

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2020**
(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|--|
| | Current Year Quarter 30-Jun-20 | Preceding Year Corresponding Quarter 30-Jun-19 | Current Year To Date 30-Jun-20 | Preceding Year Corresponding Period 30-Jun-19 |
| Revenue | 121,407 | 343,752 | 405,678 | 674,945 |
| Profit/(Loss) before depreciation | 1,298 | 21,983 | 10,590 | 33,986 |
| Depreciation | (6,134) | (7,220) | (12,345) | (14,705) |
| Operating profit/(loss) | (4,836) | 14,763 | (1,755) | 19,281 |
| Interest expense | - | - | - | (21) |
| Interest income | 1,781 | 1,339 | 3,722 | 2,674 |
| Share of profit/(loss) of associates | - | - | - | - |
| Profit/(loss) before tax | (3,055) | 16,102 | 1,967 | 21,934 |
| Tax expense | 900 | (3,499) | 886 | (4,724) |
| Profit/(loss) after tax from continuing operations | (2,155) | 12,603 | 2,853 | 17,210 |
| Other comprehensive income/(loss) | 89 | 53 | (675) | 195 |
| Total comprehensive income/(loss) | (2,066) | 12,656 | 2,178 | 17,405 |
| Profit/(loss) after tax attributable to equity holders of the parent | (2,155) | 12,603 | 2,853 | 17,210 |
| Total comprehensive income/(loss) attributable to equity holders of the parent | (2,066) | 12,656 | 2,178 | 17,405 |
| Earnings per share from continuing operations attributable to equity holders of the parent: | | | | |
| Basic earnings/(loss) per share (sen) | (0.58) | 3.41 | 0.77 | 4.66 |
| Diluted earnings/(loss) per share (sen) | (0.58) | 3.41 | 0.77 | 4.66 |

Notes:

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2019.

CSC STEEL HOLDINGS BERHAD
Registration No.: 200401001854 (640357-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020
(The figures have not been audited)

| | As at End of Current Quarter 30-Jun-20 RM'000 | As at Preceding Financial Year Ended 31-Dec-19 RM'000 |
|---|--|--|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 174,782 | 182,943 |
| Investment in associates | - | - |
| Investment | 1,777 | 7,418 |
| Investment property | 43,500 | 43,500 |
| Deferred tax assets | - | 130 |
| Prepaid operating lease | 16,962 | 17,081 |
| | <u>237,021</u> | <u>251,072</u> |
| Current assets | | |
| Inventories | 232,808 | 234,761 |
| Receivables | 103,397 | 162,988 |
| Cash and cash equivalents | 295,341 | 249,401 |
| Assets classified as held for sale | 4,966 | - |
| | <u>636,512</u> | <u>647,150</u> |
| Total assets | <u><u>873,533</u></u> | <u><u>898,222</u></u> |
| Equity and Liabilities | | |
| Capital and reserves | | |
| Share capital | 413,163 | 413,163 |
| Less: 10,700,000 treasury shares at cost | (11,614) | (11,614) |
| | 401,549 | 401,549 |
| Fair value adjustment reserve | 364 | 1,040 |
| Retained earnings | 401,001 | 422,522 |
| Equity attributable to equity holders of the parent/Total equity | <u>802,914</u> | <u>825,111</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 15,773 | 17,249 |
| Long term loan | - | - |
| | <u>15,773</u> | <u>17,249</u> |
| Current liabilities | | |
| Payables | 54,846 | 55,862 |
| Short term borrowings | - | - |
| Taxation | - | - |
| | <u>54,846</u> | <u>55,862</u> |
| Total liabilities | <u>70,619</u> | <u>73,111</u> |
| Total equity and liabilities | <u><u>873,533</u></u> | <u><u>898,222</u></u> |
| Net Assets per share (RM) | <u><u>2.17</u></u> | <u><u>2.23</u></u> |

Notes:

