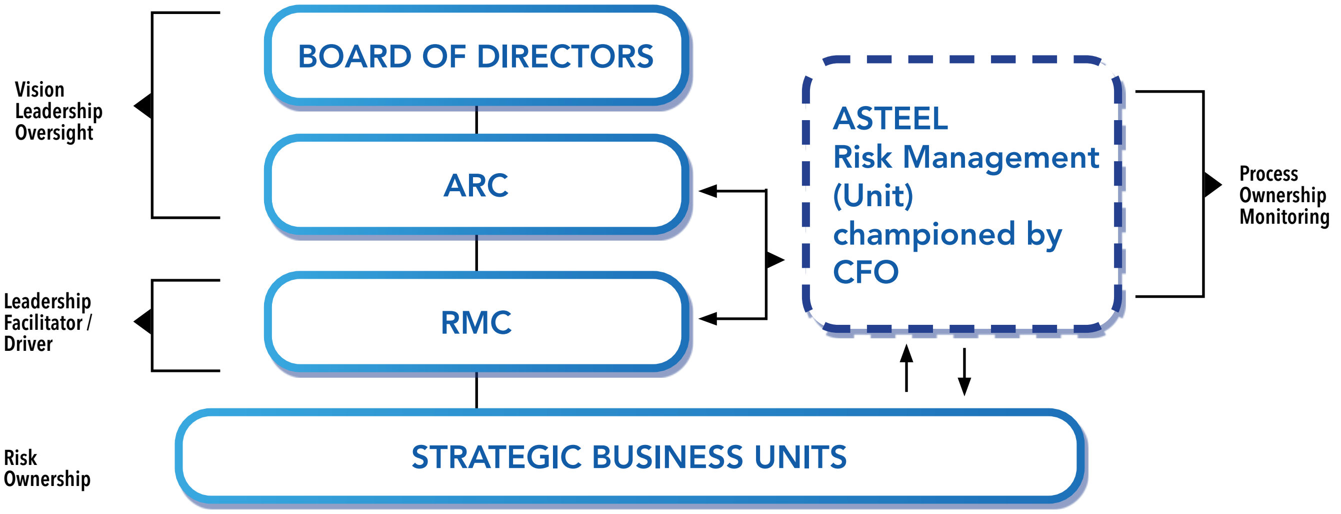
RISK MANAGEMENT

The Board has established appropriate control structure and internal audit processes in identifying, evaluating, monitoring and managing the significant risks that may hinder the achievement of business objectives. The control structure and process which have been identified and instituted throughout the Group are updated and reviewed from time to time to suit the changes in the business environment and this on-going process was in place for the whole financial year under review.

The Audit and Risk Committee ("ARC") is supported by the Risk Management Committee ("RMC"). ARC oversees the RMC's functions on the identification of risk factors, risk treatment plan and mitigation actions thereon. The RMC is headed by Chief Financial Officer and consists of senior management personnel.

In 2025, ARC received four (4) reports from RMC and deliberated on the risks presented by the RMC. After deliberation by ARC, the reports were presented to the Board for information and record.

ASTEEL Group's Risk Management Structure is as below:



Role of ARC

The main duties and responsibilities of the ARC are as follows:-

a. To oversee and recommend the risk management policies and procedures of the Group to the Board;
b. To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
c. To oversee and ensure management implements and maintains a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
d. To set reporting guidelines for management to report to the committee on the effectiveness of the Group's management of its business risks;
e. To review the risk profile of the Group including subsidiaries and to evaluate the measures taken to mitigate the business risks as recommended by the RMC; and
f. To review the adequacy of management response to issues identified in risk registers, ensuring that the risks are managed within our Group's risk appetite.

Role of Risk Management Committee

In 2025, the RMC was headed by the Chief Financial Officer ("CFO") and comprises senior management personnel from different business units and key divisional heads at head office. RMC is tasked to identify, review, monitor, evaluate and update the Group Risk Register every year or when the need arises. Risk owners are identified for the key business processes of the Group, who will be accountable for all aspects of risk management. This includes identification, assessment, and evaluation, formulate measures to manage or mitigate such risk, monitoring and reporting of risks associated with the business processes. The report was presented to ARC for deliberation, evaluation and strategic guidance thereon.

The functions of RMC are to:

1. Support ARC in facilitating and coordinating risk management activities at the operational level, including formulating, reviewing and adopting/implementing risk philosophy, risk policy and determining the level of risk appetite and risk tolerance, risk standards and criteria and measurements, and recommend the same to the Board through the ARC for adoption/approval/endorsement.
2. Make or ratify Strategic Business Units ("SBU") / management decisions on risk issues.
3. Formulate and/or recommend strategies, proposals and resource allocation for risk management to the ARC and the Board.
4. Review and approve objectives, approaches and risk models proposed by SBUs.
5. Monitor the progress of the implementation of risk management across the Group.
6. Review risk portfolio and compare the same against risk appetite.
7. Receive and review reports from SBUs on implementation of risk management and approve the SBUs / Group's risk register.
8. Review and approve the Group's risk profile, risk prioritisation and mitigation strategies for risk treatment (including risk treatment plans).
9. Monitor and track implementation of mitigation strategies and risk treatment plans of the various SBUs and updating the status thereof.
10. Review and report to ARC on the safety and health activities and key performance indicators of each business units.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit functions are carried out in-house. During the year 2025, the Internal Audit Team ("Internal Auditor") carried out eleven (11) assignments, nine (9) on internal audit and two (2) on Integrated Risk Assessment. The reports have been presented to ARC.

The Internal Audit programme was drawn up based on the risk identified under the Risk Assessment exercise. ARC reviews the programme proposed by Internal Auditor, its scope, and frequency of work and resources on an annual basis.

The Internal Auditor assesses the Group's operations, the systems of internal control by reviewing the business processes annually to examine and evaluate the adequacy and efficiency of financial and operating controls and highlights significant risks and non-compliance impacting the Group. An annual internal audit plan is presented to the ARC for approval before execution. Audits are carried out on units that are identified based on risk-based approach, taking into consideration input of the senior management, the ARC and the Board.

Following audits, the Internal Auditor provides recommendations to improve the effectiveness of risk management, control and governance processes. Audit findings are presented to management for further clarification. Management then responds with comments, action plans, assignment of responsibilities and implementation timelines. The Internal Auditor will then present the final reports to ARC. The ARC considers the internal audit report before presenting the proposed measures to the Board. This is done on a quarterly basis or earlier as appropriate. Management and the ARC will follow up and review the status of actions on recommendations made by both the internal and external auditors. As a practice, post-audit examinations are carried out to test the effectiveness and implementation of audit recommendations adopted as well.

The Internal Auditor performs an Integrated Risk Assessment by identifying and evaluating both existing and emerging risks, as well as the effectiveness of current controls. This process serves as an enterprise-wide strategy to streamline and manage ASTEEL Group's risk management efforts.

The details of the Internal Audit activities are highlighted under the heading of ARC Report in this Annual Report.

AUDIT AND RISK COMMITTEE

The ARC meets on a quarterly basis or as often as necessary to review the internal control issues identified in reports prepared by the Internal Auditor, the external auditors and the management. ARC met five (5) times in the year 2025.

ARC ensures the Internal Auditor's independence, reviews their scope of work and assesses the adequacy of resources. ARC also reviews the internal audit plan, internal audit activities and external audit plan and findings. The details of the ARC's activities are highlighted under the heading of ARC Report in this Annual Report.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The other key elements of risk management and internal control processes that have been established by the Board in providing effective risk management and internal control are: -

a. An established organisation structure that clearly defined the line of authority, responsibility and accountability to each strategic business unit and operation unit;

b. Clearly defined strategic and business action plans are drawn up by the Group Managing Director together with management input. These are duly sanctioned and approved by the Board. Performance results are monitored quarterly and explanation to variances sought by ARC and the Board where necessary;

c. Various Board Committees and management committees are set up to assist the Board to perform its oversight functions. These committees include the Nomination Committee, Remuneration Committee, ARC, Sustainable Committee, Executive Finance and Investment Committee and Group Management Committee. Specific responsibilities have been delegated to the Board Committees, all of which have formalised terms of reference. These Committees have the authority to examine all matters within their scope and report to the Board with their recommendations;

d. Established standard operating procedures under ISO 9001:2015 Quality Management System have been set up, covering all major critical processes of the Group entities. The relevant operation manuals and guidelines are updated from time to time. Surveillance audits are conducted once a year by a third party on the Group entities to ensure that the system is adequately implemented;

e. Standard operating procedures in accordance with the ISO 37001:2025 Anti-Bribery Management System ("ABMS") was established and formalized during the year, covering the Group's construction services. The ABMS was implemented in August 2025 as part of the Group's ongoing commitment to uphold integrity, transparency and ethical business conduct. In March 2026, the Group was successfully accredited with ISO 37001:2025 Anti-Bribery Management System.

f. Monthly management reports are received and reviewed by the Group Management Committee ("GMC") which consists of key management personnel of the Group comprising Group Executive Chairman, Group Managing Director, Chief Financial Officer, Chief Operating Officer, Chief Business Development & Corporate Affairs Officer, Executive Directors of subsidiary companies and Director of Management Support. Certain key management personnel are invited for the meeting when necessary. The reports include annual and monthly budgets of revenue, expenses and production tonnage. Actual results are assessed against approved budgets and explanations are provided for significant variances on a monthly or quarterly basis, as the case may be. Findings and decisions of the GMC are minuted under "actions to be taken" and circulated to the GMC members for information and review. During 2025, twelve (12) meetings were held; and

g. Scheduled and ad-hoc meetings were held at the respective strategic business units to identify and resolve business and operational issues. The Board was informed of the status of resolution of any significant issues identified at these meetings.

BOARD REVIEW

The Board, through the ARC, has undertaken a review of the adequacy and effectiveness of risk management and internal control system in accordance with the terms of reference of the ARC and RMC during the year under review. The Board is of the view that the system of risk management and internal controls set up for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the Group's assets, shareholders' investment, and the interests of customers, regulators, employees and other stakeholders. There were no material losses during the financial year as a result of weaknesses in the Group's internal control.

The Board has also received assurance from the Group Managing Director and the Chief Financial Officer on the adequacy and effectiveness of the risk management and internal control system of the Group.

The Board will continue to take active measures to strengthen the internal controls of the Group by evaluating the changes in the internal and external environment in which we operate in.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2025. The external auditors have reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The Statement is issued in accordance with a resolution of the Board of Directors dated 29 April 2026.

REPORT OF AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") was established on 1 July 2019 with the merging of Audit Committee ("AC") which was formed on 25 April 1997 and Board Risk Committee ("RC"), formed on 10 May 2016.

ARC assists the Board of Directors in fulfilling its responsibilities to ensure proper corporate governance, transparent financial reporting process, oversees the Group's internal and external audit functions, internal control process, risk management and the Group's overall compliance with laws and regulatory requirements.

ARC is pleased to present its report on the activities carried out during financial year ended 2025 ("FY2025") to the date of this report in discharging its responsibilities.

1. COMPOSITION

The ARC members who served during FY2025 up to the date of this report are set up below:

Name	Designation
Ms Yan Ying Chieh (MIA No. 9334)	Chairperson (Appointed on 1 Jan 2025), Senior Independent Non-Executive Director
Datin Josephine Anak Hilary Dom @ Josephine John	Member, Independent Non-Executive Director
Ms Khor Hun Nee (MIA No. 22771)	Member (Appointed on 1 Jan 2025), Independent Non-Executive Director
Mr Liew Jee Min @ Chong Jee Min	Member (Retired on 28 Feb 2025), Independent Non-Executive Director

All the ARC members have effectively discharged their duties pursuant to the Terms of Reference of the ARC. ARC Chairperson, Ms Yan Ying Chieh is a qualified Chartered Accountant, a Member of the Malaysian Institute of Accountants and a Fellow Member - Association of Chartered Certified Accountants. The authority and duties of the ARC are clearly governed by the Terms of Reference.

The Board of Directors conducts annual review on the composition and performance of ARC including their terms of office and performance as well as effectiveness, accountability, commitment and responsibilities. Based on the evaluation conducted for the FY2025, the Board was satisfied that ARC has continued to contribute to the governance process, and ARC members have independent attitude, integrity, knowledge of the industry, objectivity and are financially literate. ARC members have supported the Board in discharging their functions, duties and responsibilities in ensuring that the Company upholds appropriate governance standards. Hence, the Board has maintained ARC's composition.

2. MEETING AND ATTENDANCE

Mr Liew Jee Min @ Chong Jee Min attended 1 meeting while Ms Yan Ying Chieh, Datin Josephine Anak Hilary Dom @ Josephine John and Ms Khor Hun Nee attended all the 5 meetings held during the FY2025. The Executive Chairman, Group Managing Director and Chief Financial Officer were invited to all the meetings and the Company Secretaries were also present. Other management personnel attended the meetings as and when requested by ARC for clarification needed on audit issue. This facilitated direct communication and provided first-hand information in relation to the Company's operations.

The internal auditors further conducted an assessment on the risk profile and criteria for the Group.

ARC also had two private sessions with external auditors, without the presence of management personnel. Matters discussed included management's co-operation with the auditors, results of the audit and any other observations.

Prior notice together with the agenda and meeting materials were sent out timely before the meetings. Issues of concern and significance raised by internal and external auditors that required the Board's attention and direction were presented accordingly by the ARC Chairman to the Board.

All proceedings, matters arising, deliberations, issues discussed, and resolutions of the ARC's meetings were recorded in the minutes. The ARC Chairman signed all the minutes after formal confirmation of the same by the ARC.

3. SUMMARY OF WORK OF AUDIT AND RISK COMMITTEE

The duty and work of the ARC is in line with its Terms of Reference. The following summary sets out the work of the ARC for the financial year under review in discharging its functions and duties and how the Audit and Risk Committee met its responsibilities.

3.1 Financial Reporting

a. Reviewed the Group and the Company's unaudited financial results for the first quarter, second quarter, third quarter and fourth quarter which were announced to Bursa Securities after the Board's approvals, respectively on 7 May 2025, 8 August 2025, 7 November 2025 and 27 February 2026.

b. Reviewed the Company's Audited Financial Statements ("AFS") for FY2025 and to ensure that the AFS complied with the relevant financial reporting standards and regulatory requirements.

c. Reviewed the Statement on Risk Management and Internal Control, Statement of Corporate Governance and ARC Report for inclusion in this Annual Report prior to review by external auditors and the Board's approval.

d. Review on an on-going basis the appropriateness, adequacy and efficiency of accounting policies and procedures, in compliance with appropriate financial reporting standards and regulatory requirements.

e. Recommended measures that would enhance the objectivity of financial statements and reports prepared for the Company and Group, as well as affairs and business plans of the Company.

f. Discussed with Management and External Auditors that significant matters including Key Audit Matters and critical accounting judgements and key sources of estimation uncertainties made by Management had been evaluated by the External Auditors.

g. Ensured that significant changes and amendments to the regulations, financial reporting standards and other regulatory requirements that could affect the financial reporting of the Group were duly adopted.

3.2 External Audit

a. Reviewed the external auditors' scope of work and audit plans. Prior to the annual audit, the ARC discussed and agreed with the external auditors on audit strategy, audit planning, review memorandum, audit approach, adequacy of audit coverage and audit emphasis.

b. Reviewed issues brought up by the auditors and ensured that they are resolved.

c. Assessed the performance of the auditors and made recommendations to the Board of Directors on their re-appointment and remuneration.

d. Received updates on the statutory and regulatory requirements including the implementation of the accounting standards applicable in the preparation of financial statements and their implications on the financial statements.

e. Assessed the suitability, objectivity and independence of external auditors and obtained written assurance from the external auditors, confirming their independence in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

3.3 Related Party Transactions

ARC received and reviewed all related party transactions on a quarterly interval and received assurance from management that such transactions were conducted in the best interest of the Company and that the terms were fair, reasonable and based on normal commercial terms deemed not detrimental to the minority interests. ARC had assurance from management that the monitoring process on such transactions was appropriate and sufficient.

ARC has also reviewed the Circular to Shareholders in relation to the proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature and submitted its recommendation to the Board to present to shareholders for approval.

3.4 Internal Audit Function

The ARC, assisted by the Group Internal Auditors ("GIA"), provides the Board with independent assurance on the adequacy and effectiveness of the Group's internal controls and risk management systems. The ARC oversees all activities carried out by the GIA.

The GIA reports functionally to the Committee to ensure independence and objectivity, and administratively to the Group Managing Director.

The GIA adopts a risk-based approach in formulating its audit strategy and annual audit plan. The GIA independently evaluates the Group's risk exposures and the effectiveness of control processes implemented by the Management and conducts assignments that cover auditing and review of critical areas within the Group, including financial, operations, projects and information technology systems. The internal audit functions and activities are guided by its internal audit charter and annual audit plan which are approved by the ARC and the internal audit reports are tabled at the ARC meetings for review and deliberation.

The Head of the GIA, Ms. Yus Duary, has more than sixteen (16) years of working experience in internal audit and risk management. She has extensive experience in executing the roles and responsibilities of the internal audit function.

The GIA confirmed that they were free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignment.

The Group Internal Audit Department team comprises of three (3) staff during the year and the cost of maintaining the function in 2025 amounted to RM196,288 (2024: RM169,388).

3.5 Risk Management

The ARC:

a) Received and reviewed the Risk Management Reports submitted by the Risk Management Committee which listed the major enterprise risks of the Group.

b) Assessed the Group's risk appetite and risk prioritization and mitigation strategies.

c) Reviewed the status of the implementation of mitigation strategies and risk treatment plans.

d) Established internal audit programmes and regularly reviewed the Internal Auditor's reports to ensure that those risk mitigation plans and processes are in place.

3.6 Litigation

The ARC:

a) Review the Litigation Policy and proposes to the Board of Directors for approval.

b) Review the litigation reports quarterly on pending and/or settled litigation that may have a material impact on ASTEEL's financial statements or compliance policies.

c) Determine relevant disclosures to be reported in the Notes to the Accounts of the Quarterly Financial Statement and Annual Financial Statements.

3.7 Conflict of Interest ("COI")

The ARC:

a) Assesses any actual or potential COI situations that arose, persist or may arise within the Group. ARC shall propose the measures to resolve, eliminate, or mitigate the COI situations and report its findings to the Board.

This report is issued in accordance with a resolution of the Board of Directors dated 29 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. PROPERTIES OWNED BY THE GROUP AS AT 31 DECEMBER 2025

Location	Tenure	Land Area/ Built-Up Area	Brief Description	Date of Acquisition/ Revaluation	Average Age of Building (Year)	Net Book Value (RM'000)
Lot 712 Section 7 Muara Tebas Land District Kuching, Sarawak	Leasehold (60 years) expiring on 8 Jan 2052	3.40 Ha/ 2.48 Ha	Industrial Land and Buildings	Acquired in Jan 1992 Revalued in Dec 2023	31	22,046
Lot 801 Block 7 Muara Tebas Land District Kuching, Sarawak	Leasehold (60 years) expiring on 1 Sept 2053	1.67 Ha/ 0.55 Ha	Industrial Land and Buildings	Acquired in Aug 2020 Revalued in Nov 2023	29	13,233
Lot 10, Package 1 General Industrial Zone, Kota Kinabalu Industrial Park, KM 26, Jalan Tuaran, District of Kota Kinabalu.	Leasehold (99 years) expiring on 31 Dec 2098	0.84 Ha/ 0.46 Ha	Industrial Land and Buildings	Acquired in Oct 2013 Revalued in Nov 2023	19	11,180
PTD102979, Jalan Seelong Jaya 15, Mukim Senai, 81400 Senai, Johor	Freehold	0.805 Ha/ 0.367 Ha	Industrial Land and Buildings	Acquired in Nov 2010 Revalued in May 2023	16	7,518
Investment Property No.34, Jalan Prima 6/7 Taman Nusantara Prima 79200 Iskandar Puteri Johor Darul Tazim	Freehold	145 M^2	3 Storey Shoplot	Acquired in May 2014 Revalued in Nov 2023	9	845
Property held for Sale Unit No A10-26 (Type Loft Suite), Lot 10 Block No. A Sphere Damansara, Jalan PJU 10/9 Prima Damansara 47830 Petaling Jaya	Freehold	61.4 M^2	Small office home office	Acquired in June 2018	9	280

2. MATERIAL CONTRACTS

Apart from the related party transactions as disclosed in Note 28 of the Notes to the Financial Statements, there are no other material contracts of the Company or its subsidiaries involving the Directors' and major shareholders' interests, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

3. UTILISATION OF PROCEEDS

There was no new shares issued nor fund raised during the financial year under review.

4. EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") (2016/2026) of the Company was implemented on 9 November 2016 and expire on 8 November 2021. On 5 August 2021 the Board of Directors had approved the extension of the ESOS for a further five years to expire on 8 November 2026.

The total number of options granted, exercised and outstanding under the ESOS are set out in the table below:-

OPTION	OFFER 1	OFFER 2	OFFER 3	OFFER 4	OFFER 5	TOTAL
Options Granted	**36,350,000**	**2,400,000**	**4,750,000**	**25,650,000**	**1,925,000**	**71,075,000**
Options Exercised	(2,626,600)	(110,000)	(60,000)	(9,370,500)	(153,000)	(12,320,100)
Options lapsed	(19,055,000)	(1,730,000)	(2,850,000)	(7,386,000)	(425,000)	(31,446,000)
Balance Exercisable	**14,668,400**	**560,000**	**1,840,000**	**8,893,500**	**1,347,000**	**27,308,900**

A breakdown of the options offered to the Executive Directors, Non Executive Directors, Senior Management and others pursuant to the ESOS in respect of the current financial year are set out in the table below:-

No.	Classifcation	1 Jan 2025	Granted	Exercised	Lapsed	31 Dec 2025	%
1	Executive Directors	4,200,000	-	-	-	4,200,000	15.38
2	Non Executive Directors	2,900,000	-	-	(1,100,000)	1,800,000	6.59
3	Senior Management	1,990,000	-	-	-	1,990,000	7.29
	Subtotal	**9,090,000**	-	-	(1,100,000)	**7,990,000**	**29.26**
4	Others	21,501,900	-	-	(2,183,000)	19,318,900	70.74
	Total	**30,591,900**	-	-	(3,283,000)	**27,308,900**	**100.00**

A breakdown of the options offered to the Non-Executive Directors pursuant to the ESOS in respect of the current financial year are set out in the table below:-

No.	Directors	Exercise Price	1 Jan 2025	Granted	Exercised	Lapsed	31 Dec 2025
1	Liew Jee Min @ Chong Jee Min	0.23	800,000	-	-	(800,000)	-
		0.19	300,000	-	-	(300,000)	-
2	Yan Ying Chieh	0.22	800,000	-	-	-	800,000
		0.19	100,000	-	-	-	100,000
3	Christopher Hii Lu Ming	0.23	800,000	-	-	-	800,000
		0.19	100,000	-	-	-	100,000
	Total	-	**2,900,000**	-	-	**(1,100,000)**	**1,800,000**

5. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE ("RRPT")

The significant RRPTs entered into during the financial year ended 31 December 2025 are disclosed in Note 28 to the Financial Statements. A breakdown of the aggregate value of the RRPTs conducted pursuant to the shareholder mandate during the financial year, where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09 (1) of the Main Market Listing Requirements are set out below :-

Nature of RRPT with ASTEEL Group	Names of Related Party (ies)	Relationship of Related Party (ies) with ASTEEL Group	Actual value of RRPT as at 31 December 2025 (RM)
Purchase of ASTEEL Group Products from ASTEEL Group	Yung Kong Co Bhd ("YKC")	Major shareholder of ASTEEL	7,559,123
	Yunco Enterprise Sdn Bhd ("YESB")	Company connected to certain Directors	18,738,274
	Yunco Integrated Sdn Bhd ("YIS")	Company connected to certain Directors	193,472
	Yunco Building Systems Sdn Bhd ("YBS")	Company connected to certain Directors	3,266,413
	Chung Huat Industries Sdn Bhd ("CHI")	Company connected to certain Directors	3,146,465
	Milicorp Sdn Bhd	Company connected to certain Directors	1,983,515
	Yung Kong Construction Sdn Bhd	Company connected to certain Directors	350,213
	Continental Strength Sdn Bhd ("CSSB")	Company connected to certain Directors	1,862,539
	Total		**37,100,014**
Purchase of consumables by ASTEEL Group	YKC	Major shareholder of ASTEEL	89,344
	YIS	Company connected to certain Directors	222,165
	Yung Hup (M) Sdn Bhd	Company connected to certain Directors	111,441
	CSSB	Company connected to certain Directors	2,367,143
	Total		**2,790,093**
Purchase of stock by ASTEEL Group	Ajiya Safety Glass Sdn Bhd	Company connected to certain Directors	2,008,281
	Trans Paint Marketing Sdn Bhd	Company connected to YKC and certain Directors	351,979
	YESB	Company connected to certain Directors	448,735
	YBS	Company connected to certain Directors	76,646
	Yung Kong Versatile Fence Sdn Bhd	Company connected to YKC and certain Directors	278,367
	Yung Kong Metal Works Co Bhd	Company connected to YKC and certain Directors	307,439
	YMC Mesh Sdn Bhd	Company connected to YKC and certain Directors	529,316

Nature of RRPT with ASTEEL Group	Names of Related Party (ies)	Relationship of Related Party (ies) with ASTEEL Group	Actual value of RRPT as at 31 December 2025 (RM)
	Yung Kong Wire Industries Sdn Bhd	Company connected to YKC and certain Directors	14,991
	Marubeni Itochu (M) Sdn Bhd	Company connected to major shareholder of ASTEEL	22,416,842
	Total		**26,432,596**
Purchase of ASTEEL Group Products from ASTEEL Group	Rong Mah Builders Sdn Bhd	Company connected to major shareholder of ASTAR	1,627,480
	Total		**1,627,480**

6. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements Rule 9.25A of the ACE Market Listing Requirements/ Rule 6.13A of the LEAP 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	
Total Income	**2025 (RM)**	**2024 (RM)**
Revenue	271,951,485	248,025,447
Other income	2,003,371	1,193,002
Interest/Finance income	875,146	1,076,378
Share of profit of associates	52,639	(59,261)
Share of profit of ventures	-	(15,681)
Total	**274,882,641**	**250,219,885**
Total Assets	**248,182,404**	**243,111,766**

(b) Business Activities

	Group	
Shariah Non-Compliant Activities	**2025 (RM)**	**2024 (RM)**
Interest income	406,001	528,127
Total	**406,001**	**528,127**

(c) Component of Financial Position

(i) Cash Component

	Group	
Islamic Account/Instruments	**2025 (RM)**	**2024 (RM)**
Cash at bank	381,409	899,858
Short-term deposits	16,817,325	16,325,703
Total Cash	**17,198,734**	**17,225,561**
Conventional Account/Instruments		
Cash at bank	8,801,166	5,045,421
Short-term deposits	9,599,393	8,465,689
Total Cash	**18,400,559**	**13,511,110**

(ii) Debt Component

	Group	
Islamic Financing	**2025 (RM)**	**2024 (RM)**
Current		
Term loans		
Hire purchase payables	47,733	57,233
Banker's acceptances	24,760,666	21,807,821
Revolving credit and loans		
Bank overdrafts	875,572	1,975,449
Non-Current		
Term loans	9,397,005	10,408,470
Hire purchase payables	-	47,733
Total Financing	**35,080,976**	**34,296,706**

	Group	
Conventional Borrowing	**2025 (RM)**	**2024 (RM)**
Current		
Term loans	4,582,111	12,869,885
Hire purchase payables	2,353,715	2,575,687
Banker's acceptances	48,241,482	35,437,104
Revolving credit and loans	4,161,443	1,811,615
Bank overdrafts	1,087,938	2,621,516
Non-Current		
Term loans	4,536,918	2,861,026
Hire purchase payables	3,934,467	5,719,148
Total Financing	**68,898,074**	**63,895,981**

CONTACTS OF ASTEEL GROUP OF COMPANIES

ASTEEL Group Berhad
Reg. No. 1977 0100 1682 (032939-U)

Registered Address
Lot 712 Block 7 Demak Laut Industrial Park
93050 Kuching Sarawak Malaysia
Tel: +60 82 433 888 Fax: +60 82 433 889

Corporate Office
No. 52-4 and 53-4 Setia Avenue
No.2 Jalan Setia Prima S U13/S Seksyen U13
Setia Alam 40170 Shah Alam
Selangor Darul Ehsan Malaysia
Tel: +60 3 5037 6228 Fax: +60 3 5037 6229

