

**HIAP TECK VENTURE BERHAD**  
[Registration No. 199701005844 (421340-U)]  
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED FULLY VIRTUAL FROM THE BROADCAST VENUE AT LEVEL 12, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON FRIDAY, 13 DECEMBER 2024 AT 10:00 A.M.**

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**PRESENT** : Tan Sri Dato' Sri Mohamad Fuzi Bin Harun *(Chairman/ Independent Non-Executive Director)*  
Tan Sri Dato' Seri Law Tien Seng *(Executive Deputy Chairman)*  
Mr. Foo Kok Siew *(Executive Director)*  
Mr. Tan Shau Ming *(Executive Director)*  
Mr. Law Wai Cheong *(Executive Director)*  
Mr. Sherman Lam Yuen Suen *(Senior Independent Non-Executive Director)*  
Mr. Chen Thien Yin *(Independent Non-Executive Director)*  
Dato' Ooi Lay See *(Independent Non-Executive Director)*

Shareholders and Proxies

As per Attendance List

**BY INVITATION** : As per Attendance List

**IN ATTENDANCE** : Mr. Ng Yim Kong *(Company Secretary)*

**1.0 CHAIRMAN**

- 1.1 The Chairman, Tan Sri Dato' Sri Mohamad Fuzi Bin Harun welcomed the Members who had joined the Twenty-Eighth Annual General Meeting ("28<sup>th</sup> AGM") of the Company which was conducted fully virtual from the Broadcast Venue and complies with Section 327 of the Companies Act 2016 which requires that the main venue of the meeting to be in Malaysia and that the Chairperson of the meeting must be present at the main venue of the meeting. The Chairman informed that the Board takes the well-being of the Company's shareholders, stakeholders and employees seriously. Therefore, as part of the Company's safety and precautionary measures even though Covid-19 is endemic, the Company has decided to convene the AGM entirely through live streaming and online participation and voting via Remote Participation and Electronic Voting ("RPEV") facilities.
- 1.2 The Chairman introduced himself, the Board of Directors and the Company Secretary who were all present with him at the Broadcast Venue.
- 1.3 The Chairman informed that the attendance of the AGM was restricted to Shareholders and authorised representatives of corporate shareholders who had registered to join the meeting remotely. As discussion that transpires in the AGM was deemed confidential and only for the knowledge of such relevant parties, any visual or audio recording whilst the AGM was conducted was strictly prohibited unless the Company had given prior written consent.

The Members were also informed that whilst the Company would try its best to ensure smooth live streaming, the quality of the broadcast might be affected by the Members' internet bandwidth connection.

## **2.0 QUORUM**

- 2.1 Noting the Company Secretary's confirmation of the presence of a quorum, the Chairman declared that the Meeting had been properly convened and proceeded to business.

## **3.0 NOTICE OF MEETING**

- 3.1 The Notice of Meeting convening the 28<sup>th</sup> AGM which had been properly circulated within the stipulated time frame to all the Members who were entitled to receive this Notice and had been duly advertised in the newspaper on 15 November 2024 in accordance with the Companies Act 2016 was taken as read with no objection given against it.
- 3.2 Before proceeding to discuss the agenda of the 28<sup>th</sup> AGM, the Chairman reminded the Members present that under Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled would be voted on by-poll electronically. The Members were also informed that Boardroom Share Registrars Sdn. Bhd. ("Boardroom Share Registrars") had been appointed as the Poll Administrator for the poll voting process, and Strategy Corporate House Sdn. Bhd. was the Scrutineer to verify the poll results.
- 3.3 The Chairman informed the Members that the poll voting would be conducted electronically via RPEV facility provided by Boardroom Share Registrars and the polling session had commenced from 10.00 a.m. today and would continue until the voting session's closure was announced by the Chairman later. The poll voting results would be announced after the Scrutineer had verified the poll results upon the voting session's closure.
- 3.4 The Boardroom Share Registrars' video was played to provide guidance to the Members on the voting procedures.
- 3.5 The Members were informed that the shareholders and proxies were welcomed to raise questions in real time by transmitting their questions using the Query Box. The Board would endeavour to respond to questions submitted during the Q&A session after the Board had dealt with all the agenda of the Meeting. If there was time constraint, the response would be emailed to the Members after the Meeting.
- 3.6 At this juncture, the Chairman informed the Members present that the Board of Directors had received a letter from the Minority Shareholders' Watch Group ("MSWG") dated 6 December 2024 stating that MSWG would like to raise a few questions which MSWG felt were of interest to the Minority Shareholders and all other stakeholders of the Group. In view of that, the Chairman called upon Mr. Foo Kok Siew ("Mr. Foo"), the Executive Director of the Company to read out to the Members the Board of Directors' reply to the MSWG's questions.

