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If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser immediately.

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Bursa Securities has only perused the proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of Bursa Securities’ Main Market Listing Requirements.



ASTEEL GROUP BERHAD

(formerly known as YKGI Holdings Berhad)
[Registration No.: 197701001682 (032939-U)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to

**PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE
FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE**

Broadcast Venue of annual general meeting	:	Online Meeting Platform via TIIH Online website at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn. Bhd.
Date and time of annual general meeting	:	Wednesday, 26 June 2024 at 2:00 pm or at any adjournment thereof
Last date and time for lodgement of Form of Proxy	:	Monday, 24 June 2024 at 2:00 pm

The Form of Proxy must be completed and deposited at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via TIIH Online website at <https://tiih.online> on or before the date and time indicated above. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Circular is dated 29 April 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“AGM”	Annual General Meeting
“ASTEEL” or “the Company”	ASTEEL Group Berhad
“Board”	The Board of Directors of ASTEEL Group Berhad
“Bursa Securities”	Bursa Malaysia Securities Berhad
“CCM”	Companies Commission of Malaysia
“Companies Act”	The Malaysian Companies Act 2016, as amended from time to time and any enactment thereof
“Directors”	The directors for the time being of ASTEEL Group Berhad, and have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or chief executive of ASTEEL Group Berhad, its subsidiary or holding company
“Group” or “ASTEEL Group”	ASTEEL and its subsidiaries
“Listing Requirements”	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any enactment thereof
“Major Shareholder”	<p>A person who has an interest or interests in one (1) or more voting shares in ASTEEL and the number or aggregate number of those shares, is:</p> <ul style="list-style-type: none">(a) 10% or more of the total number of voting shares in ASTEEL; or(b) 5% or more of the total number of voting shares in ASTEEL where such person is the largest shareholder of ASTEEL. <p>Includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of ASTEEL or any other corporation which is its subsidiary or holding company</p> <p>For the purpose of this definition, “interest in shares” shall have the same meaning given in Section 8 of the Companies Act</p>
“Persons Connected”	This shall have the same meaning as in Paragraph 1.01 of the Listing Requirements
“Proposed Shareholder Mandate”	Proposed Shareholder Mandate for the existing RRPT
“Related party (ies)”	A Director, Major Shareholder or Person Connected with such director or major shareholder. For the purpose of this definition, “Director”, “Major Shareholder” and their Person Connected shall have the same meanings as defined herein
“Related Party Transaction”	A transaction entered into by ASTEEL or its subsidiaries which involves the interest, direct or indirect, of a related party as defined herein
“RM”	Ringgit Malaysia
“RRPT”	A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of ASTEEL Group and which has been made or will be made by ASTEEL Group at least once in three (3) years in the ordinary course of business of ASTEEL Group

“Shares”	Ordinary shares
“Shareholder Mandate”	Shareholder Mandate pursuant to Paragraph 10.09 of the Listing Requirements

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Words importing persons include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act and used in this circular shall have the meaning assigned to it under the Companies Act.

Any reference to a time of day shall be a reference to Malaysian time.

CONTENTS

	Page
1. INTRODUCTION	1
2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS	1 – 2
3. FEATURES OF THE PROPOSED SHAREHOLDER MANDATE	2 – 11
4. EFFECTS OF THE PROPOSED SHAREHOLDER MANDATE	11
5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDER MANDATE	11
6. CONDITIONS OF THE PROPOSED SHAREHOLDER MANDATE	11-12
7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	12-13
8. RECOMMENDATION BY DIRECTORS	14
9. ANNUAL GENERAL MEETING	14
10. FURTHER INFORMATION	14
APPENDIX A –FURTHER INFORMATION	15

ASTEEL GROUP BERHAD
(Formerly known as YKGI Holdings Berhad)
[Registration No.: 197701001682 (032939-U)]
(Incorporated in Malaysia)

Registered office:

Lot 712 Block 7
Demak Laut Industrial Park
93050 Kuching, Sarawak

29 April 2024

Board of Directors:

Mr Liew Jee Min @ Chong Jee Min (*Independent Non-Executive Chairman*)
YBhg. Tan Sri Dato' Soh Thian Lai (*Executive Deputy Chairman*)
YBhg. Dato' Sri Victor Hii Lu Thian (*Group Managing Director*)
Mr Fong Yoo Kaw @ Fong Yee Kow (*Senior Independent Non-Executive Director*)
Ms Yan Ying Chieh (*Independent Non-Executive Director*)
Mr Christopher Hii Lu Ming (*Non-Independent Non-Executive Director*)
YBhg. Datin Josephine Anak Hilary Dom @ Josephine John (*Independent Non-Executive Director*)
Ms Wong Siew Si (*Independent Non-Executive Director*)
Ms Khor Hun Nee (*Independent Non-Executive Director*)
Mr Koichiro Nakazawa (*Non-Independent Non-Executive Director*)
Mr Satoru Kojima (*Alt. Director to Mr Koichiro Nakazawa*)

TO: THE SHAREHOLDERS OF ASTEEL GROUP BERHAD

Dear Sir/Madam

PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's AGM held on 23 June 2023, the Board obtained Shareholder Mandate for ASTEEL Group to enter into RRPT with the Mandated Related Parties as defined herein. The existing Shareholder Mandate shall lapse at the conclusion of the forthcoming AGM, which has been scheduled for 26 June 2024 unless it is renewed.

Subsequently, on 8 April 2024, the Company announced through Bursa Securities that the Board proposes to seek Shareholder Mandate from the shareholders for the existing RRPT.

The purpose of this Circular is to provide shareholders with the details, effects and rationale pertaining to the Proposed Shareholder Mandate and to seek shareholders' approval for the resolution, which is to be tabled as an ordinary resolution at the forthcoming AGM scheduled to be held on 26 June 2024.