Website : http://www.asteel.com.my
E-mail : enquiries@asteel.com.my
cosec@asteel.com.my

Subsidiaries (Sarawak & Sabah)

ASTEEL Resources Sdn Bhd
Reg. No. 2014 0102 7116 (1103206-T)
ASTEEL Sdn Bhd
Reg. No. 1996 0102 0690 (393042-D)
ASTEEL (Sarawak) Sdn Bhd
Reg. No. 2020 0100 7411 (1363731-A)
ASTEEL Development Sdn Bhd
Reg. No. 2013 0103 2399 (1062228-D)
ASTEEL Works Sdn Bhd
Reg. No. 2019 0102 0757 (1330086-T)
ASTEEL Dynamic Sdn Bhd
Reg. No. 2020 0100 2704 (1359023-T)
ASTEEL Top-Mech Sdn Bhd
(Formerly known as AS Scaffolding Sdn Bhd)
Reg. No. 2021 0100 1789 (1402087-D)
AS Trans Paint Sdn Bhd
Reg. No. 1992 0100 8265 (239768-D)
AS Tiles & Interior Design Sdn Bhd
Reg, No. 2020 0100 9209 (1365529-M)
AS Singai Sdn Bhd
Reg, No. 2020 0103 5980 (1392301-X)

Lot 712 Block 7 Demak Laut Industrial Park
93050 Kuching Sarawak Malaysia
Tel: +60 82 433 888 Fax: +60 82 433 889

ASTEEL (Sabah) Sdn Bhd
Reg. No. 2013 0103 2378 (1062207-W)
Lot 10 Package 1 General Industrial Zone
Kota Kinabalu Industrial Park (KKIP), KM26
Jalan Tuaran, 88460 Kota Kinabalu Sabah Malaysia
Tel: +60 88 498 866 Fax: +60 088 498 877

ASTEEL Ajiya Sdn Bhd
Reg. No. 2018 0101 7853 (1279869-K)
Lot 1268, Block 8, Jalan Bako,
Demak Laut Industrial Estate Phase IV,
93050 Kuching Sarawak Malaysia
Tel: +60 82 433 403 /402 Fax: +60 82 433 686

Subsidiaries (Peninsular Malaysia)

ASTEEL Synergy Sdn Bhd
Reg. No. 2020 0100 2709 (1359028-V)
PT 146099, Pelabuhan Barat, Pulau Indah,
42000 Pelabuhan Klang,
Selangor Darul Ehsan, Malaysia
Tel: +60 13 207 9812

Starshine Holdings Sdn Bhd
Reg. No. 2010 0103 6948 (920871-A)
ASTEEL Marketing Sdn Bhd
Reg. No. 1998 0100 1945 (458071-P)
Star Shine Industries Sdn Bhd
Reg. No. 1996 0100 3887 (376233-T)
Star Shine Steel Products Sdn Bhd
Reg. No. 2003 0101 7325 (619745-P)

No.52-4 and 53-4 Setia Avenue,
No. 2 Jalan Setia Prima S U13/S Seksyen U13,
Setia Alam 40170 Shah Alam, Selangor Darul Ehsan
Tel: +60 3 5037 6228
Fax: +60 3 5037 6229

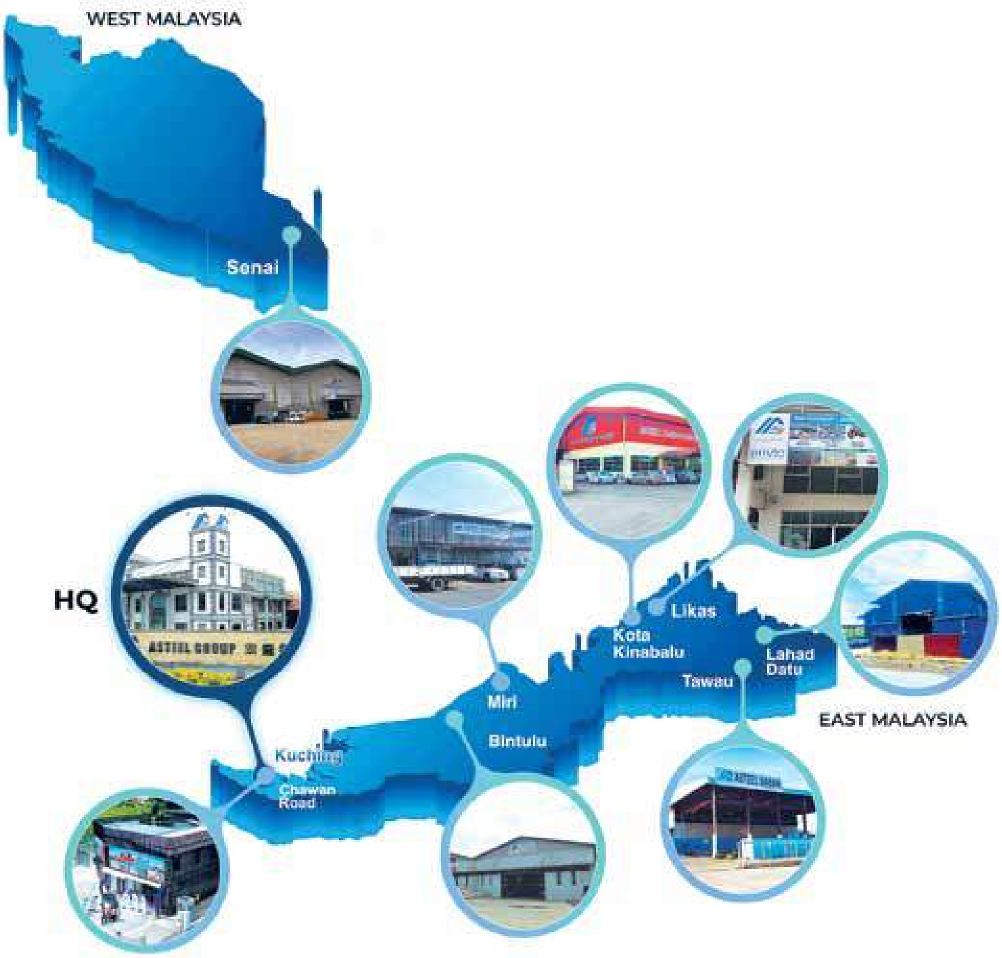
ASTAR Steel Sdn Bhd
Reg. No. 2007 0102 4273 (782292-U)
PTD 102979, Jalan Seelong Jaya 15
Mukim Senai Kulai, 81400 Senai, Johor, Malaysia
Tel: +60 7-599 2846 / 599 2849
Fax: +60 7-599 2854

Subsidiaries (New Zealand)

ASTEEL (NZ) Private Limited
8167701 (NZBN : 9429049224276)
9 Ridge Valley Drive
Browns Bay, Auckland 0630
New Zealand

ASTEEL Unique Group Limited
9112292 (NZBN : 9429051906566)
Unit 4, 243 Blenheim Road,
Riccarton, Christchurch
8041 New Zealand

ASTEEL BUILDING STORES



Demak Laut
Lot 712 Block 7 Demak Laut Industrial Park
93050 Kuching Sarawak Malaysia
Tel: +60 82 496 868   Fax: +60 82 496 886

Chawan Road
488, Jalan Chawan,
93300 Kuching, Sarawak, Malaysia
Tel / Fax: +60 82 337 513

Bintulu
Lot 598 Block 20 Kidurong Industrial Area,
97000 Bintulu Sarawak Malaysia
Tel: +60 86 255 720   Fax +60 86 255 020

Miri
Lot 7900 D/Lot 872 Block 5
Kuala Baram Land District
98000 Miri Sarawak Malaysia
Tel: +60 85 651925   Fax: +60 85 641 045

Kota Kinabalu
Lot 10 Package 1 General Industrial Zone
Kota Kinabalu Industrial Park (KKIP),
KM26 Jalan Tuaran
88460 Kota Kinabalu Sabah Malaysia
Tel: +60 88 498 866
Fax: +60 088 498 877

Tawau
TB 758 Mile 3 ½ Jalan Apas
91015 Tawau, Sabah, Malaysia
Tel: +60 89 916 688, 912 500
Fax: +60 89 915 000

Lahad Datu
Lot DL 31 & 36, KM7
Jalan Tengah Nipah,SEDCO Industrial Estate,
91100 Lahad Datu, Sabah, Malaysia
Tel: +60 89 896 789 / 882 163 / 862 535
Fax: +60 89 888 182

Sales Office - Likas
Lot 4, Ground Floor, Wisma KKM
Mile 5, Jalan Tuaran
88450 Sabah, Malaysia
Tel: +6011 3313 1668

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements of each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements.

The Directors are responsible to ensure that the financial statements for each financial year, give a true and fair view of the state of the affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Board of Directors is also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgments.

The Board of Directors hereby confirms that suitable accounting policies have been consistently applied in respect of preparation of the financial statements. The Board of Directors also confirms that the Group maintains adequate accounting records and sufficient internal controls to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities. These are described more fully under the heading of Corporate Governance Statement outlined in this Annual Report.

Directors' report for the year ended 31 December 2025

The Directors hereby submit the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

The Company is principally an investment holding company. There is no change in the principal activity during the year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM	Company RM
Profit/(Loss) attributable to:		
Owners of the Company	19,766	(1,040,782)
Non-controlling interests	741,637	-
	761,403	(1,040,782)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Director	**Alternate**
Tan Sri (Dr.) Soh Thian Lai*	-
Dato' Sri Victor Hii Lu Thian*	-
Christopher Hii Lu Ming*	-
Yan Ying Chieh	-
Datin Josephine Anak Hilary Dom @ Josephine John	-
Khor Hun Nee	-
Wong Siew Si	-
Wee Hiang Chyn (appointed on 1 July 2025)	-
Liew Jee Min @ Chong Jee Min (retired on 28 February 2025)	-
Koichiro Nakazawa (resigned on 7 April 2026)	Satoru Kojima

** These Directors are also directors of the Company's subsidiaries*

Directors' report for the year ended 31 December 2025 (continued)

Directors of subsidiaries of the Company during the financial year until the date of this report are:

Datuk Seri Dr. Hii Wi Sing

Dato' Wahab Bin Hamid

Datuk Ir. Michael Hii Ee Sing

Arthur Hii Lu Choon

Aw Chiew Lan

Ts. Fong Fui Yee

Goh Kwan Seng

Foo Ai Ting

Paul Wong Chiew Woen

Rose Wong Ngiik Hwa

Henry Hii Lu Yiin

Chong Kon Yu

Koh Teck Hoe

Ts. Dennis Ng Tee Wui

Ng Wai Luen

Tan Teck Heng (appointed on 2 September 2025)

Pang Kok Joon (resigned on 28 February 2025)

Lau Mei Ho (resigned on 20 August 2025)

Lim Kok Peng (resigned on 28 February 2026)

Directors' interests in shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2025	**Bought**	**Sold**	**At 31.12.2025**
Direct interests in the Company:				
Tan Sri (Dr.) Soh Thian Lai	13,429,346	-	-	13,429,346
Dato' Sri Victor Hii Lu Thian	13,495,771	-	-	13,495,771
Christopher Hii Lu Ming	4,283,546	-	-	4,283,546
Deemed interests in the Company:				
Tan Sri (Dr.) Soh Thian Lai	11,876,216	-	-	11,876,216
Dato' Sri Victor Hii Lu Thian	56,273,170	-	-	56,273,170
Christopher Hii Lu Ming	56,273,170	-	-	56,273,170

Directors' report for the year ended 31 December 2025 (continued)

Directors' interests in shares (continued)

	Number of ESOS options over ordinary shares				
	At 1.1.2025	**Granted**	**Exercised**	**Lapsed**	**At 31.12.2025**
Interests in the Company					
Tan Sri (Dr.) Soh Thian Lai	2,200,000	-	-	-	2,200,000
Dato' Sri Victor Hii Lu Thian	2,000,000	-	-	-	2,000,000
Christopher Hii Lu Ming	900,000	-	-	-	900,000
Liew Jee Min @ Chong Jee Min	1,100,000	-	-	(1,100,000)	-
Yan Ying Chieh	900,000	-	-	-	900,000

The other Directors holding office at 31 December 2025 had not dealt in the shares and options over shares of the Company and of its related corporations during and at the end of the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 28 to the financial statements.

The Directors' benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2025 are as follows:

	From the Company RM	**From subsidiary companies RM**
Directors of Company		
Fees	296,750	43,250
Remuneration	348,240	1,380,218
	644,990	1,423,468

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issuance of the Employees Share Option Scheme ("ESOS").

Issue of shares and debentures

There were no other changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issuance of options pursuant to the ESOS.

At the Extraordinary General Meeting held on 30 June 2016, the Company's shareholders approved the establishment of an ESOS of not more than 15% of the prevailing issued and paid up share capital (excluding treasury shares) of the Company to eligible Directors and employees of the Group.

Directors' report for the year ended 31 December 2025 (continued)

Options granted over unissued shares (continued)

The salient features of the ESOS scheme are, *inter alia*, as follows:

i) The aggregate number of shares to be issued under the ESOS shall not be more than 15% of the prevailing issued and paid up share capital of the Company (excluding treasury shares), and shall be made available under the ESOS at any point in time throughout the duration of the Scheme when an offer is made;

ii) The aggregate number of shares to be issued under ESOS to the Director and Senior Management of the Group shall not more than 70% of the total number of ASTEEL Shares to be issued pursuant to the ESOS scheme;

iii) The person who is eligible for ESOS scheme must not participate in the deliberation or discussion of his/her own allocation of new ordinary shares under the scheme;

iv) The aggregate number of shares allocated under ESOS to an eligible employee shall not more than 10% of the total number of new shares to be issued under the scheme, if the person either singly or collectively through persons connect with him, hold 20% or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

v) The maximum percentage of option shares exercisable, in aggregate, in each year is 20% over a period of 5 years. Option shares which are exercisable in a particular year but not exercised shall be carried forward to subsequent years for the duration of the option period.

The options offered to take up unissued ordinary shares and the exercise prices are as follows:

		Number of options over ordinary shares				
		At 1.1.2025	**Granted**	**Exercised**	**Forfeited**	**At 31.12.2025**
Date of Offer	**Exercise Price**					
9.5.2017	RM0.23	16,118,400	-	-	(1,450,000)	14,668,400
8.8.2017	RM0.20	660,000	-	-	(100,000)	560,000
7.8.2018	RM0.22	2,140,000	-	-	(300,000)	1,840,000
5.4.2021	RM0.19	10,251,500	-	-	(1,358,000)	8,893,500
6.7.2021	RM0.19	1,422,000	-	-	(75,000)	1,347,000
		30,591,900	-	-	(3,283,000)	27,308,900

Indemnity and insurance costs for Officers and Auditors

a. **Directors and officers**

During the financial year, the total amount of insurance effected for/indemnity given to Directors of the Company and its subsidiaries is RM23,532 (premium paid) and RM10,000,000 (sum insured) respectively.

b. **Auditors**

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. There is no amount of such indemnity given or insurance effected for its auditors during the year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Directors' report for the year ended 31 December 2025 (continued)

Other statutory information (continued)

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the 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 the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

The auditors' remuneration of the Group and of the Company during the year are RM285,500 and RM46,000 respectively.

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

Tan Sri (Dr.) Soh Thian Lai
Director

Dato' Sri Victor Hii Lu Thian
Director

Klang,

Date: 10 April 2026

Statements of financial position as at 31 December 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Property, plant and equipment	2	52,083,810	57,421,972	54,042	108,084
Right-of-use assets	3	23,271,637	21,993,315	-	-
Investment properties	4	845,376	872,688	-	-
Investment in subsidiaries	5	-	-	25,054,111	25,054,111
Investment in an associate	6	-	40,759	-	-
Investment in a joint venture	7	86,958	34,319	-	-
Other investments	8	9,775	9,775	-	-
Total non-current assets		76,297,556	80,372,828	25,108,153	25,162,195
Trade and other receivables	9	66,495,654	63,284,488	12,713,739	13,345,661
Inventories	10	59,499,172	56,546,546	-	-
Contract assets	11	6,426,372	8,798,038	-	-
Deposits and prepayments	12	3,109,462	1,962,072	30,236	25,966
Current tax assets		452,891	1,031,666	8,050	8,320
Other financial assets	13	26,416,718	24,791,392	-	-
Cash and cash equivalents	14	9,204,579	5,964,736	148,366	26,189
		171,604,848	162,378,938	12,900,391	13,406,136
Assets classified as held for sale	15	280,000	360,000	-	-
Total current assets		171,884,848	162,738,938	12,900,391	13,406,136
Total assets		248,182,404	243,111,766	38,008,544	38,568,331
Equity					
Share capital	16.1	53,826,579	53,826,579	53,826,579	53,826,579
Reserves	16.2	7,021,632	6,682,724	(16,401,585)	(15,743,700)
Equity attributable to owners of the Company		60,848,211	60,509,303	37,424,994	38,082,879
Non-controlling interests	5.3	18,345,404	18,127,352	-	-
Total equity		79,193,615	78,636,655	37,424,994	38,082,879
Liabilities					
Loans and borrowings	17	17,868,390	19,036,377	-	-
Lease liabilities		5,029,244	3,299,801	-	-
Deferred tax liabilities	18	4,578,500	5,340,000	-	-
Total non-current liabilities		27,476,134	27,676,178	-	-
Trade and other payables	19	49,273,307	52,167,103	583,550	485,452
Loans and borrowings	17	86,110,660	79,156,310	-	-
Lease liabilities		1,161,940	1,115,889	-	-
Current tax payables		702,464	304,244	-	-
Contract liabilities	11	4,264,284	4,055,387	-	-
Total current liabilities		141,512,655	136,798,933	583,550	485,452
Total liabilities		168,988,789	164,475,111	583,550	485,452
Total equity and liabilities		248,182,404	243,111,766	38,008,544	38,568,331

The notes on pages 63 to 122 are an integral part of these financial statements.

Statements of profit or loss and other comprehensive income
for the year ended 31December 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	20	271,951,485	248,025,447	84,381	-
Cost of sales		(226,569,574)	(208,822,658)	-	-
Gross profit		45,381,911	39,202,789	84,381	-
Other income		2,003,371	1,193,002	275,000	263,408
Selling and distribution expenses		(4,599,204)	(4,473,477)	-	-
Administrative expenses		(31,270,152)	(27,992,777)	(1,697,764)	(1,522,489)
Other operating expenses		(100,250)	(24,874)	-	(17,000,000)
Net (loss)/gain on impairment of financial instruments	22	(3,937,172)	(1,279,055)	-	38,658
Results from operating activities		7,478,504	6,625,608	(1,338,383)	(18,220,423)
Finance income	21	875,146	1,076,378	297,601	325,195
Finance costs	21	(6,837,610)	(7,296,678)	-	-
Net finance (costs)/ income		(5,962,464)	(6,220,300)	297,601	325,195
Share of loss of equity-accounted associate	6	-	(59,261)	-	-
Share of profit/(loss) of equity-accounted joint venture	7	52,639	(15,681)	-	-
Profit/(Loss) before tax	22	1,568,679	330,366	(1,040,782)	(17,895,228)
Taxation	23	(807,276)	(1,907,922)	-	-
Profit/(Loss) for the year		761,403	(1,577,556)	(1,040,782)	(17,895,228)
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operation		(7,586)	(1,587)	-	-
Total comprehensive income/(expenses) for the financial year		753,817	(1,579,143)	(1,040,782)	(17,895,228)
Profit/(Loss) attributable to:					
Owners of the Company		19,766	(2,186,612)	(1,040,782)	(17,895,228)
Non-controlling interests	5.3	741,637	609,056	-	-
Profit/(Loss) for the year		761,403	(1,577,556)	(1,040,782)	(17,895,228)
Total comprehensive income/ (expenses) attributable to:					
Owners of the Company		12,180	(2,188,199)	(1,040,782)	(17,895,228)
Non-controlling interests		741,637	609,056	-	-
Total comprehensive income/(expenses) for the year		753,817	(1,579,143)	(1,040,782)	(17,895,228)
Basic/diluted profit/(loss) per ordinary share (sen):	24	0.004	(0.451)		

The notes on pages 63 to 122 are an integral part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2025

		Attributable to owners of the Company							
			Non-distributable						
Group	**Note**	**Share capital RM**	**Revaluation reserve RM**	**Share option reserve RM**	**Translation reserve RM**	**Accumulated losses RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2024		53,826,579	23,933,696	337,795	99	(15,684,047)	62,414,122	18,198,207	80,612,329
Loss for the year		-	-	-	-	(2,186,612)	(2,186,612)	609,056	(1,577,556)
Realisation of revaluation gain		-	(1,098,000)	-	-	1,098,000	-	-	-
Foreign currency translation difference for foreign operation		-	-	-	(1,587)	-	(1,587)	-	(1,587)
Total comprehensive (expenses)/ income for the year		-	(1,098,000)	-	(1,587)	(1,088,612)	(2,188,199)	609,056	(1,579,143)
Contributions by and distributions to owners of the Company:									
- Share-based payment transactions	5	-	-	30,681	-	337,795	368,476	-	368,476
- Dilution in interest in an indirect subsidiary to a joint venture	5	-	-	-	-	10,243	10,243	-	10,243
- Change of ownership interests in a subsidiary	5	-	-	-	-	(50,189)	(50,189)	(149,811)	(200,000)
- Redemption of RCPS by an indirect subsidiary		-	-	-	-	-	-	(500,000)	(500,000)
- Dividend paid to minority shareholder	5	-	-	-	-	(45,150)	(45,150)	(30,100)	(75,250)
Total transactions with owners of the Company		-	-	30,681	-	252,699	283,380	(679,911)	(396,531)
At 31 December 2024		53,826,579	22,835,696	368,476	(1,488)	(16,519,960)	60,509,303	18,127,352	78,636,655
		(Note 16.1)	(Note 16.2)	(Note 16.2)	(Note 16.2)			(Note 5.3)	

Consolidated statement of changes in equity
for the year ended 31 December 2025 (continued)

Group (continued)	Note	Share capital RM	Revaluation reserve RM	Share option reserve RM	Translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
		Attributable to owners of the Company — Non-distributable							
At 1 January 2025		53,826,579	22,835,696	368,476	(1,488)	(16,519,960)	60,509,303	18,127,352	78,636,655
Profit for the year		-	-	-	-	19,766	19,766	741,637	761,403
Realisation of revaluation gain		-	(1,098,000)	-	-	1,098,000	-	-	-
Foreign currency translation differences for foreign operations		-	-	-	(7,586)	-	(7,586)	-	(7,586)
Total comprehensive income/(expenses) for the year		-	(1,098,000)	-	(7,586)	1,117,766	12,180	741,637	753,817
Contributions by and distributions to owners of the Company:									
- Share-based payment transactions		-	-	14,421	-	368,476	382,897	-	382,897
- Issuance of shares to non-controlling interest		-	-	-	-	-	-	115	115
- Redemption of RCPS by an indirect subsidiary	5	-	-	-	-	-	-	(500,000)	(500,000)
- Dividend paid to minority shareholder	5	-	-	-	-	(56,169)	(56,169)	(23,700)	(79,869)
Total transactions with owners of the Company		-	-	14,421	-	312,307	326,728	(523,585)	(196,857)
At 31 December 2025		53,826,579	21,737,696	382,897	(9,074)	(15,089,887)	60,848,211	18,345,404	79,193,615
		(Note 16.1)	(Note 16.2)	(Note 16.2)	(Note 16.2)			(Note 5.3)	

Statement of changes in equity
for the year ended 31 December 2025

Company	Share capital	Share option reserve	Retained earnings	Total
	Attributable to owners of the Company			
		Non-distributable		
	RM	RM	RM	RM
At 1 January 2024	53,826,579	337,795	1,445,257	55,609,631
Loss and total comprehensive expense for the year	-	-	(17,895,228)	(17,895,228)
Contributions by and distributions to owners of the Company:				
- Share-based payment transactions	-	30,681	337,795	368,476
Total transactions with owners of the Company	-	30,681	337,795	368,476
At 31 December 2024/1 January 2025	53,826,579	368,476	(16,112,176)	38,082,879
Loss and total comprehensive expense for the year	-	-	(1,040,782)	(1,040,782)
Contributions by and distributions to owners of the Company:				
- Share-based payment transactions	-	14,421	368,476	382,897
Total transactions with owners of the Company	-	14,421	368,476	382,897
At 31 December 2025	53,826,579	382,897	(16,784,482)	37,424,994
	(Note 16.1)	(Note 16.2)		

The notes on pages 63 to 122 are an integral part of these financial statements.

Statements of cash flows for the year ended 31 December 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from operating activities					
Profit/(Loss) before tax		1,568,679	330,366	(1,040,782)	(17,895,228)
Adjustments for:					
Depreciation of property, plant and equipment	2	7,217,050	7,580,419	54,042	54,042
Depreciation of right-of-use assets	3	1,773,131	2,031,891	-	-
Amortisation of investment properties	4	27,312	27,312	-	-
Dividend received	20	-	-	(84,381)	-
Finance income	21	(875,146)	(1,076,378)	(297,601)	(325,195)
Finance costs	21	6,837,610	7,296,678	-	-
Gain on disposal of:					
- property, plant and equipment	22	(130,303)	(8,357)	(17,500)	(26,300)
- right-of-use assets	22	(24,733)	(31,010)	-	-
Bad debt recovered		(1,017)	(11,449)	-	-
Impairment loss/(Reversal of impairment loss) on:					
- trade and other receivables	22	3,937,172	1,279,055	-	(38,658)
- investment in a subsidiary		-	-	-	17,000,000
- assets held for sale	22	80,000	-	-	-
Loss on disposal of an indirect subsidiary	5	-	5,500	-	-
Loss on disposal of an associate	6	98,639	-	-	-
Derecognition of an indirect subsidiary		-	(89,757)	-	-
Property, plant and equipment written off	22	49,862	19,913	- -	- -
Share of loss of equity-accounted associate	6	-	59,261	-	-
Share of (profit)/loss of equity-accounted joint venture	7	(52,639)	15,681	-	-
Equity settled share-based payment transactions	16.2	382,897	368,476	382,897	368,476
Operating profit/(loss) before changes in working capital		20,888,514	17,797,601	(1,003,325)	(862,863)
Change in inventories		(2,952,626)	3,950,299	-	-
Change in contract assets		2,371,666	(1,493,267)	-	-
Change in contract liabilities		208,897	(947,010)	-	-
Change in trade and other receivables, deposits and prepayments		(8,302,297)	(10,344,610)	627,652	401,177
Change in trade and other payables		(2,893,796)	18,917,819	98,098	52,876
Cash generated from/ (used in) operations		9,320,358	27,880,832	(277,575)	(408,810)
Net taxes (paid)/refund		(591,781)	(805,235)	270	(3,850)
Interest paid		(4,858,908)	(5,323,649)	-	-
Interest received		334,402	368,179	-	-
Net cash from/(used in) operating activities		4,204,071	22,120,127	(277,305)	(412,660)

Statements of cash flows for the year ended 31 December 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment [Note (i)]		(1,700,242)	(1,937,460)	-	-
Proceeds from disposal of property, plant and equipment, right-of-use assets and investment properties [Note (ii)]		724,853	955,160	17,500	26,300
Interest received		540,744	708,199	297,601	325,195
Dividend received	20	-	-	84,381	-
Subscription of additional equity interest in an indirect subsidiary	5	-	(200,000)	-	-
Investment in an associate	6	(79,980)	(100,020)	-	-
Proceeds from disposal of shares in an indirect subsidiary	5	-	44,500	-	-
Proceeds from disposal of shares in associate	6	22,100	-	-	-
Movement in pledged deposits placed with licensed banks		(1,625,326)	629,232	-	-
Net cash (used in)/from investing activities		(2,117,851)	99,611	399,482	351,495
Cash flows from financing activities					
Net drawdown/(repayment) of loan and borrowings		7,886,918	(21,694,582)	-	-
Interest paid		(1,978,702)	(1,973,029)	-	-
Payment of lease liabilities		(1,541,384)	(1,993,364)	-	-
Proceed from issuance of share to non-controlling interest by subsidiaries		115	-	-	-
Redemption of RCPS shares by an indirect subsidiary	5	(500,000)	(500,000)	-	-
Dividend paid to non-controlling interest		(79,869)	(75,250)	-	-
Net cash from/(used in) financing activities		3,787,078	(26,236,225)	-	-
Net increase/(decrease) in cash and cash equivalents		5,873,298	(4,016,487)	122,177	(61,165)
Cash and cash equivalents at beginning of year		1,367,771	5,384,258	26,189	87,354
Cash and cash equivalents at end of year [Note (iv)]		7,241,069	1,367,771	148,366	26,189

Statements of cash flows for the year ended 31 December 2025 (continued)

Notes

(i) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment as follows:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Paid in cash		1,700,242	1,937,460	-	-
In the form of hire purchase facilities	(iii)	532,900	-	-	-
Total additions	2	2,233,142	1,937,460	-	-

(ii) Proceeds from disposal of property, plant and equipment, right-of-use assets and investment properties

During the year, the Group and the Company disposed the following and received in cash:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	434,695	259,481	17,500	26,300
Right-of-use assets	290,158	595,679	-	-
Investment properties	-	100,000	-	-
Received in cash	724,853	955,160	17,500	26,300

Statements of cash flows for the year ended 31 December 2025 (continued)

Notes (continued)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2024 RM	Net change from financing cash flows RM	Acquisition of new leases RM	Subtotal carried forward At 31 December 2024/ 1 January 2025 RM
Group				
Term loans				
- secured	12,797,828	4,441,553	-	17,239,381
- unsecured	5,400,000	3,500,000	-	8,900,000
	18,197,828	7,941,553	-	26,139,381
Bankers' acceptance				
- secured	72,756,839	(15,511,914)	-	57,244,925
Hire purchase facilities				
- secured	8,066,753	333,048	-	8,399,801
Revolving credit				
- secured	16,268,884	(14,457,269)		1,811,615
Lease liabilities	6,000,368	(1,993,364)	408,686	4,415,690
Total liabilities from financing activities	121,290,672	(23,687,946)	408,686	98,011,412

	Subtotal carried forward At 31 December 2024/ 1 January 2025 RM	Net change from financing cash flows RM	Acquisition of hire purchase RM	Acquisition of new leases RM	At 31 December 2025 RM
Term loans					
- secured	17,239,381	(2,023,339)	-	-	15,216,042
- unsecured	8,900,000	(5,600,008)	-	-	3,299,992
	26,139,381	(7,623,347)	-	-	18,516,034
Bankers' acceptance					
- secured	57,244,925	15,757,223	-	-	73,002,148
Hire purchase facilities					
- secured	8,399,801	(2,596,786)	532,900	-	6,335,915
Revolving credit					
- secured	1,811,615	2,349,828	-	-	4,161,443
Lease liabilities	4,415,690	(1,541,384)	-	3,316,878	6,191,184
Total liabilities from financing activities	98,011,412	6,345,534	532,900	3,316,878	108,206,724

Statements of cash flows for the year ended 31 December 2025 (continued)

Notes (continued)

(iv) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Deposits placed with licensed banks with original maturities not exceeding three months (Note 14)	1,500,000	-	-	-
Cash in hand and at banks (Note 14)	7,704,579	5,964,736	148,366	26,189
Less: Bank overdrafts (Note 17)	(1,963,510)	(4,596,965)	-	-
	7,241,069	1,367,771	148,366	26,189

(v) Cash outflows for leases as a lessee

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Included in net cash from operating activities				
Payment relating to short-term leases	113,800	76,200	-	-
Interest paid in relation to lease liabilities	284,431	321,383	-	-
Included in net cash from financing activities				
Payment of lease liabilities	1,541,384	1,993,364	-	-
Total cash outflows for leases	1,939,615	2,390,947	-	-

The notes on pages 63 to 122 are an integral part of these financial statements.

