

LEON FUAT BERHAD
Registration No. 200601036648 (756407-D)
(Incorporated in Malaysia)

Minutes of the 16th Annual General Meeting of Leon Fuat Berhad (“LFB” or the “Company”) held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 23 May 2023 at 2.30 p.m..

Directors Present: Dato’ Lim Cheng Poh (*Independent Non-Executive Chairman*)
Dato’ Sri Ooi Bin Keong (*Executive Deputy Chairman*)
Mr. Ooi Seng Khong (*Group Managing Director*)
Mr. Ooi Kong Tiong (*Executive Director*)
Mr. Ooi Shang How (*Executive Director*)
Mr. Ng Kok Teong (*Executive Director*)
Mr. Tan Did Heng (*Independent Non-Executive Director*)
Mr. Chan Kee Loin (*Independent Non-Executive Director*)
Mr. Tan Sack Sen (*Independent Non-Executive Director*)

By Invitation: Mr. Tan Kien Yap (*Chief Financial Officer*)

In Attendance: Ms. Lim Fei Chia (*Company Secretary*)
Messrs Baker Tilly Monteiro Heng PLT
Mr. Andrew Choong Tuck Kuan
Ms. Yong Su Ling

1. **INTRODUCTION**

Dato’ Lim Cheng Poh, the Chairman of the Board of Directors presided as the Chairman of the 16th Annual General Meeting (“AGM” or “Meeting”) and welcomed all shareholders present at the AGM of the Company to consider the business as set out in the Notice of the AGM.

The Chairman then invited Mr. Calvin Ooi Shang How, the Executive Director to introduce to the shareholders his fellow Directors, Chief Financial Officer, Company Secretary and representative of the External Auditors.

2. **PRESENTATION**

Before proceeding with the agenda of the AGM, Mr Calvin presented to the Meeting an overview on the background of the Group, key financial performance and operation updates including the progress of the pipe manufacturing activities.

The presentation covered the following: -

- (I) Leon Fuat Group and Business Overview;
- (II) Financial Highlights - to be presented by Mr. Tan Kien Yap, the Chief Financial Officer (CFO);
- (III) Key Operational Updates; and
- (IV) Latest Update on Pipeline Project in Bandar Sultan Suleiman (BSS), Port Klang, Selangor.

(I) About Leon Fuat Group

- a) Leon Fuat Group, The Rolled Long and Flat Steel Specialist
 - In addition to the trading activities, the Group also undertake activities in the form of cutting, leveling, shearing, profiling, bending, slitting, polishing, production of expanded metal, and manufacturing of welded steel pipes.
 - As an established name, the Group has a strong portfolio of customers of more than 3,000 and have a long-standing relationship with the customers.
- b) Products & Services – Welded Steel Pipe, CNC Profile Cut Parts, Rectangular Hollow Sections, Stainless Steel Plates, Expanded Metal and Polished Round Bar.
- c) The Group's structure and principal activities of the subsidiary companies; and
- d) The Group's key operations milestones.

(II) Key Financial Highlights

Mr. Tan Kien Yap, the CFO presented to the shareholders an overview of the financial performance of the Group encompassing following key financial highlights:

- a) Revenue (Yearly - FYE 2018 to FYE 2022);
- b) Revenue (Quarterly – Q4 2021 to Q4 2022);
- c) Segmental Revenue from the Processing of Steel Products and Trading of Steel Products (in value and %) (FYE 2021 vs FYE 2022);
- d) Segmental Products Revenue Contribution - Processing of Steel Products and Trading of Steel Products (FYE 2022);
- e) Gross Profit (GP) and GP Margin (Yearly - FYE 2018 to FYE 2022 and Quarterly - Q4 2021 to Q4 2022);
- f) Segmental GP (in value and %) (FYE 2021 vs FYE 2022);
- g) Other Income, Total Operating Costs and Finance Costs (FYE 2020 to FYE 2022);
- h) Quarterly Profit/ (Loss) Before Tax, Profit/ (Loss) After Tax (PAT) (Q4 2021 to Q4 2022); and
- i) Total Equity, Total Assets and Gearing Ratio (FYE 2018 to FYE 2022).

(III) Key Operational Updates

Update on Pipeline Project

- (a) The Group expanded into welded steel pipe manufacturing in FY2019.
- (b) The first phase of the production plant in BSS, Port Klang has been completed, which includes building the plant and installing new machinery.
- (c) The Group has the downstream manufacturing facilities for production of welded steel pipes with existing Phase 1 of the facilities currently having 4 production lines.
- (d) The Group has embarked on Phase 2 of the facilities expected to be fully commissioned in early 2024.

