

# CSC STEEL HOLDINGS BERHAD

Registration No. 200401001854 (640357-X)  
(Incorporated in Malaysia)

Minutes of the Seventeenth Annual General Meeting (“17th AGM”) of CSC Steel Holdings Berhad (“CHB or “the Company”) conducted entirely through live streaming from the Broadcast Venue at Level 1 of the Company’s Office Block, 180 Kawasan Industri Ayer Keroh, 75450 Melaka on Monday, 24 May 2021, at 10:00 a.m..

1. **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE DIRECTORS’ AND AUDITORS’ REPORT THEREON**

The Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2020 together with the Directors’ and Auditors Reports, having been circulated to all the Shareholders of the Company within the statutory period, were tabled for discussion.

As Shareholders’ approval was not required pursuant to Section 340(1)(a) of the Companies Act, 2016, the Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2020 together with Directors’ and Auditors’ Reports thereon as properly laid before the Meeting and duly received by the Shareholders.

2. **TO APPROVE THE FINAL SINGLE TIER DIVIDEND OF 7 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The Chairman moved on to the next item of the Agenda which was on the approval for the final single tier dividend of 7 sen per share for the financial year ended 31 December 2020 (“Final Single Tier Dividend”), if approved by the shareholders, the Final Single Tier Dividend would be payable on 9 July 2021 to the shareholders whose names appear on the Record of Depositors of the Company as at 25 June 2021.

The Ordinary Resolution 1 on “THAT a final single tier dividend of 7 sen per share in respect of the financial year ended 31 December 2020 be approved” was tabled to the meeting for consideration.

Chairman asked the Shareholders whether they have any questions on the tabled resolution they might raise them in the query box.

3. **TO APPROVE THE PAYMENT OF DIRECTORS’ FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

The third item of the Agenda which was on the approval for the payment of Directors’ fees and benefits for the financial year ending 31 December 2021.

The Ordinary Resolution 2 on “THAT the payment of Directors’ fees and benefits of RM156,000 for the financial year ending 31 December 2021 be approved” was tabled for the shareholders’ consideration.

4. **RE-ELECTION OF DIRECTORS**

The next item on the Agenda were the re-election of the three (3) Directors of the Company who were due for retirement at this Meeting and they, being eligible, had respectively offered themselves for re-election.

4.1 **Re-Election of Brig. Gen. (R) Dato' Nik Mohd Zaaba Bin Nik Daud**

The Ordinary Resolution 3 on the re-election of Brig. Gen. (R) Dato' Nik Mohd Zaaba Bin Nik Daud as Director of the Company be tabled for the shareholders' consideration.

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

The Ordinary Resolution 4 on the re-election of Mr. Kuo, Yi-Jen as Director of the Company be tabled for the shareholders' consideration.

4.3 **Re-Election of Mr. Chen, Yi-Chien**

The Ordinary Resolution 5 on the re-election of Mr. Chen, Yi-Chien as Director of the Company be tabled for the shareholders' consideration.

5. **REAPPOINTMENT OF MESSRS. DELOITTE PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

The next Agenda was the re-appointment of Messrs. Deloitte PLT as Auditors of the Company.

The Shareholders were informed that the Board has assessed the suitability and independence of Messrs. Deloitte PLT as Auditors of the Company for the financial year ending 31 December 2021.

Ordinary Resolution 6 on the re-appointment of Messrs. Deloitte PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Board of Directors to determine their remuneration was tabled for consideration.

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Meeting was informed by the Chairman that Ordinary Resolution 7 was for the Shareholders to consider and approve the renewal of the shareholders' mandate for RRPTs, details of which were found in the Circular to Shareholders dated 23 April 2021.

The Chairman informed that Ordinary Resolution 7 be duly taken as read by the Shareholders and the said Ordinary Resolution on the proposed renewal of RRPTs was tabled for consideration.

7. **Q&A SESSION**

The Chairman moved to the Q&A Session and the following questions from shareholders had been answered accordingly:-

(a) Q: May I know when the announcement for the quarterly report of March 2021 will be made?

A: The announcement date will be on 25 May 2021.

