

LEFORM BERHAD
REGISTRATION NO. 199501001582 (330776-K)

MINUTES OF THE TWENTY-NINTH ANNUAL GENERAL MEETING OF LEFORM BERHAD (“LEFORM” OR “THE COMPANY”) HELD AT WORLD TRADE CENTRE KUALA LUMPUR, 41, JALAN TUN ISMAIL, CHOW KIT, 50480 KUALA LUMPUR, WILAYAH PERSEKUTUAN KUALA LUMPUR ON MONDAY, 24 JUNE 2024 AT 10.00 A.M.

PRESENT:

DIRECTORS

Datuk Seri Akhil Bin Bulat	- Independent Non-Executive Chairman (“the Chairman”)
Mr Law Kok Thye	- Managing Director
Puan Esmariza Binti Ismail	- Non Independent Executive Director
Mr Lai Chin Yang	- Independent Non-Executive Director
Ms Chua Leng Leek	- Independent Non-Executive Director
Ms Lee Wee Leng	- Independent Non-Executive Director

IN ATTENDANCE

Ms Chia Mei Thee	- Representing the Company Secretary
Mr Ng Tiong Lim (“Mr Ng”)	- Chief Financial Officer
Ms Julie Ho Yen Ling	- Auditors, Crowe Malaysia PLT
Mr James Kan	- Representative from UOB Kay Hian Securities (M) Sdn Bhd
Ms Cheryl Yoong	- Representative from UOB Kay Hian Securities (M) Sdn Bhd

The list of shareholders, proxies and invitees who participated in the Twenty-Ninth Annual General Meeting (“**29th AGM**” or “**the Meeting**”) of the Company are set out in the Attendance Sheets and shall form an integral part of these Minutes.

INTRODUCTION BY THE CHAIRMAN

The Chairman welcomed all shareholders, proxies and invitees to the 29th AGM of the Company.

QUORUM

Upon confirmation by the representative of the Company Secretary that the requisite quorum was present in accordance with Clause 65 of the Constitution of the Company, the Chairman called the Meeting to order at 10.00 a.m.

The Chairman then proceeded to introduce the Members of the Board and advisers to the shareholders.

NOTICE OF MEETING

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read.

SUMMARY OF PROXIES RECEIVED

The Company had received in total 18 proxy forms from the shareholders for a total of 981,953,400 ordinary shares, representing 66.30% of the total issued and paid-up share capital of the Company.

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POLLING AND ADMINISTRATIVE DETAILS

In accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Meeting would be voted by poll. The Chairman demanded for a poll to be taken on all resolutions set out in the Notice of Meeting pursuant to the Constitution of the Company.

The Meeting was informed that the poll will be conducted after the deliberation of all the agenda items as set out in the Notice of 29th AGM. For the conduct of poll, Quantegic Services Sdn Bhd, has been appointed as the independent scrutineers to verify the polling procedure and process as well as the eventual poll results.

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Audited Financial Statements of the Company for the financial year ended 31 December 2023 (“FYE 2023”) together with the Directors’ and Auditors’ Reports thereon which had been circulated to all shareholders within the prescribed period were laid at the Meeting for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from the shareholders.

It was recorded that the Audited Financial Statements of the Company for FYE 2023 together with the Directors’ and Auditors’ Report thereon be and are hereby received by the shareholders.

There were several questions raised from the shareholders prior to and during the Meeting and were succinctly addressed, details of which were as follows:-

- 1) ***It is stated that the new facility will allow the Group to diversify into other industries. What are the other industries that the Group plans to diversify into?***

Mr Ng informed that the Company intends to expand their range of steel pipes to include thicker gauge steel pipes (current thickness is 4 mm to 5 mm). These thicker gauges can be used for applications that require steel pipes with higher tensile strength such as in the construction of temporary structures.

- 2) ***Both the new contracts secured from IJM had been delayed. What had caused such delays? Any concern in dealing with IJM, or is it due to the problems faced by the Company?***

Mr Ng informed that the delay is caused by the contractor due to some land acquisition issues faced by the contractor.

- 3) ***The Group had implemented the new SAP accounting system. How robust has Crowe tested the IT general controls and application controls of this new SAP accounting system? Any findings or hiccups noted in this regard?***

On behalf of Crowe, the auditors of the Group, Mr Ng informed that the SAP system has yet to be implemented in FYE 2023.

- 4) ***Does the Board intend to obtain external assurance of the data/metrics included in the Performance Data Table in page 62 to page 64 of Annual Report?***

Mr Ng informed that for the time being, the Company has no plan yet until it is mandatory by the regulators. However, we will look into it in the future.

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- 5) ***How much of the RM81 million outstanding trade receivables as at financial year end 31 December 2023, especially the RM21 million of past due balances, had been subsequently collected by now/latest applicable?***

Mr Ng informed that all of the outstanding trade receivables had been collected as of 19 June 2024.

- 6) ***Regarding the Key Audit Matter (“KAM”) No. 2 of Assessment on Going Concern, it was stated that the Group recorded a loss before tax of RM8.3 million in the description of the KAM and this triggered Crowe to consider the going concern status of the Group as a KAM. However, the Group has ample liquidity with net current assets of RM74 million as of 31 December 2023 and it does not seem that the Group will not be going concern in the next 12 months. Could Crowe please explain to the shareholders of your justification in considering the going concern status of Leform Group as a KAM? Loss before tax should not be the main triggering factor, otherwise many of the loss-making PLC entities will also be subjected to this KAM.***

On behalf of Crowe, Mr Ng informed that it was a KAM, as the Group recorded a continuous loss before taxation. Based on Crowe’s professional judgement, it is of significance in their audit of the financial statements based on the evaluations of events and conditions, including the actions taken by the Directors in addressing them which involve judgement. However, it was not a modified opinion nor a material uncertainty in going concern.