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2019.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2020
(The figures have not been audited)

| | Cumulative Quarter | |
|---|--|---|
| | Current Year To Date 30-Jun-20 RM'000 | Preceding Year Corresponding Period 30-Jun-19 RM'000 |
| OPERATING ACTIVITIES | | |
| Profit before tax/(loss) | 1,967 | 21,934 |
| Adjustments for: | | |
| Non-cash items | 12,345 | 14,896 |
| Non-operating items | (3,757) | 1,205 |
| Operating Profit Before Working Capital Changes | 10,555 | 38,035 |
| (Increase)/Decrease in working capital: | | |
| Inventories | 1,952 | 24,236 |
| Trade and other receivables | 62,320 | (44,019) |
| Trade and other payables | (25,391) | (16,141) |
| Cash Generated From Operations | 49,436 | 2,111 |
| Tax paid | (3,189) | (4,506) |
| Interest paid | - | (21) |
| Net Cash From Operating Activities | 46,247 | (2,416) |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (4,065) | (9,189) |
| Interest received | 3,722 | 2,674 |
| Sale of subsidiary net of cash disposed (Note 1) | - | - |
| Acquisition of investment | - | - |
| Dividend received from investment | 36 | 463 |
| Acquisition of investment property | - | - |
| Proceeds from disposal of property, plant and equipment | - | - |
| Net Cash Used In Investing Activities | (307) | (6,052) |
| FINANCING ACTIVITIES | | |
| Dividend paid | - | - |
| Proceeds from term loan | - | - |
| Repayment of term loan | - | - |
| Net proceeds from/(repayment of) short-term borrowings | - | - |
| Disposal/(Buy back) of own shares | - | - |
| Net Cash From/(Used In) Financing Activities | - | - |
| Net increase/(decrease) in cash and cash equivalents | 45,940 | (8,468) |
| Cash and cash equivalents at beginning of period | 249,401 | 192,532 |
| Cash and cash equivalents at end of period | 295,341 | 184,064 |
| Cash and cash equivalents at end of period comprise: | | |
| Cash & bank balances | 54,235 | 20,073 |
| Deposits in the licensed banks | 182 | 32,935 |
| Unit trust funds | 240,924 | 131,056 |
| | 295,341 | 184,064 |

Notes:

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2019.

CSC STEEL HOLDINGS BERHAD
Registration No.: 200401001854 (640357-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2020
(The figures have not been audited)

| | Non-Distributable | | | Distributable | Total RM'000 |
|-------------------------------------|----------------------------|------------------------------|--|--------------------------------|-----------------|
| | Share Capital RM'000 | Treasury Shares RM'000 | Fair Value Adjustment Reserve RM'000 | Retained Earnings RM'000 | |
| Balance as at 1 January 2020 | 413,163 | (11,614) | 1,040 | 422,522 | 825,111 |
| Total comprehensive income/(loss) | - | - | (675) | 2,853 | 2,178 |
| Dividends | - | - | - | (24,374) | (24,374) |
| Purchase of treasury shares at cost | - | - | - | - | - |
| Rounding difference | - | - | (1) | - | (1) |
| Balance as at 30 June 2020 | 413,163 | (11,614) | 364 | 401,001 | 802,914 |
| Balance as at 1 January 2019 | 413,163 | (11,614) | 827 | 402,491 | 804,867 |
| Total comprehensive income/(loss) | - | - | 195 | 17,210 | 17,405 |
| Dividends | - | - | - | (14,772) | (14,772) |
| Purchase of treasury shares at cost | - | - | - | - | - |
| Rounding difference | - | - | - | - | - |
| Balance as at 30 June 2019 | 413,163 | (11,614) | 1,022 | 404,929 | 807,500 |

Notes:

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2019.

Notes on the Quarterly Report – Six Months Ended 30 June 2020

PART A: EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements have been prepared on the basis of consolidating the results of the subsidiary companies during the three months period under review using the acquisition method of accounting. The interim financial statements are to be read in conjunction with the Company audited annual financial statements for the financial year ended 31 December 2019. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

- Adoption of new and amendments to MFRS and IC Interpretation ("IC Int.")

