

# CSC STEEL HOLDINGS BERHAD

(Company No: 640357-X)  
(Incorporated in Malaysia)

Extract Minutes of the Fifteenth Annual General Meeting of the Company held at Level 1 of the Company's Office Block, 180 Kawasan Industri Ayer Keroh, Ayer Keroh, 75450 Melaka on Thursday, 23 May 2019, at 10:00 a.m.

## 1. **PRESENTATION BY THE BOARD**

Chairman presented the financial performance of the Group and its business operations to the floor.

The Group had achieved a higher revenue of RM1.38 billion for FY 2018 compared to RM1.32 billion recorded for FY2017. Despite of the slight increase in revenue, the weakening market sentiment in the second half of FY 2018 and the influx of imported steel products had posed an adverse effect on the steel prices. Therefore, the Group had registered a lower profit before tax of RM26.31 million compared to RM76.08 million achieved in Financial Year 2017.

The Group's financial position as at 31 December 2018 had decreased slightly. Net tangible assets for FY2018 were RM2.18 per share compared to previous FY2017, which was at RM2.22 per share. Total equity stood at RM804.87 million while current ratio stood at 7.08 times. Cash and cash equivalent was RM192.53 million.

In order to ensure the Group's production capability is in good shape, the Group always evaluate the performance of its machineries and equipment periodically as to identify the needs for revamping of machineries. CSCM had spent about RM14million in capital expenditure during FY2018. Amongst the significant projects initiated were the revamping of Tension Leveling Line & Continuous Galvanizing Line's Welder.

The change of controlling stakes in the associated company had been completed in the mid of year 2018. The associated company had continued to suffer losses during the year under review and the new major shareholder had outlined a corporate turnaround plan to be implemented in the coming years, the Group believed that the performance of the associated company would be gradually improved.

The uncertainty in global issues is expected to continue influencing the supply chain of steel industry all over the world, resulted volatility in steel demand as well as steel prices. For Malaysia, the transitional of the new government is expected to cause short-term uncertainty and the demand for steel products might not recover very soon. The overall steel consumption for domestic market is unlikely to have significant growth when compared to previous years.

The Group have successfully executed several breakthroughs in the domestic steel market for the production capability that allowed the Group to broaden its product range since years ago. The Group believed with the continuous support from their parent company, CSC Taiwan, the Group are able to leverage the advantages that they have and to achieve the targets they have set internally.

## 2. **TO RECEIVE THE DIRECTORS' REPORT, AUDITED FINANCIAL STATEMENTS AND THE AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Directors' Report, Audited Financial Statements and the Auditors' Report of the Company and of the Group for the financial year ended 31 December 2018 having been circulated to all the members of the Company within the statutory period, were tabled for discussion.

As shareholders' approval were not required pursuant to Section 340(1)(a) of the Companies Act, 2016, the Chairman then opened to the floor for questions on its audited financial statement for the year ended 31 December 2018.

There being no question from the floor, the Chairman declared that the Directors' Report, Audited Financial Statements and the Auditors' Report for the financial year ended 31 December 2018 has been properly laid and duly received by the members.

3. **TO APPROVE A FINAL SINGLE TIER DIVIDEND OF 4 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Board had recommended a final single tier dividend of 4 sen per share for the financial year ended 31 December 2018 in line with the Group's dividend policy of paying at least 50% of the Group's profit after tax.

The Chairman also informed that the payment of the final single tier dividend for financial year ended 31 December 2018 would be made on 11 July 2019 to its members whose names appear on the Record of Depositors of the Company as at the close of business on 28 June 2019.

There being no queries, the poll voting on the payment of final single tier dividend of 4 sen per were deferred to the end of the meeting.

4. **TO APPROVE THE PAYMENT OF DIRECTORS' FEES AMOUNTING RM123,600 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

A sum of RM123,600 had been recommended by the Board for payment as Directors' fees for the financial year ended 31 December 2018.

There being no queries, the poll voting on the payment of Directors' fees for the financial year ended 31 December 2018 be deferred to the end of the meeting.

5. **TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR AN AMOUNT NOT EXCEEDING RM123,600 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019**

An amount not exceeding RM123,600 had been recommended by the Board for payment as Directors' fees for the financial year ending 31 December 2019.

There being no queries, the poll voting on the payment of Directors' fees for the financial year ending 31 December 2019 be deferred to the end of the meeting.

6. **RE-ELECTION OF DIRECTORS**

The following Directors of the Company were due for retirement at this meeting and they, being eligible, had respectively offered themselves for re-election:-

6.1 **Re-Election of Ms. Lim Lay Ching**

There being no questions from the floor, the poll voting on re-election of Ms. Lim Lay Ching as Director of the Company be deferred to the end of the meeting.

6.2 **Re-Election of Mr. Hwang, Chien-Chih**

There being no questions from the floor, the poll voting on re-election of Mr. Hwang, Chien-Chih as Director of the Company be deferred to the end of the meeting.