Notes to the financial statements

ASTEEL Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business in prior financial years
Suite 27-1, Setia Avenue, No.2 Jalan Setia Prima S U13/5, Seksyen U13, Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan.

Principal place of business with effect from 1 January 2025
Suite 52-4 & 53-4, Setia Avenue, No.2 Jalan Setia Prima S U13/S, Seksyen U13, Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan.

Registered office
Lot 712, Block 7, Demak Laut Industrial Park, 93050 Kuching, Sarawak.

The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate and a joint venture. The financial statements of the Company as at and for the year ended 31 December 2025 do not include other entities.

The Company is principally an investment holding company. The principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 10 April 2026.

1. Basis of preparation

(a) Statement of compliance

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

The following are accounting standards, amendments and interpretations of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

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

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Notes to the financial statements (continued)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026; and

- from the annual period beginning on 1 January 2027 for those accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	**Measurement bases**
Other investment in quoted shares	Fair value
Lands and buildings (Property, plant and equipment and Right-of-use assets)	Revaluation model
Employee share option reserve	Black-Scholes model

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2, impairment assessment of property, plant and equipment;
- Note 3, extension options and incremental borrowing rate in relation to leases;
- Note 5, impairment assessment of investment in subsidiaries;
- Notes 9.3 and 25.3(a), impairment assessment of trade receivables and measurement of expected credit loss ("ECL"); and
- Note 10, valuation of inventories.

Notes to the financial statements (continued)

2. Property, plant and equipment

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment, furniture and fittings, equipment and tools RM	Motor vehicles RM	Assets under construction RM	Total RM
Cost/Valuation							
At 1 January 2024	3,900,000	39,239,000	71,546,014	8,234,684	12,229,236	2,293,310	137,442,244
Additions	-	398,755	249,306	310,030	3,800	975,569	1,937,460
Disposals	-	(306,641)	(97,007)	(23,924)	(811,876)	-	(1,239,448)
Written off	-	(54,105)	(1,149)	(13,597)	(500)	-	(69,351)
Reclassification	-	847,722	884,542	-	-	(1,732,264)	-
At 31 December 2024/1 January 2025	3,900,000	40,124,731	72,581,706	8,507,193	11,420,660	1,536,615	138,070,905
Additions	-	254,525	536,360	339,018	588,049	515,190	2,233,142
Disposals	-	(246,736)	(877,441)	(161,409)	(567,114)	-	(1,852,700)
Written off	-	-	-	(230,120)	-	-	(230,120)
Reclassification	-	225,971	-	-	-	(225,971)	-
At 31 December 2025	3,900,000	40,358,491	72,240,625	8,454,682	11,441,595	1,825,834	138,221,227
Representing items at:							
Cost	-	4,658,491	72,240,625	8,454,682	11,441,595	1,825,834	98,621,227
Directors' valuation	3,900,000	35,700,000	-	-	-	-	39,600,000
	3,900,000	40,358,491	72,240,625	8,454,682	11,441,595	1,825,834	138,221,227

Notes to the financial statements (continued)

2. Property, plant and equipment (continued)

Group (continued)	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment, furniture and fittings, equipment and tools RM	Motor vehicles RM	Assets under construction RM	Total RM
Depreciation and impairment loss							
At 1 January 2024	-	1,707,269	57,380,512	6,117,109	8,901,386	-	74,106,276
Depreciation for the year	-	2,830,362	3,193,849	461,061	1,095,147	-	7,580,419
Disposals	-	(124,466)	(58,603)	(27,071)	(778,184)	-	(988,324)
Written off	-	(40,398)	(823)	(8,217)	-	-	(49,438)
Accumulated depreciation	-	4,372,767	54,276,894	6,542,882	9,218,349	-	74,410,892
Accumulated impairment loss	-	-	6,238,041	-	-	-	6,238,041
At 31 December 2024/1 January 2025	-	4,372,767	60,514,935	6,542,882	9,218,349	-	80,648,933
Depreciation for the year	-	2,763,212	3,028,581	439,471	985,786	-	7,217,050
Disposals	-	(167,905)	(803,846)	(112,881)	(463,676)	-	(1,548,308)
Written off	-	-	-	(180,258)	-	-	(180,258)
Accumulated depreciation	-	6,968,074	56,501,629	6,689,214	9,740,459	-	79,899,376
Accumulated impairment loss	-	-	6,238,041	-	-	-	6,238,041
At 31 December 2025	-	6,968,074	62,739,670	6,689,214	9,740,459	-	86,137,417
Carrying amounts							
At 31 December 2024/1 January 2025	3,900,000	35,751,964	12,066,771	1,964,311	2,202,311	1,536,615	57,421,972
At 31 December 2025	3,900,000	33,390,417	9,500,955	1,765,468	1,701,136	1,825,834	52,083,810

Notes to the financial statements (continued)

2. Property, plant and equipment (continued)

Company	Plant and machinery RM	Office equipment, furniture and fittings, equipment and tools RM	Motor vehicles RM	Total RM
Cost/Valuation				
At 1 January 2024	10,580,252	1,133,342	1,287,936	13,001,530
Disposal	-	-	(630,139)	(630,139)
At 31 December 2024/ 1 January 2025	10,580,252	1,133,342	657,797	12,371,391
Disposal	-	-	(35,167)	(35,167)
At 31 December 2025	10,580,252	1,133,342	622,630	12,336,224
Representing items at:				
Cost	10,580,252	1,133,342	622,630	12,336,224
Depreciation and impairment loss				
At 1 January 2024	10,420,751	1,130,717	1,287,936	12,839,404
Depreciation for the year	53,167	875	-	54,042
Disposal	-	-	(630,139)	(630,139)
Accumulated depreciation	4,235,877	1,131,592	657,797	6,025,266
Accumulated impairment loss	6,238,041	-	-	6,238,041
At 31 December 2024/ 1 January 2025	10,473,918	1,131,592	657,797	12,263,307
Depreciation for the year	53,167	875	-	54,042
Disposal	-	-	(35,167)	(35,167)
Accumulated depreciation	4,289,044	1,132,467	622,630	6,044,141
Accumulated impairment loss	6,238,041	-	-	6,238,041
At 31 December 2025	10,527,085	1,132,467	622,630	12,282,182
Carrying amounts				
At 31 December 2024/ 1 January 2025	106,334	1,750	-	108,084
At 31 December 2025	53,167	875	-	54,042

Notes to the financial statements (continued)

2. Property, plant and equipment (continued)

2.1 Impairment review of property, plant and equipment

In prior years, the Group and the Company have evaluated whether certain idle plant and machineries are stated in excess of their recoverable amounts. The recoverable amounts of these assets, which were part of the Coated Coil Business Assets, are based on their estimated fair values, which are determined based on Directors' best estimate with reference to the market values of similar assets and after taking into accounts the age and physical condition of the assets.

Following the assessment made by the Directors, allowance of impairment loss amounting to RM6,238,041 has been provided for the affected plant and machineries.

During the current year under review, the Company re-evaluated the recoverable amount of the idle plant and machineries based on the same basis applied thereto and concluded that neither further impairment loss is necessary nor any reversal of impairment loss previously made is required.

2.2 Security

The following property, plant and equipment are charged as security for certain loans and borrowings (see Note 17).

	Carrying amounts	
Group	**2025 RM**	**2024 RM**
Fixed legal charges		
Freehold land	3,900,000	3,900,000
Buildings	32,938,566	34,319,300

2.3 Plant and equipment under hire purchase facilities

The carrying amounts of the property, plant and equipment under hire purchase facilities are as follows:

	Group	
	2025 RM	**2024 RM**
Building	204,167	254,167
Plant and machinery	4,836,014	5,681,160
Motor vehicles	1,588,656	2,301,005
Total	6,628,837	8,236,332

Assets under hire purchase facilities are charged to secure the hire purchase borrowings of the Group (see Note 17).

2.4 Property, plant and equipment under the revaluation model

The Group has applied the revaluation model for the entire asset class on its freehold land and buildings. In 2023, a revaluation was performed by independent professional valuers, Henry Butcher Malaysia and PA International Property Consultants using the comparison method.

The freehold land and buildings of the Group are stated at revalued amount according to the Group's revaluation accounting policy (Note 2.5.1).

Freehold land is not depreciated. Had the buildings been carried under the cost model, the carrying amounts, net of any accumulated impairment loss where applicable, that would have been included in the financial statements at the end of the year are as follows:

Notes to the financial statements (continued)

2. Property, plant and equipment (continued)

2.4 Property, plant and equipment under the revaluation model (continued)

	Group	
	2025 RM	2024 RM
Carrying amounts		
Buildings	7,590,496	8,168,629

2.5 Material accounting policy information

2.5.1 Recognition and measurement

Items of property, plant and equipment (other than as stated in Note 2.4) are measured at cost less any accumulated depreciation and any accumulated impairment losses.

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

Property, plant and equipment under the revaluation model

The Group and the Company revalue their properties comprising freehold land and buildings every three (3) years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

2.5.2 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	10, 20 and 50 years
Plant and machinery	5, 7, 8, 10, 15, 20 and 25 years
Office equipment, furniture and fittings, equipment and tools	2, 4, 5 and 10 years
Motor vehicles	5 and 7 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

Notes to the financial statements (continued)

3. Right-of-use assets - Group

	Leasehold land RM	Buildings RM	Machinery RM	Total RM
Cost				
At 1 January 2024	18,542,000	11,629,151	-	30,171,151
Addition	-	408,686	-	408,686
Disposal	-	(1,549,462)	-	(1,549,462)
At 31 December 2024/ 1 January 2025	18,542,000	10,488,375	-	29,030,375
Addition	-	3,316,878	-	3,316,878
Disposal	-	(776,715)	-	(776,715)
At 31 December 2025	18,542,000	13,028,538	-	31,570,538
Representing items at:				
Cost	-	13,028,538	-	13,028,538
Directors' valuation	18,542,000	-	-	18,542,000
	18,542,000	13,028,538	-	31,570,538
Accumulated depreciation				
At 1 January 2024	-	5,989,962	-	5,989,962
Depreciation for the year	540,894	1,490,997	-	2,031,891
Disposal	-	(984,793)	-	(984,793)
At 31 December 2024/ 1 January 2025	540,894	6,496,166	-	7,037,060
Depreciation for the year	540,894	1,232,237	-	1,773,131
Disposal	-	(511,290)	-	(511,290)
At 31 December 2025	1,081,788	7,217,113	-	8,298,901
Carrying amount				
At 31 December 2024/ 1 January 2025	18,001,106	3,992,209	-	21,993,315
At 31 December 2025	17,460,212	5,811,425	-	23,271,637

The Group leases a number of office buildings and factory facilities that run between 3 years and 10 years, with an option to renew the lease after that date. Lease payments are increased every two to five years to reflect current market rentals. The Group also has three parcels of lands of which the lease terms expire in 2052, 2053 and 2098 respectively.

3.1 Extension options

The lease of buildings contains extension options exercisable by the Group up to 3 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Notes to the financial statements (continued)

3. Right-of-use assets - Group (continued)

3.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.3 Right-of-use assets under the revaluation model

The Group revalues its properties comprising right-of-use leasehold land every three (3) years and at shorter intervals whenever the fair values of the revalued assets is expected to differ materially from their carrying value.

In 2023, the Group had revalued its leasehold lands. The revaluation was performed by independent professional valuers, Henry Butcher Malaysia and PA International Property Consultants using the comparison method.

Had the leasehold land been carried under the cost model, its carrying amounts, net of any accumulated depreciation and accumulated impairment loss where applicable, that would have been included in the financial statements at the end of the financial year are as follows:

	2025 RM	2024 RM
Carrying amounts		
Short-term leasehold land	5,944,337	6,156,093
Long-term leasehold land	3,288,249	3,343,011
	9,232,586	9,499,104

3.4 Security

The following right-of-use assets are charged as security for certain loans and borrowings (see Note 17).

	Carrying amounts	
Group	**2025 RM**	**2024 RM**
Fixed legal charges		
Leasehold land	17,460,212	18,001,106

3.5 Material accounting policy information

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates 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 is 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.

Notes to the financial statements (continued)

3. Right-of-use assets - Group (continued)

3.5 Material accounting policy information (continued)

(b) Recognition exemption

The Group has 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 recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

4. Investment properties - Group

	Land and buildings RM
At cost	
At 1 January 2024	1,377,170
Disposal	(100,000)
At 31 December 2024/1 January 2025/31 December 2025	1,277,170
Accumulated amortisation and impairment loss	
At 1 January 2024	
Accumulated amortisation	123,522
Accumulated impairment loss	253,648
	377,170
Charge for the year	27,312
At 31 December 2024/1 January 2025	
Accumulated amortisation	150,834
Accumulated impairment loss	253,648
	404,482
Charge for the year	27,312
At 31 December 2025	
Accumulated amortisation	178,146
Accumulated impairment loss	253,648
	431,794
Carrying amount	
At 31 December 2024/1 January 2025	872,688
At 31 December 2025	845,376
Fair value	
At 31 December 2024/1 January 2025	900,000
At 31 December 2025	900,000

Notes to the financial statements (continued)

4. Investment properties - Group (continued)

4.1 Nature of leasing activities

Investment property comprises of a commercial property that was leased out during the year.

4.2 Restrictions on investment property

The investment property of the Group has been charged to secure banking facilities granted to the Group (see note 17).

4.3 Other expenses recognised in profit or loss in relation to investment property

The following are recognised in profit or loss in respect of investment property:

	2025 RM	2024 RM
Direct operating expenses:		
- non-income generating investment property	22,546	30,204

4.4 Fair value information

Fair value of investment properties are categorised as follows:

	Level 3	
	2025 RM	2024 RM
Buildings	900,000	900,000

Level 3 fair value

The Level 3 fair value of investment property, determined for disclosure purposes, is generally ascertained by the management with reference to valuation reports, issued by an external independent property valuer, who has appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

	RM
At 1 January 2024	1,000,000
Disposal	(100,000)
At 31 December 2024/1 January 2025/31 December 2025	900,000

4.5 Impairment on investment properties

Following the revaluation made in prior years, an allowance of impairment loss amounting to RM253,648 was provided for the affected building.

4.6 Material accounting policy information

Investment property is measured at cost less any accumulated amortisation.

Amortisation is recognised to profit or loss on a straight-line basis over the estimated useful lives. The estimated useful life of building for the current and comparative periods is 50 years.

Notes to the financial statements (continued)

5. Investment in subsidiaries - Company

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	46,479,402	46,479,402
Less: Impairment loss	(21,425,291)	(21,425,291)
	25,054,111	25,054,111

For the financial year ended 31 December 2025

Redemption of RCPS by existing indirect subsidiary

On 8 January 2025, an indirect subsidiary, ASTEEL Ajiya Sdn. Bhd. has redeemed 500,000 Redeemable Cumulative Preference Shares ("RCPS") out of its capital, held by a non-controlling shareholder for a total cash consideration of RM500,000.

For the financial year ended 31 December 2024

Incorporation of new subsidiary

On 26 February 2024, an indirect subsidiary, ASTEEL Unique Group Limited (AUGL) was incorporated in New Zealand as a 51% owned subsidiary of ASTEEL (NZ) Private Limited (ASNZ). AUGL has an issued and paid up capital of 100 ordinary shares of NZD1.00 each, equivalent to MYR2.34 per share, of which 51 shares held by ASNZ with the remaining 49 shares held by third party.

Acquisition of additional equity interest in an existing indirect subsidiary

On 20 February 2024, an indirect subsidiary, ASTEEL (Sarawak) Sdn. Bhd. has acquired additional 210,000 ordinary shares in an existing indirect subsidiary, AS Tiles & Interior Design Sdn. Bhd. ("ATID") for a total cash consideration of RM200,000. As a result, ATID became a wholly owned subsidiary of the Group. This change in ownership was accounted for as an equity transaction between the Group and non-controlling interests. As a result, the Group recognised a decrease in non-controlling interest of RM149,811.

Change in equity interest in an existing indirect subsidiary

On 24 April 2024, the entire shares of an indirect subsidiary, ASTEEL Top-Mech Sdn. Bhd. have been transferred from an indirect subsidiary, ASTEEL Sdn. Bhd. to ASTEEL Resources Sdn. Bhd. ("ARSB").

On 7 May 2024, ARSB disposed off 50% shares in ASTEEL Top-Mech Sdn. Bhd. to a third party for a cash consideration of RM44,500. Upon the disposal, the investment in ASTEEL Top-Mech Sdn. Bhd. is reclassed from an indirect subsidiary to an investment in a joint venture (see Note 7). As a result, the Group recorded a loss on disposal amounting to RM5,500.

Redemption of RCPS by existing indirect subsidiary

On 8 July 2024, an indirect subsidiary, ASTEEL Ajiya Sdn. Bhd. has redeemed 500,000 Redeemable Cumulative Preference Shares ("RCPS") out of its capital, held by a non-controlling shareholder for a total cash consideration of RM500,000.

5.1 Impairment loss

In the prior year, the Company has recognised an impairment loss of RM17 million in a subsidiary based on the estimated recoverable amount of the subsidiary. The recoverable amount was based on the estimated equity value of the subsidiary, which is derived from the value in use.

During the year, the Company has reassessed on similar basis, with no impairment loss recognised.

Notes to the financial statements (continued)

5. Investment in subsidiaries - Company (continued)

5.2 Details of the subsidiaries

The subsidiaries which are all incorporated and principal place of business in Malaysia, are as follows:

Subsidiary	Principal activities	Effective ownership interest/Voting interest 2025 %	2024 %
Direct			
ASTEEL Resources Sdn. Bhd. ("ARSB")	Investment holding	80.36	80.36
Starshine Holdings Sdn. Bhd. ("SSH")	Investment holding	100	100
Indirect through SSH			
ASTEEL Marketing Sdn. Bhd. ("ASM")	Trading of coated and non-coated steel sheets in coils and building materials	100	100
Star Shine Global Trading Sdn. Bhd.	Under voluntary winding up	100	100
Star Shine Industries Sdn. Bhd.	Inactive	100	100
Indirect through ASM			
Starshine Resources Sdn. Bhd.	Under voluntary winding up	100	100
ASTAR Steel Sdn. Bhd.	Processors and distributors of iron and steel and roofing supply and installation	51.41	51.41
Star Shine Steel Products Sdn. Bhd.	Supply and install of steel products and trading of construction material and project management	100	100

Notes to the financial statements (continued)

5. Investment in subsidiaries - Company (continued)

5.2 Details of the subsidiaries (continued)

Subsidiary	Principal activities	Effective ownership interest/Voting interest 2025 %	Effective ownership interest/Voting interest 2024 %
Indirect through ARSB			
ASTEEL Sdn. Bhd. ("ASB")	Manufacture and sale of metal roofing, coated steel products and related products	100	100
ASTEEL (Sabah) Sdn. Bhd.	Manufacture and sale of metal roofing and related products and trading in building materials and hardware	100	100
ASTEEL Development Sdn. Bhd.	Supply and install steel truss, construction and renovation works	100	100
ASTEEL Ajiya Sdn. Bhd.	Manufacture and sale of safety glass and industrialised building system products	60	60
ASTEEL Works Sdn. Bhd.	Processing and supply of façade products and metal fabrication	100	100
ASTEEL Dynamic Sdn. Bhd.	Inactive	100	100
ASTEEL Synergy Sdn. Bhd.	Manufacture and sale of metal roofing, coated steel products, trading of hardware and building materials, and supply and construct of steel truss and roofing covering	100	100

Notes to the financial statements (continued)

5. Investment in subsidiaries - Company (continued)

5.2 Details of the subsidiaries (continued)

Subsidiary	Principal activities	Effective ownership interest/Voting interest 2025 %	2024 %
Indirect through ARSB			
ASTEEL (Sarawak) Sdn. Bhd. ("ASWK")	Manufacture and sale of metal roofing, coated steel products trading of hardware and building materials, and supply and construct of steel truss and roofing covering	100	100
ASTEEL (NZ) Private Limited ("ASNZ") ^^	Inactive	100	100
Indirect through ASWK			
AS Tiles & Interior Design Sdn. Bhd.	Trading of flooring products, interior design and renovation works	100	100
AS Singai Sdn. Bhd.	Trading of hardware and building materials	51	51
AS Trans Paint Sdn. Bhd	Supply and apply of paint products	70	70
Indirect through ASNZ			
ASTEEL Unique Group Limited^^	Inactive	51	51

^^ Not audited by member firms of KPMG PLT

Notes to the financial statements (continued)

5. Investment in subsidiaries - Company (continued)

5.3 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	2025		
	ASTAR Steel Sdn. Bhd. RM	ASTEEL Resources Sdn. Bhd. and its subsidiaries RM	Total RM
NCI percentage of ownership interest and voting interest	48.59%	19.64%	
Carrying amount of NCI	4,327,998	14,017,406	18,345,404
(Loss)/Profit allocated to NCI	(19,820)	761,457	741,637

	2024		
	ASTAR Steel Sdn. Bhd. RM	ASTEEL Resources Sdn. Bhd. and its subsidiaries RM	Total RM
NCI percentage of ownership interest and voting interest	48.59%	19.64%	
Carrying amount of NCI	4,347,818	13,779,534	18,127,352
Profit allocated to NCI	389,659	219,397	609,056

Summarised financial information before intra-group elimination

	2025	
	ASTAR Steel Sdn. Bhd. RM	ASTEEL Resources Sdn. Bhd. and its subsidiaries RM
As at 31 December		
Non-current assets	9,409,968	67,155,485
Current assets	15,346,972	145,067,265
Non-current liabilities	(2,226,053)	(24,772,723)
Current liabilities	(13,585,703)	(122,130,169)
Net assets	8,945,184	65,319,858
Revenue	21,118,857	232,041,088
(Loss)/Profit for the financial year	(40,791)	3,677,718
Cash flows from operating activities	1,075,213	3,162,687
Cash flows used in investing activities	(160,905)	(2,413,861)
Cash flows (used in)/from financing activities	(582,364)	4,667,692
Net increase in cash and cash equivalents	331,944	5,416,518
Dividends paid to NCI	-	(23,700)

Notes to the financial statements (continued)

5. Investment in subsidiaries - Company (continued)

5.3 Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination

	2024	
	ASTAR Steel Sdn. Bhd. RM	ASTEEL Resources Sdn. Bhd. and its subsidiaries RM
As at 31 December		
Non-current assets	9,670,722	71,107,791
Current assets	17,586,938	131,579,057
Non-current liabilities	(2,935,537)	(24,443,946)
Current liabilities	(15,336,152)	(115,929,041)
Net assets	8,985,971	62,313,861
Revenue	29,379,228	201,250,722
Profit for the financial year	801,933	282,999
Cash flows (used in)/from operating activities	(469,832)	21,698,721
Cash flows from investing activities	9,428	560,395
Cash flows used in financing activities	(384,525)	(24,964,120)
Net decrease in cash and cash equivalents	(844,929)	(2,705,004)
Dividends paid to NCI	-	(30,100)

5.4 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

6. Investment in an associate - Group

	Group	
	2025 RM	2024 RM
Investment in shares	-	100,020
Share of post-acquisition reserves	-	(59,261)
	-	40,759

For the financial year ended 31 December 2025

On 4 March 2025, the Group acquired addition 75,015 ordinary shares, representing 15% equity interest for a cash consideration of RM75,015. On 6 March 2025, the Group subscribed additional 4,965 ordinary shares for a total consideration of RM4,965. With this the total shares held by the Group was 180,000 ordinary shares representing 30% equity interest.

On 27 June 2025, the Group has disposed the entire shares in Berger International (Sarawak) Sdn. Bhd. for a total cash consideration of RM22,100 with loss on disposal of RM98,639 recognised during the year.

Notes to the financial statements (continued)

6. Investment in an associate - Group (continued)

For the financial year ended 31 December 2024

On 22 January 2024, the Group subscribed to 20 ordinary shares in Berger International (Sarawak) Sdn. Bhd., representing 20% equity interest for a total cash consideration of RM20. On 20 June 2024, Berger International (Sarawak) Sdn. Bhd. increased its paid up capital by 500,000 ordinary shares in which the Group subscribed to 100,000 ordinary shares for a total cash consideration of RM100,000.

Details of an associate which is incorporated and principal place of business in Malaysia is as follows:

Name of entity	Principal activities	Effective ownership interest/Voting interest 2025 %	2024 %
Berger International (Sarawak) Sdn. Bhd. ("Berger") @	Manufacture and wholesale of paints and varnishes	-	20

@ Financial year 31 March

6.1 Material accounting policy information

Investments in an associate is measured in the Group's statement of financial position at cost less any impairment losses.

