

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)

(Incorporated in Malaysia)

Minutes of the 92nd Annual General Meeting of the Company (“92nd AGM”) held virtually from the Broadcast Venue, Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan and via Securities Services e-Portal at <https://sshsb.net.my/> on 25 May 2023 at 10.30 am.

PRESENT

CHAIRMAN OF THE MEETING : Y. Bhg. Tan Sri Cheng Heng Jem (Managing Director)

BOARD OF DIRECTORS : Y. M. Datuk Seri Utama Raja Nong Chik bin Dato’ Raja Zainal Abidin (Chairman) (via remote participation)
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
(collectively, the “Shareholders”)

INVITEES : Representatives of Messrs Mazars PLT, the External Auditors
- Mr Francis Xavier Joseph
- Mr Ti Ting Teik
- Ms Loh Ern Chi

IN ATTENDANCE : Ms Kong Siew Foon (Secretary)

1. OPENING

At the outset, Y. Bhg. Tan Sri Cheng Heng Jem, the Managing Director of the Company welcomed all to the Meeting and informed that Y. M. Datuk Seri Utama Raja Nong Chik bin Dato’ Raja Zainal Abidin, the Chairman of the Company, who was overseas, was participating in the Meeting remotely.

Y. M. Datuk Seri Utama Raja Nong Chik apologised for not being able to be present at the broadcast venue and informed that to comply with the Constitution of the Company which provided that the chairperson of the meeting should be present at the main venue of the meeting, the Board had elected Y. Bhg. Tan Sri Cheng Heng Jem who was present at the broadcast venue, to chair the Meeting.

The Chairman of the Meeting then proceeded to introduce the Board members, the Secretary and the External Auditors who were present at the Broadcast Venue together with essential management team.

The Chairman informed that no photography, screenshot, or any form of audio or video recording was allowed of the Meeting.

2. QUORUM

The Chairman informed that he had been advised that a requisite quorum was present and 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 26 April 2023 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, the Independent Scrutineer to verify the results of the poll.

The Chairman explained that the Question and Answer session to address 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 Chairman proceeded with the first item on the Agenda which was to receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 (“FYE 2022”) and the Reports of the Directors and Auditors thereon (“2022 AFS”).

The Chairman informed that the 2022 AFS had been uploaded to the website of the Company on 26 April 2023. He further explained that in accordance with the provisions of the Companies Act 2016, the 2022 AFS did not require Shareholders’ approval and therefore, would not be put to vote.

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

After the presentation of the businesses of the Group, the Chairman declared the 2022 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 RM270,000 for the FYE 2022.

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 92nd AGM until the next annual general meeting of the Company.

8. RE-ELECTION OF DIRECTOR RETIRING IN ACCORDANCE WITH CLAUSE 111 OF THE CONSTITUTION OF THE COMPANY

The fourth item on the Agenda was to re-elect Y. Bhg. Tan Sri Cheng Heng Jem who was appointed during the financial year and retired in accordance with Clause 111 of the Constitution of the Company and who being eligible, had offered himself for re-election.

9. RE-ELECTION OF DIRECTOR RETIRING IN ACCORDANCE WITH CLAUSE 110 OF THE CONSTITUTION OF THE COMPANY

The fifth item on the Agenda was to re-elect Ms Cheng Hui Ya, Serena who retired by rotation in accordance with Clause 110 of the Constitution of the Company and who being eligible, had offered herself for re-election.

10. RE-APPOINTMENT OF AUDITORS

The sixth item on the Agenda was to re-appoint the retiring Auditors, Messrs Mazars 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 Mazars PLT had expressed their willingness to be re-appointed Auditors of the Company.

11. SPECIAL BUSINESS

The Chairman informed that there were 4 Ordinary Resolutions to be tabled as Special Business.

11.1 Retention of Independent Non-Executive Director

The first Ordinary Resolution was to consider the retention of Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin who had served as an independent non-executive Director of the Company for a cumulative period of more than 9 years, as an independent non-executive Director of the Company.

11.2 Authority to Directors to Issue and Allot Shares

The second 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 2016 (“Act”), and pursuant to Section 85 of the Act read together with Clause 12 of the Constitution of the Company, to approve the waiver of the statutory pre-emptive rights of the Shareholders of the Company to be offered new shares in the Company ranking *pari passu* in all respects with the existing issued shares of the Company, arising from the issuance of new shares.

11.3 Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions

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

11.4 Proposed Renewal of Share Buy-Back Authority

The fourth 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.

12. 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.

13. QUESTION AND ANSWER SESSION

The Chairman handed over the Chair to Ms Cheng Hui Ya, Serena to address questions posted at the Meeting via real time submission (“Q&A Session”).

