

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)

(Incorporated in Malaysia)

Extract of the Minutes of the 90th Annual General Meeting of the Company (“90th AGM”) held fully virtual at the Broadcast Venue, Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan on 25 November 2020 at 2.00 pm.

1. OPENING

At the outset, the Chairman informed that in view of the COVID-19 pandemic and as part of the Company’s safety measures, the 90th AGM was held via live streaming webcast with online remote voting. Attendees were allowed to vote remotely with the Online Voting facility within the Securities Services e-Portal at the start of the Meeting.

2. PROCEEDINGS OF MEETING

Before proceeding with the items on the Agenda, the Chairman informed Members that in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Constitution of the Company, resolutions set out in the notice of any general meeting were to be voted upon by way of a poll. As such, all 8 resolutions tabled at the 90th AGM would be voted upon by way of a poll on the completion of all the business of the Meeting.

The Chairman explained that the Question and Answer session where questions submitted by Shareholders would be addressed would be held after going through all the agenda item.

The Chairman further informed that the Company had appointed SS E Solutions Sdn Bhd as the Poll Administrator to conduct the online remote voting and polling process whilst Commercial Quest Sdn Bhd was appointed the Independent Scrutineers to verify the results of the poll.

The step-by-step guide on the on-line voting system within the e-Portal was presented to the attendees.

3. AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 30 June 2020 and the Reports of the Directors and Auditors thereon (“2020 AFS”) had been uploaded to the website of the Company on 27 October 2020.

The Chairman further explained that in accordance with the provisions of the Companies Act 2016, the 2020 AFS did not require Shareholders’ approval and therefore, would not be put to vote.

The Chairman then invited the Chief Accountant to share some information on the businesses of the Group and account related questions received in advance from Shareholders together with the Management’s response thereto.

After the Chief Accountant presented the businesses of the Group and addressed questions in relation to the 2020 AFS which involved explanation on items in the Statements of Profit and Loss and other Notes to the Financial Statements, the Chairman declared the 2020 AFS duly received.

4. QUESTION AND ANSWER SESSION

The Chairman informed that the Company would address other questions received in advance from the Shareholders as well as those posted at the Meeting via real time submission.

The comments and enquiries on the operations of the Group's business including the industry in which the steel products of the Group were being used and the following areas of observations were submitted by the attendees via real time submission ("Attendees' Questions"):

- (i) The Company's recent major acquisition or disposal including plans to acquire strategic land bank in view of the current depressed market;
- (ii) Prospects of the Group;
- (iii) Outlook for the steel industry in Malaysia and regionally; and
- (iv) The Group's transformation plan.

Y. Bhg. Tan Sri Cheng Yong Kim, the Managing Director addressed the enquiries on the operations of the Group's business. In addition, Y. Bhg. Tan Sri Cheng and Management also addressed the Attendees' Questions as follows:

- (i) The Group had since the last annual general meeting announced the following:
 - a) Completion of the acquisition of the flat steel assets in July 2020 for the production of flat steel products which was targeted to commence production by the second quarter of 2021.
 - b) Proposed disposal of Antara Steel Mills Sdn Bhd, which operates the hot briquetted iron plant in Labuan ("Proposed Disposal of Antara"), the detailed of which would be explained in the Circular to Shareholders which was targeted to be issued in January 2021.
- (ii) The Company was cautious in acquiring land bank and would only acquire to fulfil identified corporate objectives. The Company currently had sufficient industrial land to house its proposed expansion in flat steel production.
- (iii) On the Group's prospects, overall performance of the steel division of the Group would largely depend on the global market performance post pandemic, and the Government's trade measure to protect the industry. It was hopeful that the Government increased its public expenditure allocation to spur the economy to create the multiplying effects on more industries.
- (iv) The transformation plan of the Group had begun with the acquisition of the flat steel assets and the Proposed Disposal of Antara, the proceeds for which would be used to pay for the flat steel assets and to finance the working capital of the steel operations.

The Board also shared its views on the outlook for the steel industry in Malaysia and regionally and opined that the local steel industry outlook would depend on the Government's support for the industry to generate stronger steel demand as the local steel consumption was low compared with those of Taiwan or Japan.