In the current financial year, the Group adopted a number of new and amendments to MFRS and IC Int. issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after January 1, 2020 as follows:

| | |
|---|---|
| Amendments to MFRS 3 | Definition of a Business |
| Amendments to MFRS 9, MFRS 139 and MFRS 7 | Interest Rate Benchmark Reform |
| Amendments to MFRS 16 | Covid-19-Related Rent Concessions |
| Amendments to MFRS 101 and MFRS 108 | Definition of Material |
| Amendments to MFRS | Amendments to References to the Conceptual Framework in MFRSs Standards |

The adoption of the above new and amendments to the MFRS and IC Int. did not have material impact on the amounts reported in the financial statements of the Group upon its initial application.

- New and amendments to MFRS but not yet effective

As of the date of authorization for issue of interim financial statements, the Group and the Company have not applied the following new and amendments to MFRS that have been issued but not yet effective:

| | |
|---|--|
| MFRS 17 | Insurance Contracts ¹ |
| Amendments to MFRS 3 | Reference of a Business ² |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its associate or Joint Venture ³ |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current ² |
| Amendments to MFRS 116 | Proceeds before Intended Use ² |
| Amendments to MFRS 137 | Onerous Contract - Cost of Fulfilling a Contract ² |
| Annual Improvements to MFRSs 2018 - 2020 Cycle ² | |

¹ Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.

² Effective for annual periods beginning on or after January 1, 2022, with earlier application permitted.

³ Effective date deferred to a date to be determined and announced, with earlier application permitted.

CSC STEEL HOLDINGS BERHAD

Registration No.: 200401001854 (640357-X)

Notes on the Quarterly Report – Six Months Ended 30 June 2020**A2. Qualification of Annual Financial Statements**

There has not been any qualification made by the auditors on the annual financial statements of the Group for the financial year ended 31 December 2019.

A3. Seasonal and cyclical factors

The Group's business operation results are not materially affected by any major seasonal or cyclical factors.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There is no item of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows.

A5. Material changes in estimates

There are no material changes in estimates of amounts reported in the current quarter under review.

A6. Issuances and repayment of debt and equity securities

There is no issuance and repayment of debt and equity securities during the quarter under review.

A7. Dividend Paid

There is no dividend paid during the quarter under review.

A8. Segment information

Segmental information in respect of the Group's business segments is as follows: -

| | Steel coils* | Others | Consolidation adjustment | Current year to date |
|---------------------------------|----------------|---------------|-----------------------------|----------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue from external customers | 405,642 | - | - | 405,642 |
| Inter-segment revenue | - | 29,095 | (29,059) | 36 |
| Total revenue | <u>405,642</u> | <u>29,095</u> | <u>(29,059)</u> | <u>405,678</u> |
| Segment result | <u>(1,642)</u> | <u>28,887</u> | <u>(29,000)</u> | <u>(1,755)</u> |

*Steel coils– cold rolled, galvanized & pre-painted galvanized steel coils

Notes on the Quarterly Report – Six Months Ended 30 June 2020**A9. Valuation of property, plant and equipment**

Property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land which is stated at cost. There is no revaluation of property, plant, and equipment for the current quarter and fiscal year to date.

A10. Material events subsequent to the end of the interim period

There is no material event subsequent to the end of the quarter under review

A11. Changes in the composition of the Group

There are no changes in the composition of the Group during the quarter under review.

A12. Changes in contingent liabilities

There is no contingent liability incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

A13. Capital commitments

| | <u>RM'000</u> |
|---------------------------------|-------------------|
| Approved and contracted for | 1,719,948 |
| Approved but not contracted for | <u>21,595,636</u> |
| Total | <u>23,315,584</u> |

CSC STEEL HOLDINGS BERHAD

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Notes on the Quarterly Report – Six Months Ended 30 June 2020**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1. Review of performance**Year-on- year performance review

For the quarter under review, the Group reported revenue of RM121.4 mil which was 64.7% lower compared to RM343.7 mil in the corresponding quarter last year. During the quarter, the Group's business operation had been forced to pause when the government imposed the Movement Control Order (MCO) to contain the spread of Covid-19. This move has severely disrupted demand and supply chain of all industries which led to business disruption and idle capacity in the manufacturing industry. Imposition of the MCO has caused a sudden declined in sales revenue as the delivery of finished products to customers were halted, especially in the first two months of Q2. Consequently, the Group suffered a pre-tax loss of RM3.05 mil in the current quarter compared with a pre-tax profit of RM16.1 mil in the same period last year.