6.2 Summary financial information

	2024 Berger RM
As at 31 December	
Non-current assets	58,784
Current assets	283,944
Current liabilities	(138,932)
Net assets	203,796
Revenue	238
Loss for the financial year	(296,305)
Reconciliation of net assets to carrying amount as at 31 December	
Group's share of net assets	40,759
Group's share of results for the year ended 31 December	
Group's share of loss	(59,261)

Notes to the financial statements (continued)

7. Investment in a joint venture – Group

	Group	
At cost	**2025 RM**	**2024 RM**
Investment in shares	50,000	50,000
Share of post-acquisition reserves	36,958	(15,681)
	86,958	34,319

The joint arrangement in which the Group participates is involved in selling, distribution, supply and install, leasing, renting and providing after-sales services of cranes, equipment and machineries. As the Group is only entitled to the net assets of the joint arrangement, the Group has therefore classified its interest in the following entity as joint venture. Details of the joint venture which is incorporated and principal place of business in Malaysia is as follows:

		Effective ownership interest/Voting interest	
		2025	**2024**
Name of entity	**Principal activities**	%	%
ASTEEL Top-Mech Sdn. Bhd. ("ASTM")	Sale and leasing of equipment and machinery	50	50

The following table summarises the information of the Group's joint venture, adjusted for any material differences in accounting policies (if any) and reconciles the information to carrying amount of the Group's interest in the joint venture, which is accounted for using equity method.

7.1 Summarised financial information

	2025 ASTM RM
As at 31 December	
Non-current asset	2,463
Current assets	1,865,564
Current liabilities	(1,704,352)
Net assets	163,675
Revenue	2,840,321
Profit for the financial year	105,277
Reconciliation of net assets to carrying amount as at 31 December	
Group's share of net assets and carrying amount in the statement of financial position	36,958
Group's share of results for the year ended 31 December	
Group's share of loss and total comprehensive expenses net of tax	52,639

Notes to the financial statements (continued)

7. Investment in a joint venture – Group (continued)

7.1 Summarised financial information (continued)

	2024 ASTM RM
As at 31 December	
Non-current asset	10,000
Current assets	1,104,953
Current liabilities	(1,056,558)
Net assets	58,395
Revenue	97,255
Loss for the financial year	(31,362)
Reconciliation of net assets to carrying amount as at 31 December	
Group's share of net assets and carrying amount in the statement of financial position	34,319
Group's share of results for the year ended 31 December	
Group's share of loss and total comprehensive expenses net of tax	(15,681)

8. Other investments - Group

	Group 2025 RM	Group 2024 RM
Quoted investment	21,400	21,400
Less: Impairment loss	(11,625)	(11,625)
	9,775	9,775

The recoverable amount was estimated with reference to the market value and as at 31 December 2025, the fair value of the quoted investment is RM8,800 (2024: RM11,425).

Notes to the financial statements (continued)

9. Trade and other receivables

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Trade					
Trade receivables from contracts with customers	9.1	70,891,768	66,504,416	-	-
Less: Allowance for impairment losses	9.3	(10,077,579)	(6,140,407)	-	-
		60,814,189	60,364,009	-	-
Non-trade					
Subsidiaries	9.2	-	-	12,677,739	13,309,661
Other receivables	9.4	7,301,129	4,540,143	1,555,664	1,555,664
Less: Allowance for impairment losses	9.3	(1,619,664)	(1,619,664)	(1,519,664)	(1,519,664)
		5,681,465	2,920,479	36,000	36,000
		5,681,465	2,920,479	12,713,739	13,345,661
Total		66,495,654	63,284,488	12,713,739	13,345,661

9.1 Included in the trade receivables of the Group as at 31 December 2025 is amount due from eleven (2024: fifteen) related parties amounting to RM2,529,502 (2024: RM3,911,762). In prior year, amount due from a consortium partner of RM212,643 with credit term of 7 days to 60 days was included in trade receivables of the Group.

9.2 Included in the amount due from subsidiaries is an amount of RM8,130,000 (2024: RM8,770,000), bearing interest of 3.5% (2024: 3.5%) per annum and repayable on demand. The remaining non-trade balance due from subsidiaries are unsecured, interest free and repayable on demand.

9.3 Assessment of impairment loss on receivables

The Group has applied MFRS 9, *Financial Instrument* and has use an allowance matrix to measure Expected Credit Loss ("ECL"). The calculation of the impairments under ECL model is based on historical record. These include assessment of customers' past payment records and the age of receivables. The evaluation is however inherently judgemental and requires estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to significant changes.

9.4 Included in other receivables of the Group is an amount due from a consortium partner of RM2,979,079 (2024: RM2,579,300) which is unsecured, interest free and repayable on demand.

Notes to the financial statements (continued)

10. Inventories - Group

	Note	2025 RM	2024 RM
At cost			
Raw materials		30,518,722	19,924,728
Work-in-progress		7,132,722	9,772,559
Manufactured inventories		7,500,370	8,254,669
Trading products		13,255,782	16,781,100
Consumables		391,557	369,690
Subtotal		58,799,153	55,102,746
At net realisable value			
Manufactured inventories		33,332	109,236
Trading products		666,687	1,334,564
Subtotal	10.1	700,019	1,443,800
Total		59,499,172	56,546,546

Recognised in profit or loss:

	2025 RM	2024 RM
Inventories recognised as cost of sales	226,449,574	208,666,496
Provision for obsolete and slow-moving inventories (included in cost of sales)	120,000	156,162
Total recognised in profit or loss	226,569,574	208,822,658

10.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

The cost of raw materials and consumables is measured based on both specific identification formula and first-in first-out basis while that of manufactured inventories and work-in-progress is measured based on weighted average cost basis. For trading inventories, cost is based on the specific identification basis.

11. Contract with customers - Group

	2025 RM	2024 RM
Contract assets	6,426,372	8,798,038
Contract liabilities	4,264,284	4,055,387

The contract assets primarily relate to the Group's rights to consideration for work completed on roofing supply and installation but not yet billed at the reporting date. The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work. The contract assets are transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers. The contract liabilities are recognised as revenue when the Group fulfills its performance obligation under the contracts with customers.

Notes to the financial statements (continued)

12. Deposits and prepayments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits	1,504,836	1,045,748	7,825	9,000
Prepayments	1,604,626	916,324	22,411	16,966
	3,109,462	1,962,072	30,236	25,966

13. Other financial assets - Group

	Group	
	2025 RM	2024 RM
Deposits placed with licensed banks	26,416,718	24,791,392

The fixed deposits were pledged to secure bank facilities granted for certain subsidiaries (see Note 17).

13.1 Material accounting policy information

The Group classifies deposits with licensed banks not held for working capital purposes that has a maturity of more than three months as other investments.

14. Cash and cash equivalents

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits placed with licensed banks with original maturities not exceeding three months	1,500,000	-	-	-
Cash in hand and at banks	7,704,579	5,964,736	148,366	26,189
	9,204,579	5,964,736	148,366	26,189

15. Assets classified as held for sale – Group

	Group	
	2025 RM	2024 RM
Assets classified as held for sale		
Arising from a debt settlement arrangement	380,250	380,250
Less: impairment loss	(100,250)	(20,250)
	280,000	360,000

In the prior years, the Group had entered into a debt settlement arrangement with a certain debtor with the consideration of RM380,250 settled through transfer of a property to the Group. Upon the delivery of vacant possession on 27 May 2019, the Group had classified this property as assets held for sale as efforts to sell this property has commenced. During the year, impairment loss of RM80,000 (2024: Nil) was recognised following an assessment of the assets' fair value less costs to sell.

Notes to the financial statements (continued)

16. Capital and reserves

16.1 Share capital

	Group and Company			
	Amount		Number of shares	
	2025 RM	2024 RM	2025	2024
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
Opening balances and closing balances	40,994,648	40,994,648	484,869,516	484,869,516
Redeemable convertible preference shares				
Opening balances and closing balances	12,831,931	12,831,931	21,726,100	21,726,100
Total	53,826,579	53,826,579	506,595,616	506,595,616

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Redeemable convertible preference shares ("RCPS")

All outstanding RCPS may be redeemed by the Company at its option at any time after the tenth (10^{th}) anniversary of their issue, by giving three (3) months notice to the holders of the RCPS. The RCPS rank equally with regards to the Company's residual assets, except that RCPS holders participate only to the extent of the par value of the preference shares.

The RCPS confers the holders thereof the following rights and privileges and is subject to the following conditions:

i) Each RCPS shall be convertible, at the option of the holder thereof, at any time after its date of issue ("original date of issue") but prior to redemption, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares as is determined by dividing the original acquisition price by the RCPS conversion price in effect at the time of conversion. The RCPS conversion price shall initially be equal to the original acquisition price per RCPS.

ii) No fractional shares shall be issued upon conversion of the RCPS. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by:

(1) where the shares are listed and quoted on Bursa Malaysia at the conversion time, the arithmetic mean of the daily volume weighted average price of the ordinary shares during the period of 5 market days immediately preceding the conversion time; or

Notes to the financial statements (continued)

16. Capital and reserves (continued)

16.1 Share capital (continued)

Redeemable convertible preference shares ("RCPS") (continued)

(2) where the shares cease to be listed and quoted on Bursa Malaysia at the conversion time, the fair market value of the shares as determined in good faith by the Board of Directors of the Company.

Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of RCPS the holder is at the time converting into shares and the aggregate number of shares issuable upon such conversion.

iii) The RCPS shall rank in priority both as regards payment of dividends and repayment of capital in priority to all classes of shares of the Company and are not transferable.

iv) The holder of RCPS are not entitled to participate in the profits or assets of the Company beyond such rights as are expressly set out in the Memorandum and Articles of the Company and except in the event of the winding-up of the Company as hereinafter provided.

v) The RCPS shall carry the right to receive a non-cumulative dividend at a rate to be determined by the Board of Directors of the Company provided always that such rate shall not be less than 10% above that declared on the ordinary shares in issue in any financial year.

vi) The RCPS will not be listed on Bursa Malaysia and/or any other foreign stock exchange.

vii) The holder of the RCPS will be entitled to vote in each of the following circumstances and in no others:

(a) when a dividend (or part of a dividend) in respect of the RCPS is in arrears;
(b) to reduce the Company's share capital or share premium account;
(c) to vary, modify, abrogate or otherwise affect the rights and privileges attached to the RCPS;
(d) to wind up, dissolve, amalgamate, merge or consolidate the Company with any other body corporate;
(e) to dispose the whole or a substantial part of the Company's property, business and undertakings;
(f) during the winding up of the Company; and
(g) to alter the Memorandum and Articles of the Company.

viii) Whenever a holder of a RCPS has the right to vote at a general meeting of the Company, that holder has the same right to vote (both on a show of hands and on a poll) as a holder of ordinary shares and has the same rights as the holder of ordinary shares in respect of all proceedings at that general meeting.

ix) A holder of a RCPS has the same rights as a holder of ordinary shares in relation to receiving notices, reports and audited accounts and attending meetings of the Company.

Notes to the financial statements (continued)

16. Capital and reserves (continued)

16.2 Reserves

Revaluation reserve

Revaluation reserve (net of deferred tax liability recognised) represents non distributable surplus arising from the revaluation of freehold land, leasehold land and buildings.

Employee share option reserve

	Group and Company	
	2025 RM	**2024 RM**
At 1 January	368,476	337,795
Recognition of share options reserve	14,421	30,681
At 31 December	382,897	368,476

The employee share option reserve represents the value of equity-settled share options granted to employees.

As at 31 December 2025, the remaining outstanding ESOS is 27,308,900 (2024: 30,591,900) (see Note 29).

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Notes to the financial statements (continued)

17. Loans and borrowings - Group

	2025 RM	2024 RM
Non-current		
Term loans		
- secured	12,833,955	13,269,496
- unsecured	1,099,968	-
	13,933,923	13,269,496
Hire purchase facilities		
- secured	3,934,467	5,766,881
	17,868,390	19,036,377
Current		
Term loans		
- secured	2,382,087	3,969,885
- unsecured	2,200,024	8,900,000
	4,582,111	12,869,885
Hire purchase facilities - secured	2,401,448	2,632,920
Bankers' acceptances - secured	73,002,148	57,244,925
Revolving credits – secured	4,161,443	1,811,615
Bank overdrafts - secured	1,963,510	4,596,965
	86,110,660	79,156,310
Total	103,979,050	98,192,687

(i) Security

Bank overdrafts, term loans and bankers' acceptances

- Secured by a pledge of term deposits (see Note 13).
- Secured by fixed charges over certain subsidiaries' long-term leasehold land and buildings erected thereon (see Note 2.2, 3.4 and 4.2).
- Secured by corporate guarantee of the Company.

Hire purchase facilities

Hire purchase facilities are secured on the assets (see Note 2.3). Hire purchase facilities of certain subsidiaries amounted to RM1,847,347 (2024: RM2,506,322) are jointly and severally guaranteed by certain Directors of the Company and of its subsidiaries.

Revolving credits

- Secured by a pledge of term deposits (see Note 13).
- Secured by certain long-term leasehold land of the Group (see Note 3.4).
- Secured by corporate guarantee of the Company.

Notes to the financial statements (continued)

17. Loans and borrowings - Group (continued)

(ii) Significant covenants on loans and borrowings

The Group's bank loan with a carrying amount of RM36,965,643 at 31 December 2025 (2024: RM22,663,531) contains a covenant that requires the Group to maintain a gearing ratio of not more than 1.50 times. The covenant is tested annually on 31 December. The loan becomes repayable on demand if the threshold is not met at 31 December.

The Group complied with the threshold when it was tested on 31 December 2025.

(iii) Hire purchase facilities

Hire purchase facilities are payable as follows:

	Payment RM	Interest RM	Principal RM
Group			
2025			
Less than one year	2,826,240	424,792	2,401,448
Between one and five years	4,299,505	382,338	3,917,167
More than 5 years	17,821	521	17,300
	7,143,566	807,651	6,335,915
2024			
Less than one year	3,245,971	613,051	2,632,920
Between one and five years	6,476,604	719,284	5,757,320
More than 5 years	9,624	63	9,561
	9,732,199	1,332,398	8,399,801

Notes to the financial statements (continued)

18. Deferred tax

Recognised deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2025 RM**	**2024 RM**	**2025 RM**	**2024 RM**	**2025 RM**	**2024 RM**
Property, plant and equipment	369,000	-	-	(554,000)	369,000	(554,000)
Revaluation reserve	-	-	(6,655,000)	(7,001,000)	(6,655,000)	(7,001,000)
Provisions	1,707,500	2,215,000	-	-	1,707,500	2,215,000
Tax assets/(liabilities)	2,076,500	2,215,000	(6,655,000)	(7,555,000)	(4,578,500)	(5,340,000)
Set-off of tax	(2,076,500)	(2,215,000)	2,076,500	2,215,000	-	-
Net tax liabilities	-	-	(4,578,500)	(5,340,000)	(4,578,500)	(5,340,000)

Movements in deferred tax during the year are as follows:

Group	**At 1.1.2024 RM**	**Recognised in profit or loss RM**	**At 31.12.2024/ 1.1.2025 RM**	**Recognised in profit or loss RM**	**At 31.12.2025 RM**
Property, plant and equipment	(662,000)	108,000	(554,000)	923,000	369,000
Revaluation reserve	(7,348,000)	347,000	(7,001,000)	346,000	(6,655,000)
Provisions	2,484,000	(269,000)	2,215,000	(507,500)	1,707,500
	(5,526,000)	186,000	(5,340,000)	761,500	(4,578,500)
		(Note 23)		(Note 23)	

Notes to the financial statements (continued)

18. Deferred tax (continued)

Unrecognised deferred tax

Deferred tax assets have not been recognised in respect of the following temporary differences (stated at gross) because it is uncertain if future taxable profits will be available against which the group entities concerned can utilise the benefits therefrom:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Capital allowances carried forward	(20,967,000)	(20,825,000)	51,000	105,000
Tax losses carried forward	(59,737,000)	(56,951,000)	(37,236,000)	(36,386,000)
Provisions	(217,000)	(247,000)	-	-
	(80,921,000)	(78,023,000)	(37,185,000)	(36,281,000)
Deferred tax assets	(19,421,000)	(18,726,000)	(8,924,000)	(8,707,000)

Pursuant to the Finance Act 2021, tax losses carried forward from a year of assessment can only be carried forward up to 10 consecutive years of assessment. In the case of a dormant company, such losses will not be available to the company if there has been a change of 50% or more in the shareholdings thereof. The deferred tax assets in respect of tax losses carried forward have not been recognised because it is uncertain if future sustainable taxable profits of sufficient quantum will be available against which the affected group entities can utilise the benefits therefrom. Capital allowances carried forward do not expire under the current tax legislation.

Tax losses carried forward will expire in the respective Year of Assessment shown below:

Expiring in Year of Assessment	**Group RM**	**Company RM**
Tax losses carried forward		
2028	11,088,000	-
2029	31,700,000	31,213,000
2030	4,443,000	4,331,000
2031	889,000	-
2032	3,791,000	-
2033	2,263,000	343,000
2034	2,489,000	210,000
2035	3,074,000	1,139,000
Total	59,737,000	37,236,000

Notes to the financial statements (continued)

19. Trade and other payables

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade				
Trade payables	31,494,040	39,154,890	2,385	2,768
Accrued expenses	6,346,225	142,951	-	-
	37,840,265	39,297,841	2,385	2,768
Non-trade				
Subsidiary	-	-	163,679	147,839
Other payables	6,006,014	8,571,843	-	-
Accrued expenses	5,331,080	4,202,559	417,486	334,845
SST payable	95,948	94,860	-	-
Sub-total	11,443,042	12,869,262	581,165	482,684
Total	49,273,307	52,167,103	583,550	485,452

Included in the other payables of the Group is an amount of RM3,000,000 (2024: RM4,740,066) payable to a related party of the Group, bearing interest of 12% (2024: 12%) per annum and repayable on demand.

20. Revenue

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Group				
Revenue from contracts with customers				
At point in time				
- Sale of coil related products	93,182,784	86,910,024	-	-
- Slitting and shearing services	180,455	229,802	-	-
- Sale of roll-formed product	77,661,856	86,030,570	-	-
- Hardware, building material and roll-formed trading	53,626,147	53,613,622	-	-
Over time				
- Roofing supply and installation	44,038,699	12,476,065	-	-
- Construction	3,261,544	8,765,364	-	-
	271,951,485	248,025,447	-	-
Other revenue				
- Dividend income	-	-	84,381	-

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Notes to the financial statements (continued)

20. Revenue (continued)

20.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Sale of coil related products	Revenue is recognised when the goods are delivered to and have been accepted by customer.	Cash on delivery or credit period of 14 to 90 days from invoice date.
Slitting and shearing	Revenue is recognised when the services are rendered and accepted by customers.	Cash on delivery or credit period of 14 to 90 days from invoice date.
Sale of roll-formed product	Revenue is recognised when the goods are delivered to and have been accepted by customer.	Cash on delivery or credit period of 14 to 90 days from invoice date.
Sale of hardware, building material and roll-formed trading	Revenue is recognised when the goods are delivered to and have been accepted by customer.	Cash on delivery or credit period from 7 to 90 days from invoice date.
Roofing supply and installation	Revenue is recognised overtime by using the input method based on actual costs incurred to the estimated total contract costs.	Credit period from 30 to 60 days from invoice date.
Construction	Revenue is recognised overtime by using the input method based on actual costs incurred to the estimated total contract costs.	Credit period from 30 to 60 days from invoice date.

Notes to the financial statements (continued)

20. Revenue (continued)

20.2 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	Within 1 year RM
2025	
- Roofing supply and installation	7,283,910
- Construction	18,043,613
	25,327,523
2024	
- Roofing supply and installation	25,696,831
- Construction	636,856
	26,333,687

21. Finance income and costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Finance income				
Interest income of financial assets calculated using effective interest method that are at amortised cost	875,146	1,076,378	297,601	325,195
Finance costs				
Interest expenses of financial liabilities that are not at fair value through profit or loss				
- term loans	1,062,689	858,219	-	-
- bank overdrafts	270,793	304,598	-	-
- bankers' acceptances	4,129,896	4,153,234	-	-
- hire purchase facilities	631,582	793,428	-	-
- lease liabilities	284,431	321,383	-	-
- other finance costs	458,219	865,816	-	-
	6,837,610	7,296,678	-	-

Notes to the financial statements (continued)

22. Profit/(Loss) before tax

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax is arrived at after charging:					
Auditors' remunerations:					
Audit fees					
KPMG PLT					
- Statutory audit		277,500	269,000	38,000	37,000
Non-audit fees					
- KPMG PLT		8,000	8,000	8,000	8,000
- Local affiliates of KPMG PLT		40,471	39,670	5,500	5,500
- Others		26,400	22,400	-	-
Material expenses/(income)					
Amortisation of investment properties	4	27,312	27,312	-	-
Depreciation of property, plant and equipment	2	7,217,050	7,580,419	54,042	54,042
Depreciation of right-of-use assets	3	1,773,131	2,031,891	-	-
Foreign exchange gain realised		-	(19,567)	-	-
Impairment loss on assets held for sale	15	80,000	-	-	-
Property, plant and equipment written off	2	49,862	19,913	-	-
Impairment loss on investment in a subsidiary		-	-	-	17,000,000
Provision for obsolete and slow-moving inventories	10	120,000	156,162	-	-
Personnel expenses (including key management personnel):					
- contributions to state plans		2,623,887	2,359,333	38,780	39,550
- wages, salaries and others		25,406,312	23,212,425	838,038	794,821
Gain on disposal of:					
- property, plant and equipment		(130,303)	(8,357)	(17,500)	(26,300)
- right-of-use assets		(24,733)	(31,010)	-	-

Notes to the financial statements (continued)

22. Profit/(Loss) before tax (continued)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Expenses/(income) arising from leases					
Expenses relating to short-term leases [Note (i)]		113,800	76,200	-	-
Income from subleasing right-of-use assets		(1,121,732)	(590,086)	-	-
Net loss/(gain) on impairment of financial instruments					
Financial assets at amortised cost		3,937,172	1,279,055	-	(38,658)

(i) Recognition exemption

The Group leases equipment with contract terms of 3 years (2024: 3 years). These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the financial statements (continued)

23. Taxation

Recognised in profit or loss

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax				
Malaysian - current year	1,707,375	1,816,050	-	-
- prior years	(138,599)	277,872	-	-
	1,568,776	2,093,922	-	-
Deferred tax (Note 18)				
- Reversal of temporary difference	(448,500)	(619,000)	-	-
- (Over)/Under provision in prior year	(313,000)	433,000	-	-
Total deferred tax recognised in profit or loss	(761,500)	(186,000)	-	-
Taxation	807,276	1,907,922	-	-
Share of tax equity accounted joint venture	16,100	(5,000)	-	-
	823,376	1,902,922	-	-

Reconciliation of taxation

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Profit/(Loss) for the year	761,403	(1,577,556)	(1,040,782)	(17,895,228)
Taxation	823,376	1,902,922	-	-
Profit/(Loss) excluding tax	1,584,779	325,366	(1,040,782)	(17,895,228)
Income tax calculated using Malaysian tax rate of 24% (2024: 24%)	380,000	78,000	(250,000)	(4,295,000)
Non-deductible expenses	639,950	784,000	53,000	4,122,000
Non-taxable income	(94,000)	(52,000)	(20,000)	-
Effect of deferred tax assets not recognised (Note 18)	695,000	728,000	217,000	173,000
Realisation of revaluation reserve	(346,000)	(346,000)	-	-
	1,274,950	1,192,000	-	-
(Over)/Under provision in prior years	(451,599)	710,872	-	-
Effect of tax rates in foreign jurisdictions	25	50	-	-
Taxation	823,376	1,902,922	-	-

Notes to the financial statements (continued)

24. Loss per ordinary share - Group

Basic and diluted loss per ordinary share

The calculation of basic and diluted earnings per ordinary share at 31 December 2025 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2025 RM	**2024 RM**
Profit/(Loss) for the year attributable to ordinary shareholders	19,766	(2,186,612)
Weighted average number of ordinary shares	484,869,516	484,869,516

	2025 Sen	**2024 Sen**
Basic and diluted earnings/(loss) per ordinary share	0.004	(0.451)

25. Financial instruments

25.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Amortised cost ("AC"); and

(ii) Fair value through profit or loss ("FVTPL").

Financial assets/(liabilities)	**Carrying amount RM**	**AC RM**	**FVTPL RM**
2025			
Group			
Other investments	9,775	-	9,775
Trade and other receivables	66,495,654	66,495,654	-
Deposits	1,504,836	1,504,836	-
Other financial assets	26,416,718	26,416,718	-
Cash and cash equivalents	9,204,579	9,204,579	-
Loans and borrowings	(103,979,050)	(103,979,050)	-
Trade and other payables*	(49,177,359)	(49,177,359)	-
2025			
Company			
Trade and other receivables	12,713,739	12,713,739	-
Deposits	7,825	7,825	-
Cash and cash equivalents	148,366	148,366	-
Trade and other payables	(583,550)	(583,550)	-

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.1 Categories of financial instruments (continued)

Financial assets/(liabilities)	Carrying amount RM	AC RM	FVTPL RM
2024			
Group			
Other investments	9,775	-	9,775
Trade and other receivables	63,284,488	63,284,488	-
Deposits	1,045,748	1,045,748	-
Other financial assets	24,791,392	24,791,392	-
Cash and cash equivalents	5,964,736	5,964,736	-
Loans and borrowings	(98,192,687)	(98,192,687)	-
Trade and other payables*	(52,072,243)	(52,072,243)	-
2024			
Company			
Trade and other receivables	13,345,661	13,345,661	-
Deposits	9,000	9,000	-
Cash and cash equivalents	26,189	26,189	-
Trade and other payables	(485,452)	(485,452)	-

** Excluding amount payables from Royal Malaysian Custom Department.*

25.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net (losses)/gains on:				
Financial assets at amortised cost				
- Net (loss)/gain on impairment of financial assets	(3,937,172)	(1,279,055)	-	38,658
- Bad debt recovered	1,017	11,449	-	-
- Interest income	875,146	1,076,378	297,601	325,195
	(3,061,009)	(191,228)	297,601	363,853
Financial liabilities at amortised cost			-	-
- Foreign exchange gain/(loss) - realised	-	19,567	-	-
- Term loans	(1,062,689)	(858,219)	-	-
- Bank overdrafts	(270,793)	(304,598)	-	-
- Bankers' acceptances	(4,129,896)	(4,153,234)	-	-
- Hire purchase facilities	(631,582)	(793,428)	-	-
- Other finance costs	(458,219)	(865,816)	-	-
	(6,553,179)	(6,955,728)	-	-

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Group has established a Risk Management Committee (RMC) tasked with formulating and implementing management policies and guidelines which set out the overall business strategies, tolerance to risk and general risk management philosophy. Policies are reviewed annually by the Board of Directors and periodic reviews are undertaken by the RMC to ensure that the Group policies and guidelines are adhered to.

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, loan and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. The Company's exposure to the credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

- ***Receivables from external parties***

  Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Collaterals are obtained from some customers to mitigate the credit risk exposure.

- ***Receivables from subsidiaries***

  The Company monitors the results of subsidiaries regularly in mitigating the risk arising from sales to its subsidiaries.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

The exposure to credit risk is only concentrated in Malaysia as the business activities of the Group are carried out locally. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts of the receivables in the statements of financial position. Cash and cash equivalents are only placed with licensed banks.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers of the Group. The Group monitors each receivable individually and uses ageing analysis to monitor the credit quality of the receivables.

Concentration of credit risk

As at the end of the reporting period, there are no significant concentrations of credit risk.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 7 - 150 days. The Group's debt recovery process is as follows:

a) Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by both sales management team and credit committee; and

b) Above 365 days past due, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2025			
Current (not past due)	23,884,320	-	23,884,320
0-30 days past due	13,231,181	-	13,231,181
31-60 days past due	4,874,528	-	4,874,528
61-90 days past due	2,330,264	-	2,330,264
Credit impaired			
More than 90 days past due	13,577,588	(2,212,185)	11,365,403
Individually impaired	12,993,887	(7,865,394)	5,128,493
Trade receivables	70,891,768	(10,077,579)	60,814,189
Contract assets	6,426,372	-	6,426,372
	77,318,140	(10,077,579)	67,240,561
2024			
Current (not past due)	20,468,874	-	20,468,874
0-30 days past due	11,593,478	-	11,593,478
31-60 days past due	5,747,874	-	5,747,874
61-90 days past due	5,233,173	-	5,233,173
Credit impaired			
More than 90 days past due	18,723,108	(1,796,960)	16,926,148
Individually impaired	4,737,909	(4,343,447)	394,462
Trade receivables	66,504,416	(6,140,407)	60,364,009
Contract assets	8,798,038	-	8,798,038
	75,302,454	(6,140,407)	69,162,047

Company	Gross carrying amount RM	Loss allowance RM	Net balance RM
2025			
Credit impaired			
Individually impaired	-	-	-
2024			
Credit impaired			
Individually impaired	-	-	-

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of trade receivables during the year are as below.