3.7 Mr. Foo read out the Board of Directors' reply to the MSWG's letter dated 6 December 2024; a copy of which is attached herewith for the Members' information.

3.8 Mr. Foo thanked the MSWG for its continuing interest in HTVB and highlighted that the Board of Directors of HTVB fully supports the work of MSWG in promoting good corporate governance best practices in Public Listed Companies.

3.9 The Chairman proceeded to Agenda 1 of the 28<sup>th</sup> AGM.

**4.0 AGENDA 1: TO RECEIVE THE AUDITED FINANCIAL STATEMENTS**

4.1 The Chairman informed the Members that Agenda No. 1 was to receive the Audited Financial Statements of the Company for the financial year ended 31 July 2024 together with the Directors' and Auditors' Reports attached thereon ("the Said Audited Financial Statements").

4.2 The Members were informed that Agenda 1 was meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 and the Company's Constitution did not require a formal approval of the Said Audited Financial Statements by the Members. Hence, Agenda 1 was not subject to voting by poll.

4.3 The Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31 July 2024 together with the Directors' and Auditors' Reports attached thereon be hereby unanimously received.

**5.0 AGENDA 2 (RESOLUTION 1): APPROVAL OF THE DIRECTORS' FEES OF RM459,411.00 FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

5.1 The Chairman proceeded to Agenda No. 2 (Resolution 1) which was to approve the Directors' fees of RM459,411.00 for the financial year ended 31 July 2024.

5.2 The Chairman, therefore, proposed the motion "To approve the Directors' fees of RM459,411.00 for the financial year ended 31 July 2024" be hereby unanimously received and put to the poll.

**6.0 AGENDA 3 (RESOLUTION 2): APPROVAL OF THE DIRECTORS' ALLOWANCES AND BENEFITS PAYABLE OF RM40,000.00 IN RESPECT OF THE PERIOD FROM 14 DECEMBER 2024 UP TO THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD IN 2025**

6.1 The Chairman proceeded to Agenda No. 3 (Resolution 2) which was to approve the Directors' allowances and benefits payable of RM40,000.00 in respect of the period from 14 December 2024 up to the next Annual General Meeting of the Company to be held in 2025.

6.2 The Chairman, therefore, proposed the motion: "To approve the Directors' allowances and benefits payable of RM40,000.00 in respect of the period from 14 December 2024 up to

the next Annual General Meeting of the Company to be held in 2025” be hereby unanimously received and put to the poll.

**7.0 AGENDA 4 (RESOLUTION 3): TO APPROVE A FIRST AND FINAL SINGLE-TIER DIVIDEND OF 0.5 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 JULY 2024**

7.1 The Chairman proceeded to Agenda No. 4 (Resolution 3) which was to approve a First and Final Single-Tier Dividend of 0.5 sen per share for the financial year ended 31 July 2024.

7.2 The Chairman, therefore, proposed the motion: “To approve a First and Final Single-Tier Dividend of 0.5 sen per share for the financial year ended 31 July 2024” be unanimously received and put to the poll.

**8.0 AGENDA 5 (a), 5 (b) and 5 (c) (RESOLUTION 4, 5 AND 6): RE-ELECTION OF DIRECTORS WHO ARE RETIRING IN ACCORDANCE WITH CLAUSE 92 OF THE COMPANY’S CONSTITUTION**

8.1 The Chairman proceeded to Agenda No. 5 (a) (Resolution 4) which was to re-elect Tan Sri Dato' Seri Law Tien Seng, who was retiring in accordance with Clause 92 of the Company’s Constitution.