Revenue:

| | Q2 2019 | | | Q2 2020 | | | Variance Analysis | | | |
|---------|---------|---------|-------|---------|---------|-------|-------------------|--------|----------|--------|
| | mt | RM'000 | RM/mt | mt | RM'000 | RM/mt | mt | % | RM'000 | % |
| CRC | 60,309 | 162,775 | 2,699 | 24,542 | 61,435 | 2,503 | -35,767 | -59.3% | -101340 | -62.3% |
| GI | 32,813 | 100,568 | 3,065 | 11,279 | 31,853 | 2,824 | -21,534 | -65.6% | -68715 | -68.3% |
| PPGI | 15,814 | 71,436 | 4,517 | 5,822 | 25,504 | 4,381 | -9,992 | -63.2% | -45932 | -64.3% |
| Sub-Con | 684 | 80 | 117 | 379 | 37 | 97 | -305 | n/a | -43 | -54% |
| Trading | 724 | 2,300 | 3,178 | 145 | 433 | 2,994 | -579 | -80.0% | -1867 | -81% |
| Scrap | 5,691 | 6,130 | 1,077 | 2,233 | 2,146 | 961 | -3,458 | -60.8% | -3984 | -65% |
| Others | | 463 | | | 0 | | | | -463 | |
| Total | 116,035 | 343,752 | 2,962 | 44,399 | 121,407 | 2,734 | -71,636 | -61.7% | -222,345 | -64.7% |

CRC = cold rolled steel/pickled & oiled steel

GI = galvanized steel

PPGI = pre-painted galvanized steel

CSC STEEL HOLDINGS BERHAD

Registration No.: 200401001854 (640357-X)

Notes on the Quarterly Report – Six Months Ended 30 June 2020

Year-on- year performance review

As at first-half of 2020, The Group's total revenue decreased by 40% or RM269mil while sales volume decreased by 34.6% or 78.9 thousand metric tons compared with the same period last year. The first five-phases of MCO imposed by the government to curb Covid-19 had brought a significant impact to the Group's business operation. These necessary measures aimed at containing the spread of the pandemic and saving human lives had led to business suspended and paralyze the entire steel industrial activities and resulted in a massive reduction in revenue and profits. In tandem with lower revenue, the profit before tax decreased by 91% to RM1.97 million compared to RM21.9 million in the first half last year.

Revenue:

| | YTD 2019 | | | YTD 2020 | | | Variance Analysis | | | |
|---------|----------|---------|-------|----------|---------|-------|-------------------|--------|----------|--------|
| | mt | RM'000 | RM/mt | mt | RM'000 | RM/mt | mt | % | RM'000 | % |
| CRC | 123,262 | 334,284 | 2,712 | 75,597 | 186,329 | 2,465 | -47,665 | -38.7% | -147,955 | -44.3% |
| GI | 60,124 | 185,117 | 3,079 | 45,139 | 126,108 | 2,794 | -14,985 | -24.9% | -59,009 | -31.9% |
| PPGI | 30,543 | 137,694 | 4,508 | 19,953 | 85,182 | 4,269 | -10,590 | -34.7% | -52,512 | -38.1% |
| Sub-Con | 1,192 | 147 | 123 | 830 | 85 | 102 | -362 | -30.4% | -62 | -42% |
| Trading | 1,602 | 4,876 | 3,044 | 308 | 917 | 2,975 | -1,294 | -80.8% | -3,959 | -81% |
| Scrap | 11,449 | 12,364 | 1,080 | 7,364 | 7,023 | 954 | -4,085 | -35.7% | -5,341 | -43% |
| Others | | 463 | | | 35 | | | | -428 | -92% |
| Total | 228,172 | 674,945 | 2,958 | 149,190 | 405,678 | 2,719 | -78,982 | -34.6% | -269,267 | -39.9% |

CRC = cold rolled steel/pickled & oiled steel

GI = galvanized steel

PPGI = pre-painted galvanized steel

B2. Variation of results against preceding quarter

The Group reported a lower Q2 revenue of RM121.4 mil, which was 57.3% lower compared to RM284.2 mil in the preceding quarter. During the first half of Q2, the Group's regular business operations were severely impacted by the MCO with the sales volume dropped massively and unexpectedly. Manufacturing cost increase due to idle capacity amidst industrial activities suspended. Consequently, the Group suffered a pre-tax loss of RM3.05 mil compared to a pre-tax profit of RM5 mil in the preceding quarter.

