

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)

(Incorporated in Malaysia)

Minutes of the 91st Annual General Meeting of the Company (“91st AGM”) held virtually through Securities Services e-Portal at <https://sshsb.net.my/> from the Broadcast Venue, Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan on 26 May 2022 at 10.00 am.

PRESENT

- BOARD OF DIRECTORS** : Y. M. Datuk Seri Utama Raja Nong Chik bin Dato’ Raja Zainal Abidin (Chairman)
Y. Bhg. Tan Sri Cheng Yong Kim (Managing Director)
Y. Bhg. Dato’ Nik Rahmat bin Nik Taib
Ms Yap Soo Har
Ms Cheng Hui Ya, Serena
- MEMBERS, CORPORATE REPRESENTATIVES AND PROXIES** : As per Attendees Record
- INVITEES** : Representatives of Messrs Deloitte PLT, the External Auditors:
Datuk Peter Lim Chu Guan
Ms Winny Arini
- IN ATTENDANCE** : Ms Kong Siew Foon (Secretary)

1. OPENING

At the outset, the Chairman welcomed all participants to the 91st AGM which was held via live streaming with online remote voting.

2. QUORUM

The Chairman informed that he had been advised that more than 35 attendees had logged in to the Securities Services e-Portal and there being a quorum present, the Chairman duly called the Meeting to order.

3. NOTICE OF MEETING

The Chairman explained that the Notice convening the Meeting together with the Circular to Shareholders had been made available for download from the website of the Company since 27 April 2022 and as such, the Notice shall be taken as read.

4. PROCEEDINGS OF MEETING

Before proceeding with the items on the Agenda, the Chairman informed that in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Constitution of the Company, all 9 resolutions tabled at the Meeting would be voted upon by way of a poll.

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

The Chairman explained that the Question and Answer session where questions submitted by Shareholders, would be conducted after going through all the Agenda items.

The step-by-step guide on the online voting within the e-Portal (“Online Voting Guide”) was presented to guide Shareholders on the online voting facility which had been accessible since the start of the Meeting.

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

The first item on the Agenda was to receive the Audited Financial Statements of the Company for the 18-month financial period ended 31 December 2021 and the Reports of the Directors and Auditors thereon (“2021 AFS”).

The Chairman informed that the Company had changed its financial year end from 30 June to 31 December and hence, the financial statements of the Group and of the Company for the 18-month period are from 1 July 2020 to 31 December 2021. The 2021 AFS had been uploaded to the website of the Company on 27 April 2022.

The Chairman further explained that in accordance with the provisions of the Companies Act 2016, the 2021 AFS did not require Shareholders’ approval and therefore, would not be put to vote.

The Chairman then invited the Group Accountant to share some information on the businesses of the Group.

After the presentation of the businesses of the Group, the Chairman declared the 2021 AFS duly received.

The Chairman then proceeded to go through the remaining Agenda items.

6. DIRECTORS’ FEES

The second item on the Agenda was to approve the payment of Directors’ fees amounting to RM448,500 for the 18-month financial period ended 31 December 2021 which were pro-rated for 18 months based on the Directors’ fees for the previous 12-month financial year ended 30 June 2020.

7. DIRECTORS’ BENEFITS

The third item on the Agenda was to approve the payment of Directors’ benefits of up to RM87,000 which comprised Directors’ meeting allowances for the period commencing after the 91st AGM until the next annual general meeting of the Company.

8. RE-ELECTION OF DIRECTORS

The fourth item on the Agenda was to re-elect the following Directors who retired by rotation in accordance with Clause 110 of the Constitution and who being eligible, had offered themselves for re-election:

- i) Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin;
- ii) Y. Bhg. Dato' Nik Rahmat bin Nik Taib; and
- iii) Ms Yap Soo Har

The Chairman informed that Y. Bhg. Tan Sri Cheng Yong Kim who also retired by rotation in accordance with Clause 110 had informed the Board that he will not seek re-election and hence shall retire at the conclusion of the 91st AGM.