5. DECLARATION OF POLL RESULTS

The poll results in respect of the 8 ordinary resolutions were as follows:

Resolution	Vote in favour		Vote Against	
	No. of Shares	%	No. of Shares	%
Resolution 1 To approve Directors' fees	314,372,281	99.9522	150,443	0.0478
Resolution 2 To approve Directors' benefits	314,364,402	99.9497	158,222	0.0503
Resolution 3 To re-elect Y. Bhg. Dato' Kamaruddin @ Abas bin Nordin as Director	314,419,601	99.9678	101,123	0.0322
Resolution 4 To re-elect Ms Cheng Hui Ya, Serena as Director	314,421,202	99.9679	101,022	0.0321
Resolution 5 To re-appoint Messrs Deloitte PLT as Auditors	314,422,399	99.9683	99,825	0.0317
Resolution 6 Authority to Directors to Issue Shares	314,404,439	99.9673	102,785	0.0327
Resolution 7 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions	4,348,292	97.7280	101,088	2.2720
Resolution 8 Proposed Authority for Share Buy-Back	314,469,382	99.9828	54,042	0.0172

The Chairman declared the following 8 ordinary resolutions duly carried:

- (a) Resolution 1 - THAT the Directors' fees amounting to RM325,000 in respect of the financial year ended 30 June 2020 be approved for payment to the Directors.
- (b) Resolution 2 - THAT the Directors' benefits of up to RM107,000 for the period commencing after the 90th AGM until the next annual general meeting of the Company be approved for payment to the Directors.
- (c) Resolution 3 - THAT Y. Bhg. Dato' Kamaruddin @ Abas bin Nordin who retired by rotation in accordance with Clause 110 of the Company's Constitution be re-elected to the Board.
- (d) Resolution 4 - THAT Ms Cheng Hui Ya, Serena who retired by rotation in accordance with Clause 110 of the Company's Constitution be re-elected to the Board.
- (e) Resolution 5 - THAT the retiring Auditors, Messrs Deloitte PLT, be re-appointed Auditors of the Company to hold office until the conclusion of the next annual general meeting and that the Directors be authorised to fix their remuneration.
- (f) Resolution 6 - Authority to Directors to Issue Shares

THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of all relevant authorities being obtained, the Directors be and are hereby empowered to 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 issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.

- (g) Resolution 7 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

THAT approval be and is hereby given for the renewal of the mandate granted by the Shareholders of the Company on 28 November 2019, for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations as detailed in paragraph 3.3 and with those related parties as set out in paragraph 3.2 of Part A of the Circular to Shareholders of the Company dated 27 October 2020 ("Related Parties") which has been despatched to the Shareholders of the Company, provided that such transactions are undertaken in the ordinary course of business and are on normal commercial terms which are consistent with the Group's usual business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

THAT authority conferred by this ordinary resolution will only continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company 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 annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the Shareholders of the Company in general meeting,

whichever is the earlier; and

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this ordinary resolution which shall include, without limitation, taking any action which the Directors may, in their absolute discretion deem fit, to recover any sums due to the Company under the said transactions or to settle the same.

(h) Resolution 8 - Proposed Authority for Share Buy-Back

THAT, subject to the Companies Act 2016, the provisions of the Constitution of the Company, the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and the approvals of all relevant authorities, the Company be and is hereby authorised to buy back such number of ordinary shares in the Company (“Shares”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of shares bought back and/or held by the Company does not exceed 10% of the total number of issued shares of the Company at any point of time provided always that in the event the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellations, re-sales, transfers and/or distributions of any of these shares so purchased, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company; and
- (ii) the maximum funds to be allocated for the share buy-back shall not exceed the retained profits of the Company, based on its latest audited financial statements available up to the date of the share buy-back transaction

(hereinafter referred to as the “Proposed Share Buy-Back”); and

THAT authority conferred by this ordinary resolution shall commence immediately upon the passing of this resolution and will only continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first; and

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to cancel the Shares so purchased by the Company, to retain the Shares so purchased as treasury shares, or to retain part of such Shares so purchased as treasury shares and cancel the remainder, and to distribute the treasury shares as share dividends and/or resell the treasury shares on the market of Bursa Securities or such other manner as allowed under the Companies Act 2016;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things and to execute all necessary documents, to give full effect to the Proposed Share Buy-Back with full power to assent to or make any modifications, variations and/or amendments as may be required by the relevant authorities or as may be deemed necessary by the Directors and to take all steps and actions as may be required by the relevant authorities and as the Directors may deem necessary and expedient to finalise, implement and give full effect to the Proposed Share Buy-Back.