Shareholders of ASTEEL are advised to read and consider carefully the contents of Part A of this Circular before voting on the ordinary resolution pertaining to the Proposed Shareholder Mandate at the forthcoming AGM scheduled to be held on 26 June 2024.

2. BACKGROUND INFORMATION OF PROVISIONS IN THE LISTING REQUIREMENTS

Paragraph 10.09(2) of the Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations, the Company may seek a mandate from its shareholders, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the Shareholder Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;

- (c) the Company's circular to shareholders for the Shareholder Mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain Shareholder Mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the circular by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

3. FEATURES OF THE PROPOSED SHAREHOLDER MANDATE

(a) Principal activities of ASTEEL Group

ASTEEL is an investment holding company.

The subsidiaries of ASTEEL as at 31 March 2024, with the principal activities of the subsidiaries are as follows:

	Name of subsidiary	%	Principal activities
i.	Star Shine Holdings Sdn Bhd ("SSH")	100	Investment holding and the provision of management service to its subsidiaries
ii.	Star Shine Marketing Sdn Bhd ("SSM") - subsidiary of SSH	100	Trading of coated and non-coated steel sheets in coils and building materials
iii.	Star Shine Global Trading Sdn Bhd ("SSGT") - subsidiary of SSH	100	Inactive
iv.	Star Shine Steel Products Sdn Bhd ("SSP") - subsidiary of SSM	100	Supply and installation of steel products and trading of construction material and project management
v.	Star Shine Industries Sdn Bhd ("SSI") - subsidiary of SSH	100	Inactive
vi.	Star Shine Resources Sdn Bhd ("SSR") - subsidiary of SSM	100	Inactive
vii.	ASTAR Steel Sdn Bhd ("ASTAR") - subsidiary of SSM	51.41	The processors and distributors of iron and steel and roofing supply and installation
viii.	ASTEEL Resources Sdn Bhd ("ARSB")	80.36	Investment holding
ix.	ASTEEL Sdn Bhd ("ASB") - subsidiary of ARSB	100	Manufacturing and sale of metal roofing, coated steel products and related products
x.	ASTEEL (Sabah) Sdn Bhd ("ASSB") - subsidiary of ARSB	100	Manufacturing and sale of metal roofing and related products and trading in building materials and hardware
xi.	ASTEEL Development Sdn Bhd ("ADSB") - subsidiary of ARSB	100	Supply and installation of steel truss, construction and renovation works
xii.	ASTEEL AJIYA Sdn Bhd ("AASB") - subsidiary of ARSB	60	Manufacturing and sale of safety glass and industrialised building system products
xiii.	ASTEEL WORKS Sdn Bhd ("AWSB") - subsidiary of ARSB	100	Processing and supply of façade products and metal fabrication
xiv.	ASTEEL Dynamic Sdn Bhd ("ADMC") - subsidiary of ARSB	100	Inactive
xv.	ASTEEL Synergy Sdn Bhd ("ASYN") - subsidiary of ARSB	100	Manufacture and sale of metal roofing, coated steel products and related products

	Name of subsidiary	%	Principal activities
xvi.	ASTEEL (Sarawak) Sdn Bhd (“ASWK”) - subsidiary of ARSB	100	Manufacture and sale of metal roofing, coated steel products and related products
xvii.	AS Tiles & Interior Design Sdn Bhd (“ATID”) - subsidiary of ASWK	100	Trading of flooring products, Interior Design and renovation works
xviii.	AS Singai Sdn Bhd (“ASGI”) - subsidiary of ASWK	51	Trading of hardware and building materials
xix.	AS Trans Paint Sdn Bhd (“ASTP”) - subsidiary of ASWK	70	Trading of paint products
xx.	AS Scaffolding Sdn Bhd (“ASCF”) - subsidiary of ASB	100	Inactive
xxi.	ASTEEL (NZ) Private Limited (“ASNZ”) - subsidiary of ARSB	100	Inactive
xxii.	ASTEEL Unique Group Ltd - subsidiary of ASNZ	51	Inactive

The manufacturing process basically involves the following:

- ASB purchases raw materials such as Hot-Dip Aluminium Zinc Coated Steel Coils, Hot-Dip Zinc Coated Steel Coils, Cold Rolled Coils, paints, chemicals and other consumables to further process into Prepainted Steel Coils, Slitted Steel Coils, other downstream products such as roofing sheets, plain sheets, tube and pipe, etc;
- the Prepainted Steel Coils and Slitted Steel Coils are also sold to ASSB, ASWK, ASYN and ASTAR to further process into downstream products such as roofing sheets, trusses, purlins and roofing accessories and sale of roofing related products;
- ASSB, ASYN, and ASTAR also purchase Steel Coils from other local and overseas suppliers;
- AASB purchases float glass as raw materials and further process into tempered glass to be sold to its customers;
- ADSB, ASSB, ASYN and ASWK also involve in the supply and install of roof truss system, project management and construction work; and
- The Prepainted Steel Coils, Slitted Steel Coils, other downstream products such as roofing sheets, plain sheets, trusses, purlins and roofing accessories, roof truss system, project management and construction services and tempered glass and related products are collectively referred to as “ASTEEL Group’s products”.

(b) RRPT

In accordance with the Listing Requirements, **ASTEEL** needs to seek Shareholder Mandate on RRPT.

These RRPT are all incurred in the Group’s normal course of business and the names of the companies (hereinafter referred as “Mandated Related Parties”), details of the RRPT, the names of Directors, Shareholders and Persons Connected with them who are interested in these RRPT are outlined on pages 4 to 7 of this Circular.