9. RE-APPOINTMENT OF AUDITORS

The fifth item on the Agenda was to re-appoint the retiring Auditors, Messrs Deloitte PLT, as 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.

The Chairman informed that Messrs Deloitte PLT had expressed their willingness to be re-appointed Auditors of the Company.

10. SPECIAL BUSINESS

The Chairman informed that there were 3 Ordinary Resolutions to be tabled as Special Business.

10.1 Authority to Directors to Issue Shares

The first Ordinary Resolution was to authorise the Directors to issue and allot up to 10% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act.

10.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

The second Ordinary Resolution was to consider the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

10.3 Proposed Renewal of Share Buy-Back Authority

The third Ordinary Resolution was to consider the proposed renewal of share buy-back authority to allow the Directors to exercise the power of the Company to purchase not more than 10% of the total number of issued shares of the Company.

11. OTHER BUSINESS

The Chairman informed that he was advised that the Company had not received any notice of other business to be transacted at the Meeting.

12. QUESTION AND ANSWER SESSION

The Chairman proceeded to address questions posted via real time submission (“Q&A Session”).

The comments and enquiries on the 2021 Annual Report and the following areas of observation were posted by Shareholders:

- (i) Operations which included impact on the performance and profit margin in view of the current operation environment, mitigating factors, available tariffs for the Group’s steel products, and competitors and prospects.
- (ii) Financials which included impairment on investments in shares and landed properties, and recoverability of trade receivables and secured debts.
- (iii) Auditors’ Independent Report in relation to Key Audit Matters and their qualified opinion.
- (iv) Business plans and new business ventures which included acquisition of assets to start the Flat Steel Business and acquisition of industrial land.
- (v) Suggestions on improving the operations of the Company which included investing in fully automated plants, and utilisation of available cash for dividend payments and share buy-back.

The Managing Director addressed all enquiries in relation to the operations of the Company which included updates on the current market prices of raw materials and steel products, available tariffs for the steel products of the Group, progress of the preparation work for the newly acquired Flat Steel plant to start the production of hot rolled coil, and the current landscape of the steel industry and its prospects.

The Managing Director together with the Chairman and the Auditors also addressed comments and enquiries on other areas of observation which included the following:

- (i) The Group’s need to conserve cash for working capital purpose and business expansion which included the new ventures in the Flat Steel Business and increasing its land bank for the Property Division. Hence, the Board would consider declaring dividend when the Company had sufficient profits and a more stable income stream from its businesses in the future.
- (ii) Explanation on the financials based on the 2021 Annual Report including the cost of the Group’s investment in quoted shares and land together with justification on the impairment thereto; settlement of secured debts; and proposed share buy-back for which the Company was seeking Shareholders’ mandate at the Meeting for implementation when appropriate.

(iii) Explanation by Datuk Peter Lim, the representative from Deloitte PLT on the following:

- (a) qualified opinion by the Auditors on the 2021 Annual Report which arose from the Group's investment in an associated company namely Parkson Holdings Berhad ("PHB"). As set out in the Independent Auditors' Report, the qualified opinion was based on the audit opinion of the component auditor of PHB which issued a qualified opinion due to limitation of scope in the audit of PHB and consequently, the impact on the Group's carrying value of PHB.

It was to be noted that the said qualified opinion by the component auditor of PHB was not within the control of the Group as the Group had merely invested in the shares of PHB. Such qualified opinion would not be extended to the following financial year.

- (b) Key Audit Matters in relation to the accounting of the settlement of secured debts by way of acquisition of equity interest in Well Morning Limited ("WML"). The settlement in exchange for equity interest in WML was undertaken by Lion Posim Berhad, a listed subsidiary of the Company and as required, the Auditors had highlighted the settlement.

