

13 June 2022

Steppe Cement Ltd

Dividend Proposal and Nomination of Director

The Board of Steppe Cement Ltd (Steppe Cement or Company) wish to draw the attention of shareholders to the following matters:

Dividend proposal

The Board wishes to recommend the distribution of a 5p dividend in respect of 2021. However new regulations in Malaysia have created uncertainty about the tax treatment of foreign sourced dividend income for Malaysian corporates - meaning that income to Steppe Cement Sdn Bhd may be subject to a 24% withholding tax. Therefore before declaring the dividend, the Board is waiting for clarification regarding the exemption to this tax. It is the understanding of the Board that confirmation from the Malaysian authorities will be forthcoming shortly. The Kazakh subsidiaries already pay 20% profit tax in Kazakhstan.

If the tax issue cannot be resolved without payment of the 24% rate, the Board will evaluate other means of returning capital to shareholders.

Proposal by Substantial Shareholder on Nomination of Director

The Board has received notification from Wan Azmi Wan Hamzah, the Company's largest shareholder (representing more than 30% of the shares of the Company) to propose his son, Wan Affan Wan Azmi, be appointed to the Board to represent his family interest in the Company.

The Board has agreed to put the corresponding item in the agenda of the Annual General Meeting (AGM) of shareholders. The profile of Wan Affan Wan Azmi is appended below for shareholders information.

Wan Affan Wan Azmi will be deemed to be a Non-Independent Non-Executive Director due to his family relationship and indirect interests in Steppe Cement.

In case the resolution is approved at the AGM, the number of Independent Directors in the Company will be 50%, 2 out of 4. The Non-Executive Chairman will retain a casting vote in case of a tie in the board decisions.

Javier del Ser
On behalf of Board of Directors

Wan Affan Wan Azmi

Wan Affan Wan Azmi, 35, is currently the Chief Operating Officer (COO), Rohas-Euco Industries Berhad. He joined Rohas-Euco Industries Berhad in 2013 as a Business Executive, initially in Marketing and later directly involved in IT, Media and Communications. In 2019, he was assigned as Assistant to the COO, then promoted to Deputy COO in January 2020 and subsequently as COO in October 2020. He is currently running the day-to-day operations at both headquarters in Kuala Lumpur as well as the manufacturing facilities in Bentong, Pahang in Malaysia

Wan Affan Wan Azmi is the son of Steppe Cement Ltd's (Steppe Cement or Company) largest shareholder, Wan Azmi Wan Hamzah, who currently holds 31% interest in Steppe Cement via Halfmoon Bay Capital Limited, Mango Bay Enterprises Inc. and Alwaha Fund Limited.

Wan Affan Wan Azmi has under 20% direct beneficial interests in each of the above entities that holds shares in the Company. He currently holds or has held the following directorship or partnership in the last five years:

Current Directorship

None

Past Directorship

None

Wan Affan Wan Azmi has not been involved with any unspent convictions in relation to indictable offences, bankruptcy, creditors voluntary arrangements, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, public criticisms or other matters which require disclosure pursuant to Schedule 2(g) of the AIM rules.

There are no other matters in relation to Wan Affan Wan Azmi that is required to be disclosed pursuant to Schedule 2(g) of the AIM Rules for Companies.