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The existing RRPT which require the renewal of Shareholder Mandate are outlined on pages 4 to 6 as follows:

Name of Mandated Related Parties	Nature of Transactions	Frequency of Transactions	Names of Interested Directors, Interested Major Shareholders of ASTEEL Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 29 April 2024		Estimated value from 26 June 2024 to the date of next AGM (RM)	Actual value transacted from 23 June 2023 to 31 March 2024 (the latest practicable date) (RM) (A)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 28 April 2023 (RM) (B)	Reason for deviation between (A) and (B) by ten percent (10%) or more
				Director	Shareholder				
Yung Kong Co Bhd Group#	<ul style="list-style-type: none"> Sale of consumables and stock to ASTEEL Group Purchase of ASTEEL Group products from ASTEEL Group Freight and handling charges for the distribution of the ASTEEL products in Sarawak Hire purchase loan and term loan to finance purchase of commercial vehicles and production equipment for the operation of ASTEEL Group 	Monthly	Hii Brothers Enterprises Sdn Bhd ^{9a}	X	√	19,500,000	2,096,763	29,500,000	Not applicable
			Dato' Hii Ngo Sing ¹	√	√	23,000,000	6,971,317	13,000,000	
			Rose Hii Ik Ming @ Hu Ik Ming ^{7a}	√	√				
			Datuk Seri Dr Hii Wi Sing ²	X	√	300,000	39,558	300,000	
		When need arises	Kapitan Dato' Hii Ting Sing ^{7b}	√	√				
			Hii Hua Sing ^{7c}	√	√				
			Datuk Ir Michael Hii Ee Sing ⁶	X	√	10,000,000	7,077,125	5,000,000	
			Dato' Sri Victor Hii Lu Thian ⁴	X	√				
Francis Hii Lu Sheng ^{1a}	√	√							
Henry Hii Lu Yiin ^{8a}	√	√							
Yunco Enterprise Group##	<ul style="list-style-type: none"> Sale of consumables and stock to ASTEEL Group Purchase of ASTEEL Group products from ASTEEL Group Leasing of properties for business operation^{b & c} Sub contract of construction work from ASTEEL Group 	Monthly	Peavac Corporation Sdn Bhd ^{10a}	X	√	7,500,000	2,173,917	7,500,000	Not applicable
			Datuk Seri Dr Hii Wi Sing ²	√	√	60,100,000	23,861,105	60,100,000	
			Datuk Ir Michael Hii Ee Sing ⁶	√	√	49,000	22,000	7,000	
			Dato' Sri Victor Hii Lu Thian ⁴	X	√	7,000,000	0	7,000,000	
		When need arises	Datin Seri Ting Chuo Kiew ^{2a}	√	√				
			Alexander Hii Lu Kwong ^{2b}	√	√				
			Christopher Hii Lu Ming ⁵	√	√				
			Arthur Hii Lu Choon ³	X	√				
Marubeni-Itochu Steel Group###	<ul style="list-style-type: none"> Purchase of raw materials and consumables by ASTEEL Group 	When need arises	Koichiro Nakazawa ¹²	X	X	40,000,000	130,945	40,000,000	Not applicable
			Satoru Kojima ¹³	X	X				

Name of Mandated Related Parties	Nature of Transactions	Frequency of Transactions	Names of Interested Directors, Interested Major Shareholders of ASTEEL Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 29 April 2024		Estimated value from 26 June 2024 to the date of next AGM (RM)	Actual value transacted from 23 June 2023 to 31 March 2024 (the latest practicable date) (RM)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 28 April 2023 (RM)	Reason for deviation between (A) and (B) by ten percent (10%) or more				
				(A)	(B)								
				Director	Shareholder								
Ajiya Berhad Group*	<ul style="list-style-type: none"> Lease of factory buildings by ASTEEL Group^(b) Lease of equipment by ASTEEL Group Sale of Glass products to ASTEEL Group Sale of stock and building materials to ASTEEL Group Purchase of ASTEEL Group products from ASTEEL Group Sale of machinery and equipment to ASTEEL Group 	Monthly	Ng Wai Luen ¹⁵ Lau Mei Ho ¹⁶	X	X	300,000	171,000	300,000	Not applicable				
				X	X	2,000,000	0	2,000,000					
		When need arises				3,000,000	426,622	3,000,000					
						10,500,000	411,219	5,500,000					
						12,000,000	0	12,000,000					
						1,500,000	0	1,500,000					
Continental Strength Sdn Bhd ("CS")	<ul style="list-style-type: none"> Purchase of ASTEEL Group products from ASTEEL Group Sale of consumables, hardware and building materials to ASTEEL Group Provision of tolling services to ASTEEL Group Lease of factory space by ASTEEL Group^d 	Monthly	Datuk Seri Dr Hii Wi Sing ² Arthur Hii Lu Choon ³ Christopher Hii Lu Ming ⁵ Dato' Sri Victor Hii Lu Thian ⁴ Alexander Hii Lu Kwong ^{2b} Datuk Ir Michael Hii Ee Sing ⁶ Datin Seri Ting Chuo Kiew ^{2a}	√	√	500,000	28,229	500,000	Not applicable				
				√	√	3,000,000	665,247	3,000,000					
				√	√								
		When need arises				X	√	0 [^]		0	100,000		
				Monthly		X	√					25,000	66,000
						X	√						

[^]This RRPT was approved under preceding mandate but does not require the renewal of Shareholder Mandate at the forthcoming AGM as such transaction is not expected to recur in the future.