Industry Outlook

- (a) Malaysia economic outlook 2023 – The *Bank Negara Malaysia* (BNM) predicts that growth in 2023 will be slower due to a weaker global economy, but domestic demand will continue to drive growth, supported by recovery in labour market and realization of investment projects.
- (b) Global steel demand 2023 – The Worldsteel predicts a 1% growth in global steel demand, with China's steel demand remains unchanged due to small stimulus measures, infrastructure projects, and mild real estate recovery.
- (c) Despite domestic and global conditions, the Group remains cautiously optimistic in achieving positive results for FY2023, considering BNM's domestic economic outlook.
- (d) The Group will continue to monitor steel prices and raw material inputs, negotiate forward contracts where necessary, and manage inventory and operating costs prudently.

(IV) Update on Pipeline Project

Pipe Production Line Inspection on China & Phase 3 Update (Year 2023)

- (a) Photographs of new pipe machine in testing and ongoing construction work (of production site, exterior and interior) were presented.

After the presentations by Mr. Calvin and Mr. Tan, and upon confirming the presence of the requisite quorum, the Chairman called the Meeting to order.

3. **NOTICE**

The Chairman informed that the Notice convening the AGM had been sent to all the shareholders of the Company and the Notice was published in The Star newspaper on 28 April 2023.

The Notice convening the AGM was taken as read.

4. **VOTING**

The Chairman informed that the voting of the AGM would be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the polling process and Archer Consulting Group Sdn. Bhd. as Scrutineers to verify the poll results.

The polling process for the resolutions will be conducted by the Poll Administrator upon completion of deliberation of each item to be transacted at the Meeting. In order to facilitate the orderly conduct of the Meeting, the question & answer session would be held after the Meeting had procedurally moved each motion.

5. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed the Meeting that the first item on the agenda was to receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 (“AFS”) and the Reports of the Directors and Auditors thereon; which had been circulated to all the shareholders of the Company within the statutory period.

With the unanimous consent of the shareholders, the Auditors’ Report contained in the AFS was taken as read.

The Chairman then invited questions from the floor and there being no questions raised, the AFS of the Company and the Reports of the Directors and Auditors thereon as laid before the Meeting were declared by the Chairman to be duly received.

In accordance with the provision of the Companies Act 2016, which does not require the financial statements and reports to be formally approved by the shareholders, the AFS together with the Reports of Directors and Auditors were tabled for shareholders’ information and would not be put forward for voting.

To the question of Mr. Wong Teck Quee on the increase in finance cost due to higher interest rates, the CFO responded that prudent cash management and close monitoring of cashflow are amongst the measures taken by the Management to address the surge in the finance cost due to increase of Overnight Policy Rate. Higher utilisation of banking facilities involves mainly the bankers’ acceptance which is short term financing, and Management ensures that bank borrowings are maintained at a comfortable level to mitigate the risks.

The Chairman added that besides the surge in the interest rate, the fluctuation of the steel raw material price is also closely monitored by the Company to minimize the impact to the Group.

6. **ORDINARY RESOLUTION 1
PAYMENT OF DIRECTORS’ FEES AND ALLOWANCES**

The Chairman proceeded to the second item on the agenda. Ms. Ng Siew Mun proposed and Mr. Lim Pei Tiam @ Lim Ahat Kiat seconded the following motion:

“THAT the payment of Directors’ fees and allowances up to RM1,340,000.00 from 24 May 2023 until the next AGM of the Company be hereby approved.”

In response to the question raised by Mr. Len Yoke Chong, the Chairman informed that all the Executive Directors and Non-Executive Directors of the Company receive Directors’ fees from the Company.

There being no other questions raised, the Chairman proceeded to the next item on the agenda.

7. **ORDINARY RESOLUTION 2**
APPROVAL OF A FINAL SINGLE TIER DIVIDEND OF 1.5 SEN FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Chairman proceeded to the next item on the agenda. Mr. Wong Teck Quee proposed and Mr. Tan An Sen seconded the following motion:

“THAT a final single tier dividend of 1.5 sen per share for the financial year ended 31 December 2022 be hereby approved.”

There being no questions raised, the Chairman proceeded to the next item on the agenda.

