

CSC STEEL HOLDINGS BERHAD
Registration No. 200401001854 (640357-X)
(Incorporated in Malaysia)

Minutes of the Eighteenth Annual General Meeting (“18th AGM”) of CSC Steel Holdings Berhad (“CHB” of “the Company”) duly convened and held at Level 1 of the Company’s Office Block, 180 Kawasan Industri Ayer Keroh, Ayer Keroh, 75450 Melaka on Thursday, 26 May 2022 at 10.30 a.m.

Shareholders

Present : As per the Attendance List

Directors

Present : Mr. Chiu, Ping-Tung (*Chairman of the Meeting*)
Mr. Chen, Yi-Chien
Mr. Phong Hon Wai
Ms. Lim Lay Ching
Brig. Gen. (R) Dato’ Nik Mohd Zaaba Bin Nik Daud
Mr. Liu, Min-Hsiung (*via video conferencing*)
Mr. Huang Chen-Jung (*via video conferencing*)

By Invitation : Ms. Tan Yu Min (*Representative from Deloitte PLT*)
Ms. Seek Ming Hui (*Representative from Deloitte PLT*)

In Attendance : Ms. Wong Chee Yin (*Company Secretary*)

CHAIRMAN

The Board has elected Mr. Chiu, Ping-Tung to chair the meeting. With no objection from the floor, Mr Chiu, Ping-Tung, the Group Managing Director took the chair and called the meeting to order at 10.30 a.m.

QUORUM

There being the requisite quorum, the AGM was called to order.

The Chairman then introduce the fellow Board members, the Company Secretary and the Representatives from Deloitte PLT to the Shareholders.

NOTICE

The notice convening the meeting, which had been properly sent to the Shareholders of the Company by email or post and duly advertised in a local newspaper, the New Straits Times, within the statutory period, was taken as read.

POLL VOTING

Before proceeding with the items of the agenda of the meeting, the Chairman informed that the voting for all the resolutions to be considered at the meeting would be put to vote by poll pursuant to Paragraph 8.29A (1) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The Scrutineers, Asia Securities Sdn. Bhd. was appointed to act as Scrutineer to validate the votes casted at the meeting. However, to ensure the smooth conduct of this meeting, the poll on all resolutions would be conducted after the meeting had deliberated on all items on the agenda.

The Chairman explained to the members present that ordinary resolutions 1 to 8 required a simple majority of more than 50% votes and the Special Resolution require at least 75% votes from those members in person or by proxies and voting at the meeting.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH THE DIRECTORS' AND THE AUDITORS' REPORTS 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 2021 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.

The Board received the following questions from the shareholders of the Company, and the answer to the questions were provided as follows:-

- Q1 Q: i) How is the trend of CSC Steel's selling price in view of China lockdown and referring to current activities in Malaysia?
ii) Due to the Russia-Ukraine war, how is the trend of raw material of hot roll coil prices affecting the profit margin?
- A: i) The Chairman replied that at this moment, the selling prices for the Company was still in line with the trend of price movement of the raw material, and the Company was still able to sell with an acceptable profit margin.
ii) The Chairman replied that due to the Company was mainly focused on domestic market, as such the Russia-Ukraine war had minimum impact to the Company at this point in time.
- Q2 Q: Reference to page 5 of the Annual Report, the trend of revenue, profit after tax and net assets per share were recorded high in financial year 2021 and can this also be sustained for financial year 2022?

- A: The Chairman replied that although the Company had temporarily halted production due to the implementation of Full Movement Control Order (FMCO) in year 2021, however, the Company was still managed to achieve high profitability, resulted from persistent material supply constraints, reduction in imports, uptrend in steel prices after the FMCO being lifted. As for year 2022, the Group will continue to remain resilient amid the current uncertainties as to maximise the profit.
- Q3 Q: Referred to page 56 of Annual Report, Inventories (Note 18) and Trade Receivable (Note 19), why there is huge increased in financial year 2021?
- A: The Chairman replied that there were many factors for the increases, however, it was mainly due to the steel price hike that contributed to the increase of inventories and also trade receivable.
- Q4 Q: Referred to page 59 of Annual Report, the Provision of onerous contracts of RM2.67 million and contract write-down of inventories of RM5 million. The shareholder required explanation on both figures.
- A: Mr. Chen, Yi Chien (“Mr Chen”), the Executive Director, replied that as the steel price is expected and soften in year 2022, hence a provision for onerous contract or inventories written down is required to provide under the Malaysian Financial Reporting Standards. Provision for onerous contract is for contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it whereas inventories written down is to reflect when an inventory loses value and its market value drops below its book value.
- Q5 Q: Referred to page 60 (Note 11) and page 88 on the Property, Plant and Equipment (“PPE”). Can the Company explain the status of PPE?
- A: Mr. Chen replied that all the property, plant and equipment are in good conditions and is deployed in the production of gross income.
- Q6 Q: Are there any changes in the dividend policy in future?
- A: The Chairman replied that the Company will maintain the same dividend policy.
- Q7 Q: Considering that the hot rolled coil (HRC) producer has planned to resume its operation in Malaysia, and if the Government of Malaysia restricts the sourcing of HRC and the Company has to buy from the local producer, how does the Company would handle such situation?