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Name of Mandated Related Parties	Nature of Transactions	Frequency of Transactions	Names of Interested Directors, Interested Major Shareholders of ASTEEL Group and Interested Persons Connected	Manner of relationship with the Mandated Related Parties as at 29 April 2024		Estimated value from 26 June 2024 to the date of next AGM (RM)	Actual value transacted from 23 June 2023 to 31 March 2024 (the latest practicable date) (RM) (A)	Estimated value as disclosed in the preceding year's Circular to Shareholders dated 28 April 2023 (RM) (B)	Reason for deviation between (A) and (B) by ten percent (10%) or more
				Director	Shareholder				
Yung Hup (M) Sdn Bhd	<ul style="list-style-type: none"> Sale of consumable to ASTEEL Group Purchase of ASTEEL Group products from ASTEEL Group 	Monthly	Datuk Seri Dr Hii Wi Sing ²	X	√	200,000	70,416	200,000	} Not applicable
		When need arises	Kapitan Dato' Hii Ting Sing ^{7b}	X	√	500,000	0	500,000	
			Hii Hua Sing ^{7c}	X	√				
			Hii Lu Deh ^{1b}	√	√				
			Kiew Siew Hoong ^{1e}	√	√				
Sinar Dahlia Timber Sdn Bhd	<ul style="list-style-type: none"> Sale of Timber products to ASTEEL Group Purchase of ASTEEL Group products from ASTEEL Group 	When need arises	Paul Wong Chiew Woen ¹⁷	X	√	500,000	0	500,000	} Not applicable
			Rose Wong Ngiik Hwa ¹⁸	√	√	500,000	1,506	500,000	
			Wong Toh Sing ^{17a}	√	√				
			Mary Jong Siew Fong ^{17b}	√	√				
			Irene Wong Poh Hwa ^{17c}	√	√				
Rich Baron Sdn Bhd	<ul style="list-style-type: none"> Purchase of ASTEEL Group products from ASTEEL Group Sub contract of construction work from ASTEEL Group 	When need arises	Dato' Sri Victor Hii Lu Thian ⁴	X	√	2,000,000	24,194	2,000,000	} Not applicable
			2,000,000	225,868	2,000,000				
Mt Sungai Sdn Bhd	<ul style="list-style-type: none"> Provision of endorsement services on construction drawings 	When need arises	Datuk Ir Michael Hii Ee Sing ⁶	√	√	100,000	21,650	100,000	Not applicable
Rong Mah Group**	<ul style="list-style-type: none"> Purchase of ASTEEL Group products from ASTEEL Group Sale of building materials to ASTEEL Group 	Monthly	Tay Hwee Peng ¹⁹	√	√	6,000,000	1,087,250	6,000,000	} Not applicable
		When need arises				1,000,000	0	1,000,000	
Vichii Sdn Bhd	<ul style="list-style-type: none"> Purchase of ASTEEL Group products from ASTEEL Group Sub contract of construction work from ASTEEL Group 	When need arises	Dato' Sri Victor Hii Lu Thian ⁴	√	√	2,000,000	0	2,000,000	} Not applicable
				1,500,000	0	1,500,000			

Notes: 1 - 19 - Please refer to point 3(d) outlined on pages 8 to 9 of this Circular

	Location	Size	Description	Monthly Rental (RM)
a.	Lot 1268, Block 8, Jalan Bako, Demak Laut Industrial Estate Phase IV, 93050 Kuching, Sarawak	3,840 m ²	Rental of factory building	19,000
b.	Lot 334, Block 17 Kuching Central Land District, Jalan Penrissen, 93250 Kuching, Sarawak	4,650 m ²	Rental of vacant land for research centre	500
c.	Lot 3097 of Parent Lot 2988, Block 12, Muara Tabuan Land District, Jalan Usaha Jaya, 93350 Kuching, Sarawak	226.7 m ²	3-storey shophouse for office and storage space	3,500

(c) The details of the existing RRPT where a sum is due and owing to the ASTEEL Group are outlined as follows:

Name of Related Parties	The total outstanding amount due as at 31 March 2024 which exceeded the credit term for the following periods								Late payment charges imposed (Yes/No)	Reason for no late payment charges imposed	Course of actions taken or to be taken to recover the outstanding amount due	Board's opinion on the outstanding amount long overdue including comments on its recoverability
	A period of one (1) year or less (RM)		A period of more than one (1) to three (3) years (RM)		A period of more than three (3) to five (5) years (RM)		A period of more than five (5) years (RM)					
	Principal sum ("PS") (RM)	Interest (RM)	PS (RM)	Interest (RM)	PS (RM)	Interest (RM)	PS (RM)	Interest (RM)				
Chung Huat Industries Sdn Bhd	829,913	188,149	-	119,502	-	-	-	-	Yes	N/A	Follow up closely on the repayment schedule	It is the normal practice of these customers to pay within 90 days to 120 days with overdue interest imposed at 1.5% per month from due date until payment date
Milicorp Sdn Bhd	710,433	77,162	-	-	-	-	-	-	Yes	N/A		