Group	Lifetime ECL RM	Credit impaired RM	Total RM
Balances at 1 January 2024	1,384,096	3,477,256	4,861,352
Net remeasurement of loss allowance	412,864	866,191	1,279,055
Balances at 31 December 2024/ 1 January 2025	1,796,960	4,343,447	6,140,407
Net remeasurement of loss allowance	415,225	3,521,947	3,937,172
Balances at 31 December 2025	2,212,185	7,865,394	10,077,579

Company	Credit impaired RM
Balances at 1 January 2024	38,658
Net remeasurement of loss allowance	(38,658)
Balances at 31 December 2024/1 January 2024/31 December 2025	-

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Recognition and measurement of impairment loss

Generally, the Company does not specifically monitor the ageing of the loans and receivables to subsidiaries. There is no indication that the loans and advances due from subsidiaries are not recoverable as at the end of the reporting period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

Loans and advances provided to subsidiaries are not secured by any collateral or supported by any other credit enhancements.

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its repayment to financial institution when demanded; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

The Company determines the probability of default for these loans and advances individually using internal information available.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from a former subsidiary of the Group and the Company.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

There were no movements in the allowance for impairment in respect of other receivables during the year and in previous financial year.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the performances and financial positions of the subsidiaries to ensure they are able to meet their obligations when due.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM89,986,284 (2024: RM75,233,747), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss

The Company assumes there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

Based on the assessment, no impairment losses to be provided for the financial guarantee given to the subsidiaries.

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(b) Liquidity risk

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

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

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due and to mitigate the effects of fluctuations in cash flows to finance its operations. 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 (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis

The table below and the ensuing pages summarise the maturity profile of the Group's and the Company's financial liabilities (which are non-derivatives) as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2025							
Trade and other payables	46,177,359	-	46,177,359	46,177,359	-	-	-
Other payables	3,000,000	12.00	3,000,000	3,000,000	-	-	-
Loans and borrowings							
- hire purchase facilities	6,335,915	4.09 - 11.54	7,143,566	2,826,240	2,108,642	2,190,863	17,821
- bankers' acceptances	73,002,148	3.65 – 7.65	73,002,148	73,002,148	-	-	-
- revolving credits	4,161,443	3.94 - 8.31	4,161,443	4,161,443	-	-	-
- term loans - secured	15,216,042	3.41 - 8.55	18,753,878	3,635,619	3,012,219	5,545,641	6,560,399
- term loan - unsecured	3,299,992	9.39 - 12.00	3,612,292	2,318,555	390,383	903,354	-
- bank overdrafts	1,963,510	5.60 - 8.32	1,963,510	1,963,510	-	-	-
Lease liabilities	6,191,184	6.00	7,590,030	1,501,368	1,112,193	2,795,410	2,181,059
	159,347,593		165,404,226	138,586,242	6,623,437	11,435,268	8,759,279

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis (continued)

Group (continued)	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2024							
Trade and other payables	47,332,177	-	47,332,177	47,332,177	-	-	-
Other payables	4,740,066	12.00	4,740,066	4,740,066	-	-	-
Loans and borrowings							
- hire purchase facilities	8,399,801	2.40 - 11.68	9,732,199	3,245,971	2,717,844	3,758,760	9,624
- bankers' acceptances	57,244,925	5.01 - 8.40	57,244,925	57,244,925	-	-	-
- revolving credits	1,811,615	3.94 - 8.40	1,811,615	1,811,615	-	-	-
- term loans - secured	17,239,381	3.41 - 8.40	21,313,612	4,748,470	2,349,426	6,024,656	8,191,060
- term loan - unsecured	8,900,000	9.64 - 12.00	8,900,000	8,900,000	-	-	-
- bank overdrafts	4,596,965	5.60 - 8.32	4,596,965	4,596,965	-	-	-
Lease liabilities	4,415,690	6.00	5,144,071	1,439,556	1,128,926	1,776,590	798,999
	154,680,620		160,815,630	134,059,745	6,196,196	11,560,006	8,999,683

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2025							
Trade and other payables	583,550	-	583,550	583,550	-	-	-
Financial guarantees*	-	-	89,986,284	89,986,284	-	-	-
	583,550		90,569,834	90,569,834	-	-	-
2024							
Trade and other payables	485,452	-	485,452	485,452	-	-	-
Financial guarantees*	-	-	75,233,747	75,233,747	-	-	-
	485,452		75,719,199	75,719,199	-	-	-

** Being corporate guarantees granted for banking facilities of certain subsidiaries, which will only be encashed in the event of default by these entities. These financial guarantees do not have an impact on group contractual cash flows.*

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(i) Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group frequently uses forward foreign exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward foreign exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Group and Company	
	2025 RM	**2024 RM**
Denominated in USD		
Balances recognised in the statement of financial position		
Trade payables	5,878,706	469,506

Currency risk sensitivity analysis

A 10% (2024: 10%) strengthening of the RM against USD at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2025 RM	**2024 RM**
In USD		
Group and Company	446,782	35,682

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk

The Group's investment in fixed deposits and fixed rate loans and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk, except for the interest bearing balances due to certain related party (see Note 19).

Risk management objectives, policies and processes for managing the risk

Borrowings with floating interest rates expose the Group to certain elements of risk when there are unexpected adverse interest rate movements.

The Group's policy is to manage its interest rate risk on an on-going basis, working within an agreed framework, to ensure that there are no undue exposures to this risk. Management exercises a certain element of discretion on whether to borrow at fixed or floating interest rates, depending on the situation and the outlook of the financial market.

The investment in interest-bearing assets is mainly short-term in nature and they are not held for speculative purposes but have been mostly placed as term deposits and cash funds.

Exposure to interest rate risk

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

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Fixed rate instruments				
Financial assets	26,416,718	24,791,392	8,130,000	8,770,000
Financial liabilities	(106,399,152)	(96,764,196)	-	-
	(79,982,434)	(71,972,804)	8,130,000	8,770,000
Floating rate instruments				
Financial liabilities	(6,771,082)	(10,584,247)	-	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.3 Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
Group	**100bp increase RM**	**100bp decrease RM**
Floating rate instruments		
- 2025	(51,000)	51,000
- 2024	(80,000)	80,000

(iii) Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on an portfolio basis.

The carrying amount of quoted investments as at the end of the reporting period is RM8,800 (2024: RM9,775) (see Note 8).

Equity price risk sensitivity analysis

The exposure to equity price risk is not material and hence, sensitivity analysis is not presented.

25.4 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.4 Fair value information (continued)

The table below analyses non-current financial instruments at fair value and those not at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Fair value of financial instrument not carried at fair value		
2025	**Level 1 RM**	**Level 2 RM**	**Total RM**	**Level 3 RM**	**Total fair value RM**	**Carrying amount RM**
Group						
Financial assets						
Quoted shares	8,800	-	8,800	-	8,800	9,775
Financial liabilities						
Term loans - secured	-	-	-	18,753,878	18,753,878	15,216,042
Term loans - unsecured	-	-	-	3,612,292	3,612,292	3,299,992
Hire purchase facilities - secured	-	-	-	7,143,566	7,143,566	6,335,915
	-	-	-	29,509,736	29,509,736	24,851,949
2024						
Group						
Financial assets						
Quoted shares	11,425	-	11,425	-	11,425	9,775
Financial liabilities						
Term loans - secured	-	-	-	21,313,612	21,313,612	17,239,381
Hire purchase facilities - secured	-	-	-	9,732,199	9,732,199	8,399,801
	-	-	-	31,045,811	31,045,811	25,639,182

Notes to the financial statements (continued)

25. Financial instruments (continued)

25.4 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: No transfers in either directions).

Level 3 fair value

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Financial instruments not carried at fair value

The fair values of financial instruments not carried at fair value, which are determined for disclosure purposes, are estimated based on discounted cash flows using interest rates which are the significant unobservable inputs.

The estimated fair values of these financial instruments not carried at fair value would increase (decrease) if the interest rates were lower (higher).

26. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain the confidence of investors, creditors and other stakeholders in the Group and the Company and to sustain the future development of its business. The Directors monitor and ensure that the Group and the Company maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group is required to maintain a gearing ratio not exceeding 1.50 times (2024: 1.50 times) respectively in respect of the banking facilities granted by a licensed bank to the Group. The Group has complied with this requirement as at the end of the financial year.

Notes to the financial statements (continued)

26. Capital management (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total loans and borrowings	103,979,050	98,192,687	-	-
Total equity	79,193,615	78,636,655	37,424,994	38,082,879
Debt-to-equity ratio	1.31	1.25	-	-

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

27. Capital expenditure commitments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment				
Contracted but not provided for	9,447,747	6,113,780	-	-

28. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties 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 either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated basis. The significant related party transactions of the Group and the Company are shown below. The balances due from and to subsidiaries are shown in Notes 9 and 19.

Notes to the financial statements (continued)

28. Related parties (continued)

Significant related party transactions (continued)

Transactions with subsidiaries of the Group

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Nature of transactions				
Interest received	-	-	(291,601)	(325,195)
Internal audit fee received	-	-	(257,500)	(195,000)

Transaction with a joint venture of the Group

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Nature of transactions				
Rental charges	328,236	97,255	-	-

Transactions with substantial shareholders of the Company

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Nature of transactions				
Purchase of consumables	89,344	74,106	-	-
Freight and handling charges	57,767	28,664	-	-
Sale of galvanised and other steel products	(7,559,123)	(8,401,330)	-	-

Notes to the financial statements (continued)

28. Related parties (continued)

Significant related party transactions (continued)

Transactions with companies in which certain substantial shareholders, key management personnel and close members of their families have or are deemed to have substantial interests

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Nature of transactions				
Insurance premium paid	1,057,230	630,382	25,825	23,532
Purchase of stocks	29,158,070	27,023,355	-	-
Sale of galvanised and other steel products	(31,622,529)	(33,123,277)	-	-
Sale of property, plant and equipment	(63,000)	-	-	-
Rental of premises and land	278,200	279,200	-	-
Rental of car	10,500	-	-	-
Income from rental of premises	-	(154,000)	-	-
Repayment of hire purchase facilities for acquisition of property, plant and equipment	6,025,375	4,292,128	-	-
Lease payment of property, plant and equipment	-	275,320	-	-
Tolling charges paid	7,688	-	-	-
Transportation fee received	(900)	(2,050)	-	-
Handling charges received	(24,000)	-	-	-
Endorsement fee paid	49,480	21,800	-	-
Hire purchase facilities	412,600	3,800,000	-	-
Advances interest paid	505,516	878,229	-	-

Notes to the financial statements (continued)

28. Related parties (continued)

Significant related party transactions (continued)

Transactions with key management personnel

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Nature of transactions				
Compensations to key management personnel:				
Directors of the Company :				
- Director fees	340,000	380,500	296,750	360,500
- Contribution to state plans	171,288	157,320	25,800	30,240
- Wages, salaries and others	1,557,170	1,427,300	322,440	303,540
	2,068,458	1,965,120	644,990	694,280
Directors of subsidiaries :				
- Director fees	77,750	35,000	-	-
- Contribution to state plans	271,552	274,021	-	-
- Wages, salaries and others	2,889,147	2,743,780	-	-
	3,238,449	3,052,801	-	-
Other key management personnel :				
- Contribution to state plans	76,536	53,515	-	-
- Wages, salaries and others	844,454	637,238	-	-
	920,990	690,753	-	-
Total	6,227,897	5,708,674	644,990	694,280

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

In addition to their salaries, the Group also provides non-cash benefits to certain key management personnel of the Group. For salaried key management personnel, the Group also contributes to state plans at the minimum statutory rate.

Certain key management personnel of the Group and of the Company are entitled to Employee Share Option Scheme ("ESOS") offered by the Group (see Note 29).

Notes to the financial statements (continued)

28. Related parties (continued)

Significant related party transactions (continued)

Transactions with key management personnel (continued)

The amount due/(to) from subsidiaries is disclosed in Notes 9 and 19 to the financial statements. The outstanding balances with other related parties are as follows:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Amount due from	2,529,502	3,911,762	-	-
Amount due to	(26,004,927)	(41,024,135)	-	-

29. Employee benefits

Employee Share Option Scheme ("ESOS")

On 9 May 2017, 8 August 2017 and 7 August 2018, the Group granted share options to eligible Directors and employees of the Group to purchase shares in the Company under the Employees Share Option Scheme ("ESOS") approved by the shareholders of the Company on 30 June 2016. On 5 April 2021 and 6 July 2021, the Group has further offered share options to eligible Directors and employees under its existing ESOS. The expiring ESOS granted in the years 2017 and 2018 have been extended for a further five years to expire on 8 November 2026.

The fair value of share options measured at granted date and the assumptions are as follows:

	2025 RM	**2024 RM**
Share price at the following grant dates (RM):		
- 9 May 2017	0.245	0.245
- 8 August 2017	0.20	0.20
- 7 August 2018	0.22	0.22
- 5 April 2021	0.230	0.230
- 6 July 2021	0.215	0.215
Expected volatility (%)	54	54
Expected life (years)	5	5
Risk free rate (%)	3.90	3.90

Notes to the financial statements (continued)

29. Employee benefits (continued)

Employee Share Options Scheme ("ESOS") (continued)

The expected life of the options is based on historical date and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the year.

		Movements during the year					
	Outstanding 1 January	Granted	Exercised	Forfeited and other adjustments	Expired	Outstanding 31 December	Exercisable 31 December
2025							
2025 options	30,591,900	-	-	(3,283,000)	-	27,308,900	27,308,900
WAEP (RM)	0.213	-	-	0.211	-	0.239	0.239
2024							
2024 options	34,201,900	-	-	(3,610,000)	-	30,591,900	30,591,900
WAEP (RM)	0.229	-	-	0.231	-	0.213	0.213

Notes to the financial statements (continued)

29. Employee benefits (continued)

Details of share options outstanding at the end of the year:

Grant date	WAEP RM	Exercise period
9 May 2017	0.23	09.05.2017 - 08.11.2026
8 August 2017	0.20	08.08.2017 - 08.11.2026
7 August 2018	0.22	07.08.2018 - 08.11.2026
5 April 2021	0.19	05.04.2021 - 08.11.2026
6 July 2021	0.19	06.07.2021 - 08.11.2026

30. Operating segments

The Group has two reporting segments, as described below, which are the Group's strategic business units. The Managing Director, being the chief operating decision maker of the Group, reviews internal management reports for resource allocation and decision making on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

- ARSB:
  Manufacture and sale of coated steel products and downstream roofing products, trading of hardware and building materials in Sabah and Sarawak, East Malaysia.

- STARSHINE:
  Trading of galvanised, coated and non-coated steel products, building and construction materials.

Geographical segments and major customers

Group sales were mostly to customers in Malaysia and there were very limited export sales. There are two (2024: two) major customers contributing to more than 11% (2024: 11%) of the Group's revenue with total sales amount of RM32,531,333 (2024: RM28,041,351).

Segment assets and liabilities

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the Managing Director. Hence no disclosure is made.

2025	ARSB RM	STARSHINE RM	Inter-segment RM	Total RM
Revenue				
External customers	229,722,917	42,228,568	-	271,951,485
Inter-segment	2,318,171	2,813,543	(5,131,714)	-
	232,041,088	45,042,111	(5,131,714)	271,951,485
Segment profit/(loss)	4,417,686	(1,723,844)	(84,381)	2,609,461
Unallocated expenses:				
- Corporate expenses				(1,040,782)
Taxation (Note 23)				(807,276)
Loss for the year				761,403
Non-controlling interests				(741,637)
Total comprehensive income attributable to owners of the Company				19,766

Notes to the financial statements (continued)

30. Operating segments (continued)

2025	ARSB RM	STARSHINE RM	Inter-segment RM	Total RM
Included in the measure of segment profit/(loss) are:				
Depreciation and amortisation	(8,411,969)	(605,524)	-	(9,017,493)
Finance costs	(5,921,982)	(1,222,436)	306,808	(6,837,610)
Finance income	877,840	304,115	(306,808)	875,147
Net loss on impairment of financial instruments	(3,821,720)	(115,452)	-	(3,937,172)
Property, plant and equipment written off	(43,408)	(6,454)	-	(49,862)

2024	ARSB RM	STARSHINE RM	Inter-segment RM	Total RM
Revenue				
External customers	197,421,712	50,603,735	-	248,025,447
Inter-segment	3,780,383	1,104,322	(4,884,705)	-
	201,202,095	51,708,057	(4,884,705)	248,025,447
Segment profit/(loss)	1,747,797	(522,203)	-	1,225,594
Unallocated expenses:				
- Corporate expenses				(895,228)
Taxation (Note 23)				(1,907,922)
Loss for the year				(1,577,556)
Non-controlling interests				609,056
Total comprehensive expenses attributable to owners of the Company				(2,186,612)
Included in the measure of segment profit/(loss) are:				
Depreciation and amortisation	(9,014,732)	(624,891)	-	(9,639,623)
Finance costs	(6,503,047)	(1,260,353)	466,722	(7,296,678)
Finance income	1,268,165	274,935	(466,722)	1,076,378
Net (loss)/gain on impairment of financial instruments	(1,288,720)	9,665	-	(1,279,055)
Property, plant and equipment written off	(19,913)	-	-	(19,913)
Realised foreign exchange gain	-	19,567	-	19,567

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 53 to 122 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

Tan Sri (Dr.) Soh Thian Lai
Director

Dato' Sri Victor Hii Lu Thian
Director

Klang,
Date: 10 April 2026

Statutory declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, Aw Chiew Lan, the officer primarily responsible for the financial management of ASTEEL Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 53 to 122 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Aw Chiew Lan, NRIC: 710517-13-5140, MIA CA 12030, at Kuching in the State of Sarawak on 10 April 2026.

Aw Chiew Lan

Before me:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASTEEL GROUP BERHAD

Registration No: 197701001682 (032939-U)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ASTEEL Group Berhad, 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 53 to 122.

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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit 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 year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASTEEL GROUP BERHAD (continued)

Key Audit Matters (continued)

1. Revenue recognition. *Refer to Note 20 Revenue*.

Key Audit Matters	How the matter was addressed in our audit
For the year ended 31 December 2025, the Group recorded revenue of RM272 million, which mainly arose from sale of coil related products, roll-formed products, hardware, building materials, slitting and shearing services, roofing supply and installation as well as construction business. Revenue recognition is key audit matter because of the risk that revenue might be misstated either intentionally or unintentionally due to fraud or error.	Our audit procedures included, amongst others: • We evaluated the sales and order management control process and tested the design and effectiveness of those controls; • We inspected new significant contracts entered with customers during the year to assess appropriateness of revenue recognition either at a point in time or overtime in accordance with MFRS 15, *Revenue from Contracts with Customers*; • We inspected the sales invoices selected on a sampling basis to the underlying supporting documents; • We obtained direct confirmations from the customers based on sampling basis and performed alternative test on non-replies by inspecting underlying source documents; • We assessed the sales transactions occurring prior and subsequent to the year-end on a sampling basis and inspected the relevant underlying documents for goods delivered and checked that these transactions were recognised in the appropriate financial year; • We tested journal entries for revenue and revenue related accounts based on specific high risk criteria set to ascertain whether there are any unusual, unauthorised or unsupported entries made against revenue; • We performed cash to revenue predictive analysis; and • We assessed the completeness, accuracy and appropriateness of disclosures as required by MFRS 15, *Revenue from Contracts with Customers*.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASTEEL GROUP BERHAD (continued)

Key Audit Matters (continued)

2. Recoverability of trade receivables. *Refer to Note 9 Trade and other receivables*.

Key Audit Matters	How the matter was addressed in our audit
As at 31 December 2025, the trade receivables of the Group stood at RM61 million, representing 25% of the total assets. The recoverability of the trade receivables and the level of allowance for impairment losses of doubtful receivables are considered to be key audit matter due to the pervasive nature of these balances to the financial statements. The level of allowance of impairment losses is based upon the individual debtor's credit risk evaluation, historical payment trends, subsequent to year end collections and the existence of collaterals. The evaluation is however inherently judgemental and requires material estimates, including the loss rate used in the calculation of Expected Credit Loss. There is a risk that the management assessment of the level of these allowances is insufficient or inaccurate.	Our audit procedures included, amongst others: • We evaluated the processes for trade receivables and credit control, including the allowance for impairment losses and cash receipts; • We checked the accuracy of trade receivables ageing selected on a sampling basis and verified the past payment patterns, credit history, existence of collaterals and disputes with customers; • We assessed the adequacy of expected credit loss ("ECL") computed by the management and challenged the assumptions made by the Group with reference to the profile of aged debts at the reporting date and post year-end payment records; • We evaluated the Directors' conclusion on the level of impairment loss of trade receivables, specifically significant outstanding balances which are past due but assessed as not impaired, by assessing the cash receipts during the year and subsequent to year end collections and considered the actions taken by management to recover the debts; and • We assessed the completeness, accuracy and relevance of the transition disclosures as required by MFRS 9, *Financial Instruments*.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASTEEL GROUP BERHAD (continued)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASTEEL GROUP BERHAD (continued)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Matter

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

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

Tai Yoon Foo
Approval Number: 02948/05/2026 J
Chartered Accountant

Kuching,

Date: 10 April 2026

7 ADDITIONAL INVESTOR INFORMATION

Analysis of Shareholdings as at 3 April 2026

Class of Shares : (1) Ordinary Share
(2) Redeemable Convertible Preference Share ("RCPS")

Voting rights is one (1) vote per ordinary share.
Total number of ordinary shareholders is 3,008.
There is only one (1) RCPS holder.

DISTRIBUTION SCHEDULE OF ORDINARY SHARES

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	119	3.96	5,618	0.00
100 - 1,000	344	11.44	127,721	0.03
1,001 - 10,000	1,060	35.24	6,294,903	1.30
10,001 - 100,000	1,162	38.63	42,132,194	8.69
100,001 - 24,243,474 (*)	321	10.67	353,288,938	72.86
24,243,475 AND ABOVE (**)	2	0.06	83,020,142	17.12
Total	3,008	100.00	484,869,516	100.00

Remark : * - Less than 5 % of Issued Shares
* * - 5 % and Above of Issued Shares

THIRTY LARGEST ORDINARY SHARES ACCOUNTS HOLDERS

	Accounts Holders	No. of Ordinary Share	Percentage
1	Yung Kong Co Bhd	51,019,800	10.52
2	Hii Wi Sing	32,000,342	6.60
3	Kenanga Nominees (Tempatan) Sdn Bhd Yap Boon Wan	24,056,000	4.96
4	Alam Mantap Development Sdn Bhd	23,005,836	4.74
5	Chan Wah Kiang	21,260,000	4.38
6	Amsec Nominees (Tempatan) Sdn Bhd Tiong Siew Ing	20,655,361	4.26
7	Ngu Sing Hieng	20,000,000	4.12
8	Soh Thian Lai	13,084,678	2.70
9	Victor Hii Lu Thian	12,641,141	2.61
10	Soh TL Holdings Sdn Bhd	11,039,616	2.28
11	Kenanga Nominees (Tempatan) Sdn Bhd Andrew Yap Hoong Yee (021)	9,516,000	1.96
12	Lee Kim Keok	7,600,000	1.57
13	Mt Sungai Sdn Bhd	6,800,005	1.40
14	Hu Ik Ming @ Rose Hii Ik Ming	6,726,205	1.39
15	Wong Toh Sing	6,110,400	1.26
16	Hii Ngo Sing	5,540,000	1.14
17	Ting Kee Wei	4,371,500	0.90
18	Alexander Hii Lu Kwong	4,271,636	0.88
19	Chan Duan Kee @ Chan Kheng Kee	4,179,400	0.86
20	Philip Yong Ching Boon	4,107,000	0.85
21	Christopher Hii Lu Ming	4,037,686	0.83
22	Ting Chuo Kiew	3,909,859	0.81
23	Arthur Hii Lu Choon	3,853,036	0.79
24	Kenanga Nominees (Tempatan) Sdn Bhd Christine Yap Nian Ci	3,701,955	0.76
25	Lee Wen Siong	3,069,000	0.63
26	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tiong Siew Ing	3,000,000	0.62
27	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd For Teh Shiou Cherng	2,704,400	0.56
28	Sim Chay Nging	2,556,010	0.53
29	Michael Hii Ee Sing	2,418,587	0.50
30	Lim Kim Leong	2,329,210	0.48
	Total	319,564,663	65.91

REDEEMABLE CONVERTIBLE PREFERENCE SHARES ACCOUNT HOLDER

	Account Holder	No. of RCPS	Percentage
1	Nippon Steel Corporation	21,726,100	100.00

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders' interests in shares in the Company as per the Register of Substantial Shareholders as at 3 April 2026 are as follows :

		No. of Ordinary Shares of RM 0.10 each			
		Direct	%	Indirect	%
1	Yung Kong Co Bhd	51,019,800	10.52	-	-
2	Dato' Hii Ngo Sing	5,540,000	1.14	55,257,170 (1)	11.40%
3	Datuk Seri Dr Hii Wi Sing	32,000,342	6.60	56,273,170 (2)	11.61%
4	Arthur Hii Lu Choon	3,853,036	0.79	56,273,170 (2)	11.61%
5	Datuk Ir Michael Hii Ee Sing	3,118,587	0.64	63,201,775 (3)	13.03%
6	Dato' Sri Victor Hii Lu Thian	13,495,771 (4)	2.78	56,273,170 (2)	11.61%
7	Francis Hii Lu Sheng	-	-	55,257,170 (1)	11.40%
8	Alexander Hii Lu Kwong	5,123,036 (5)	1.06	56,273,170 (2)	11.61%
9	Christopher Hii Lu Ming	4,283,546 (6)	0.88	56,273,170 (2)	11.61%
10	Tan Sri (Dr.) Soh Thian Lai	13,429,346	2.77	11,039,616 (7)	2.28%

Notes
(1) Deemed interested by virtue of their substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd and Yung Hup (M) Sdn Bhd.
(2) Deemed interested by virtue of their substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd, Yunco Enterprise Sdn Bhd and Yung Hup (M) Sdn. Bhd.
(3) Deemed interested by virtue of his substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd, Yunco Enterprise Sdn Bhd, Mt Sungai Sdn Bhd and Meshes Holding Sdn Bhd.
(4) 854,630 ordinary shares were registered in the name of JF Apex Nominees (Tempatan) Sdn. Bhd.
(5) 851,400 ordinary shares were registered in the name of JF Apex Nominees (Tempatan) Sdn. Bhd.
(6) 245,860 ordinary shares were registered in the name of JF Apex Nominees (Tempatan) Sdn. Bhd.
(7) Deemed interested by virtue of his substantial interests in Soh TL Holdings Sdn. Bhd.

DIRECTORS' INTEREST

The directors' interests in shares in the Company and its related corporations as per the Register of Directors' Shareholdings as at 3 April 2026 are as follows:

In The Company

		No. of Ordinary Shares			
		Direct	%	Indirect	%
1	Tan Sri (Dr.) Soh Thian Lai	13,429,346	2.77	11,876,216 (1)	2.45
2	Dato' Sri Victor Hii Lu Thian	13,495,771 (3)	2.78	92,183,371 (2)	19.01
3	Christopher Hii Lu Ming	4,283,546 (4)	0.88	92,183,371 (2)	19.01
4	Yan Ying Chieh	-	-	-	-
5	Datin Josephine Ak Hilary Dom @ Josephine John	-	-	-	-
6	Wong Siew Si	-	-	-	-
7	Khor Hun Nee	-	-	-	-
8	Koichiro Nakazawa	-	-	-	-
9	Satoru Kojima (Alternate to Koichiro Nakazawa)	-	-	-	-

The Directors by virtue of their interest in shares in the company are also deemed to have interests in shares in all of its related companies to the extent the company has an interest pursuant to Section 8 of the Companies Act 2016.

Notes
(1) Deemed interested by virtue of his substantial interests in Soh TL Holdings Sdn Bhd and the interest of his spouse and child in the Company.
(2) Deemed interested by virtue of his substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd, Yunco Enterprise Sdn Bhd, Yung Hup (M) Sdn Bhd and in the interest of their parents in the company.
(3) 854,630 ordinary shares were registered in the name of JF Apex Nominees (Tempatan) Sdn. Bhd.
(4) 245,860 ordinary shares were registered in the name of JF Apex Nominees (Tempatan) Sdn. Bhd.

