

**LION POSIM BERHAD****Registration No. 198201002310 (82056-X)**

(Incorporated in Malaysia)

Minutes of the 40th Annual General Meeting of the Company (“40th 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 23 May 2023 at 10.30 am.

**PRESENT**

**BOARD OF DIRECTORS** : Y. Bhg. Tan Sri Cheng Heng Jem (Chairman)  
Ms Cheng Hui Ya, Serena  
Y. Bhg. Dato’ Eow Kwan Hoong  
Y. Bhg. Tan Sri Abd Karim bin Shaikh Munisar  
Dr Folk Jee Yoong

**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 (via remote participation)  
- Mr Ti Ting Teik  
- Ms Poi Shin In  
- Ms Lai Yin Lee

**IN ATTENDANCE** : Ms Kong Siew Foon (Secretary)

**1. OPENING**

At the outset, the Chairman welcomed all to the Meeting and proceeded to introduce the Board members, the Secretary and the External Auditors as well as the essential management team.

The Chairman then 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 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 20 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 8 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 20 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 RM170,000 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 40th 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 Company's Constitution and who being eligible, had offered themselves for re-election:

- (i) Y. Bhg. Tan Sri Cheng Heng Jem; and
- (ii) Ms Cheng Hui Ya, Serena.

## **9. RE-APPOINTMENT OF AUDITORS**

The fifth 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.

## **10. SPECIAL BUSINESS**

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

### **10.1 Retention of Independent Non-Executive Director**

The first Ordinary Resolution was to consider the retention of Y. Bhg. Dato' Eow Kwan Hoong 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.

### **10.2 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.

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

Ms Serena Cheng took the Chair for the proceedings of the Q&A Session to address comments and enquiries received from Shareholders in relation to the Audited Financial Statements for the financial year ended 31 December 2022, governance and prospects which included the following:

- (i) Performance of the newly acquired subsidiary, Well Morning Limited, and the loss-making associated company.
- (ii) Financials which included the amount of cash available, the Company’s ability to commence the property development project in Shah Alam, and the expected profit contribution therefrom.
- (iii) Related parties transactions entered into by the Company, its benefits and recoverability of outstanding receivables.

The aforementioned areas of observation were addressed by Ms Serena Cheng which included the following:

- (i) The Group had acquired Well Morning Limited, an investment holding company which had a subsidiary company in China involved in property development project, through a debt settlement arrangement. The acquisition of Well Morning Limited had resulted in a gain to the Group’s financial performance for the financial period ended 31 December 2021.

Having upstreamed its available cash in March 2022 by way of dividend, the said subsidiary in China had been liquidated and dissolved in July 2022.

Losses recorded by the associated company arose mainly from exchange loss and stock impairment.

- (ii) A lower cash balance was reported for the current financial year mainly due to the working capital used in the Building Materials Division.

The Company had sufficient financial ability to support the property development project in Shah Alam which was expected to contribute positively to the Group in the mid to long term.

- (iii) Amount due from related companies was mainly trade related and subject to normal trade terms.

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

### 13. POLLING PROCESS

The Chairman reminded Shareholders who had not voted to cast their votes in respect of all the 8 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.

### 14. DECLARATION OF POLL RESULTS

- 14.1** At 11.00 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 8 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	171,380,104	99.9881	20,350	0.0119
Resolution 2 To approve Directors' benefits	171,374,924	99.9851	25,530	0.0149
Resolution 3 To re-elect Y. Bhg. Tan Sri Cheng Heng Jem as Director	171,389,108	99.9933	11,448	0.0067
Resolution 4 To re-elect Ms Cheng Hui Ya, Serena as Director	171,383,902	99.9903	16,654	0.0097
Resolution 5 To re-appoint Messrs Mazars PLT as Auditors	171,390,103	99.9939	10,453	0.0061
Resolution 6 To retain Y. Bhg. Dato' Eow Kwan Hoong as an independent non-executive Director	171,380,796	99.9932	11,734	0.0068
Resolution 7 Authority to Directors to Issue and Allot Shares	171,258,320	99.9171	142,036	0.0829
Resolution 8 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions	1,247,107	99.0583	11,856	0.9417

**14.2** Based on the results of the poll, the Chairman declared the following 8 Ordinary Resolutions duly carried:

- (a) Resolution 1 - THAT the Directors' fees amounting to RM170,000 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 40th 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 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 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. Bhg. Dato' Eow Kwan Hoong 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 20 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.

## 15. TERMINATION

There being no other business, the Meeting ended at 11.10 am.

SIGNED AS A CORRECT RECORD

SIGNED

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CHAIRMAN