N/A- Not Applicable

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3. (d) The Related Parties

Name of Director and Major Shareholder of ASTEEL Group	Persons/Companies connected	Relationship
1 Dato' Hii Ngo Sing – Major Shareholder of ASTEEL	1a Francis Hii Lu Sheng; 1b Hii Lu Deh; and 1c Louis Hii Lu Yik 1d Lau Ka Hoo 1e Kiew Siew Hoong	} Sons Son-in-law Daughter-in-law
2 Datuk Seri Dr Hii Wi Sing - Director of ARSB, ASB, ASSB, ASWK and ASGI	2a Datin Seri Ting Chuo Kiew 2b Alexander Hii Lu Kwong	Wife Son
3 Arthur Hii Lu Choon - Director of ASB	} Datuk Seri Dr Hii Wi Sing	} Father
4 Dato' Sri Victor Hii Lu Thian - Director of ASTEEL, ARSB, ASB, ASSB, ADSB, ASWK, ASYN, AWSB, AASB, ATID, ASGI, ASNZ, ASCF, ADMC, SSH, SSM, SSGT, SSP, SSI, SSR and ASTAR		
5 Christopher Hii Lu Ming – Director of ASTEEL and ASNZ		
6 Datuk Ir Michael Hii Ee Sing - Director of ARSB, ASB, ASSB, ASWK and ASYN	Nil	Nil
7 Dato' Hii Ngo Sing, Datuk Seri Dr Hii Wi Sing and Datuk Ir Michael Hii Ee Sing (hereinafter known as the 'Hii siblings')	7a Rose Hii Ik Ming @ Hu Ik Ming; 7b Kapitan Dato' Hii Ting Sing; 7c Hii Hua Sing; 7d Mary Rose Hii En Nee; and 7e Tan Li Meng	} Siblings Sister-in-law
8 Yung Kong Co Bhd - Major Shareholder of ASTEEL	8a Henry Hii Lu Yiin; and • Yung Kong Metal Works Co Bhd; Yung Kong Versatile Fence Sdn Bhd; YMC Mesh Sdn Bhd; Yung Kong Wire Industries Sdn Bhd; Asia Wire Steel Marketing Sdn Bhd; Trans Paint Marketing Sdn Bhd; and Yung Kong Credit Corporation Bhd.	} These companies are controlled by the Hii siblings above, by virtue of their families' substantial interests in these companies
9 Body corporate connected with Dato' Hii Ngo Sing, Datuk Seri Dr Hii Wi Sing, Datuk Ir Michael Hii Ee Sing, Arthur Hii Lu Choon, Dato' Sri Victor Hii Lu Thian and Christopher Hii Lu Ming	9a Hii Brothers Enterprises Sdn Bhd;	
10 Body corporate connected with Datuk Seri Dr Hii Wi Sing	10a Peavac Corporation Sdn Bhd; and • Yung Hup (M) Sdn. Bhd; Yunco Enterprise Sdn Bhd; Yunco Building Systems Sdn Bhd; Yunco Integrated Sdn Bhd; Chuanmeng Design & Decor Sdn Bhd; Chung Huat Industries Sdn Bhd; Milicorp Sdn Bhd; and Golden Shogun Sdn Bhd.	} These companies are controlled by Datuk Seri Dr Hii Wi Sing and his family by virtue of their substantial interests in these companies
11 Marubeni-Itochu Steel Inc (“MISI”) - Major Shareholder of ASTEEL	11a Marubeni Corporation • Marubeni-Itochu Steel (M) Sdn Bhd	Major Shareholder of MISI Related company of MISI

Name of Director and Major Shareholder of ASTEEL Group	Persons/Companies connected	Relationship
12 Koichiro Nakazawa – Director of ASTEEL and acting as nominee of MISI	Nil	Nil
13 Satoru Kojima – Director of ASTEEL and acting as nominee of MISI (Alternate Director to Koichiro Nakazawa)	Nil	Nil
14 Ajiya Berhad - Major Shareholder of AASB	Nil	Nil
15 Ng Wai Luen – Director of AASB and acting as nominee of Ajiya Berhad, a Major Shareholder of AASB	Nil	Nil
16 Lau Mei Ho - Director of AASB and acting as nominee of Ajiya Berhad, a Major Shareholder of AASB	Nil	Nil
17 Paul Wong Chiew Woen – Director and Major Shareholder of ASGI	17a Wong Toh Sing 17b Mary Jong Siew Fong 17c Irene Wong Poh Hwa	} Parents } Sibling
18 Rose Wong Ngiik Hwa - Director and Major Shareholder of ASGI		
19 Tay Hwee Peng - Major Shareholder of ASTAR	Nil	Nil

Notes:

- # Yung Kong Co Bhd Group includes (a) Yung Kong Co Bhd, its subsidiaries and associates, namely, (b) Yung Kong Metal Works Co Bhd; (c) Yung Kong Versatile Fence Sdn Bhd; (d) YMC Mesh Sdn Bhd; (e) Yung Kong Wire Industries Sdn Bhd; (f) Asia Wire Steel Marketing Sdn Bhd (“AWS”); (g) Trans Paint Marketing Sdn Bhd; and (h) Yung Kong Credit Corporation Bhd.
- ## Yunco Enterprise Group includes (a) Yunco Enterprise Sdn Bhd (“YE”), its subsidiaries and associates, namely, (b) Yunco Building Systems Sdn Bhd (“YBS”); (c) Yunco Integrated Sdn Bhd (“YIS”); (d) Chuanmeng Design & Decor Sdn Bhd (“CDD”); (e) Chung Huat Industries Sdn Bhd; (f) Milicorp Sdn Bhd; and (g) Golden Shogun Sdn Bhd.
- ### Marubeni-Itochu Steel Group includes (a) Marubeni-Itochu Steel Inc (“MISI”), and its subsidiary, namely, (b) Marubeni-Itochu Steel (M) Sdn Bhd.
- * Ajiya Berhad Group includes its subsidiaries, namely, (a) Ajiya Safety Glass Sdn Bhd, (b) ARI Utara Sdn Bhd; and (c) Asia Roofing Industries Sdn Bhd.
- ** Rong Mah Group includes (a) Rong Mah Builders Sdn Bhd, and its subsidiary, namely, (b) Rong Mah (J) Sdn Bhd.

(e) Review methods or procedures for RRPT

The Board has in place an internal control system, which includes review procedures and guidelines to ensure that transactions with Mandated Related Parties are undertaken on normal commercial terms not prejudicial to the interests of the minority shareholders. These procedures are in place to ensure that each major Mandated Related Party transaction is approved and reviewed by the Directors or authorised personnel, based on the prices and terms not more favourable to the Mandated Related Parties than those generally available to the public, on arms length basis and are not detrimental to the interest of the minority shareholders, giving due consideration to all circumstances of each transaction.