ASTEEL GROUP

2025

Sustainability Statement

"A Strong and Diversified Borneo-based Group Delivering Value and Quality that Believes In Talent Development."

ASTEEL.COM.MY

8 SUSTAINABILITY STATEMENT

STRATEGIC COMMITMENT

At ASTEEL Group, sustainability is more than a responsibility, it is a core driver of long-term value creation, market resilience, and competitive advantage. Guided by vision to be a strong and diversified Borneo-based group, we integrate Environmental, Social, and Governance (ESG) principles into every aspect of operations, from boardroom decision-making to manufacturing floor practices.

We recognise the urgency of addressing climate change, social equity, and governance integrity in today's complex business environment. By embedding ESG into strategic agenda, we aim to create shared value for stakeholders, strengthen market leadership, and contribute meaningfully to Malaysia's sustainability ambitions and the United Nations Sustainable Development Goals (SDGs).

STATEMENT OF ASSURANCE

The Board of Directors of ASTEEL Group Berhad recognise the importance of ensuring the credibility, reliability, and transparency of the sustainability information disclosed in this Sustainability Statement.

ASSURANCE UNDERTAKEN

For the financial year ended 31 December 2025, the sustainability information disclosed in this report has been subject to internal review processes by the Group's Sustainability and Governance function. The review process includes verification of selected sustainability data, cross-checking of supporting documentation, and validation by relevant operational departments prior to publication.

SUBJECT MATTER

The subject matter of the review includes qualitative disclosures and selected environmental, social, and governance (ESG) performance indicators presented in this Sustainability Statement.

SCOPE

The scope of the review covers sustainability information relating to the Group's principal operations for the financial year ended 31 December 2025, including data relating to environmental performance, employee matters, governance practices, and sustainability initiatives implemented across ASTEEL Group's operating subsidiaries.

CONCLUSION

Based on the internal review processes undertaken, the Group believes that the sustainability information presented in this report has been prepared in accordance with the relevant guidance provided by the Bursa Malaysia Sustainability Reporting Framework and fairly represents ASTEEL Group's sustainability performance and initiatives during the reporting period.

Moving forward, ASTEEL Group will continue to enhance its sustainability reporting practices and will progressively evaluate the feasibility of obtaining independent external assurance for future sustainability disclosures to further strengthen stakeholder confidence.

VISION, MISSION AND VALUES AS THE FOUNDATION OF SUSTAINABILITY

Strategic Commitment & Vision

Vision

A Strong and Diversified Borneo-based Group Delivering Value and Quality that Believes in Talent Development.

Mission

Providing preferred roofing and building materials via eco-friendly and safe operations.

OUR ESG PILLARS

Our ESG pillars form the foundation of ASTEEL's sustainability strategy, translating our vision, mission, and values into targeted action. Each pillar represents a commitment to balancing economic growth with environmental stewardship, social empowerment, and governance integrity.

We recognise that achieving meaningful change requires measurable action, cross-functional collaboration, and stakeholder engagement. Guided by our materiality assessment and aligned with the United Nations Sustainable Development Goals (SDGs), these pillars ensure our efforts are focused on the areas of highest impact and relevance to our business and stakeholders.

Table 1: ESG Pillars and Focus Areas

ASTEEL ESG-SDG ALIGNMENT MATRIX

ASTEEL Group aligns its ESG priorities with the United Nations Development Goals (SDGs) to drive sustainable growth and create long-term value for stakeholders:

ENVIRONMENTAL RESPONSIBILITY

Decarbonisation · Energy Efficiency Circularity · Water Stewardship

- **SDG 7 Affordable & Clean Energy** — Solar PV installation, LED energy efficiency initiatives
- **SDG 9 Industry, Innovation and Infrastructure** — Efficient manufacturing processes and operational optimisation
- **SDG 11 Sustainable Cities and Communities** — Responsible industrial operations and local sourcing practices
- **SDG 12 Responsible Consumption and Production** — Material effiency, waste reduction, and circular practices
- **SDG 13 Climate Action** — Carbon management and energy optimisation initiatives

SOCIAL STEWARDSHIP

Workplace Diversity · Labour Rights · Talent Development Community Engagement

- **SDG 3 Good Health and Well-being** — Occupational health and safety programmes
- **SDG 4 Quality Education** — Structured training and employee development programmes
- **SDG 5 Gender Equality** — Diversity and inclusion (D&I) initiatives
- **SDG 8 Decent Work and Economic Growth** — Fair employment practices and workforce stability
- **SDG 10 Reduced Inequalities** — Inclusive workplace and equal opportunity practices

GOVERNANCE EXCELLENCE

Ethical Leadership Compliance · Transparency Supply Chain Integrity

- **SDG 16 Peace, Justice and Strong Institutions** — Anti-bribery (ISO37001), compliance, and whistleblowing framework
- **SDG 17 Partnership for The Goals** — Supplier engagement, stakeholder collaboration, and ESG integration

OUR MATERIALITY AND SDG ALIGNMENT

Our materiality assessment ensures that ASTEEL focuses on the sustainability issues that matter most to both our business success and our stakeholders' expectations. By aligning our material topics with the United Nations Sustainable Development Goals (SDGs), we bridge our corporate strategy with a global agenda for sustainable development.

Each material topic reflects where we can deliver the greatest positive impact while managing risks that could affect our long-term resilience. This approach allows us to channel resources into initiatives that reduce environmental impact, strengthen governance, drive social value, and create measurable business benefits.

Table 2: ESG Material Topics and Strategic Business Impact

ASTEEL ESG MATERIALITY & IMPACT OVERVIEW

Material Topic	ESG Pillar	Relevant SDGs	Business Impact
Material Topic	Environmental Responsibility	Governance Excellence	Business Impact
Carbon Emission Reduction	Environmental Responsibility	7, 13	• Reduce operational costs • Enhances compliance
Corporate Governance Transparency	Governance Excellence	16, 12	• Builds investor confidence • Enhances market credibility
Ethical Sourcing	Governance & Environmental	12	• Strengthens supply chain resilience • Promotes responsible procurement
Talent Development & Retention	Social Stewardship	4, 8	• Enhances productivity • Fosters innovation
Waste Management & Circularity	Environmental Responsibility	12	• Reduces landfill dependency • Supports resource efficiency

Material Topic · Environmental · Governance · Social Stewardship

SUSTAINABILITY GOVERNANCE

Effective governance is the cornerstone of ASTEEL's sustainability performance. We believe that robust structures, clear accountability, and informed leadership are essential to embedding ESG principles across our operations.

Our governance framework ensures that sustainability is not an isolated initiative but a fully integrated element of our corporate strategy. From the Board of Directors to operational-level ESG working groups, each layer of governance plays a vital role in guiding decision-making, overseeing implementation, and maintaining accountability to our stakeholders.

Oversight of sustainability is embedded in our governance structure:

Table 3: ESG Governance Roles and Responsibilities

Roles	Responsibilities
Board of Directors	Approves ESG strategy, targets, policies & disclosures
Sustainability Committee	The Committee is chaired by an Independent Non-Executive Director and is responsible for overseeing the execution and integration of ESG initiatives across all business units
Sustainability Working Committee	Drives implementation, monitors KPIs, and reports progress quarterly

OUR SCOPE AND REPORTING PERIOD

This Sustainability Statement covers the holding company, ASTEEL Group Berhad, and its core manufacturing operations, including steel processing, roofing and structural products, and downstream value-added services, for the financial year ended 31 December 2025 ("FY2025").

The Statement outlines the Group's management of material Environmental, Social, and Governance (ESG) matters for FY2025 and presents our sustainability performance, achievements, risks, opportunities, challenges, and strategic commitments. Where relevant, this Statement also includes forward looking statements, which reflect ASTEEL's aspirations, future plans, and responses to emerging ESG trends and regulatory developments.

The Group's sustainability governance structure ensures regular oversight, with key ESG decisions and recommendations reported to the Board after each committee meeting. An annual review of ESG performance and disclosures is also conducted to assess progress and enhance future reporting quality.

OUR REPORTING FRAMEWORK

This Sustainable Statement is prepared primarily in accordance with Bursa Malaysia's Sustainable Reporting Guide (3rd Edition) and the GRI Standards. ASTEEL Group is progressively enhancing its sustainability disclosure in anticipation of alignment with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), in line with Malaysia's National Sustainability Reporting Framework. As Such, this report represents a transitional phase and does not yet constitute a full IFRS Sustainability Disclosure Statement.

OUR PATH FORWARD

ESG GOVERNANCE AND OVERSIGHT

The ASTEEL Group is firmly committed to advancing sustainability through strong governance and ethical leadership. The Board of Directors plays an important role in shaping the Group's sustainability vision and ensuring accountability across all functions. The Board provides strategic direction and exercises oversight over the Group's ESG matters, ensuring alignment with Bursa Malaysia's sustainability reporting requirements and the Malaysian Corporate Governance Code.

Figure 1: ASTEEL's sustainability governance

Robust structures and clear accountability are the cornerstones of our performance. Our three-tier governance model ensures that sustainability is integrated into coporate strategy and executed effectively on the ground.

Board of Directors
Approves ESG strategy, targets, and disclosures.

↓

Sustainability Committee
Chairman: Wee Hiang Chyn (Oliver) - Independent Non-Executive Director
Members: Khor Hun Nee (Celine), Wong Siew Si (Susie)
Responsibility: Integration across business units.

↓

Sustainability Working Committee
Chairman: Ting Sie Gain - COO
Secretary: Ngang Chin Chuong (Albert)
Members: Reps from Finance, Supply Chain, ICT, Factory, HR
Responsibility: Drives implementation, monitors KPIs, and reports quarterly.

Governance Standard: Aligned with the Malaysian Corporate Governance Code and Bursa Malaysia reporting requirements.

SUSTAINABILITY GOVERNANCE FRAMEWORK

To drive a structured approach to sustainability implementation and performance monitoring, ASTEEL has adopted a three-tier sustainability governance framework. This ensures clarity in decision-making and alignment between corporate objectives and operational execution. The governance model comprises three levels, as shown in the structure in the next page.

Table 4: ASTEEL's governance structure, role, and responsibilities

Governance Level	Roles and Responsibilities
Board of Directors	• Sets the overall strategic direction of ESG. • Reviews and approves key sustainability policies and disclosures. • Ensures oversight of sustainability performance, risks, and opportunities.
Sustainability Committee	• Reports directly to the Board. • Chaired by an Independent Non-Executive Director, with other Independent Non-Executive Directors as members. • Reviews ESG initiatives, monitors progress, and ensures integration into business operations. • Recommends policies and action plans for Board endorsement.
Sustainability Working Committee	• Operational arm of the Sustainability Committee. • Chaired by the Chief Operating Office (COO), with the Senior Manager-Sustainability & Governance as Secretary. • Composed of cross-functional departmental leads and technical staff. • Executes ESG programs, collects data for reporting, and coordinates stakeholder engagements. • Ensures continous improvement in environmental and social performance.

This structure reflects ASTEEL's proactive approach to embedding sustainability in its core business functions and decision-making processes.

COMMITMENT TO BEST PRACTICES

The ASTEEL governance approach is designed to uphold the highest standards of corporate governance and sustainability leadership. The structure promotes:

- Clear delineation of roles between oversight bodies and implementation teams
- Efficient information flow across the Board, Sustainability Committee, and operational units
- Strategic integration of ESG priorities into the long-term business objectives of the Group
- Strong execution capabilities through dedicated teams responsible for on-the ground implementation of sustainability initiatives
- The Group is exploring the inclusion of sustainability-related metrics in executive remuneration to better align management incentives with long-term Environmental, Social and Governance ("ESG") objectives, in line with evolving regulatory expectations and market practices.

RISK AND OPPORTUNITIES

ANTICIPATED OR KNOWN RISKS

(A) Economic Uncertainty Risk on Business Sustainability

The global economic outlook remains challenging, with slower growth expected in the US and Europe, alongside significantly weaker expansion in China. China's role as a major steel exporter influences global steel prices, impacting ASTEEL which sources its steel primarily from Asian countries.

To mitigate the risks associated with steel price fluctuations, ASTEEL employs an optimal inventory management strategy, ensuring better control over material costs and product margins.

(B) Competition Risk

The Group faces intense competition from cheap imported steel products that affect our sales, especially our customers who are price sensitive. The filing of anti-dumping petition against China, Vietnam and Korea is expected to create a fairer competitive landscape, curbing unfair market practices.

(C) Financial Risk

The Group's financial risks management policies are set out in ASTEEL's annual report.

(D) General Risk

In addition to global market volatility and sectoral competition, ASTEEL faces internal challenges related to financial stability, operational continuity, and regulatory compliance. These risks can impact day-to-day business operations, margin performance, and stakeholder trust. The table below outlines summary and other general risks and ASTEEL's corresponding mitigation strategies.

Table 5: Summary of ASTEEL's general risk

Risk Type	Desciption	Impact	Risk Level	Mitigation Measures
Financial	Cash flow delays and gearing pressure	Liquidity constraints debt servicing	High	Credit control, financing restructure
Operational	Aging machinery and underutilized capacity	Production inefficiency cost overruns	High	Capex upgrades production realignment
Strategic	Market loss due to imported steel	Reduced competitveness	Significant	Explore trade protection expand domestic reach
Compliance	Non-adherence to MACC S17A, OSHA, etc	Legal penalties reputational risk	Medium	Strengthened SOPs and staff training

SUSTAINABILITY RISK AND OPPORTUNITY

ASTEEL recognises that sustainability-related risks can significantly impact long-term business continuity, operational performance, and stakeholder confidence. With increasing regulatory expectations, climate-related disruptions, resource limitations, and evolving supply chain dynamics, the Group faces both direct and indirect challenges that must be managed proactively. These risks, if left unaddressed, could affect investor trust, compliance status, and the ability to compete in a rapidly changing market environment.

At the same time, sustainability trends such as greener production practices, responsible sourcing, and enhanced transparency present strategic opportunities for the Group. ASTEEL integrates ESG considerations into its enterprise risk management framework to ensure that risks are mitigated while value-creating opportunities are actively pursued. This approach aligns with Bursa Malaysia's Sustainability Reporting Guide and the GRI Standards, and positions the Group to strengthen its resilience, regulatory readiness, and long-term growth trajectory.

(A) Transition Risks and Emerging Opportunities

Realizing the transition towards IFRS S1 and S2 as stated in the National Sustainability Reporting Framework (NSRF) and Bursa Malaysia's announcement on enhanced listing requirements, which mandate the adoption of IFRS Sustainability Disclosure Standards as the baseline for ESG disclosures in Malaysia.

As global and national climate commitments accelerate, Malaysia's iron and steel industry faces a decisive shift towards low-carbon operations. In alignment with the New Industrial Master Plan (NIMP 2030), the Malaysian government has identified the sector as a priority for industrial decarbonisation, aiming to transform it into a greener, more competitive industry that can thrive in the carbon-constrained global economy.

According to the Malaysian Investment Development Authority (MIDA), the steel sector must urgently address its environmental footprint, which includes high greenhouse gas (GHG) emissions from traditional blast furnace processes, heavy reliance on fossil fuels, and inefficient resource use. In parallel, upcoming policies such as mandatory carbon audits, the planned implementation of a carbon tax by 2026, to alignment carbon tax policy are increasing the regulatory and reputational pressure on players like ASTEEL.

However, this transition also opens up new opportunities. Circular economy models, energy efficiency improvements, digitalisation, and ESG-aligned financing are emerging as viable strategies to reduce emissions while simultaneously driving cost savings, operational resilience, access to green capital, and long-term competitiveness in global supply chains.

The infographic below outlines ASTEEL's key transition risks and associated opportunities, based on national industrial policy directions and global ESG trends.

(B) List of Risks and Opportunities

The following section focuses on transitional risks and opportunities arising from shifts toward a low-carbon economy, including changes in policy, market demand, and technology. Understanding these factors helps ASTEEL anticipate potential disruptions, manage compliance obligations, and leverage emerging opportunities to remain competitive in a decarbonising global market.

Mandatory Carbon Pricing	
Impact Description	With Malaysia reaffirming plans to introduce a carbon tax in 2026, ASTEEL may face increased operational costs related to energy consumption and process emissions. While the near-term impact may be moderate, exposure is expected to increase as carbon pricing and decarbonisation policies become more stringent. In the absence of adequate low-carbon transition strategies, mandatory carbon pricing could create longer-term financial and compliance risks, making proactive emissions management and cost control critical.
Opportunity	Investments in energy-efficient technologies and low-emission operations can reduce future cost exposure and position ASTEEL for green incentives or carbon credits.

Tightened Access to Capital for Carbon Intensive Activities	
Impact Description	As financial institutions shift capital away from high-emissions industries, ASTEEL may face difficulties in securing affordable financing for expansion or operations unless clear sustainability targets and disclosures are provided. This limited access to capital poses financial and operational risks, including delayed investments, higher borrowing costs, and reduced competitiveness in an increasingly ESG-driven funding landscape.
Opportunity	Strengthening sustainability disclosure and integrating ESG into financial strategy can improve credit ratings and attract green fundings.
Increasing Stakeholder Scrutiny Over Climate Disclosure	
Impact Description	As stakeholder expectations rise and scrutiny over climate-related disclosures intensifies, ASTEEL may face reputational and compliance risks if reporting practices are perceived as insufficient or misaligned with global standards. Inadequate or inconsistent disclosures could lead to diminished investor confidence, limited access to capital, and challenges in maintaining stakeholder trust across the value chain.
Opportunity	Strengthening sustainability disclosures and integrating ESG into financial strategy can improve credit ratings and attract green funding.
Promotion of Circular Economy Practices in Steel Industry	
Impact Description	The Global shifts towards circular economy models in steel production, driven by regulatory changes and consumer preferences, presents both significant opportunities and risks for ASTEEL. Increasing emphasis on sustainable manufacturing, resource efficiency, and reduced environmental impact necessitates the adoption of innovative practices, such as steel scrap recycling, secondary material recovery, and sustainable sourcing. However, implementing circular economy practices may also pose challenges such as supply chain disruptions due to limited availability of recycled materials, increase short-term operational costs, and the risk of non-compliance with evolving recycling regulations.
Opportunity	Adopting circular economy practices enables ASTEEL to reduce operational costs, enhance brand reputation, and strengthen market competitiveness in response to evolving regulations and stakeholder expectations.
Energy Efficiency and Electrification	
Impact Description	Process upgrades and electrification of machinery can reduce dependency on fossil fuels, lower long-term operating costs, and align ASTEEL with future regulations. These investments can provide operational resilience and ESG value. However, high upfront capital costs, potential technical integration challenges, and uncertainty in future energy prices may pose financial and implementation risks if not carefully managed.
Opportunity	Access to ESG-linked financing, improved energy KPIs, and enhanced productivity can be achieved through early action on electrification.

MATERIALITY ASSESSMENT

STAKEHOLDER ENGAGEMENT

At ASTEEL Group, we recognise that open and transparent engagement with stakeholders is essential to sustaining our business and delivering long-term value. By listening to and addressing stakeholder concerns, we are able to anticipate risks, strengthen trust, and align our ESG priorities with the expectations of those we impact and depend on.

Our stakeholders include employees, regulators, suppliers and contractors, customers, and local communities. Each group has distinct needs and perspectives, and we use multiple channels, ranging from employee surveys to compliance reviews and digital communications, to ensure ongoing dialogue.

Table 6: ASTEEL's Stakeholder Engagement

Stakeholder Group	Engagement Channels	Roles and Responsibilities	Key Areas of Interest or Concern
Employees	Satisfaction surveys, SHE Committees, grievance channels, training sessions	Annual and ongoing	Workplace safety, fair employment, career growth, well-being
Regulators	Compliance reporting, inspections, audits	Quarterly / as required	Legal compliance, safety standards, environmental performance
Suppliers and Contractors	Procurement processes, contract requirements, safety briefings, audits	Ongoing / annual	Compliance with safety standards, timely payments, long term partnerships
Customers	Direct engagement, customer feedback, Facebook updates	Ongoing	Product quality, reliability, service responsiveness
Local Communities	Local hiring, CSR activities, Facebook communications	Ongoing / ad hoc	Employment opportunities, local economic participation, community well-being

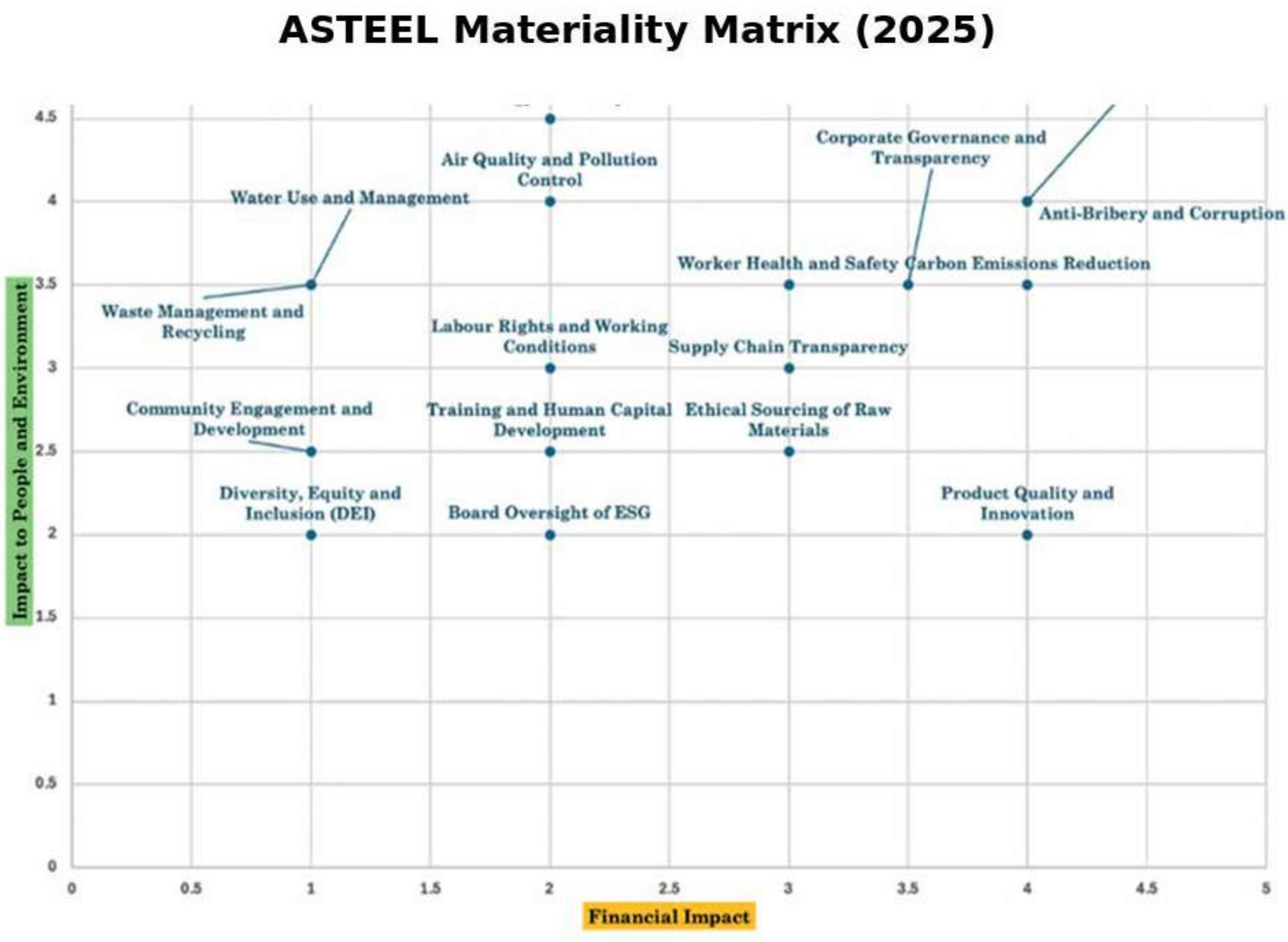
Feedback gathered from these engagements is reviewed by senior leadership and ESG committee members to ensure that the concerns of stakeholders are addressed effectively. Key findings are also considered when shaping our ESG strategy and priorities.

Looking ahead, we aim to strengthen our stakeholder engagement by adopting more structured feedback mechanisms and ensuring that insights are systematically integrated into our ESG strategy. This process directly informs our Materiality Assessment, where we identify and prioritise the ESG issues most relevant to our stakeholders and our business.

MATERIALITY ASSESSMENT

The ASTEEL Materiality Matrix (2025) presents seventeen (17) Environmental, Social, and Governance (ESG) topics evaluated across two dimensions: financial impact on business performance, and impact on people and the environment. This reflects a double materiality perspective, aligned with the GRI Standards (2021) and IFRS Sustainability Disclosure Standards (S1 and S2).

Figure 2: ASTEEL's Materiality Matrix



(A) Identification of Material Topics

Material topics were identified through peer benchmarking, regulatory landscape analysis, and internal sustainability workshops. Each topic was assessed for its relevance to ASTEEL's operations, long-term business value, and external impacts.

(B) Stakeholder Engagement

Stakeholder input was gathered through targeted engagements with our various stakeholders including senior management, compliance officers, operational teams, suppliers and customers. These insights shaped the initial prioritisation of ESG topics by highlighting the issues of greatest concern across internal and external stakeholders.

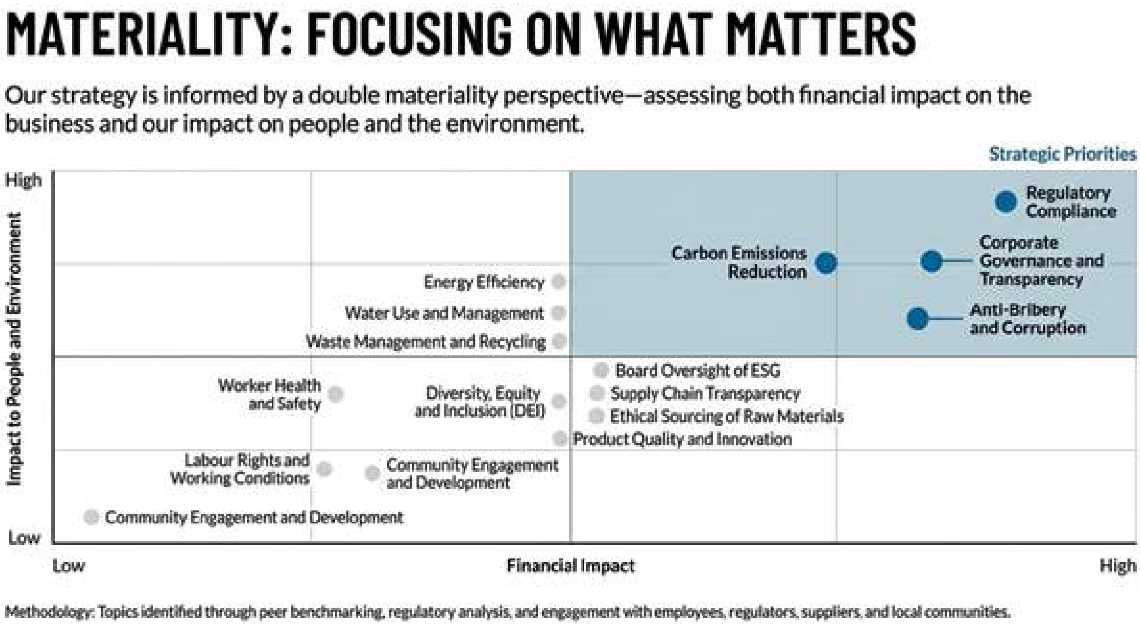
(C) Validation and Refinement

Following this, ASTEEL conducted an internal validation exercise with senior leadership and ESG committee members. This step ensured that the matrix reflects both external expectations and the company's strategic priorities, risk exposure, and regulatory context. Adjustments made during this phase included repositioning Anti-Bribery and Corruption from (5,5) to (4,4), and Product Quality and Innovation from (5,2) to (4,2), to better align with business realities.