13. POLLING PROCESS

The Chairman reminded Shareholders who had not voted to cast their votes in respect of all the 9 resolutions and proceeded to share again the Online Voting Guide.

For proper and orderly conduct of the poll, the Chairman allocated another 10 minutes for Shareholders to cast their votes after which, voting was closed for the Independent Scrutineer to verify the poll results.

14. DECLARATION OF POLL RESULTS

- 14.1 At 11.22 am, the Chairman called the Meeting back to order for the announcement of the poll results. The Chairman informed that he had received the poll results for all the 9 Ordinary Resolutions as follows which was displayed on the screen for information of the Shareholders:

Resolution	Vote in favour		Vote Against	
	No. of Shares	%	No. of Shares	%
Resolution 1 To approve Directors' fees	353,382,879	99.7001	1,063,154	0.2999
Resolution 2 To approve Directors' benefits	353,374,238	99.6992	1,066,131	0.3008
Resolution 3 To re-elect Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin as Director	323,408,490	91.2708	30,930,909	8.7292
Resolution 4 To re-elect Y. Bhg. Dato' Nik Rahmat bin Nik Taib as Director	323,514,802	91.2733	30,931,309	8.7267

Resolution	Vote in favour		Vote Against	
	No. of Shares	%	No. of Shares	%
Resolution 5 To re-elect Ms Yap Soo Har as Director	323,515,191	91.2737	30,929,795	8.7263
Resolution 6 To re-appoint Messrs Deloitte PLT. as Auditors	354,378,914	99.9810	67,197	0.0190
Resolution 7 Authority to Directors to Issue and Allot Shares	354,350,532	99.9730	95,579	0.0270
Resolution 8 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions	33,028,880	99.7242	91,340	0.2758
Resolution 9 Proposed Renewal of Share Buy-Back Authority	354,423,611	99.9937	22,500	0.0063

14.2 Based on the results of the poll, the Chairman declared the following 9 Ordinary Resolutions duly carried:

- (a) Resolution 1 - THAT the Directors' fees amounting to RM448,500 in respect of the 18-month financial period ended 31 December 2021 be approved for payment to the Directors.
- (b) Resolution 2 - THAT the Directors' benefits of up to RM87,000 for the period commencing after the 91st AGM until the next annual general meeting of the Company be approved for payment to the Directors.
- (c) Resolution 3 - THAT Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin who retired by rotation in accordance with Clause 110 of the Company's Constitution be re-elected to the Board.
- (d) Resolution 4 - THAT Y. Bhg. Dato' Nik Rahmat bin Nik Taib who retired by rotation in accordance with Clause 110 of the Company's Constitution be re-elected to the Board.
- (e) Resolution 5 - THAT Ms Yap Soo Har who retired by rotation in accordance with Clause 110 of the Company's Constitution be re-elected to the Board.
- (f) Resolution 6 - 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.

(g) Resolution 7 - Authority to Directors to Issue and Allot 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 and allot 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.

(h) Resolution 8 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

THAT approval be and is hereby given for the renewal of the mandate for the Company and its subsidiaries (collectively, the "Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations as detailed in paragraph 3.3 and with those related parties as set out in paragraph 3.2 of the Circular to Shareholders of the Company dated 27 April 2022 ("Related Parties"), 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.

(i) Resolution 8 - Proposed Renewal of Share Buy-Back Authority

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 which 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 Renewal of Share Buy-Back Authority”); 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 Renewal of Share Buy-Back Authority 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 Renewal of Share Buy-Back Authority.

15. TERMINATION

The Chairman informed that as Y. Bhg. Tan Sri Cheng Yong Kim, the Managing Director was retiring at the conclusion of the Meeting, on behalf of the Board, he expressed his sincere appreciation to Tan Sri Cheng for his invaluable contribution during his tenure as the Managing Director of the Company for more than 27 years.

There being no other business, the Meeting ended at 11.28 am.

SIGNED AS A CORRECT RECORD

SIGNED

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CHAIRMAN