These procedures include the following:

- (i) Market surveys will be undertaken to gather information to compare the prices, fees or charges quoted by third parties and Mandated Related Parties for the purpose of determining the competitive market price, fee or charges of materials, goods and services. It is a policy of ASTEEL to purchase materials, goods or services from related parties when the prices, fees or charges are competitive with prices, fees or charges obtained from third parties. Other factors such as availability of raw material or resources, reliability of supply, delivery, services and quality of material or goods will also be taken into consideration for evaluation purposes.
- (ii) The terms and conditions on purchases and sales are determined by market force, under similar commercial terms for transaction with third parties which depend on the demand and supply of the products and subject to the availability of the products in the market.
- (iii) Market value will be used to determine the rental sum in respect of renting of premises.
- (iv) All RRPTs are reviewed by the Audit and Risk Committee of the Company periodically.
- (v) The cost plus method will be used where appropriate in the determination of fair price or contract rates. This method determines the arms length price or rate by adding an appropriate handling charges.
- (vi) A list of the related parties mandated pursuant to the Shareholder Mandate will be circulated within the Group with notification that all RRPTs are required to be undertaken on arms length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.
- (vii) Records are maintained by our Company on all RRPTs which are entered into pursuant to the Shareholder Mandate.
- (viii) On a periodic basis, the procedures and guidelines pertaining to Mandated Related Party transactions will be reviewed by senior management of ASTEEL and the Audit and Risk Committee to ensure that the prices and terms of the transactions are not more favourable to the Mandated Related Parties than those generally available to the public, and are not detrimental to the interest of the minority shareholders.
- (ix) The annual internal audit plan shall incorporate a review of all related party transactions to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Should any discrepancies arise relating to the procedures and guidelines, proper steps would be taken to rectify them accordingly.
- (x) The Audit and Risk Committee shall, amongst others, review these internal audit plan and reports on RRPT and any conflict of interest situation that may arise within ASTEEL and the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- (xi) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the prices and terms offered by the Mandated Related Parties are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms and that the RRPT is not detrimental to the Company or the Group.

(f) Threshold of Authority

There are no specific thresholds for approval of RRPTs within the ASTEEL Group. However, all RRPTs are reviewed by the RRPT Committee and are subject to the approval of the senior management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary. Where any Director has an interest (direct or indirect) in any RRPT, such Director shall abstain from deliberation and decision making.

(g) Statement by Audit and Risk Committee

The Audit and Risk Committee comprises the following independent directors:

Name of Members		Designation
(i)	Mr Fong Yoo Kaw @ Fong Yee Kow	Chairman
(ii)	Mr Liew Jee Min @ Chong Jee Min	Member
(iii)	Ms Yan Ying Chieh	Member
(iv)	YBhg. Datin Josephine Anak Hilary Dom @ Josephine John	Member

The Audit and Risk Committee of ASTEEL has seen and reviewed the methods and/or procedures stated in point 3(e) on pages 9 to 10 of this Circular and was of the view that:

- (i) the existing procedures, processes and guidelines are adequate and sufficient to monitor, track and identify RRPT in a timely and orderly manner.; and
- (ii) the method and/or procedures as stated in point 3(e) on pages 9 to 10 of this Circular are sufficient to ensure that the RRPT are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit and Risk Committee will review these processes, procedures and guidelines annually or as and when needs arise to ensure all RRPT will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders and on terms not more favourable to the related party than those generally available to the public and are not detrimental to the interest of the minority shareholders.

4. EFFECTS OF THE PROPOSED SHAREHOLDER MANDATE

The Proposed Shareholder Mandate will not have any effect on the net assets per share, earnings per share, gearing of the Group, and share capital and substantial shareholders' shareholdings of ASTEEL.

5. RATIONALE AND BENEFIT OF THE PROPOSED SHAREHOLDER MANDATE

The rationale for ASTEEL and its subsidiaries to enter into RRPT is to take advantage of efficiencies in business dealings, in particular competitive prices, shorter delivery time and reliability in source of materials, goods and services. These Mandated Related Parties have long-standing business relationships with ASTEEL Group and the quality of the materials, goods, products and services have proven to meet the stringent requirements imposed by ASTEEL Group. The benefits derived from RRPT pertaining to rental of premises would be the attractive location and reasonable rates of rental charged by the Mandated Related Parties, which are not more unfavourable than the market rates.

The RRPT entered and to be entered into by ASTEEL and the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case by case basis before entering into such RRPT described herein to allow ASTEEL Group to enter into such transactions which are recurrent, made on an arms length basis and on normal commercial terms not prejudicial to the interest of the shareholders and not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

The RRPT are intended to meet the business needs of ASTEEL Group at the best possible terms. By transacting with the Mandated Related Parties, ASTEEL Group would have an advantage of familiarity with the background, financial well-being and management of the Mandated Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Mandated Related Parties, ASTEEL Group and the Mandated Related Parties have a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPT.

By obtaining the Shareholder Mandate, and the renewal of the same on an annual basis, the need to convene separate general meetings from time to time to seek shareholders' approval for the entry by ASTEEL Group into such RRPT will be eliminated. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of such general meetings without compromising the corporate objectives of ASTEEL Group or adversely affecting the business opportunities available to ASTEEL Group.

These would ultimately benefit the Group and the shareholders by enhancing profitability and returns on shareholders' funds.

6. CONDITIONS OF THE PROPOSED SHAREHOLDER MANDATE

The Proposed Shareholder Mandate is conditional upon approval being obtained from the shareholders of ASTEEL at the forthcoming AGM.

The Shareholder Mandate is subject to annual renewal and will continue to be in force until:

- (i) the conclusion of the next AGM of ASTEEL, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act]; or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

A disclosure of a breakdown of the aggregate value of the RRPT conducted pursuant to the Shareholder Mandate during the financial year shall be made in the annual report where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements, amongst others, based on the following information:

- the type of the RRPT made; and
- the names of the related parties involved in each type of the RRPT made and their relationship with ASTEEL.

In addition, ASTEEL is required to immediately announce to Bursa Securities when the actual value of a RRPT entered into by the Group exceeds the estimated value of the RRPT as stated in point 3(b) of this Circular by ten percent (10%) or more.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The interested Directors, namely Dato' Sri Victor Hii Lu Thian, Christopher Hii Lu Ming, Koichiro Nakazawa and Satoru Kojima have abstained, and will continue to abstain from all Board deliberations and voting in the Board resolutions pertaining to the Proposed Shareholder Mandate.

