

AMALGAMATED INDUSTRIAL STEEL BERHAD

Company No. 9118-M
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FORTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT LEVEL 3, MENARA LGB, NO. 1, JALAN WAN KADIR, TAMAN TUN DR. ISMAIL, 60000 KUALA LUMPUR ON WEDNESDAY, 27 JUNE 2018 AT 11.00 A.M.

Questions raised by MSWG

No.	Questions	Responses from the Board of Directors and Management Team
Strategic & Financial Matters		
1.	<p>As reported in the Management Discussion and Analysis (“MDA”), the Company expects to generate rental income from Phase 2 of its investment property in Jalan Playar, Shah Alam with the construction of a purpose-built factory/warehouse for potential tenants.</p> <p>(a) When the construction work is expected to commence and when is the expected completion date?</p> <p>(b) What is the estimated construction cost and how will the project be funded?</p> <p>(c) What is the total net lettable area of the purpose-built factory/warehouse to be constructed?</p> <p>(d) What is the prevailing rental rate for similar type of purpose-built factory/warehouse in the area?</p>	<p>Mr. Chan Keen Wai (“Mr. Chan”), the Chief Operating Officer of the Company, responded that:</p> <p>a) Demolition work is in progress now, target to complete by next month (total cost of work is RM494,000 and salvage value is RM984,000). Meanwhile, desigining work is also in progress and approval is expected by end of the year. Hence, the Company targets to start construction by 1st quarter of 2019 and complete by mid 2020.</p> <p>b) The expected construction cost is about RM30 million. The overall development cost including land cost and project expenses is about RM70 million and is funded by bank borrowings and internal funding.</p> <p>c) The total lettable area is about 180,000 sq. ft. on 6.73 acres of land excluding 0.3 acres for the TNB sub-station. Phase 1 lettable area is 107,830 sq. ft. on 4.46 acres of land.</p> <p>d) The prevailing market rental rate is about RM1.80 psf. Rental may vary depending on the technical requirements of the tenants.</p>
2.	<p>It was also reported in the MDA that the Company’s proposed townhouses development which is its maiden flagship project in Kampung Kayu Ara, Petaling Jaya shall commence in the second half of 2018.</p>	<p>Mr. Chan replied that:</p> <p>(a) The total number of townhouses is 82 units. Average selling price per unit is about RM1.3 million. (Average size per unit is about 1.70 sq. ft. – ranging from 1.029 sq. ft. to 2,377 sq. ft.)</p>

AMALGAMATED INDUSTRIAL STEEL BERHAD

(Company No. 9118-M)

Summary of Key Matters Discussed at the Forty-Seventh Annual General Meeting held on 27 June 2018 [Cont'd]

	<p>(a) What is the total number of townhouses to be developed and what will be the average selling price for each unit?</p> <p>(b) How long is the development period and when is the targeted completion date for the project?</p> <p>(c) What is the debt/equity ("D/E") funding ratio for the development project?</p> <p>(d) Has the project been launched and if yes, what was the take-up rate?</p>	<p>(b) The overall development period is about 4 years inclusive of design and approval. The target completion date of the project is by the 4th quarter of 2020. Earthworks targets to commence by the 3rd quarter of 2018.</p> <p>(c) The D/E funding ratio is about 0.21 for this project. Bank borrowing is about RM30 million.</p> <p>(d) The project is not launched yet. Target launching date is by the 4th quarter of 2018.</p>
3.	<p>As at 31 December, the Group's allowance for impairment losses stood at RM805,531 (2016: RM395,199).</p> <p>What was the reason for the addition of allowance for impairment losses of RM408,332?</p>	<p>Mr. Chan replied that the addition impairment was raised from the few debtors which the Group has taken legal action against them</p>

AMALGAMATED INDUSTRIAL STEEL BERHAD

(Company No. 9118-M)

Summary of Key Matters Discussed at the Forty-Seventh Annual General Meeting held on 27 June 2018 [Cont'd]