A: The Company is closely monitoring the status of the resumption and is prepared for such condition. The Company will work closely with local steel producer as well as the relevant authorities to strike a balance for the well-being of the local steel industry.

Q8 Q: The Shareholders enquire whether the Company belongs to China or Taiwan?

A: The Chairman replied that the Company's ultimate shareholder is China Steel Corporation of Taiwan.

Q9 Q: Referred to page 5 of the revenue for the past five years for year 2018 & 2019 vs 2021 increase marginally, however the revenue indicated greater increase during the year of the Full Movement Control Order (FMCO) implemented. On page 56 on the trade receivable, it should be better than collection. Are there any comment from the Company?

A: Mr. Chen replied that the increase in the revenue was mainly due to increase in steel price during the financial year, this resulted in a higher receivables balances. The credit period granted on sale of goods ranges from cash term to 60 days and as at December 2021, all the outstanding are still within the credit period granted.

Q10 Q: Who is the competitors of the Group?

A: The Chairman replied that the local competitors of the Group are those steel producers of cold rolled coil such as, Mycron Steel and coated steel is NS Bluescope. However, the main competition threat is still the imported steel materials.

Without further queries, the Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2021 together with Directors' and Auditors' Reports thereon as properly laid before the meeting and duly received by the Shareholders.

2. ORDINARY RESOLUTION 1:
FINAL SINGLE TIER DIVIDEND OF 14 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Chairman moved on to the Second item on the Agenda was to the approve the final single tier dividend of 14 sen per share for the financial year ended 31 December 2021 ("Final Single Tier Dividend"), and if approved by the shareholders, the Final Single Tier Dividend would be payable on 7 July 2022 to the shareholders whose names appear on the Record of Depositors of the Company as at the close of business on 24 June 2022.

The Chairman put the motion “THAT a final single tier dividend of 14 sen per share in respect of the financial year ended 31 December 2021 be approved” to the meeting for consideration.

The Chairman asked the shareholders whether they have any questions on the said motion. As there was no question, the Chairman then proceeded to the next item on the Agenda.

3. ORDINARY RESOLUTION 2:
DIRECTORS’ FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The third item of the Agenda was to approve the payment of Directors’ Fees for the financial year ending 31 December 2022.

The Chairman put the motion on “THAT the payment of Directors’ fees of RM230,000 for the financial year ending 31 December 2022 be approved” to the meeting for consideration.

The Chairman asked the shareholders whether they have any questions on the tabled resolution. As there was no question, the Chairman then proceeded to the next item on the Agenda.

4. ORDINARY RESOLUTIONS 3, 4, 5 AND 6:
RE-ELECTION OF DIRECTORS

The next item on the Agenda was to re-elect 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 Ordinary Resolution 3: Liu, Min-Hsiung – Clause 77(2)

For Agenda item 4(i), the Chairman put the motion “That Liu, Min-Hsiung retiring pursuant to Clause 77(2) of the Constitution of the Company and being eligible, be re-elected Director of the Company” to the meeting for consideration.

As there was no question, the Chairman then proceeded to the next item on the Agenda.

4.2 Ordinary Resolution 4: Lim Lay Ching – Clause 77(2)

Agenda item 4(ii), the Chairman put the motion “That Lim Lay Ching retiring pursuant to Clause 77(2) of the Constitution of the Company and being eligible, be re-elected Director of the Company” to the meeting for consideration.

As there was no question, the Chairman then proceeded to the next item on the Agenda.

Since the Chairman was the retiring director under this item of the Agenda, the Chairman proposed to elect Mr. Phong Hon Wai to chair the meeting. There was no objection from the shareholders, Mr. Phong took the chair and informed under this Agenda, Mr. Chiu, Ping Tung had offered himself for re-election.