8. **ORDINARY RESOLUTIONS 3, 4 AND 5**
RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 92 OF THE COMPANY’S CONSTITUTION

The Chairman moved on to the next items on the agenda on re-election of Directors.

The Chairman proposed and Ms. Ng Siew Mun seconded the following motion:

Ordinary Resolution 3:

“THAT Ooi Seng Khong, who is retiring pursuant to Article 92 of the Company’s Constitution and being eligible, be hereby re-elected to office.”

The Chairman proposed and Mr. Lim Pei Tiam @ Lim Ahat Kiat seconded the following motion:

Ordinary Resolution 4:

“THAT Mr. Ooi Kong Tiong, who is retiring pursuant to Article 92 of the Company’s Constitution and being eligible, be hereby re-elected to office.”

The Chairman proposed and Mr. Lim Pei Tiam @ Lim Ahat Kiat seconded the following motion:

Ordinary Resolution 5:

“THAT Mr. Ng Kok Teong, who is retiring pursuant to Article 92 of the Company’s Constitution and being eligible, be hereby re-elected to office.”

There being no questions raised, the Chairman move on to the next item on the agenda.

9. **ORDINARY RESOLUTION 6**
RE-APPOINTMENT OF AUDITORS

The next item on the agenda was in relation to the re-appointment of Messrs Baker Tilly Monteiro Heng PLT, who has given their consent for re-appointment as the Company’s Auditors for the financial year ending 31 December 2023.

The Chairman proposed and Ms. Ng Siew Mun seconded the following motion:

“THAT Messrs. Baker Tilly Monteiro Heng PLT be re-appointed the Auditors of the Company AND THAT the Directors be authorised to fix their remuneration.”

There being no questions raised, the Chairman move on to the next item on the agenda.

10. **ORDINARY RESOLUTIONS 7, 8 AND 9**
RETENTION OF INDEPENDENT DIRECTORS

The Chairman proceeded to the next item on the agenda which was to seek the approval of the shareholders for the retention of Mr. Chan Kee Loin, Mr. Tan Did Heng and Mr. Tan Sack Sen, who have served as Independent Non-Executive Directors of the Company for more than nine (9) years.

The Board of Directors have assessed the independence of the abovenamed Directors and was satisfied that there were no issues of independence as they continue to provide unbiased, objective and independent views and judgement in Board deliberations. The Board proposed the retention of the abovenamed Directors as Independent Non-Executive Directors of the Company and the resolutions on the proposed retention would be voted through a two-tier voting process at the Meeting.

The Chairman proposed and Mr. Tan An Sen seconded the following motion:

“THAT in accordance with the Malaysian Code on Corporate Governance (“MCCG”), Chan Kee Loin be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities.”

The Chairman proposed and Ms. Ng Siew Mun seconded the following motion:

“THAT in accordance with the MCCG, Mr. Tan Did Heng be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities.”

The Chairman proposed and Mr. Tan An Sen seconded the following motion:

“THAT in accordance with the MCCG, Mr. Tan Sack Sen be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities.”

In response to the question raised by Mr. Lee Eng Fock, the Chairman informed that the Board is reviewing the proposed appointment of a female Director and will make the necessary announcement in compliance with the Main Market Listing Requirements of Bursa Securities in due course.

There being no other questions raised, the Chairman move on to the next item on the agenda.

11. **ORDINARY RESOLUTION 10**
AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES

The Chairman then moved on to the next item on the agenda and informed that the proposed Resolution 10 was to seek shareholders' approval for the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016, subject always to the provisions of the Listing Requirements of Bursa Securities and other relevant regulatory authorities, if any.

Ms. Ng Siew Mun proposed and Mr. Tan An Sen seconded the following motion:

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act"), and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities (if applicable), the Directors be and are hereby empowered to issue and allot new shares in the Company at any time, to such person or persons at such price, 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 at the time of issue.

THAT pursuant to Section 85 of the Act to be read together with Clause 60(a) 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 of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act.

AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

To the enquiry of Lee Eng Fock, the Chairman informed that currently, the Company has no immediate plans to undertake any corporate exercise involving issuance of ordinary shares pursuant to this authority.

12. **ORDINARY RESOLUTION 11**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF RRPT MANDATE")

The Chairman informed that the last item on the agenda was to seek shareholders' approval for the Company and its subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

The relevant information of the Proposed Renewal of RRPT Mandate was set out in the Company's Circular to Shareholders dated 28 April 2023.