6.3 **Re-Election of Mr. Kuo, Yi-Jen**

There being no questions from the floor, the poll voting on re-election of Mr. Kuo, Yi-Jen as Director of the Company be deferred to the end of the meeting.

6.4 **Re-Election of Mr. Chen, Chien-Tu**

There being no questions from the floor, the poll voting on re-election of Mr. Chen, Chien-Tu as Director of the Company be deferred to the end of the meeting

7. **TO RE-APPOINT OF MESSRS. DELOITTE PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019**

The members were informed that Messrs. Deloitte PLT had indicated their willingness to continue in office.

The Chairman opened the time for questions from the floor and the following question and answer ("Q&A") transpired:-

S : How many years Deloittee PLT had been appointed as Auditors of the Company?

CSC : Deloitte PLT was the Auditors of the Company since it was listed on Main Market of Bursa Malaysia Securities Berhad.

As there were no further queries, the poll voting on the re-appointment of Messrs. Deloitte PLT would be deferred to the end of the meeting.

8. **TO APPROVE THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The meeting was informed that Ordinary Resolution 9 was for the shareholders to consider and approve the renewal of the shareholders' mandate for RRPTs, details of which were found in the Circular/Statement to Shareholders dated 26 April 2019, a copy of which had been mailed to all members.

There being no queries, the Chairman informed that Ordinary Resolution 9 be duly taken as read by the members and the poll voting on the subject proposal be deferred to the end of the meeting.

9. **TO APPROVE THE PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY IN PLACE OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION**

The meeting was informed that the Company proposed to adopt a new constitution of the Company in place of the existing Memorandum and Articles of Association and details of the proposed changes were set out in the Appendix III of the Circular/Statement to Shareholders which were mailed to all members on 26 April 2019.

There being no queries from the floor, the Chairman informed that Special Resolution be duly taken as read by the members and the poll voting on the subject proposal be deferred to the end of the meeting.

As there were no other resolutions to be considered, the representative of Tricor Investor & Issuing House Services Sdn. Bhd. briefed the shareholders on the poll voting procedures. The Chairman declared that the Meeting would be adjourned to facilitate the Poll Administrator and the Scrutineers to count and tabulate the poll results respectively.

**10. ANNOUNCEMENT OF POLL RESULTS**

After the votes were counted and verified by the Independent Scrutineers, Messrs. Asia Securities Sdn. Berhad, the Chairman called the Meeting to order and reported the following results of the poll :-

Resolutions	Vote for		Vote Against		Results
	No. of Shares *	% *	No. of Shares *	% *	
<u>Ordinary Resolution 1</u> To approve a final single tier dividend of 4 sen per share in respect of the financial year ended 31 December 2018.	177,724,991	100.000	0	0.000	Carried
<u>Ordinary Resolution 2</u> To approve the payment of Directors' fees amounting to RM123,600 for the financial year ended 31 December 2018.	177,699,991	100.000	0	0.000	Carried
<u>Ordinary Resolution 3</u> To approve the payment of Directors' fees for an amount not exceeding RM123,600 for the financial year ending 31 December 2019.	177,699,991	100.000	0	0.000	Carried
<u>Ordinary Resolution 4</u> To re-elect Ms. Lim Lay Ching who retires as a Director of the Company pursuant to Article 128 of the Company's Articles of Association.	171,104,900	96.289	6,595,091	3.711	Carried
<u>Ordinary Resolution 5</u> To re-elect Mr. Hwang, Chien-Chih who retires as a Director of the Company pursuant to Article 133 of the Company's Articles of Association.	171,138,700	96.308	6,561,291	3.692	Carried

Resolutions	Vote for		Vote Against		Results
	No. of Shares *	% *	No. of Shares *	% *	
<u>Ordinary Resolution 6</u> To re-elect Mr. Kuo, Yi-Jen who retires as a Director of the Company pursuant to Article 133 of the Company's Articles of Association.	171,138,700	96.308	6,561,291	3.692	Carried
<u>Ordinary Resolution 7</u> To re-elect Mr. Chen, Chien-Tu who retires as a Director of the Company pursuant to Article 133 of the Company's Articles of Association.	172,232,000	96.923	5,467,991	3.077	Carried
<u>Ordinary Resolution 8</u> To re-appoint Messrs. Deloitte PLT as Auditors of the Company for the financial year ending 31 December 2019 and to authorise the Board of Directors to determine their remuneration.	177,686,991	99.993	13,000	0.007	Carried
<u>Ordinary Resolution 9</u> Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or a Trading Nature.	6,699,991	100.000	0	0.000	Carried
<u>Special Resolution</u> Proposed Adoption of a New Constitution of the Company in place of the Existing Memorandum and Articles of Association.	177,699,991	100.000	0	0.000	Carried

The Chairman then declared that all the tabled Ordinary Resolutions and Special Resolution of which polling were carried out were duly approved.

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