These interested Directors, as named in immediate paragraph above, and the interested director of subsidiaries, namely Datuk Seri Dr Hii Wi Sing, Datuk Ir Michael Hii Ee Sing and Arthur Hii Lu Choon together with the interested Major Shareholders namely, Yung Kong Co Bhd and Marubeni-Itochu Steel Inc., Dato' Hii Ngo Sing, Francis Hii Lu Sheng and Alexander Hii Lu Kwong, will abstain from voting on the resolution, in respect of their direct and indirect shareholdings, on the resolution deliberating and approving the Proposed Shareholder Mandate at the AGM. They have undertaken to ensure that their Persons Connected will also abstain from voting, in respect of their direct and indirect shareholdings, on the resolution deliberating and approving the Proposed Shareholder Mandate at the AGM.

Based on the Record of Depositors as at 29 March 2024, the direct and indirect interests of the interested Directors, interested Major Shareholders and Persons Connected with them in the Company are outlined below:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Directors of ASTEEL:				
Dato' Sri Victor Hii Lu Thian - <i>Director of ASTEEL, ARSB, ASB, ASSB, ADSB, ASWK, AWSB, AASB, ASYN, ATID, ASGI, ASNZ, ASCF, ADMC, SSH, SSM, SSGT, SSP, SSI, SSR, ASTAR and PC</i>	13,495,771	2.783	91,986,967 ⁽¹⁾	18.971
Christopher Hii Lu Ming - <i>Director of ASTEEL, YE, CDD and CS</i>	4,283,546	0.883	91,986,967 ⁽¹⁾	18.971
Koichiro Nakazawa - <i>Director of ASTEEL and acting as nominee of MISI</i>	-	-	-	-
Satoru Kojima - <i>Alternate Director to Koichiro Nakazawa and acting as nominee of MISI</i>	-	-	-	-
Interested Director of subsidiaries:				
Datuk Seri Dr Hii Wi Sing - <i>Director of ARSB, ASB, ASSB, ASWK, ASGI, YE, YBS, YIS, YSS, CDD, PC and CS</i>	31,500,342	6.497	56,576,766 ⁽²⁾	11.668
Datuk Ir Michael Hii Ee Sing - <i>Director of ARSB, ASB, ASSB, ASWK, ASYN, ASGI, YSS, YE, CDD, YIS, YBS, MS and MH.</i>	3,118,587	0.643	63,505,371 ⁽³⁾	13.097
Arthur Hii Lu Choon - <i>Director of ASB, CS and PC.</i>	3,853,036	0.795	56,576,766 ⁽²⁾	11.668
Henry Hii Lu Yiin - <i>Director of ASTP.</i>	79,200	0.016	-	-
Ng Wai Luen - <i>Director of AASB</i>	-	-	-	-
Lau Mei Ho - <i>Director of AASB</i>	-	-	-	-
Interested Major Shareholders of ASTEEL:				
Yung Kong Co Bhd	51,019,800	10.522	-	-
Marubeni-Itochu Steel Inc	80,655,361	16.634	-	-
Dato' Hii Ngo Sing	5,540,000	1.143	55,560,766 ⁽⁴⁾	11.459
Datuk Seri Dr Hii Wi Sing	31,500,342	6.497	56,576,766 ⁽²⁾	11.668
Datuk Ir Michael Hii Ee Sing	3,118,587	0.643	63,505,371 ⁽³⁾	13.097
Arthur Hii Lu Choon	3,853,036	0.795	56,576,766 ⁽²⁾	11.668
Dato' Sri Victor Hii Lu Thian	13,495,771	2.783	56,576,766 ⁽²⁾	11.668
Alexander Hii Lu Kwong	5,123,036	1.057	56,576,766 ⁽²⁾	11.668
Christopher Hii Lu Ming	4,283,546	0.883	56,576,766 ⁽²⁾	11.668
Francis Hii Lu Sheng	-	-	55,560,766 ⁽⁴⁾	11.459

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Persons Connected:				
Datin Wong Kiew Ing – wife of Dato' Hii Ngo Sing	-	-	-	-
Esther Tiong Yeng Fong – wife of Francis Hii Lu Sheng	440	0.00 ⁺	-	-
Hii Lu Deh* - son of Dato' Hii Ngo Sing	100,000	0.021	-	-
Kiew Siew Hoong*	100,000	0.021	-	-
Louis Hii Lu Yik* - son of Dato' Hii Ngo Sing	1,730,000	0.357	-	-
Ho Ling*	-	-	-	-
Annie Hii Lu Ching – daughter of Dato' Hii Ngo Sing	-	-	-	-
Lau Ka Hoo*	-	-	-	-
Chai Shong Fatt – son-in-law of Dato' Hii Ngo Sing	30,797	0.006	-	-
Hii Lu Ping – daughter of Dato' Hii Ngo Sing	-	-	-	-
Datin Seri Ting Chuo Kiew*	3,909,859	0.806	-	-
Datin Sri Jong Siew Ngiun - wife of Dato' Sri Victor Hii Lu Thian	-	-	-	-
Tan Yen Hui – wife of Arthur Hii Lu Choon	30,140	0.006	-	-
Lau Bee Tin – wife of Alexander Hii Lu Kwong	16,500	0.003	-	-
Lee Shuh Chuen – wife of Christopher Hii Lu Ming	-	-	-	-
John Hii King Sing*	-	-	-	-
Kapitan Dato' Hii Ting Sing*	674,292	0.139	-	-
Datin Chiong Hie Ming – wife of Kapitan Dato' Hii Ting Sing	344,800	0.071	-	-
Hii Hua Sing*	1,393,376	0.287	-	-
Tan Li Meng*	394,296	0.081	-	-
Rose Hii Ik Ming @ Hu Ik Ming*	6,640,205	1.369	-	-
Mary Rose Hii En Nee*	843,500	0.174	-	-
Dr Anna Hii Ik Nang*	336,191	0.069	-	-
Kenny Cheah Foong Por	60,000	0.012	-	-
Monica Pauline Hii Ee King – sister of Hii siblings	511,000	0.105	-	-
Lawrence Ho Teck Khim – brother-in-law of Hii siblings	-	-	-	-
Hii Brothers Enterprises Sdn Bhd*	-	-	-	-
Yung Venture Sdn Bhd	2,210,920	0.456	-	-
Yung Lieng Sdn Bhd [#]	2,000,050	0.412	-	-
Mt Sungai Sdn Bhd [^]	6,800,005	1.402	-	-
Meshes Holding Sdn Bhd [^]	855,000	0.176	-	-
Kwong Yung Co Pte Ltd ⁽⁵⁾	303,596	0.063	-	-
Yung Hup (M) Sdn Bhd ^{**}	26,400	0.005	-	-
Yung Kong Credit Corporation Bhd*	-	-	-	-
Yunco Enterprise Sdn Bhd*	316,000	0.065	-	-
Peavac Corporation Sdn Bhd*	700,000	0.144	-	-
Asia Wire Steel Mesh Manufacturers Sdn Bhd*	-	-	-	-
Marubeni Corporation*	-	-	-	-
Wong Toh Sing*	6,110,400	1.260	-	-
Mary Jong Siew Fong*	338,000	0.070	-	-
Paul Wong Chiew Woen*	190,300	0.039	-	-
Rose Wong Ngik Hwa*	1,683,600	0.347	-	-
Irene Wong Poh Hwa*	-	-	-	-
Tay Hwee Peng*	-	-	-	-