The Interested Directors, Major Shareholders and persons connected to them are:

1. Leon Fuat Holdings Sdn. Bhd.;
2. Dato' Sri Ooi Bin Keong,
3. Ooi Seng Khong,
4. Ooi Kong Tiong,
5. Ng Lam Keong,
6. Ooi Pek Kuan,
7. Ng Kok Teong,
8. Ooi Shang How,
9. Ng Kok Wee,
10. Ong Mung Hsia,
11. Ng Bee Fong,
12. Ooi Shang Yao,
13. Ooi Wai Sang, and
14. NCT & Sons Sdn. Bhd.;

and they shall abstain from voting on this resolution.

Mr. Tan An Sen proposed and Ms. Ng Siew Mun seconded the following motion:

“THAT subject always to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details as set out in Section 2.5 of the Circular to Shareholders dated 28 April 2023 with the specified classes of related parties mentioned therein which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the approval shall continue to be in force until:

- (i) *the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or*
- (ii) *the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or*
- (iii) *revoked or varied by a resolution passed by the shareholders in a 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 (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Renewal of RRPT Mandate.”

13. **POLLING PROCESS**

There being no other business to be transacted, the Chairman declared that the registration for the attendance of the AGM closed and informed that poll voting on all the resolutions would be conducted.

The Company Secretary was invited to explain to the shareholders and proxies present the polling procedures and informed that the poll results would be announced as soon as after the Scrutineers have completed their report.

The Chairman adjourned the Meeting at 3.30 p.m. for the polling and verification of poll results.

14. **ANNOUNCEMENT OF POLL RESULTS**

At 3.50 p.m., the Meeting reconvened and the Chairman called the Meeting to order.

The Chairman informed that the Scrutineers have completed and submitted their report and based on the poll results displayed on the screen, the Chairman declared that all Resolutions tabled at the Meeting were carried as follows:

Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 Approval of payment of Directors' fees and allowances	229,157,200	99.9969	7,000	0.0031	229,164,200	100.0
Ordinary Resolution 2 Approval of a final single tier dividend of 1.5 sen per share for the financial year ended 31 December 2022	229,164,200	100.0	0	0.000	229,164,200	100.0
Ordinary Resolution 3 Re-election of Ooi Seng Khong as Director	229,164,200	100.0	0	0.000	229,164,200	100.0
Ordinary Resolution 4 Re-election of Ooi Kong Tiong as Director	229,164,200	100.0	0	0.000	229,164,200	100.0
Ordinary Resolution 5 Re-election of Ng Kok Teong as Director	229,164,200	100.0	0	0.000	229,164,200	100.0
Ordinary Resolution 6 Re-appointment of Messrs Baker Tilly Monteiro Heng PLT as the Company's Auditors	229,164,200	100.0	0	0.000	229,164,200	100.0
Ordinary Resolution 7 (Tier 1) Retention of Mr. Chan Kee Loin as Independent Non-Executive Director	219,690,000	100.0	0	0.000	219,690,000	100.0

Resolution	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7 (Tier 2) Retention of Mr. Chan Kee Loin as Independent Non-Executive Director	9,474,200	100.0	0	0.000	9,474,200	100.0
Ordinary Resolution 8 (Tier 1) Retention of Mr. Tan Did Heng as Independent Non-Executive Director	219,690,000	100.0	0	0.000	219,690,000	100.0
Ordinary Resolution 8 (Tier 2) Retention of Mr. Tan Did Heng as Independent Non-Executive Director	9,474,200	100.0	0	0.000	9,474,200	100.0
Ordinary Resolution 9 (Tier 1) Retention of Mr. Tan Sack Sen as Independent Non-Executive Director	219,690,000	100.0	0	0.000	219,690,000	100.0
Ordinary Resolution 9 (Tier 2) Retention of Mr. Tan Sack Sen as Independent Non-Executive Director	8,984,200	94.8281	490,000	5.1719	9,474,200	100.0
Ordinary Resolution 10 Authority for the Directors to issue shares	229,164,200	100.0	0	0.0000	229,164,200	100.0
Ordinary Resolution 11 Proposed Renewal of RRPT Mandate	8,053,200	100.0	0	0.000	8,053,200	100.0

15. **CLOSURE**

There being no other business, the Chairman declared the Meeting closed at 3.52 p.m. and thanked the shareholders for their attendance.

READ AND CONFIRMED BY

APPROVED

CHAIRMAN

Date: 23 June 2023