Ms Serena Cheng took the Chair for the proceedings of the Q&A Session.

The comments and enquiries on the 2022 Annual Report and the following areas of observation were posted by Shareholders:

- (i) Operations which included status of the Flat Steel Plant, market trend for the long steel products and the price of its raw material, initiatives taken to improve the operational performance, industry operating environment, and industry competitors and prospects.
- (ii) Clarification on accounting standards and treatments adopted by the Company on the carrying value of the Group’s investments in associated companies.
- (iii) Corporate matters including the possibility of a bonus issue.

- (iv) Initiatives taken in relation to Sustainability in terms of Environment, Social and Governance (ESG).

Ms Serena Cheng addressed all enquiries which included the following:

- (i) Explanation on the environment of steel industry over the past 5 years which had been challenging due to excessive steel imports, non-level playing field coupled with the pandemic restrictions, the volatile steel market and the hike in energy cost. Under the current market conditions, it was not feasible for the Flat Steel Plant to commence commercial production. However, as steel demand and production costs were stabilised lately, Management would continue to monitor the market situation including raw material prices and overall market conditions to improve operational performance.
- (ii) Explanation on the justification that the carrying value for the investment in quoted associated companies being deemed the fair value of the Group's investments as it represented the Group's equity interest in the net assets of the investee companies.
- (iii) The Company had issued free warrants to the Shareholders in December 2022.
- (iv) Cash had been utilised as working capital and capital expenditure to re-start the Flat Steel Plant and other existing plants.
- (v) Besides obtaining technical assistance from overseas steel plants, the Company was also in the process of implementing Enterprise Resources Planning (ERP) system for the steel plants.

After having addressed all relevant questions, Ms Serena Cheng passed the Chair back to the Chairman.

The Chairman further addressed the enquiry on succession planning and explained that the Company had a team of experienced and capable senior managers who could takeover the management of the Group.

14. POLLING PROCESS

The Chairman reminded Shareholders who had not voted to cast their votes in respect of all the 9 resolutions tabled at the Meeting 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.

15. DECLARATION OF POLL RESULTS

15.1 At 11.32 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	305,197,500	99.8681	403,143	0.1319
Resolution 2 To approve Directors' benefits	305,195,188	99.8673	405,455	0.1327
Resolution 3 To re-elect Y. Bhg. Tan Sri Cheng Heng Jem as Director	305,312,222	99.9021	299,095	0.0979
Resolution 4 To re-elect Ms Cheng Hui Ya, Serena as Director	305,312,222	99.9021	299,095	0.0979
Resolution 5 To re-appoint Messrs Mazars PLT as Auditors	305,557,725	99.9826	53,092	0.0174
Resolution 6 To retain Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin as an independent non-executive Director	305,204,044	99.9020	299,273	0.0980
Resolution 7 Authority to Directors to Issue and Allot Shares	305,253,780	99.8856	349,537	0.1144
Resolution 8 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions	5,329,481	94.6611	300,584	5.3389
Resolution 9 Proposed Renewal of Share Buy-Back Authority	305,307,048	99.9031	296,269	0.0969

15.2 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 RM270,000 for the financial year ended 31 December 2022 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 92nd AGM until the next annual general meeting of the Company be approved for payment to the Directors.
- (c) Resolution 3 - THAT Y. Bhg. Tan Sri Cheng Heng Jem who was appointed during the financial year and retired in accordance with Clause 111 of the Constitution of the Company, 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 Constitution of the Company, be re-elected to the Board.
- (e) Resolution 5 - THAT the retiring Auditors, Messrs Mazars 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 - Retention of Independent Non-Executive Director

THAT Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin who has served as an independent non-executive Director of the Company for a cumulative period of more than 9 years, be and is hereby retained as an independent non-executive Director of the Company.

- (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 ("Mandate") and that such Mandate shall continue to be in force until the conclusion of the next annual general meeting of the Company.

THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 12 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the Shareholders of the Company to be offered new shares in the Company ranking *pari passu* in all respects with the existing issued shares of the Company arising from the issuance of new shares pursuant to the Mandate.

- (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 26 April 2023 ("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 9 - 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 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.

16. CLOSING REMARKS BY CHAIRMAN OF THE BOARD

The Chairman of the Board apologised again for not being able to chair the Meeting in person as he was overseas and noted concerns expressed by certain Shareholders over his inability to be present, although he had been chairing all previous general meetings of the Company. He expressed his appreciation to other members of the Board for their contributions as the Board strived to improve the performance of the Group especially in the current challenging times. He was hopeful to receive the continued support of the Shareholders to the Group in its undertakings.

17. TERMINATION

There being no other business, the Meeting ended at 11.35 am.

SIGNED AS A CORRECT RECORD

SIGNED

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CHAIRMAN