8.2 Tan Sri Dato' Seri Law Tien Seng was due to retire by rotation in accordance with Clause 92 of the Company’s Constitution, and being eligible, had offered himself for re-election.

8.3 The Chairman, therefore, proposed the motion: “To re-elect Tan Sri Dato' Seri Law Tien Seng, who is retiring in accordance with Clause 92 of the Company’s Constitution be re-elected as a Director of the Company” be hereby unanimously received and put to the poll.

8.4 The Chairman proceeded to Agenda No. 5 (b) (Resolution 5) which was to re-elect Mr. Tan Shau Ming, who was retiring in accordance with Clause 92 of the Company’s Constitution.

8.5 Mr. Tan Shau Ming was due to retire by rotation in accordance with Clause 92 of the Company’s Constitution, and being eligible, had offered himself for re-election.

8.6 The Chairman, therefore, proposed the motion: “To re-elect Mr. Tan Shau Ming who is retiring in accordance with Clause 92 of the Company’s Constitution be re-elected as a Director of the Company” be hereby unanimously received and put to the poll.

8.7 The Chairman proceeded to Agenda No. 5 (c) (Resolution 6) which was to re-elect Mr. Sherman Lam Yuen Suen, who was retiring in accordance with Clause 92 of the Company’s Constitution.

- 8.8 Mr. Sherman Lam Yuen Suen was due to retire by rotation in accordance with Clause 92 of the Company's Constitution, and being eligible, had offered himself for re-election.
- 8.9 The Chairman, therefore, proposed the motion: "To re-elect Mr. Sherman Lam Yuen Suen who is retiring in accordance with Clause 92 of the Company's Constitution be re-elected as a Director of the Company" be hereby unanimously received and put to the poll.
- 9.0 AGENDA 6 (RESOLUTION 7): RE-APPOINTMENT OF MESSRS. KPMG PLT AS THE COMPANY'S AUDITORS FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**
- 9.1 The Chairman proceeded to Agenda No. 6 (Resolution 7) which was to re-appoint Messrs. KPMG PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.
- 9.2 The retiring Auditors, Messrs. KPMG PLT had expressed their willingness to continue in office.
- 9.3 The Chairman, therefore, proposed the motion: "To re-appoint Messrs. KPMG PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration" be hereby unanimously received and put to the poll.
- 10.0 AGENDA 7.1 (RESOLUTION 8): AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016.**
- 10.1 The Chairman proceeded to Agenda No. 7.1 (Resolution 8) which was to consider, and if thought fit, to pass the Resolution pertaining to the authority to be given to the Directors to Allot and Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016.
- 10.2 The Chairman, therefore, proposed the motion: "**THAT** subject always to the approvals of the relevant authorities, the Directors be hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares in the Company at any 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 to be issued pursuant to this resolution does not exceed 10% of the total issued capital of the Company (excluding treasury shares) at the time of issue **AND THAT** the Directors be hereby also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad **AND FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company" be hereby unanimously received and put to the poll.

**11.0 AGENDA 7.2 (RESOLUTION 9): PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

11.1 The Chairman proceeded to Agenda No. 7.2 (Resolution 9) which was to consider, and if thought fit, to pass the Resolution pertaining to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate").

11.2 The Chairman, therefore, proposed the motion: "THAT the Company and/or its subsidiaries be hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.3 of the Circular to Shareholders dated 15 November 2024, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate" be hereby unanimously received and put to the poll.

**12.0 QUESTION AND ANSWER (Q&A) SESSION**

12.1 The Chairman informed the Members that since all the resolutions had been tabled, questions posed by the Members at this Meeting would now be addressed.

12.2 Mr. Foo informed the Chairman that there were a few questions received from the Shareholders as presented below:

12.2.1 Shareholders: Tan Kuan Chin

(a) Q: Construction and consumers are putting a larger emphasis on ESG, and everyone is talking about green steel and transitioning to EAF while ESSB uses BF. How would this impact ESSB sales? Do ESSB products have to be sold at a discount?