(b) Q: How much does the company spend on this virtual AGM? Would the board kindly consider giving us e-voucher as a token of appreciation for attending this RPV? Thank you. I would like to request a printed

- hardcopy of the company annual report.
- A: The cost of virtual meeting is less than RM20k.
- (c) Q: Is the global container shipping issue affecting the company?  
A: There is no significant impact caused by the global container shipping issue as our raw materials are imported via the in-house transporters owned by our HQ and our products are sold locally.
- (d) Q: Dear Management, in view of current strong demand for CRC, following are my questions:  
1. Do you see a strong order book for 2H of 2021?  
2. Comparing to 2016, do you see a stronger demand in 2021?  
3. How about comparing to the situation in 1H 2013 in term of demand?  
4. Can you pls provide the market outlook for 2021?  
A: In view of current strong demand on steel materials and barring any unforeseen circumstances, it's expected that the performance of the company in year 2021 will be better than previous 5 years.
- (e) Q: Regarding the Key Audit Matter, could the management & auditor explain why the Group still be required to recognise the RM3 million of write-down of inventories while the steel price continued to increase after year-end?  
A: The inventories write down is expected to be reduced since the future average selling price is increase.
- (f) Q: 1. impact of MCO 3 on operations  
2. what keeps the CEO awake at night?  
A: There is no significant impact at this moment after the implementation of MCO 3.0 and our business is still operating as usual. I, as the Group MD is highly alert on the implemented SOP as well as the steel market situation from time to time, in order to react promptly.
- (g) Q: How company foresees the future price of iron and company revenue.  
2. Any expansion factory for the company?  
A: For the first half of year 2021, the price of iron ore is still increasing. However, it is expected that the price may progressively enter the horizontal consolidation period. There is no expansion plan at this moment.
- (h) Q: Strategy to manage expensive iron ore and raw materials? Strategy in next 12 months?  
A: In view of current robust steel market situation, we are still able to pass on the increased cost to our customers.
- (i) Q: Page 12 of Annual Report - Management Discussion and Analysis  
What is the disposal price of the associated company (HSCM) and what is the gain/(loss) on the disposal to be recognised in Q1 FY 2021 after completion of disposal?  
A: CHB had a gain of RM126,400 at Group level arising from the Disposal as the investment amount was fully impaired in the Financial Year 2018.
- (j) Q: 1. Please give e-vouchers thank you.  
2. Will eVouchers or eWallet be given to participants as token of appreciation?  
A: We would like to apologize that we have no plan to provide e-vouchers

or e-wallet at this stage.

- (k) Q: Page 103 of Annual Report – Foreign currency risk  
 The Group has a big gap of monetary liabilities denominated in USD over the monetary assets denominated in USD. What is the Group strategy in managing its foreign currency risk and exposure over USD?  
 A: 1. All our export proceeds are credited to our Foreign Currency Account (FCA) to provide a level natural hedge to reduce some foreign current risks.  
 2. We also maintained open positions in fulfilling foreign currency payment commitments which is in line with our parent company's practice.
- (l) Q: Page 81 of Annual Report – Profit before tax  
 Why the company does not have any staff costs in FY 2020 compared to RM5.1 million in FY2019?  
 A: It is due to all the staff of CHB had been transferred to one of the subsidiary companies.
- (m) Q: Page 100 of Annual Report – provision for onerous contracts  
 How does the Group can mitigate and avoid the risk of having entered such onerous contracts in the future?  
 A: During the lockdown last year, the contract must be fulfilled. We have long-term relationship with our suppliers as to meet the shipment of goods and the quality of products.

Due to the time constraint, the Chairman announced at 10:30 a.m. to close the Q&A session.

## 8. **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 7 sen per share in respect of the financial year ended 31 December 2020.	181,906,973	99.9944	10,102	0.0056	Carried
<u>Ordinary Resolution 2</u> To approve Directors' fees for the financial year ending 31 December 2021.	181,737,948	99.9015	179,127	0.0985	Carried
<u>Ordinary Resolution 3</u> To re-elect Brig. Gen. (R) Dato' Mohd Zaaba @ Nik Zaaba Bin Nik Daud as a Director who is to retire pursuant to Clause 77(2) of the Company's Constitution and being eligible, has offered himself for re-election.	172,375,949	94.7552	9,541,126	5.2448	Carried
<u>Ordinary Resolution 4</u>	172,397,549	94.7671	9,519,526	5.2329	Carried

To re-elect Mr. Kuo, Yi-Jen as a Director who is to retire pursuant to Clause 77(2) of the Company's Constitution and being eligible, has offered himself for re-election.					
<u>Ordinary Resolution 5</u> To re-elect Mr. Chen, Yi-Chien as a Director who is to retire pursuant to Clause 79 of the Company's Constitution and being eligible, has offered himself for re-election.	172,634,849	94.8976	9,282,226	5.1024	Carried
<u>Ordinary Resolution 6</u> To re-appoint Messrs. Deloitte PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Board of Directors to determine their remuneration.	181,135,432	99.5703	781,643	0.4297	Carried
<u>Ordinary Resolution 7</u> To approve the Proposal Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	10,903,873	99.8791	13,202	0.1209	Carried

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