No.	Questions	Responses from the Board of Directors and Management Team
Corporate Governance Matters		
1.	<p>We noted the Company has not published a summary of key matters discussed at the Company's 46th Annual General Meeting held on 15 June 2017 as required by Paragraph 9.21(2)(b) of the Main Market Listing Requirements.</p> <p>Please explain why the Company has not complied with the said Listing Requirement and what actions are being taken to ensure compliance?</p>	<p>Mr. Casey Choh Kim Chiew ("Mr. Casey Choh"), the Chief Financial Officer of the Company, responded that the Company is currently upgrading the website and all latest information as required and rectification shall be uploaded and disclosed on the Company's website as soon as possible including the summary of key matters discussed at the last AGM held on 15 June 2017 and also at this AGM.</p>
2.	<p>The Company in its Corporate Governance Report ("CG") states that it does not have a policy on board composition having regards to gender diversity. Practice 4.5 of MCCG requires that the Board disclose in its annual report the Company's policies on gender diversity, its targets and measures to meet those targets.</p> <p>Please take note of this.</p>	<p>Mr. Casey Choh replied that the Company will take proper measurement in setting gender diversity of the board composition. The Board through the Nomination Committee will take necessary steps to ensure women candidates are sought as part of its requirement exercise and selection.</p> <p>Once the policies on gender diversity, its target and measures have been established, the Company will disclose in its annual report.</p>
3.	<p>The Company in its Corporate Governance Report has stated that it had applied Practice 12.3 of MCCG. Practice 12.3 refers to facilitating or providing platform for shareholders to vote remotely without being physically present at the Company's AGM. Based on the Company's explanation given on the application of practice 12.3, we wish to highlight that the Company has not applied the practice.</p> <p>Please take note of this.</p>	<p>Mr. Casey Choh replied that the Company does not have large number of shareholders and does not hold meetings in remote locations. In the event that the Company has more than 5,000 shareholders or decide to hold meeting in remote location, the Company will study this application and make necessary changes after the studying process.</p>

AMALGAMATED INDUSTRIAL STEEL BERHAD

(Company No. 9118-M)

Summary of Key Matters Discussed at the Forty-Seventh Annual General Meeting held on 27 June 2018 [Cont'd]

Questions raised by Shareholders/Proxies

No.	Questions	Responses from the Board of Directors and Management Team
Ordinary Resolution 2 Directors' Benefits (Other than Directors' Fees)		
1.	Mr. Ng Aik Pheng enquired whether any increase in the Directors' remuneration.	Dato' Chairman responded that the Directors' fees remained the same as last year. The meetings allowance is depending on the number of Board of Directors' or Board Committees' meetings attended by the respective Directors for the period from 31 January 2017 until the next Annual General Meeting in year 2019.
Ordinary Resolution 6 Authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016		
1.	Mr. William Ng Kok Kiong enquired whether the Company has any plan to issue new shares to increase the issued share capital of the Company, so that can acquire new land. Or the major shareholder of the Company has any plan to inject more land to the Company?	Dato' Ronnie Lim responded that the Company no plan to issue new shares or acquire new land for the moment.
2.	Mr. William Ng Kok Kiong commented that the Company's share price was very low. He suggested the Company to consider having share buy-back exercise next year.	Dato' Ronnie Lim replied that the Board took note of his suggestion and will have a study on the matter.
3.	Mr. James Loke Teik Lee suggested that the Company to consider to sell the existing treasury shares or to distribute as dividend shares to the shareholders.	Dato' Ronnie Lim replied that the Board took note of his suggestion and will have a study on the matter.

AMALGAMATED INDUSTRIAL STEEL BERHAD

(Company No. 9118-M)

Summary of Key Matters Discussed at the Forty-Seventh Annual General Meeting held on 27 June 2018 [Cont'd]

Ordinary Resolution 7 Proposed New Shareholders' Mandate for the Company and/or Subsidiaries to enter into Recurrent Related Party Transactions (RRPT") of a revenue or trading nature		
1.	Mr. Ng Aik Pheng enquired whether the rental of this office from LGB Group is regarded as RRPT and whether the same venue for the next AGM.	Dato' Ronnie Lim replied that the RRPT are mainly for trading transactions. This premise owned by LGB Group and a fee was charged to AISB for use of this venue for AGM. The Board has not decided the venue for the next AGM.
Ordinary Resolutions 8 and 9 Continuing in Office as Independent Non-executive Directors		
1.	Mr. William Ng Kok Kiong commented that the 2 Independent Directors have served the Company for a very long period, the Board or the major shareholder of the Company should look for new Board members, especially female Director(s).	Dato' Ronnie Lim responded that evaluation was done by the Nomination Committee and the Board concurred with the Nomination Committee's recommendation that Tuan Haji Fauzi and Datuk Sulaiman can continue to act as Independent Directors of the Company. Dato' Ronnie Lim further informed that the Board is currently looking at the succession plan and also the female diversity issue.