A: ESSB acknowledges the emphasis on ESG and has taken proactive steps in working with an external environmental consultant to complete greenhouse gas (GHG) accounting in September 2024, and has developed decarbonisation targets and decarbonisation pathway based on those accounting results. ESSB is committed to 2050 as the target year for carbon neutrality to align with Malaysia's national target.

Currently, there are no adverse impact on ESSB's sales and selling prices.

- (b) Q: According to the government's latest budget announcement, a carbon tax on the iron, steel, and energy industries would be implemented by 2026 to encourage the development of low-carbon technology. How does this affect HTVB and Eastern Steel? How will the strengthening of the Malaysian ringgit and hikes in the minimum wage affect HTVB and Eastern Steel? Will it make the product more expensive and less competitive and hence lead to lesser profit or even loss?

A: Carbon Tax  
ESSB will assess the full impact of Carbon Tax once clear details and its implementation mechanism are made available. However, HTVB was confident that any effects will be manageable as the iron and steel industry forms the backbone of a country's development.

Strengthening of Malaysian Ringgit

ESSB benefits from a stronger Malaysian ringgit due to the existence of foreign currency-denominated capex loans. Since most raw materials and factory consumables are imported and sales are primarily export-based, the natural hedge minimises significant impact.

Minimum Wage

The new minimum wage has minimal impact on ESSB as only a small minority of its workers earn below the new minimum wage.

- (c) Q: Can we get an update on the HRC mill? When will it start operations? If ESSB were to produce 1 tonne of HRC today, what would be the production cost vs the CIF of HRC imported from China into Malaysia?

A: The 1450mm Hot Rolled Coil (HRC) plant is on track to begin production in Q1 2025, following the successful ignition of the reheating furnace in November 2024. The production cost of HRC will depend on factors such as raw material prices and operational efficiencies at the time of production. Nonetheless, ESSB cost of production has consistently compared favourably with its peers in China.

- (d) Q: How much of the billet and slab produced will be used by the ESSB HRC mill? What is the present utilisation rate, and when will the HRC mill achieve 100%?

A: HRC is rolled from slab, and ESSB has the ability and flexibility to adjust its product mix based on demand and pricing to achieve optimal performance. The current utilisation rate for the steel making plant is approximately 95%. The HRC mill will commence production in Q1 2025 and its subsequent utilisation ratio will depend on market demand.

(e) Q: China's steel dumping has led steel prices to plummet, and it is reported that importing from China is significantly cheaper. How would this influence HTVB and ESSB? What is the management mitigation plan? ESSB's largest export market is Turkey, and China has increased its exports to Turkey in the last six months. Will this reduce ESSB's exports, cause additional discounts in steel prices, or reduce production?

A: China's recent economic stimulus measures have improved sentiments and supported steel prices. ESSB's focus has always been on being internationally cost competitive by continuously enhancing production efficiency and optimising economies of scale. As highlighted above, ESSB cost of production has consistently compared favourably with its peers in China.

Exports to Turkey have remained strong, and HTVB does not anticipate significant downside risks at this time.

Notably, Turkey announced in October 2024 the imposition of an anti-dumping tax ranging from 15% to 43.31% on steel products from China, further enhancing the competitiveness of ESSB's exports.

(f) Q: In which currencies are ESSB and HTVB products sold? Is it in USD? How does the strengthening of RM by 5% against the USD affect ESSB and HTVB? Will this lead to lower revenue and profit margins?

A: ESSB exports and imports principally in USD, which provide a natural hedge to substantially offset against exchange rate fluctuations.

(g) Q: There was a substantial currency translation loss in Q1 and a gain in Q4. Can management enlighten us on how the loss or gain occurred?

A: The gain or loss arises from the translation of foreign currency-denominated assets and liabilities at the end of each financial period, in accordance with approved accounting standards.