(1) Deemed interested by virtue of their substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd, Yunco Enterprise Sdn Bhd, Yung Hup (M) Sdn Bhd, Kwong Yung Co Pte Ltd and in the interest of their parents in the Company.

(2) Deemed interested by virtue of their substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd, Yunco Enterprise Sdn Bhd, Yung Hup (M) Sdn Bhd and Kwong Yung Co Pte Ltd.

(3) Deemed interested by virtue of his substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd, Yunco Enterprise Sdn Bhd, Mt Sungai Sdn Bhd, Meshes Holding Sdn Bhd and Kwong Yung Co Pte Ltd.

(4) Deemed interested by virtue of their substantial interests in Yung Kong Co Bhd, Yung Venture Sdn Bhd, Yung Lieng Sdn Bhd, Yung Hup (M) Sdn Bhd and Kwong Yung Co Pte Ltd.

(5) Shares held through UOB Kay Hian Pte Ltd. in UOB Kay Hian Nominees (Tempatan) Sdn Bhd

* Please refer to table shown in point 3(d) on pages 8 to 9 of this Circular for their relationships.

** Body corporate connected with Dato' Hii Ngo Sing, Datuk Seri Dr Hii Wi Sing, Kapitan Dato' Hii Ting Sing, Hii Hua Sing and Hii Lu Deh

[^] Body corporate connected with Datuk Ir Michael Hii Ee Sing and his spouse

[#] Body corporate connected with Hii siblings

⁺ Less than 0.01%

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected with them have any interest, direct or indirect, in the Proposed Shareholder Mandate.

8. RECOMMENDATION BY DIRECTORS

The Board, save for Dato' Sri Victor Hii Lu Thian, Christopher Hii Lu Ming, Koichiro Nakazawa and Satoru Kojima being interested Directors, having considered all aspects of the Proposed Shareholder Mandate, is of the opinion that the Proposed Shareholder Mandate is in the best interests of the Company.

Our Directors namely Tan Sri Dato' Soh Thian Lai, Fong Yoo Kaw @ Fong Yee Kow, Liew Jee Min @ Chong Jee Min, Yan Ying Chieh, Datin Josephine Anak Hilary Dom @ Josephine John, Wong Siew Si and Khor Hun Nee (being other than the named Directors who are interested in the Proposed Shareholder Mandate as stated above) recommend that shareholders vote in favour of the ordinary resolution at the AGM.

9. ANNUAL GENERAL MEETING

The AGM will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 26 June 2024 at 2:00 pm, and at any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the Proposed Shareholder Mandate, details as set out in the notice of AGM dated 29 April 2024.

If a shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via TIIH Online website at <https://tiih.online> not later than 2:00 pm on Monday, 24 June 2024.

The completion and return of the Form of Proxy by a shareholder will not prevent him from attending and voting at the AGM in person, if he so wishes.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix A for further information.

Yours faithfully

FOR AND ON BEHALF OF THE BOARD

FONG YOO KAW @ FONG YEE KOW

Senior Independent Director

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FURTHER INFORMATION**1. Responsibility Statement**

This Circular has been seen and approved by the Directors of ASTEEL and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. Material Contracts

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by ASTEEL Group within two (2) years immediately preceding the date of this Circular:

- (i) On 18 April 2024, ASTEEL Resources Sdn Bhd, a 80.36% owned subsidiary of ASTEEL, entered into a Shareholders' Agreement with Top-Mech Provincial Sdn Bhd, for the purpose of forming a joint venture company to be named as ASTEEL Top-Mech Sdn Bhd ("Proposed JV").

As at the date of this Circular, the Proposed JV is still ongoing and there was no further development since 18 April 2024.

Please refer to the announcement made on 18 April 2024 for details of the Proposed JV.

3. Material Litigation

As at the date of this Circular, being the latest practicable date, ASTEEL Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against ASTEEL Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of ASTEEL Group.

4. Documents for Inspection

Copies of the following documents are available for inspection at the registered office of the Company at Lot 712 Block 7, Demak Laut Industrial Park, 93050 Kuching, Sarawak, Malaysia following the publication of this Circular from Mondays to Fridays (except public holidays) during business hours up to and including the date of the AGM:

- (i) the Constitution of ASTEEL;
- (ii) the Audited Financial Statements of ASTEEL and Group for the two (2) financial years ended 31 December 2022 and 31 December 2023;
- (iii) the unaudited results of ASTEEL Group for the quarter ended 31 March 2024; and
- (iv) the material contract as mentioned in Section 2 above.

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