(D) Key Focus Areas

The final matrix guides our ESG focus areas:

- Strategic Priorities (upper-right quadrant): Regulatory Compliance, Carbon Emissions Reduction, and Corporate Governance and Transparency, which are central to risk mitigation and long-term value creation.
- Operational and Environmental Priorities (upper-left quadrant): Energy Efficiency, Air Quality and Pollution Control, and Water Use and Management, reflecting strong stakeholder concerns that shape operational strategies.
- Value Chain Management (centre quadrant): Supply Chain Transparency and Ethical Sourcing of Raw Materials, which remain actively managed due to their importance in supplier relationships and risk exposure.
- Foundational Priorities (lower-left quadrant): Diversity, Equity and Inclusion (DEI), Community Engagement and Development, and Training and Human Capital Development, which strengthen workforce resilience and long-term culture.



(E) Integration Into Strategy

This materiality assessment is cross-referenced with our risk management framework and informs the development of our sustainability roadmap, KPIs, and ESG disclosures. It will be reviewed biennially, or earlier if significant internal or external changes occur. The disclosures in this report are structured around these material topics to ensure clarity, accountability, and impact-focused communication.

ENVIRONMENTAL: PLANET AND RESOURCES

At ASTEEL, our commitment to environmental stewardship goes beyond regulatory compliance. It is a core pillar of our business strategy and operational resilience. As a manufacturer operating in an energy- and resource-intensive industry, we recognize the urgency of addressing climate change, reducing emissions, managing resources efficiently.

We are guided by the principles of environmental responsibility, operational efficiency, and long-term sustainability. This includes embedding climate action, energy transition, water conservation, and circular resource use across our value chain. By integrating sustainability into our decision-making and plant operations, we strengthen our licence to operate, improve cost-efficiency, and align with national and global sustainability frameworks such as the UN Sustainable Development Goals (SDGs) and Bursa Malaysia's ESG Reporting Guidelines.

This section of the report highlights our performance and initiatives across two key focus areas:

(A) Climate Action and Carbon Management

We actively monitor and reduce our greenhouse gas emissions (GHG) across Scope 1, 2, and selected Scope 3 categories. Our climate strategy includes energy efficiency upgrades and the integration of renewable energy sources such as solar photovoltaics. Initiatives such as the replacement of diesel boilers with electric heating and inverter motor retrofits reflect our commitment to decarbonisation and operational excellence.

The Group will develop a carbon management plan to assess and compare emissions performance before and after the installation of solar photovoltaic (PV) systems in 2026, energy audit, low carbon emission products, CCL oven fuel conversion from kerosene to LNG, supporting data-driven decarbonisation efforts.

(B) Resource Efficiency and Environmental Stewardship

We are committed to minimizing our environmental footprint through efficient resource use, responsible waste management, and circular economy integration. This includes actively diverting scheduled waste from landfills, enhancing process efficiency to reduce material scrap, and partnering with licensed recovery vendors to reclaim and repurpose resources.

Guided by a data-driven approach, we continuously track, evaluate, and optimize our environmental performance, including water consumption, material recovery rates, and regulatory compliance. These initiatives not only support transparency and accountability but also reinforce our long-term commitment to sustainable growth and operational excellence.

A. CLIMATE ACTION AND CARBON MANAGEMENT

WHY IT MATTERS

As a leading steel manufacturer, ASTEEL operates in one of the most energy and emissions-intensive industries. This places climate action at the heart of our sustainability journey. Steel production relies heavily on electricity, fuels, and heat, resulting in significant Scope 1 and Scope 2 emissions. At the same time, climate-related risks such as extreme weather events, rising energy costs, and evolving carbon regulations are becoming more pressing.

In Malaysia, recent occurrences of severe flooding, heatwaves, and rainfall disruption have demonstrated the real and growing impact of climate change. For ASTEEL, mitigating these risks is essential not only for environmental reasons but also to protect business continuity, manage costs, and maintain stakeholder trust. We are committed to reducing our greenhouse gas (GHG) footprint through operational efficiency, clean energy integration, and transparent emissions reporting.

These efforts contribute directly to global climate goals, Bursa Malaysia's enhanced ESG disclosure requirements, and the United Nations Sustainable Development Goals (SDGs), particularly SDG 13: Climate Action. In Sarawak, our strategy is further aligned with the Environment (Reduction of Greenhouse Gases Emission) Ordinance 2023, the Sarawak 2030 Sustainability Blueprint, and the Post COVID-19 Development Strategy (PCDS) 2030, all of which prioritise low-carbon growth, renewable energy adoption, and climate resilience. Compliance with the Natural Resources and Environment Ordinance (NREO) and relevant Department of Environment (DOE) guidelines ensures our climate action framework meets both state and federal requirements. ASTEEL Group integrates climate scenario analysis into its operational strategy by implementing energy efficiency, renewable energy, and resource optimisation initiatives. These efforts enhance resilience against regulatory, transition, and physical climate risks while supporting the Group's low-carbon transition.

OUR APPROACH

At ASTEEL, our approach to climate change management is grounded in our commitment to responsible manufacturing and long-term decarbonisation. While we have not formally declared a Net Zero target, our actions reflect a progressive shift toward a low-carbon future, centered around process optimisation, electrification, and renewable energy integration.

In the short term, our focus is on maximising energy efficiency, eliminating fossil fuel use in core processes, and laying the groundwork for clean energy transition. This includes full conversion to LED lighting by stages, inverter-based equipment upgrades, and implementation of energy-saving protocols across all departments.

we are also scaling our renewable energy footprint through the installation of rooftop solar photovoltaic (PV) systems, while further reducing indirect emissions by sourcing electricity from Sarawak's predominantly hydro-powered grid. These actions support our operational decarbonisation and Scope 2 emissions reduction goals.

Then, we aim to explore and invest in low-carbon process technologies, digital solutions for emissions monitoring. Our continuous innovation in process heating, such as the conversion of the Colour Coating Line (CCL) from diesel to electric heating, demonstrates our readiness to adopt scalable, clean technologies.

As we continue to grow, our climate strategy will remain focused on practical, cost-effective solutions that drive both environmental and operational value. These actions position ASTEEL to meet future ESG expectations, reduce emissions intensity, and contribute meaningfully to Malaysia's low-carbon transition.

Solar PV Installation, Johor.

100% LED Lighting Transition.

PROGRESS AND IMPACT

Key Results of 2023-2025 Implementation:

- ASTEEL is implementing a phased transition to 100% LED lighting across all factories. To date, the Kuching factory has reached 85% LED coverage across operational areas, contributing to reduced electricity consumption and enhanced lighting efficiency
- All new production machinery is now equipped with inverter motors, and older air-conditioning units have been upgraded to inverter-type systems.
- Daylight optimization through the installation of translucent roofing panels has helped reduce dependency on high bay lighting during daylight hours.
- Strict shutdown protocols were enforced across all shifts, ensuring nonessential equipment is switched off during idle periods.
- In November 2022, the diesel-powered boiler at the Colour Coating Line (CCL) was replaced with a direct electric heating system, resulting in:

    1. Complete elimination of diesel consumption for CCL heating
    2. Monthly cost savings of approximately RM30,000
    3. Reduction in Scope 1 GHG emissions

- The installation of rooftop solar photovoltaic (PV) systems at the Johor Bahru facility supports the Group's long-term renewable energy targets, reduces reliance on grid electricity, and contributes to sustained reductions in carbon emissions, with potential for expansion to other regions in the future
- The Group's electricity consumption in Sarawak is predominantly sourced from a hydro-powered grid, resulting in lower Scope 2 emissions. In contrast, Peninsular Malaysia and Sabah rely on a more carbon-intensive energy mix, including gas, coal, and diesel. The Group will continue to reduce emissions through cleaner energy initiatives, including the recent installation of rooftop solar PV systems at its Johor Bahru facility.
- ASTEEL has established a monthly tracking system for Scope 1 and Scope 2 GHG emissions and has initiated Scope 3 monitoring for employee commuting and business travel.

Table 7: Greenhouse Gas (GHG) emissions and energy consumption overview

Scope 1, Scope 2 and Scope 3 GHG Emissions	2025
"Scope 1, emission in tinned of CO_2e (Metric tonnes)"	2,145.90
"Scope 2, emission in tinned of CO_2e (Metric tonnes)"	784.50
"Scope 3, emission in tinned of CO_2e (Metric tonnes)"	193.24
Energy	**2025**
Energy Consumed (MW)	2,232.48
Electricity Consumption (KWH/tonne)	83.44
Fuel Consumption (L/tonne)	25.46

*Notes: Scope 3 for the categories of business travel and employee commuting.

OUR ACHIEVEMENTS

As a leading steel manufacturer, ASTEEL operates in one of the most energy and emissions-intensive industries. This places climate action at the heart of our sustainability journey. Steel production relies heavily on electricity, fuels, and heat, resulting in significant Scope 1 and Scope 2 emissions. At the same time, climate-related risks such as extreme weather events, rising energy costs, and evolving carbon regulations are becoming more pressing.

B. RESOURCE EFFICIENCY AND ENVIRONMENTAL STEWARDSHIP

WHY IT MATTERS

Environmental stewardship is a core pillar of ASTEEL's commitment to sustainable growth and long-term business resilience. Our operations generate a range of waste streams from recyclable materials to scheduled (hazardous) waste that require careful management to prevent environmental harm and ensure full compliance with regulatory requirements. Mishandling these materials could lead to contamination, higher operational costs, and reputational risk. By adopting a circular economy approach, we focus on maximising resource efficiency, recovering value from waste, and reducing our environmental footprint. This proactive approach not only safeguards ecosystems but also strengthens stakeholder confidence and creates new opportunities for innovation and cost savings.

OUR APPROACH

ASTEEL's environmental approach is built on principles of resource efficiency, sustainable sourcing, and circular economy practices. Our waste and water management strategy goes beyond regulatory compliance; it is guided by continuous monitoring, stakeholder accountability, and measurable performance improvement.

- **Resource Recovery & Circularity**
  We dispose of waste through certified collectors that prioritise recovery services over landfill disposal. We actively promote the 3R principles; Reduce, Reuse, and Recycle, through our internal 5S Committee, which drives initiatives to minimise waste, enhance material efficiency, and embed circularity.

- **Responsible Sourcing**
  We ensure our raw materials are procured from sustainable suppliers who uphold strong environmental stewardship. This ensures our value chain reflects our sustainability values and supports our commitment to responsible consumption.

- **Hazardous and Scheduled Waste Compliance**
  Hazardous waste is safely stored, labelled and disposed of in accordance with Malaysian Department of Environment (DOE) guidelines Environmental Quality (Schedule wate) Regulation 2005. Our scheduled waste is tracked and audited to ensure full compliance.

PROGRESS AND IMPACT

Key Results of 2025 Implementation:.

- In 2025, we recorded 9.16kg of recycled material per tonne of product, the reduction in 2025 is attributed to improved control of off-cut and process optimisation.
- Waste diversion efforts expanded through enhanced partnerships with licensed recyclers and recovery vendors.

These outcomes reflect ASTEEL's proactive efforts to embed sustainability across operations and strengthen its environmental governance framework.

Table 8: Water consumption and waste management overview

Scope 1, Scope 2 and Scope 3 GHG Emissions	2025
Water Consumption (Cubic meter per tonne)	0.71
Total volume of water used (Megalitres)	19.04
Waste Management	**2025**
Total waste generated (Metric tonnes)	362.18
Total waste diverted from disposal	245.12
Total waste diverted to disposal	117.06
Recycling Rate (Steel recycle per tonne of product)	9.16*
Schedule Waste (Kg per tonne of product)	0.54

*Notes: Scope 3 for the categories of business travel and employee commuting.

PROGRESS AND IMPACT

SOCIAL: PEOPLE AND COMMUNITIES

Sustainable growth extends beyond operational excellence and is intrinsically linked to the well-being of our workforce and the prosperity of the communities in which we operate. ASTEEL Group Berhad remains committed to cultivating a resilient, inclusive, and empowered workforce through responsible employment practices and human-centric policies.

This section presents the Group's approach, initiatives, and performance in managing key social matters, encompassing workforce health and safety, labour rights, talent development, diversity and inclusion, local economic participation, the provision of Children Education Assistance (CEA) to employees, and ethical supply chain practices.

The Group's social priorities are structured under the following focus areas:

A. Human Rights
B. Safe Working Environment
C. People Development
D. Community Engagement

Table 9: Overview of Contributions under the Children's Education Assistance (CEA) Programme

CHILDREN EDUCATION ASSISTANCE FOR SCHOOL YEAR 2025

	2025	
Class	**Pax**	**RM**
Primary	65	9,750
Secondary	77	19,250
Cert/Pre-Diploma	2	700
Form 6/Matri/Pre U/A level	12	6,000
Diploma/Higher Diploma	8	6,400
Degree/Master	15	18,000
Award	3	1,050
Total	**182**	**61,150**

A. HUMAN RIGHTS

WHY IT MATTERS

Respect for human rights is fundamental to ASTEEL's organisational culture, workforce resilience and reputation. As a manufacturing company, we operate in an environment where workplace rights, dignity and safety are under regular scrutiny by regulators, customers and the wider community. Upholding human rights is not merely a legal obligation under Malaysia's Employment Act 1955 and other applicable legislation; it is a necessary condition for building trust, retaining talent and meeting the expectations of our stakeholders. Failure to meet these obligations can result in legal consequences, operational disruptions and reputational harm. In contrast, embedding strong human rights practices helps us create a fair, safe and inclusive workplace that supports long-term sustainability and organisational performance.

OUR APPROACH

ASTEEL's human rights framework is guided by the Universal Declaration of Human Rights, relevant Malaysian legislation and internationally recognised best practices. These principles are integrated into our employment policies, operational protocols and employee engagement activities.

All permanent and contract employees receive written employment contracts that clearly outline their entitlements, including minimum wage, rest days, working hours and overtime compensation. These terms are explained during onboarding to ensure full understanding and transparency from the start. To support fairness in the workplace, we have established formal grievance mechanisms that allow employees to raise concerns either verbally or in writing. These mechanisms offer confidentiality and protection from retaliation, and all cases are managed by the Human Resources Department and monitored by Senior Management to ensure prompt and fair resolution.

In managing workplace conduct, ASTEEL has formalised procedures to address misconduct, including cases involving sexual harassment. Designated contact points are available to provide support, guidance and resolution pathways. In addition, we prioritise awareness-building and capacity development by implementing structured trainings and campaigns focused on employee rights and workplace behaviour. These efforts aim to improve awareness, strengthen accountability and embed a culture of respect across all levels of the organisation.

PROGRESS AND IMPACT

Between 2023 and 2025, ASTEEL implemented several initiatives to reinforce its human rights commitments. In 2024, we launched a Sexual Harassment Prevention Campaign that combined structured awareness briefings, visual communication and direct engagement with supervisors to clarify behavioural expectations and reinforce workplace dignity. This was followed in 2025 by the introduction of our Human Rights Training Programme. The training focused on respect and dignity at work, gender sensitivity, freedom of expression and association, and access to grievance channels.

In parallel, we established a formalised grievance mechanism (Whistle Blowing Channel) and clearly defined escalation protocols. While there were no harassment cases formally reported during the reporting period, the development of structured grievance procedures and proactive education reflects our commitment to early intervention and risk prevention.

OUR ACHIEVEMENTS

Over the course of 2025, ASTEEL successfully integrated human rights awareness into its organisational culture through focused campaigns and targeted trainings. These initiatives have laid the groundwork for long-term compliance, informed workforce behaviour and increased awareness of employee rights. The Group plans to embed human rights content into all employee onboarding programmes, conduct annual refresher training, and extend training coverage to contract workers and key supply chain partners, as part of its broader commitment to inclusive and responsible business practices.

In 2026, the Group will further:

- Implement Diversity and Inclusion (D&I) programmes to foster a more inclusive workplace
- Strengthen employee awareness and training on grievance and whistleblowing mechanisms
- Enhance training completion rates through improved planning and strategic budget allocation

Table 10: Summary of Cases Reported via the Whistleblowing Channel

WHISTLEBLOWING CHANNEL - YEAR 2025

Type of event	No. of cases reported
Sexual Harassment	0
Fraudulent	0
Others	0
Total	**0**

B. SAFE WORKING ENVIRONMENT

WHY IT MATTERS

At ASTEEL Group, safeguarding the health, safety and well-being of our workforce is a fundamental responsibility and a key component of our social commitment. As an industrial manufacturer, we operate in an environment where employees are regularly exposed to operational risks. A strong culture of safety is essential to ensuring not only legal compliance but also workforce morale, productivity and long-term operational resilience.

OUR APPROACH

Our safety management framework is guided by the Occupational Safety and Health Act 1994 and its 2022 amendments. Although the Factories and Machinery Act 1967 has been repealed, we continue to apply relevant technical provisions from that legislation to support safe operational practices in alignment with the latest legal requirements.

We maintain active Safety, Health and Environment (SHE) Committees across key operating sites. These committees are responsible for monitoring safety compliance, coordinating briefings, conducting internal audits and ensuring two-way communication on occupational health matters between management and employees. All new employees participate in mandatory safety inductions as part of onboarding, and scheduled emergency drills are used to reinforce readiness and response protocols.

We regularly review safety incident records to identify root causes and track patterns. This process informs preventive measures and supports the sharing of lessons learned across departments.

PROGRESS AND IMPACT

Between 2023 and 2025, we implemented a range of initiatives to strengthen workplace safety and employee preparedness. These included structured trainings on fire safety, first aid and Emergency Response Team protocols. Monthly toolbox meetings were held at operating sites to reinforce risk awareness and proactive prevention. Regular health screenings were conducted for employees, covering blood pressure, glucose, vision checks, hearing audiometric test and medical surveillance on chemical content (where necessary) as part of our occupational health focus. Safety walkthroughs and briefings were conducted consistently to identify and address potential hazards.

OUR ACHIEVEMENTS

We have established a robust safety culture anchored in prevention and employee engagement. The regularity of our briefings, toolbox talks, audits and health screenings demonstrate our commitment to proactive risk management. Moving forward, we are incorporating performance indicators such as the Lost Time Injury Frequency Rate (LTIFR) into our monitoring framework. We are also working to enhance alignment with contractor and supplier safety practices, ensuring that safety standards are upheld across all areas of our operations.

Table 11: Occupational Health & Safety Performance Indicators (FY2025)

Indicator	FY2025
Total Recordable Injuries	4
Lost Workdays	10
Fatalities	0
Lost Time Injury Frequency Rate (LTIFR)	8
Total Recordable Injury Rate (TRIR)	1.6

In 2026, the Group remains committed to strengthening its occupational health and safety practices by enhancing risk assessment processes, fostering a proactive safety culture, and improving workforce competency. These initiatives aim to reduce workplace incidents, minimise lost workdays, and reinforce a safe and resilient working environment.

Safe Handling Forklift Program on 16 April 2025

Overhead Crane Safety on 26 April 2025

Basic First Aid and CPR on 9-10 July 2025

Seminar Badan Peneraju Industri (ILB) Bidang Kebombaan 2025 on 4 August 2025

Bengkel Upskill (Basic Fire Fighting Technique) 2025 on 19-20 August 2025

Webinar Keselamatan & Kesihatan Pekerjaan JKKP12 dan KKP di Tapak Bina on 26 August 2025

FMM Briefing on Requirements for Bomba Fire Certificate and Bomba Safety Training on 24 September 2025

Emergency Response and Preparedness on 9-10 October 2025

Occupational Safety and Health Coordinator (OSH-C) on 24-26 November 2025

C. PEOPLE DEVELOPMENT

WHY IT MATTERS

At ASTEEL Group, people development is viewed as a strategic investment that strengthens workforce resilience and sustains business continuity. As industrial processes evolve and ESG expectations rise, an adaptable, skilled, and engaged workforce is essential to maintaining our operational excellence and long-term competitiveness. Developing internal capabilities not only ensures compliance with labour rights but also supports innovation, leadership succession, and employee retention across the organisation.

OUR APPROACH

Our people development strategy is built around continuous learning, structured talent planning, and inclusive workforce policies. All employees, whether permanent or contract, receive written contracts with fair remuneration and access to grievance mechanisms. As part of their induction, new hires are briefed on ethical conduct, anti-harassment policies, and available reporting channels, ensuring clarity from the outset.

Training is delivered through a formalised annual calendar, which is designed to align with business needs and operational goals. In 2025, the Group conducted 98 structured training programmes covering areas such as process optimisation, safety compliance, leadership development, and regulatory awareness, with a total of 4,362.50 training hours recorded for the Group.

To reinforce our learning culture, the Group increased its training budget in 2025 by 77%, from RM128,186 to RM226,256, of which 84% of the expenditure is claimable under HRDC.

Our approach also emphasises non-technical development. Leadership coaching and mentoring, cross-functional exposure, and behavioural integration form a key part of our workforce development ecosystem. These initiatives help embed workplace ethics and reinforce cultural alignment alongside skill-building.

We monitor workforce retention closely. In 2025, employee turnover remained within our internal threshold of 5% or less per month for confirmed staff across both executive and non-executive levels. Most exits were voluntary and related to career advancement or personal development. To further support retention, we are enhancing career mapping and succession planning frameworks to offer greater clarity on internal mobility and leadership progression.

PROGRESS AND IMPACT

In 2025, we strengthened our learning ecosystem through an expanded training calendar, increased investment in learning and development, and targeted initiatives to improve staff capability. The 98 programmes delivered that year reflect our responsiveness to operational needs and our commitment to continuous improvement. Gender representation stood at 127 women and 321 men, with roles spanning both operational and functional categories. The Group continues to prioritise localisation, with 97.54% of its workforce comprising Malaysian employees in 2025, reflecting its commitment to supporting local talent and strengthening the domestic workforce.

OUR ACHIEVEMENTS

We have built a robust foundation for workforce development by embedding ethical hiring, structured onboarding, and inclusive talent practices across all entities. Our training hours, budget allocation, and turnover metrics demonstrate consistent investment in capability-building and employee engagement. Moving forward, we are exploring partnerships with vocational training institutions and job placement agencies to expand our talent pipeline, particularly in technical roles critical to future business sustainability.

Anti-Bribery and Anti-Corruption Training for Senior and Top Management conducted on 8–9 January 2025

ESG Emissions Management training conducted on 22–23 May 2025 by FMM consultant

In-house Anti-Bribery and Anti-Corruption Training conducted from May to December 2025

ESG and Data Privacy Management Training conducted on 7–8 July 2025

Roadshow Psychosocial Assessment & Management at the Workplace (PRISMA) on 3 July 2025

D. COMMUNITY ENGAGEMENT

WHY IT MATTERS

At ASTEEL Group, we recognise that our responsibility extends beyond the boundaries of our operational facilities. As part of our commitment to inclusive and sustainable development, we aim to contribute to the social and economic wellbeing of the communities in which we operate. By creating opportunities for local employment, supporting local businesses, and building long-term partnerships, we strive to generate positive regional impact that aligns with national development priorities and stakeholder expectations.

OUR APPROACH

Our community engagement strategy is anchored in three core principles: local economic inclusion, equitable participation, and shared value creation. We actively prioritise local hiring and local procurement as pathways to strengthen community ties, reduce economic disparities, and ensure that the benefits of our growth are distributed across our surrounding communities.

In 2025, 96.29% of our workforce comprised local hires, defined as individuals residing within the operational regions. This hiring approach has not only enhanced our operational efficiency through better staff availability and cultural alignment but also contributed to the livelihoods of families in our immediate areas of operation.

Table 12: Workforce composition (Local vs Non-Local Employees)

Year	Total Employees	Local Employees	Local Employee Percentage	Non-Local Employees	Non-Local Employees Percentage
2025	458	441	96.29%	17	3.70%

Our supply chain approach similarly reflects a preference for local sourcing. Where operationally feasible, we engage local vendors to supply goods and services, thereby supporting regional business ecosystems. This practice strengthens supply chain resilience, reduces lead times, and generates wider multiplier effects within the local economy. As at the reporting period, the Group maintained a total of 259 suppliers, comprising 93.44% local suppliers and 6.56% international suppliers, reflecting our strong commitment to local economic participation while maintaining supply chain flexibility.

Table 13: 2025 Supplier Composition (GRI 204: Procurement Practices)

Category	Number of Suppliers	Percentage (%)	Description
Local Suppliers	242	93.44%	Suppliers based in Malaysia
International Suppliers	17	6.56%	Suppliers outside Malaysia
Total	**259**	**100.00%**	**-**

PROGRESS AND IMPACT

Our localisation initiatives continue to generate positive outcomes. The Group recorded a local workforce composition of 96.29%, reflecting our ongoing commitment to prioritising employment opportunities for communities located near our operations. While supplier localisation data is still being formalised, our procurement teams are working closely with vendors to better track local participation and identify opportunities for long-term partnerships.

OUR ACHIEVEMENTS

We have embedded community engagement into our operating model through local hiring practices and support for local vendors. These efforts have strengthened our social licence to operate and contributed to local employment stability. Going forward, we aim to formalise our community engagement framework further by tracking local supplier participation rates and expanding partnerships with community-based organisations to amplify long-term regional impact.

CSR – Sarawak Cheshire Home on 14 June 2025

CSR – Clean the Buntal Esplanade area on 1 November 2025

CSR – Student visiting from Kolej Vokasional Betong on 24 November 2025

CSR – Student visiting from SMK Tebedu on 26 September 2025

JKR Klang Factory visit on 28 August 2025

Student from UNIMAS Factory visit on 23 June 2025

Sarawak Skills Development Centre representative factory visit on 1 July 2025

GOVERNANCE: INTEGRITY & TRANSPARENCY

ASTEEL Group continues to advance its governance framework with a strong emphasis on transparency, integrity, and organisational accountability. Our governance strategy is shaped by the belief that sound governance is essential to delivering long-term stakeholder value, ensuring regulatory compliance, and supporting our sustainability ambitions. This section outlines the progress we have made, the outcomes achieved, and our strategic priorities going forward.

A. ANTI-BRIBERY & CORRUPTION AND REGULATORY COMPLIANCE

WHY IT MATTERS

Upholding integrity and regulatory compliance is essential for building long term trust with stakeholders and protecting ASTEEL from legal, financial, and reputational risks. As a manufacturing group, we engage with a wide network of partners and suppliers. Without robust anti-corruption measures in place, the Group may be vulnerable to unethical practices such as bribery or conflicts of interest. A zero-tolerance approach to corruption reflects ASTEEL's commitment to ethical business conduct and responsible governance.

OUR APPROACH

In 2025, ASTEEL strengthened its governance framework through the adoption of an enhanced Anti-Bribery and Corruption (ABC) Policy, which was approved by the Board of Directors. The policy establishes clear ethical standards and reinforces the Group's commitment to integrity, transparency, and responsible business conduct across all operations.

To enhance accountability and risk management, the Group implemented a Gift Declaration system, Conflict of Interest disclosure procedures, and Third-Party Declarations across its supply chain to ensure that business partners adhere to the same ethical expectations. These initiatives are supported by structured Standard Operating Procedures (SOPs) and a formal whistleblowing mechanism, which safeguards confidentiality and encourages the timely reporting of suspected misconduct.

In line with its commitment to continuous improvement in governance and compliance, management has also resolved to pursue ISO 37001:2025 certification, further strengthening the Group's Anti-Bribery Management System (ABMS) and reinforcing a culture of integrity throughout the organisation. These initiatives support ASTEEL's efforts to mitigate bribery and corruption risks and align the Group with the requirements of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 on corporate liability.

PROGRESS AND IMPACT

To improve ethical awareness, ASTEEL implemented a comprehensive antibribery training programme supported by internal compliance circulars and awareness materials. These initiatives helped ensure that employees across all functions understand the company's anti-corruption standards and reporting channels. SOPs for managing misconduct have been introduced and are being monitored for effectiveness. Internal alignment on ethical procedures continues to be a priority as part of the Group's ESG journey. The Group has engaged SIRIM QAS International Sdn. Bhd. to undertake the ISO 37001:2025 certification audit as part of its efforts to strengthen the Anti-Bribery Management System (ABMS).

OUR ACHIEVEMENTS

Throughout 2025, ASTEEL recorded zero confirmed incidents of corruption, demonstrating the effectiveness of its preventive frameworks and ethical culture. Anti-bribery training has been successfully delivered to 89% of employees across all organisational levels, from general workers to senior management, reinforcing the Group's commitment to ethical conduct and integrity. The Group aims to complete the remaining training in stages, with a target of achieving 100% participation. The ABC Policy was reinforced through internal campaigns and compliance communications. In addition, active whistleblowing channels were maintained, with any reported concerns addressed under strict confidentiality.