Revenue

| | Q1 2020 | | | Q2 2020 | | | Variance Analysis | | | |
|---------|---------|---------|-------|---------|---------|-------|-------------------|--------|----------|--------|
| | mt | RM'000 | RM/mt | mt | RM'000 | RM/mt | mt | % | RM'000 | % |
| CRC | 51,055 | 124,895 | 2,446 | 24,542 | 61,435 | 2,503 | -26,513 | -51.9% | -63,460 | -50.8% |
| GI | 33,860 | 94,255 | 2,784 | 11,279 | 31,853 | 2,824 | -22,581 | -66.7% | -62,402 | -66.2% |
| PPGI | 14,131 | 59,678 | 4,223 | 5,822 | 25,504 | 4,381 | -8,309 | -58.8% | -34,175 | -57.3% |
| Sub-Con | 451 | 48 | 106 | 379 | 37 | 97 | -73 | -16.1% | -11 | -23.6% |
| Trading | 164 | 484 | 2,958 | 145 | 433 | 2,994 | -19 | -11.5% | -51 | -10.5% |
| Scrap | 5,131 | 4,876 | 950 | 2,233 | 2,146 | 961 | -2,898 | -56.5% | -2,730 | -56.0% |
| Others | | 35 | | | 0 | | | | -35 | |
| Total | 104,791 | 284,271 | 2,713 | 44,399 | 121,407 | 2,734 | -60,393 | -57.6% | -162,864 | -57.3% |

CRC = cold rolled steel/pickled & oiled steel

GI = galvanized steel

PPGI = pre-painted galvanized steel

Notes on the Quarterly Report – Six Months Ended 30 June 2020

B3. Current year prospects

The global Covid-19 pandemic remained severe in the third quarter. As the world's second-largest iron ore producer, Brazil has been badly hit by the pandemic which has caused iron ore prices being remained at high level and even spiked up to more than US\$120/ton in early Aug, hitting a new high this year.

Since April, China's steel market has undergone a V-shaped recovery due to the government's success in bringing the Covid-19 outbreak under control. This world's second-largest economy has expanded 3.2 percent from April throughout June. Moreover, the official resumption of the work rate in China has gone up steadily with various downstream industries such as the infrastructure and construction sectors started to improve significantly. As a result, the steel inventory has continued to decline where the steel prices have moved up. China's strong quest for steel will likely affect the raw material supplies, therefore the steel prices in Asia are expected to rise.

In Malaysia, the implementation of a relaxed version of MCO known as Conditional Movement Control Order (CMCO) to bring down Covid-19 cases and prevent new clusters still restrict cross-state movement of people and logistics in the second quarter which had brought a huge impact on the economy of Malaysia. When the country has entered into the Recovery Movement Control Order (RMCO) phase starting on 10 June, the local steel demand has slowly recovered. However, the construction industry was still unable to resume its operation on schedule due to the coronavirus outbreak among foreign labours, causing the steel demand for construction stagnated.

The domestic steel demand has significantly improved at the beginning of the third quarter with the Malaysian government's effort in implementing the short-term economic recovery plan and allowing the construction projects to ramp up their work. For an instance, the RTS project linking Johor Bahru and Singapore is expected to begin in November 2020. And it is reported that Malaysia's automotive market is expected to rebound in the second half (2H) of 2020 from the SST exemption which ending on 31 December 2020.

During the MCO lockdown, CSCM has started to focus on the restart plan to get the business of the company as well as the customers back on track with flexibility in production. In face with the fast-changing steel market, CSCM will continue to adapt to change by improving its flexibility, using product differentiation strategy, and development of high-value and high-profit products. The Group expects the Group's sales will be bouncing back to a healthy level at the end of the third quarter, provided that the Covid-19 pandemic in Malaysia is under control.