4.3 Ordinary Resolution 5: Chiu, Ping-Tung – Clause 79

For Agenda item 4(iii), Mr. Phong put the motion “That Chiu, Ping-Tung retiring pursuant to Clause 79 of the Constitution of the Company and being eligible, be re-elected Director of the Company” to the meeting for consideration.

As there was no question, Mr. Phong handover the chair back to Mr. Chiu to continue with the next of the item on the Agenda.

4.4 Ordinary Resolution 6: Huang, Chen-Jung – Clause 79

For Agenda item 4(iv), the Chairman put the motion “That Huang, Chen-Jung retiring pursuant to Clause 79 of the Constitution of the Company and being eligible, be re-elected Director of the Company” to the meeting for consideration.

As there was no question, the Chairman then proceeded to the next item on the Agenda.

5. ORDINARY RESOLUTION 7:
RE-APPOINTMENT OF DELOITTE PLT AS AUDITORS OF THE COMPANY

The next Agenda was on 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 2022.

The Chairman put the motion “THAT Deloitte PLT be hereby re-appointed as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Board of Directors to determine their remuneration” to the meeting for consideration.

Chairman asked the shareholders whether they have any questions on the said motion. As there was no question, the Chairman then proceeded to the next item on the Agenda.

6. **ORDINARY RESOLUTION 8:**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

Agenda item 6 was on the proposed for the shareholders to consider and approve the renewal of the shareholders' mandate for RRPTs, detail of which were found in the Circular to Shareholders dated 27 April 2022.

The Chairman informed that the Agenda item 6 be duly taken as read by the Shareholders and he put the motion to the meeting for consideration.

The following question was raised and he answer was provided as follows:-

Q: How does the Company structure the contract with the related parties?

A: It is a monthly contract basis, once the contract price is concluded, no changes will be made unless both parties are agreed to make any adjustment.

7. **ANY OTHER MATTERS**

The Chairman informed that no notice for other business pursuant to the Companies Act.

The Chairman then directed that the poll for resolutions 1 to 8 be taken, and he invited the Polling Agent to brief the polling process to the members for the casting of votes.

After completion of the Poll voting, the Chairman adjourned the meeting at 11.38 a.m. for 20 minutes for the counting of votes.

ANNOUNCEMENT OF POLL RESULTS

The Chairman called Meeting back to order at 11.59 a.m. for the declaration of the polling results. He informed that he had received the polling results from the Scrutineers and the said results were disclosed in Appendix B.

Based on the poll result, the Chairman declared that all the following Ordinary Resolutions 1 to 8 duly carried.

8. **CLOSURE OF MEETING**

There being no other business, the Meeting was closed at 12.00 a.m. with a vote of thanks to the Chair.

Confirmed as a Correct Record

-signed-

CHAIRMAN

Dated: 4 July 2022

APPENDIX B

No.	Resolution(s)	Vote For		Vote Against		Results
		No. of Units	%	No. of Units	%	
1.	<u>Ordinary Resolution 1</u> To approve final single tier dividend of 14 sen per share for the financial year ended 31 December 2021	179,952,080	100.0000	0	0.0000	Carried
2.	<u>Ordinary Resolution 2</u> To approve directors' fees and benefits for the financial year ending 31 December 2022	179,942,080	100.0000	0	0.0000	Carried
3.	<u>Ordinary Resolution 3</u> To re-elect Liu, Min-Hsiung – Clause 77(2)	171,199,710	95.1363	8,752,370	4.8637	Carried
4.	<u>Ordinary Resolution 4</u> To re-elect Lim Lay Ching – Clause 77(2)	171,180,210	95.1254	8,771,870	4.8746	Carried
5.	<u>Ordinary Resolution 5</u> To re-elect Chiu, Ping-Tung – Clause 79	179,385,890	99.6854	566,190	0.3146	Carried
6.	<u>Ordinary Resolution 6</u> To re-elect Huang, Chen-Jung – Clause 79	171,199,710	95.1363	8,752,370	4.8637	Carried
7.	<u>Ordinary Resolution 7</u> To re-appoint Messrs. Deloitte PLT as auditors of the company for the financial year ending 31 December 2022 and to authorise the Directors to determine their remuneration	179,497,528	99.7474	454,552	0.2526	Carried
8.	<u>Ordinary Resolution 8</u> To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	8,952,080	100.0000	0	0.0000	Carried