Table 14: Progress of Anti-Bribery and Anti-Corruption Training as at 31 December 2025

Companies	Total Headcount	Participants (Briefing/ Training)	Percentage	Status
ASTEEL Group of Companies	458	398	86.9%	In progress to achieve 100%

Table 15: Progress of ISO 37001:2025 Certification Process as at 31 December 2025

S/N	Company	Activities	Audit Period	Status
1	SIRIM QAS International Sdn.Bhd.	Stage 1 Audit for ISO 37001:2025	22-23 December 2025	Completed & Successful – Ready for Stage 2 Audit
2	SIRIM QAS International Sdn.Bhd.	Stage 2 Audit for ISO 37001:2025	9-10 February 2026	Currently In Progress

B. DATA PRIVACY & CYBERSECURITY

WHY IT MATTERS

Data integrity and cybersecurity are critical to maintaining operational resilience, safeguarding stakeholder trust, and complying with regulatory requirements. As businesses increasingly rely on digital infrastructure, the risk of cyber threats and data breaches also rises. Any compromise of personal or operational data can result in reputational damage, regulatory penalties, and operational disruption. Ensuring data privacy is therefore a core component of responsible and secure business operations.

OUR APPROACH

ASTEEL strengthened its IT infrastructure to ensure robust cybersecurity coverage across its operations. Key measures include the implementation of enterprise-level firewall protection, VPN-secured remote access, and restricted user permissions to control data access. Internal awareness campaigns on data privacy were launched to educate employees on responsible data handling and to embed a security-first mindset. Policies governing data use, retention, and breach escalation have been documented and communicated across departments. In addition, ASTEEL has started developing its response protocols for cyber incidents to enhance its preparedness and reduce exposure to potential risks.

PROGRESS AND IMPACT

In 2024, ASTEEL rolled out targeted communication efforts on data protection and conducted internal engagement sessions to familiarise employees with evolving data governance requirements. While the company has foundational IT controls in place, including secure access protocols and network monitoring, gaps were identified in breach response and real-time alert capabilities.

Addressing these gaps, ASTEEL began evaluating options for improved cybersecurity analytics and endpoint detection tools. These developments are part of a phased plan to increase visibility across the digital ecosystem and strengthen defences against evolving threats.

OUR ACHIEVEMENTS

ASTEEL has successfully established the groundwork for secure digital operations, with key cybersecurity controls now in place throughout its infrastructure. Staff awareness on data privacy has increased through internal campaigns, and departments are better equipped to manage data responsibly. Looking forward, ASTEEL is committed to enhancing its breach response readiness, upgrading monitoring systems, and ensuring compliance with future data protection standards. These efforts aim to embed cybersecurity as an integral part of the company's risk management and governance strategy.

C. SUPPLY CHAIN TRANSPARENCY

WHY IT MATTERS

Transparent and responsible supply chains are essential to upholding ASTEEL's commitment to ethical business conduct, environmental accountability, and stakeholder trust. The procurement function plays a critical role in influencing supplier behaviour and mitigating risks linked to unethical sourcing, human rights violations, or environmental non-compliance. As investor and customer expectations rise, so does the need for visibility and due diligence throughout the supply chain.

OUR APPROACH

ASTEEL began integrating ESG considerations into its procurement processes by introducing supplier evaluation and screening protocols. A formal Vendor Code of Conduct was established, outlining clear expectations on business ethics, labour standards, and environmental practices. This code is incorporated into the supplier onboarding process to ensure early alignment with ASTEEL's values.

Procurement teams were also guided to assess ESG risks during supplier engagement, with efforts made to document these assessments for internal review. While these procedures are still evolving, the foundation has been laid for a more rigorous supplier selection and monitoring process.

PROGRESS AND IMPACT

The Group has successfully implemented initial ESG filters within its supplier vetting process. This includes basic screening on social and environmental risks, and the use of internal tools to monitor supplier performance. A growing proportion of new vendors have now been screened using these criteria.

Despite this progress, ASTEEL acknowledges that current systems are not yet fully comprehensive. ESG risk assessments and the tracking of local versus international sourcing ratios are still being developed into a more structured and measurable format.

OUR ACHIEVEMENTS

A key milestone was the rollout of the Vendor Code of Conduct, now embedded within all new procurement agreements. ASTEEL aims to strengthen its sustainable workforce and supply chain practices by maintaining a 100% screening rate for key suppliers to ensure ethical labour standards. The company also targets increasing local employment, with a focus on hiring local to reach, maintain and surpass the 96% benchmark. In support of these goals, ASTEEL plans to formalize a local hiring policy that promotes community development while reinforcing responsible sourcing commitments. This has reinforced a culture of shared responsibility among ASTEEL's suppliers and improved baseline ESG compliance in procurement operations.

Moving forward, the Group will continue to strengthen its supply chain governance by expanding ESG-related data collection, refining supplier scoring methods, and aligning more closely with international due diligence practices. These improvements are expected to enhance procurement transparency and reduce ESG risks across the value chain.

D. CORPORATE GOVERNANCE, TRANSPARENCY & BOARD OVERSIGHT OF ESG

WHY IT MATTERS

Strong governance is the foundation for ethical leadership, stakeholder trust, and sustainable business success. As ESG issues gain prominence in regulatory and investor circles, companies are expected to demonstrate clear oversight, transparent decision-making, and responsible management. A robust governance framework enables ASTEEL to manage ESG risks, ensure regulatory compliance, and embed sustainability into strategic planning. Without proper governance, ESG commitments risk being siloed, inconsistent, or ineffective.

OUR APPROACH

ASTEEL has progressively strengthened its ESG governance structure through a formalised three-tier system. This structure comprises the Board of Directors, a Sustainability Committee chaired by an Independent Non-Executive Director, and a Sustainability Working Committee that oversees operational implementation. These roles are clearly defined by Terms of Reference outlining the authority, responsibilities, and reporting protocols of each entity.

Key initiatives under this framework include the formation of an ESG team, the introduction of anti-corruption and integrity training at all levels, and the adoption of a Supplier Code of Conduct. ESG disclosures are updated to align with Bursa Malaysia's sustainability reporting requirements, ensuring compliance with best practices in transparency and accountability.

PROGRESS AND IMPACT

In 2024 and 2025, ASTEEL enhanced its governance transparency by developing documented ESG policies, formalising internal reporting procedures, and increasing Board-level visibility of sustainability matters. ESG issues are now a standing agenda in management and board meetings, with periodic reviews and updates to ensure alignment with the organisation's risk profile and stakeholder expectations.

These efforts have helped establish clearer reporting lines and fostered a culture of ethical oversight across departments. Regular training and capacity building sessions were conducted to familiarise staff and management with the governance structure and ESG-related responsibilities.

OUR ACHIEVEMENTS

ASTEEL's ESG governance is anchored by a formal three-tier structure, comprising the Board of Directors, a Sustainability Committee chaired by an Independent Non-Executive Director, nominated by BOD and a Sustainability Working Committee led by the Chief Operating Officer, selected and approved by Group MD. This clear governance arrangement has been a key enabler for long-term resilience and ethical decision-making, ensuring that strategic oversight, policy development, and operational execution of ESG initiatives are effectively aligned.

The company has successfully aligned its internal procedures with Bursa Malaysia's ESG checklist and established clear governance ownership at the Board level. By embedding ESG KPIs into performance scorecards and integrating ESG risks into business planning, ASTEEL has demonstrated a forward-looking commitment to responsible corporate stewardship. Moving forward, governance will continue to play a critical role in shaping ASTEEL's resilience, competitiveness, and value creation across our supply chain, workforce, and communities. With a foundation built on integrity, oversight, and continuous improvement, we are well-positioned to navigate future challenges and drive long-term sustainability performance.

CONCLUSION

ASTEEL Group remains steadfast in its commitment to strengthening governance as a cornerstone of sustainable and responsible business. The progress made in 2025 reflects our proactive stance in institutionalizing ethical practices, enhancing transparency, and aligning our operations with both regulatory expectations and stakeholder values. While we acknowledge that certain areas, such as digital ESG tracking and Board-level ESG integration, require further development, we are confident that our roadmap and strategic initiatives will enable us to bridge these gaps effectively.

Moving forward, governance will continue to play a critical role in shaping ASTEEL's resilience, competitiveness, and value creation across our supply chain, workforce, and communities. With a foundation built on integrity, oversight, and continuous improvement, we are well-positioned to navigate future challenges and drive long-term sustainability performance.

ESG ROADMAP

ASTEEL's ESG Roadmap outlines our phased approach to integrating sustainability into our operations and decision-making processes. Spanning from 2025 to 2032, this roadmap serves as a structured guide for our efforts to establish foundational ESG practices, improve performance, and enhance long term resilience. The roadmap is divided into two key phases. Phase 1: Establish the Foundation (2025-2027) focuses on setting up governance structures, formalizing policies, and developing baseline data and short-term KPIs. Phase 2: Strengthen and Scale (2028-2032) aims to embed ESG deeper into ASTEEL's core strategy and supply chain, scale impactful initiatives, and improve our disclosures. At present, no Phase 3 is planned, as the Group has opted to focus on building practical, achievable milestones aligned with its current capacity and business outlook.

PHASE 1: ESTABLISH THE FOUNDATION (2025-2027)

Focus: Build governance structures, formalise policies, define ESG baselines, and set short-term KPIs.

PHASE 2: STRENGTHEN AND SCALE (2028-2032)

Focus: Deepen ESG integration into business strategy and supply chain, enhance disclosures, and scale initiatives.

APPENDIX

ALIGNMENT WITH GRI AND SDG

Statement of use: ASTEEL Group Berhad has reported the information cited in this GRI content index for the period of 1 January 2025 to 31 December 2025 with reference to the GRI Standards and SDGs.

GRI DISCLOSURE	UN SDG	PAGE REFERENCE
GRI 204: Procurement Practices 2016 (Supplier Social Impacts)	SDG 8, SDG 9, SDG 10, SDG 11	155
204-1 Proportion of spending on local suppliers	SDG 8, SDG 9, SDG 10, SDG 11	155
GRI 205: Anti-corruption 2016 (Business Ethics and Transparency)	SDG 16	154
205-1 Operations assessed for risks related to corruption	SDG 16	154
205-2 Communication and training about anti-corruption policies and procedures	SDG 16	154
GRI 302: Energy 2016	SDG 7, SDG 13	144
302-1 Energy consumption within the organisation	SDG 7, SDG 13	144
302-4 Reduction of energy consumption	SDG 7, SDG 13	144
302-5 Reductions in energy requirements of products and services	SDG 7, SDG 13	144
GRI 303: Water and Effluents 2018 (Water Management)	SDG 6	146
303-5 Water consumption	SDG 6	146
GRI 305: Emissions 2016 (Pollution Management)	SDG 7, SDG 13	144
GRI 305: Emissions 2016 (Climate Change Management)	SDG 7, SDG 13	144
305-1 Direct (Scope 1) GHC emissions	SDG 7, SDG 13	144
305-2 Energy indirect (Scope 2) GHG emissions	SDG 7, SDG 13	144
305-4 GHG emissions intensity	SDG 7, SDG 13	144
305-5 Reduction of GHG emissions	SDG 7, SDG 13	144
GRI 306: Waste 2020	SDG 12, SDG 13	146
306-1 Waste generation and significant waste-related impacts	SDG 12, SDG 13	146

GRI DISCLOSURE	UN SDG	PAGE REFERENCE
306-3 Waste generated	SDG 12, SDG 13	146
GRI 401: Employment 2016 (Talent Management)	SDG 4, SDG 5, SDG 8	151
401-1 New employee hires and employee turnover	SDG 4, SDG 5, SDG 8	151
GRI 403: Occupational Safety and Health 2018 (Occupational Safety and Health)	SDG 3, SDG 8	149
403-1 Occupational health and safety management system	SDG 3, SDG 8	149
403-2 Hazard identification, risk assessment, and incident investigation	SDG 3, SDG 8	149
403-3 Occupational health services	SDG 3, SDG 8	149
403-4 Worker participation, consultation, and communication on occupational health and safety	SDG 3, SDG 8	149
403-5 Worker training on occupational health and safety	SDG 3, SDG 8	149
403-6 Promotion of worker health	SDG 3, SDG 8	149
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SDG 3, SDG 8	149
403-8 Workers covered by an occupational health and safety management system	SDG 3, SDG 8	149
GRI 404: Training and Education 2016	SDG 4, SDG 5, SDG 8	151
404-1 Average hours of training per year per employee	SDG 4, SDG 5, SDG 8	151
404-2 Programs for upgrading employee skills and transition assistance programs	SDG 4, SDG 5, SDG 8	151
404-3 Percentage of employees receiving regular performance and career development reviews	SDG 4, SDG 5, SDG 8	151
GRI 405: Diversity and Equal Opportunity 2016 (Equal Opportunity, Diversity and Inclusion)	SDG 8, SDG 10	148
405-1 Diversity of governance bodies and employees	SDG 8, SDG 10	148
GRI 409: Forced or Compulsory Labor 2016	SDG 8, SDG 10	148

GRI DISCLOSURE	UN SDG	PAGE REFERENCE
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SDG 8, SDG 10	148
GRI 413: Local Communities 2016 (Community Engagement)	SDG 11, SDG 17	152
413-1 Operations with local community engagement, impact assessments, and development programs	SDG 11, SDG 17	152
GRI 418: Customer Privacy 2016 (Cybersecurity and Data Privacy)	SDG 16	155
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SDG 16	155

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	89.8%	100% by FY 2027	Internal	3 years for 1 cycle
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	83.0%	-	No assurance	
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	94.9%	-	No assurance	
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	89.8%	-	No assurance	
Anti-corruption	C1(b) Percentage of operations assessed for corruption-related risks	Percentage	63.6%	-	Internal	3 years for 1 cycle
Anti-corruption	C1(c) Confirmed incidents of corruption and action taken	Number	0	-	No assurance	
Community/Society	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	139,166	-	No assurance	
Community/Society	C2(b) Total number of beneficiaries of the investment in communities	Number	526	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Management Under 30	Percentage	2.0%	-	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	C3(a) Percentage of employees by Age Group - Management 30-50	Percentage	54.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Management Above 50	Percentage	44.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Executive Under 30	Percentage	28.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Executive Between 30-50	Percentage	60.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Executive Above 50	Percentage	12.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Non-executive/Technical Staff Under 30	Percentage	35.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Non-executive/Technical Staff Between 30-50	Percentage	48.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - Non-executive/Technical Staff Above 50	Percentage	17.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - General Workers Below 30	Percentage	37.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Age Group - General Workers Between 30-50	Percentage	52.0%	-	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	C3(a) Percentage of employees by Age Group - General Workers Above 50	Percentage	11.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - Management Male	Percentage	63.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - Management Female	Percentage	37.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - Executive Male	Percentage	44.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - Executive Female	Percentage	56.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - Non-executive/Technical Male	Percentage	61.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - Non-executive/Technical Female	Percentage	39.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - General Worker Male	Percentage	97.0%	-	No assurance	
Diversity	C3(a) Percentage of employees by Gender Group - General Worker Female	Percentage	3.0%	-	No assurance	
Diversity	C3(a) Percentage of directors by Gender Group - Male	Percentage	56.0%	-	No assurance	
Diversity	C3(a) Percentage of directors by Gender Group - Female	Percentage	44.0%	-	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	C3(b) Percentage of directors by Age Group - Between 30-50	Percentage	56.0%	-	No assurance	
Diversity	C3(b) Percentage of directors by Age Group - Above 50	Percentage	44.0%	-	No assurance	
Health and safety	C5(a) Number of work-related fatalities	Number	0	-	No assurance	
Health and safety	C5(b) Lost time incident rate ("LTIR")	Rate	1.60	-	No assurance	
Health and safety	C5(c) Number of employees trained on health and safety standards	Number	458	-	No assurance	
Labour practices and standards	C6(a) Total hours of training by employee category - Management	Hours	2,103	-	No assurance	
Labour practices and standards	C6(a) Total hours of training by employee category - Executive	Hours	991	-	No assurance	
Labour practices and standards	C6(a) Total hours of training by employee category - Non-executive/Technical Staff	Hours	889	-	No assurance	
Labour practices and standards	C6(a) Total hours of training by employee category - General Workers	Hours	378	-	No assurance	
Labour practices and standards	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.0%	-	No assurance	
Labour practices and standards	C6(c) Total number of employee turnover by employee category - Management	Number	8	-	No assurance	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour practices and standards	C6(c) Total number of employee turnover by employee category - Executive	Number	24	-	No assurance	
Labour practices and standards	C6(c) Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	45	-	No assurance	
Labour practices and standards	C6(c) Total number of employee turnover by employee category - General Workers	Number	15	-	No assurance	
Labour practices and standards	C6(d) Number of substantiated complaints concerning human rights	Number	0	-	No assurance	
Supply chain management	C7(a) Proportion of spending on local suppliers	Percentage	49.8%	-	No assurance	
Data privacy and security	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	
Water	C9(a) Total volume of water used	Megalitres	19.04	-	No assurance	
Waste Management	C10(a) Total waste generated	Metric tonnes	362.18	-	No assurance	
Waste Management	C10(a)(i) Total waste diverted from disposal	Metric tonnes	245.12	-	No assurance	
Waste Management	C10(a)(ii) Total waste diverted to disposal	Metric tonnes	117.06	-	No assurance	
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	2,145.90	-	Internal	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	784.50	-	Internal	
GHG emissions	Scope 3 Cat.7:Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	193.24	-	No assurance	
Energy Management	C4(a) Total energy consumption	Mega Watt (MW)	2,232.48	-	No assurance	

NOTICE OF 49TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Ninth Annual General Meeting ("49th AGM") of ASTEEL Group Berhad ("ASTEEL" or "the Company") will be held at Suite 2, Level 2, Yung Kong Abell, Lot 365, Jalan Abell, 93100 Kuching, Sarawak on Friday, 26 June 2026 at 2:00 pm to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 9)**

2. To approve the payment of Directors' fees of RM296,750.00 for the Non-Executive Directors in respect of the financial year ended 31 December 2025. **Resolution 1**

3. To approve the payment of Directors' fees up to RM360,000.00 for the Non-Executive Directors in respect of the financial year ending 31 December 2026. **Resolution 2**

4. To approve other benefits payable to the Non-Executive Directors up to RM110,000.00 for the period from 27 June 2026 until the conclusion of the next Annual General Meeting of the Company. **Resolution 3**

5. To re-elect the following Directors, who retire in accordance with Article 123(1) of the Company's Constitution and, being eligible, offer themselves for re-election:

i) Tan Sri (Dr.) Soh Thian Lai; and **Resolution 4**
ii) Datin Josephine Anak Hilary Dom @ Josephine John **Resolution 5**

6. To re-elect Mr Wee Hiang Chyn, who retires in accordance with Article 128 of the Company's Constitution and, being eligible, offers himself for re-election. **Resolution 6**

7. To re-appoint KPMG PLT (AF 0758) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following Ordinary Resolution:

- **Continuation in office as Independent Director pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021** **Resolution 8**

  "THAT, approval be and is hereby given to Ms Yan Ying Chieh who will be serving for nine (9) years on the Board in next half of year 2026 as an Independent Director of the Company, to continue in office as an Independent Director of the Company."

9. To consider and, if thought fit, pass the following Ordinary Resolution:

- **Authority to issue shares pursuant to Section 76 of the Companies Act 2016** **Resolution 9**

  "THAT, pursuant to Section 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

  FURTHER THAT pursuant to Section 85 of the Companies Act 2016 read together with Article 10 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares issued under the above authority."

NOTICE OF 49TH ANNUAL GENERAL MEETING (continued)

10. To consider and, if thought fit, pass the following Ordinary Resolution:

- **Proposed renewal of and new shareholder mandate for recurrent related party transactions of a revenue or trading nature** **Resolution 10**

  "THAT, approval be and is hereby given to ASTEEL Group ("the Group") to enter into and to give effect to specified recurrent related party transactions or trading nature with the Related Parties as stated in item 3(b) of the Circular to Shareholders dated 29 April 2026, which are necessary for its day-to-day operations, to be entered into by the Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company ("Proposed Shareholder Mandate");

  AND THAT the Proposed Shareholder Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholder Mandate, shall only continue to be in force until:

  (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which the Proposed Shareholder Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or

  (b) the expiration of the period within which the annual general meeting after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

  (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

  whichever is the earlier.

  AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Shareholder Mandate."

11. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD OF DIRECTORS

DATUK IR MICHAEL HII EE SING (LS 0000872)
SSM Practicing Certificate No.: 201908003344
VOON JAN MOI (MAICSA 7021367)
SSM Practicing Certificate No.: 202008001906

Company Secretaries

Kuching, Sarawak
Dated: 29 April 2026

NOTICE OF 49TH ANNUAL GENERAL MEETING (continued)

NOTES:

1. A Member of the Company who is entitled to attend and vote at the 49th AGM may appoint not more than two (2) proxies to attend and vote instead of the Member at the 49th AGM;
2. A proxy or attorney or a duly authorised representative may, but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy;
3. A proxy appointed to attend and vote at the 49th AGM shall have the same rights as the Member to speak at the 49th AGM;
4. Where a Member of the Company is an authorised nominee as defined in the Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds;
5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds;
6. Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies;
7. To be valid, the duly completed Form of Proxy must be deposited by hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via TIIH Online website at *https://tiih.online* not less than 48 hours before the time set for holding the 49th AGM or any adjournment thereof;
8. A depositor whose name appears in the Record of Depositors as at 18 June 2026 shall be regarded as a Member of the Company entitled to attend the 49th AGM or appoint a proxy to attend, speak and vote on his behalf;
9. Explanatory Note for Agenda Item 1. This Agenda item is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item will not be put forward for voting;
10. All the Non-Executive Directors of the Company who are Members of the Company will abstain from voting on Resolutions 1, 2 and 3. The Director as referred to in Resolution 4 who is also a Member of the Company will abstain from voting on the resolution in respect of his re-election at the 49th AGM;
11. For the proposed Resolutions 4 to 6, the Nomination Committee (“NC”) of the Company has assessed the performance, contribution and effectiveness of all the Directors and assessed the fit and proper criteria of the respective Directors seeking for re-election at the AGM. The areas of assessment of individual Directors include fit and proper, knowledge and integrity, contribution and participation, calibre and personality. Each of the retiring Director possesses the relevant skill sets and experience and bring valuable insights to the Board of Directors. They have no conflict of interest with ASTEEL Group. Based on the satisfactory assessment outcome, together with the fit and proper declaration made in accordance with the Company’s Fit and Proper Policy as well as confirmation of all the retiring Independent Directors of their independence, the Board recommended these Directors to be re-elected according to the proposed resolutions to be tabled at the 49th AGM;
12. The proposed Resolution 8 is to seek shareholders’ approval to retain Ms Yan Ying Chieh, whose tenure as Independent Directors of the Company will be serving for nine (9) years. The NC and the Board have assessed the performance, contribution and effectiveness of this Director and assessed the fit and proper criteria of the Director. The areas of assessment of individual Director include fit and proper, knowledge and integrity, contribution and participation, calibre and personality. She possess the relevant skill sets and experience and bring valuable insights to the Board of Directors. Based on the satisfactory assessment outcome, together with the fit and proper declaration made in accordance with the Company’s Fit and Proper Policy as well as confirmation of all the retiring Independent Directors of their independence, the Board recommended Ms Yan Ying Chieh to be retained as Independent Director of the Company based on the justification that her experience, expertise and networking has significant contribution to the operation and performance of the Group, she actively participated in deliberations at Board meetings by providing unbiased and independent views, expressing disagreements and standing up for her independent points of view for the best interest of the Group, shareholders, employees and other stakeholders as a whole and she fulfilled the criteria as Independent Director stipulated in the Listing Requirements and therefore can be entrusted to discharge her duties impartially and constructively;
13. The Company had, at its 48th AGM held on 26 June 2025, obtained its shareholders’ approval for the 10% general mandate for issuance of shares pursuant to the Section 76 of the Companies Act 2016. As at the date of this notice, the previous mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

NOTICE OF 49TH ANNUAL GENERAL MEETING (continued)

The proposed Resolution 9, if passed, will grant a renewed 10% general mandate to empower the Directors to issue shares pursuant to Section 76 of the Companies Act 2016. It will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s). This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

The Board of Directors of ASTEEL, having considered the current economic climate and future financial needs of ASTEEL Group, was of the opinion that this 10% general mandate is in the best interests of the Company and its shareholders; and

14. The proposed Resolution 10 in respect of the Proposed Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is intended to facilitate transactions in the ordinary course of business of ASTEEL Group which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on the terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

    Please refer to the Circular to Shareholders dated 29 April 2026 for further details.

STATEMENT ACCOMPANYING NOTICE OF 49TH AGM

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, no individual is standing for election as a Director at the 49th AGM.

ASTEEL GROUP BERHAD

[Registration No.: 197701001682 (032939-U)]
(Incorporated in Malaysia)

ASTEEL GROUP

FORM OF PROXY

No. of Shares Held	
CDS Account No.	

*I/We ____
(Full Name In Capital Letters)

of ____
(Full Address)

being a Member of ASTEEL GROUP BERHAD, hereby appoint (Proxy 1) ______________________________
(Full Name In Capital Letters)

(NRIC No.: ______________________) of ______________________________
(Full Address)

and/or Proxy 2 (if any) ______________________________(NRIC No.: ________________)
(Full Name In Capital Letters)

of ____
(Full Address)

or failing him/her/them, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the 49th Annual General Meeting of the Company to be held at Suite 2, Level 2, Yung Kong Abell, Lot 365, Jalan Abell, 93100 Kuching, Sarawak on Friday, 26 June 2026 at 2:00 pm and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

		FOR	AGAINST
RESOLUTION 1	To approve the payment of Directors' fees of RM296,750.00 for the Non-Executive Directors in respect of the financial year ended 31 December 2025		
RESOLUTION 2	To approve the payment of Directors' fees up to RM360,000.00 for the Non-Executive Directors in respect of the financial year ending 31 December 2026		
RESOLUTION 3	To approve other benefits payable to the Non-Executive Directors up to RM110,000 for the period from 27 June 2026 until the conclusion of the next Annual General Meeting of the Company		
RESOLUTION 4	To re-elect Tan Sri (Dr.) Soh Thian Lai as Director		
RESOLUTION 5	To re-elect Datin Josephine Anak Hilary Dom @ Josephine John as Director		
RESOLUTION 6	To re-elect Mr Wee Hiang Chyn as Director		
RESOLUTION 7	To re-appoint KPMG PLT (AF 0758) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration		
RESOLUTION 8	To retain Ms Yan Ying Chieh as Independent Director		
RESOLUTION 9	Authority for Directors to issue shares pursuant to Section 76 of the Companies Act 2016		
RESOLUTION 10	Proposed renewal of and new shareholder mandate for recurrent related party transactions of a revenue or trading nature		

*Strike out whichever is not applicable.

The proportions of *my/our holdings to be represented by *my/our proxy are as follows:

Proxy 1	
Proxy 2	

Dated this day of 2026

....
Signature/common seal of shareholder(s)

1. A Member of the Company who is entitled to attend and vote at the 49th AGM may appoint not more than two (2) proxies to attend and vote instead of the Member at the 49th AGM;
2. A proxy or attorney or a duly authorised representative may, but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy;
3. A proxy appointed to attend and vote at the 49th AGM shall have the same rights as the Member to speak at the 49th AGM;
4. Where a Member of the Company is an authorised nominee as defined in the Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds;
5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds;
6. Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies;
7. To be valid, the duly completed Form of Proxy must be deposited by hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively at the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via TIIH Online website at https://tiih.online not less than 48 hours before the time set for holding the 49th AGM or any adjournment thereof; and
8. A depositor whose name appears in the Record of Depositors as at 18 June 2026 shall be regarded as a Member of the Company entitled to attend the 49th AGM or appoint a proxy to attend, speak and vote on his behalf.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

To: The Poll Administrator

Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1st fold here

REGISTERED ADDRESS

Lot 712 Block 7 Demak Laut Industrial Park
93050 Kuching Sarawak Malaysia.
Tel: +6082 433 888 Fax: +6082 433 889

CORPORATE OFFICE/BUSINESS ADDRESS

No. 52-4 and 53-4 Setia Avenue,
No. 2 Jalan Setia Prima S U13/S Seksyen U13,
Setia Alam, 40170 Shah Alam,
Selangor Darul Ehsan, Malaysia.
Tel: +603 5037 6228 Fax: +603 5037 6229

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Website : http://www.asteel.com.my