Barring any unforeseen circumstances, the Group is cautiously optimistic that the impact of the Covid-19 pandemic on the performance of the Group will be minimised in the second half of 2020.

B4. Variance of actual and forecast profit

Not applicable as the Group does not make any profit forecast for current financial year.

CSC STEEL HOLDINGS BERHAD

Registration No.: 200401001854 (640357-X)

Notes on the Quarterly Report – Six Months Ended 30 June 2020**B5. Tax expense/ (income)**

| | Current Quarter RM'000 | Current Year To Date RM'000 |
|----------------|------------------------------|-----------------------------------|
| Current: | | |
| - Income tax | (87) | 460 |
| - Deferred tax | (813) | (1,346) |
| | <u>(900)</u> | <u>(886)</u> |
| Prior year: | | |
| - Income tax | - | - |
| - Deferred tax | - | - |
| | <u>-</u> | <u>-</u> |
| Total | <u>(900)</u> | <u>(886)</u> |

The effective tax rate on consolidated profit before tax for the current period was lower than the statutory income tax rate of 24% due mainly to the tax effect of income not taxable in determining taxable profit. However, the decrease is partly offset by the tax effect of the expenses not deductible for tax purposes.

B6. Status of corporate proposal announced

There is no corporate proposal announced during the quarter under review.

B7. Details of treasury shares

As at the end of the reporting quarter, the status of the share buy-back is as follows: -

| | Current Year-to-Date ----- | Accumulated Total ----- |
|---|----------------------------------|-------------------------------|
| Description of shares purchased: | Ordinary share of RM1.00 each: | |
| Number of shares purchased: | Nil | 11,300,000 |
| Number of shares cancelled: | Nil | Nil |
| Number of shares held as treasury shares: | Nil | 10,700,000 |
| Number of treasury shares resold: | Nil | 600,000 |

B8. Group borrowings

There are no borrowings as at the end of the reporting quarter.

CSC STEEL HOLDINGS BERHAD*Registration No.: 200401001854 (640357-X)***Notes on the Quarterly Report – Six Months Ended 30 June 2020****B9. Changes in material litigation**

Neither CHB nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries.

B10. Dividend recommended by Directors

A final single tier dividend of 6.6 Sen per share for the financial year ended 2019 had been recommended by the Board of Directors in their previous board meeting which was announced on 28 February 2019 and was approved by the shareholders in the Annual General Meeting held on 24 June 2020. The 6.6 Sen dividend per share had been paid to the shareholders on 10 July 2020 to those whose names appear on the Record of Depositors of the company at the close of business on 26 Jun 2020.

The dividend declared and recommended by the directors comply with the Group's dividend policy of distributing at least 50% of the Group's profit after tax.

B11. Earnings per share

The basic earnings per share and diluted earnings per share for the current quarter and cumulative year to date are computed as follows: -

| | <u>Current Quarter</u> | <u>Current Year To-date</u> |
|---|----------------------------|---------------------------------|
| Profit/(Loss) attributable to equity holders of the parent (RM'000) | (2,155) | 2,853 |
| Weighted average number of shares in issue ('000) | 369,300 | 369,300 |
| Basic earnings/(loss) per share (sen) | (0.58) | 0.77 |
| Diluted earnings/(loss) per share (sen) | (0.58) | 0.77 |

CSC STEEL HOLDINGS BERHAD*Registration No.: 200401001854 (640357-X)***Notes on the Quarterly Report – Six Months Ended 30 June 2020****B12. Notes to the Consolidated Statement of Comprehensive Income**

| | Current Quarter Ended | Financial Year To Date |
|--|--------------------------------------|---------------------------------------|
| | RM'000 | RM'000 |
| a) Other income | 1,076 | 2,081 |
| b) Provision for write off of receivable | - | - |
| c) Provision for write off of inventories (reversal) | (378) | 1,651 |
| d) Gain/(loss) on disposal of quoted investments or properties | - | - |
| e) Impairment of assets | - | - |
| f) Foreign exchange gain or (loss) | 2,045 | 3,726 |
| g) Gain/(loss) on derivatives | - | - |
| h) Exceptional items | - | - |

By order of the Board
Mr. Yin, Shou-Kang
Group Managing Director
28 August 2020