- (h) Q: Will there be a huge forex loss in Q1' 25 as the MYR strengthens?
- A: ESSB recorded a forex gain in Q1FY25 as reported in HTVB's quarterly announcement.
- (i) Q: The Edge stated on 19 November 2024, that Southeast Asia's iron and steel capacity would increase to 150 million metric tonnes by 2026, up from 75 million metric tons in 2021. Will ESSB continue with its phase 3 expansion despite the region's steel oversupply?
- A: Further expansion at ESSB will be evaluated based on the latest economic outlook, current production run rates, and demand trends. Decisions regarding phase 3 expansion will be made in consideration of these factors to ensure optimal growth and efficiency.
- (j) Q: Will there be a right issue or a private placement within the next 12 months? Will ESSB need to raise additional funds to cover operating costs due to the favourable steel market?
- A: There are no plans to call a Rights Issue or private placement at HTVB, and ESSB is operating profitably.
- (k) Q: ESSB pledged to distribute 30% of the earnings as a dividend. Will HTVB set the same policy, if not better?
- A: ESSB is at its growth phase and is reinvesting profits into innovation and expanding its capacity. Once its operation reaches maturity, the Board of HTVB will at the appropriate time consider an appropriate dividend policy.
- (l) Q: Does Alpine import steel from China to produce structural pipes and hollow sections to improve margins as steel made in China is the most cost competitiveness in the world?
- A: Alpine imports HRC from China, Japan, Taiwan and other Southeast Asian countries as currently there is no HRC producer in Malaysia.

12.2.2 Shareholders: Hiu Chee Keong

- Q: How minimum wage affect the company?
- A: The impact of minimum wage is not significant on the Company as most of employees' salary is above RM1,700.

12.2.3 Shareholders: Tan Zhi How

Q: As China's massive steel industry faces a wave of bankruptcies and over capacity, the steel price is expected to remain subdued. What is the strategy from management to mitigate the declining steel price trend? Additionally, can ESSB's products be able to compete with steel imports from China or Korea etc?

A: The management is continuously monitoring the market condition closely including the impact of China and the subdued market on global steel outlook. ESSB's cost is as competitive as the producers in China.

12.2.4 Shareholders: Chan Fung Han

Q: How much of the RM407 million of trade receivables have been collected subsequent to the financial year end, especially the RM209 million past due balances?

A: Most of them have been duly received.

12.3 The Chairman thanked the Members for all the questions, and informed the Members that if there are specific questions yet to be answered, the Company will revert with the answers via email later on. With that, the Chairman declared that the Q&A session had ended.

12.4 The Chairman informed the Members that the Agendas of the Meeting had been concluded. He proceeded to declare that since there was no notice of any other business received by the Company, the voting session would be closed in 10 minutes and advised the Members to vote soon if the Members had still not done so. The Chairman informed the Members that for the Shareholders' benefit, he had been appointed to act as proxy for a number of Shareholders and shall vote following the instructions given.

The Chairman informed that the votes would be counted after the conclusion of the voting session by the Poll Administrator and verified by the Scrutineer and the whole process would take about 15 minutes to complete.

12.5 Meanwhile, the Meeting was adjourned for 15 minutes for the votes to be counted by the Poll Administrator and verified by the Scrutineer.

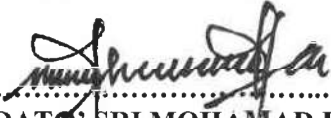
12.6 At this juncture, a corporate video was presented on the screen.

**13.0 ANNOUNCEMENT OF POLL RESULTS**

13.1 The AGM was reconvened and the Chairman called the Meeting to order again for the announcement of the 28<sup>th</sup> AGM poll results. The result of the poll for all the 9 Resolutions were broadcasted on the screen. A copy of the polling result is attached herewith for record purpose.

- 13.2 The Chairman declared that all the 9 Resolutions had been duly carried by the Members.
- 13.3 Following this, the Chairman declared that the 28<sup>th</sup> AGM of the Company ended at 11:00 a.m. and thanked all the Members for their presence and wished everyone good health, Merry Christmas and a Happy New Year. Everyone was reminded to Stay Safe and Stay Healthy. A vote of thanks was proposed for the Chair and was duly seconded.

**CONFIRMED AS THE CORRECT RECORD OF  
THE PROCEEDINGS THEREAT**



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**TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN**  
**CHAIRMAN**

Date: 13 December 2024  
Petaling Jaya

*(Ref: HTVB/28<sup>th</sup> AGM\_13.12.2024/NYK/PY)*