- 7) ***Why are there impairment losses recorded on contract assets? Is it related to existing on-going project(s)? Any provision for onerous contracts to be recognised?***

Mr Ng informed that the impairment losses were recognised from a contract prior to the listing exercise. MFRS 9 stipulated that those outstanding contracts of more than 6 months need to be impaired.

- 8) ***Why did the short-term employee benefits increase from RM8.6 million to RM12 million, but the defined contribution benefits only increased by RM7,000? What are the employee benefits items that have caused such an increase but not subject to EPF contribution?***

Mr Ng informed that the short-term employee benefits were direct labour charges whereby the Company engaged third parties to install the guardrails for the four projects.

- 9) ***Could the Management please elaborate why restatements of comparative figures are being made between the Property, Plant and Equipment (“PPE”) and the Right-Of-Use (“ROU”) Assets? Also, why is the dividend paid of RM400k removed?***

Mr Ng informed that previously the ROU assets are fixed assets under hire purchase and hire purchase arrangements may fall under the application of MFRS 9 or MFRS 16. If a lessor does not control the lease asset at any time, the lessor is possible to convey a right to control the use of the leased asset to another party and in this case, MFRS 9 shall apply instead of MFRS 16. As for the dividend, it was paid in 2024 and not in 2023.

- 10) ***WCE highway project is expected to complete in 2025. Is there any other projects?***

Mr Ng informed that there is another project in Cambodia amounting to USD1.9 million. The Company is in the midst of negotiating/tendering for other projects and once approved, the necessary announcements would be made.

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- 11) *The raw materials show a decrease from RM157 million to RM91 million. Is the Company short of raw materials?*

Mr Ng informed that currently, the Company has sufficient raw materials and the reason for the decrease was due to the Company's inventory planning strategies.

As there was no further question raised, the Chairman proceeded to announce the results of the poll as follows:-

POLL RESULTS**1. ORDINARY RESOLUTION 1**

- DIRECTORS' FEES AND BENEFITS PAYABLE OF RM822,000 TO THE DIRECTORS OF THE COMPANY FOR THE PERIOD 1 DECEMBER 2022 TO THE FORTHCOMING 29TH AGM OF THE COMPANY

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 1	No. of Shareholders:	45	No. of Shareholders:	5	Accepted
	No. of Shares:	1,116,316,550	No. of Shares:	60,600	
	% of Voted Shares:	99.9946	% of Voted Shares:	0.0054	

It was RESOLVED:-

“THAT the Directors' Fees and benefits payable of RM822,000 to the Directors of the Company for the period 1 December 2022 to the forthcoming 29th Annual General Meeting of the Company be and is hereby approved”.

2. ORDINARY RESOLUTION 2

- DIRECTORS' FEES AND BENEFITS PAYABLE OF RM730,000 TO THE DIRECTORS OF THE COMPANY FOR THE PERIOD FROM THE DATE OF THE FORTHCOMING 29TH AGM UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY.

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 2	No. of Shareholders:	45	No. of Shareholders:	5	Accepted
	No. of Shares:	1,116,316,550	No. of Shares:	60,600	
	% of Voted Shares:	99.9946	% of Voted Shares:	0.0054	

It was RESOLVED:-

“THAT the Directors' Fees and benefits payable of RM730,000 to the Directors of the Company for the period from the date of the forthcoming 29th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company be and is hereby approved”.

LEFORM BERHAD**REGISTRATION NO. 199501001582 (330776-K)***- Minutes of the Twenty Ninth Annual General Meeting held on 24 June 2024***3. ORDINARY RESOLUTION 3****- RE-ELECTION OF PUAN ESMARIZA BINTI ISMAIL AS DIRECTOR WHO IS RETIRING PURSUANT TO CLAUSE 95 OF THE CONSTITUTION OF THE COMPANY**

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 3	No. of Shareholders:	49	No. of Shareholders:	-	Accepted
	No. of Shares:	1,116,167,150	No. of Shares:	-	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT Puan Esmariza Binti Ismail who retired pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company”.

4. ORDINARY RESOLUTION 4**- RE-ELECTION OF MS CHUA LENG LEEK AS DIRECTOR WHO IS RETIRING PURSUANT TO CLAUSE 95 OF THE CONSTITUTION OF THE COMPANY**

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 4	No. of Shareholders:	48	No. of Shareholders:	-	Accepted
	No. of Shares:	1,115,907,150	No. of Shares:	-	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT Ms Chua Leng Leek who retired pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company”.

5. ORDINARY RESOLUTION 5**- RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS**

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 5	No. of Shareholders:	49	No. of Shareholders:	1	Accepted
	No. of Shares:	1,116,377,050	No. of Shares:	100	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

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It was RESOLVED:-

“THAT Messrs Crowe Malaysia PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and that the Directors be authorised to fix their remuneration.”

6. ORDINARY RESOLUTION 6**- PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016**

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 6	No. of Shareholders:	46	No. of Shareholders:	4	Accepted
	No. of Shares:	1,116,376,750	No. of Shares:	400	
	% of Voted Shares:	100.0000	% of Voted Shares:	0.0000	

It was RESOLVED:-

“THAT pursuant to Section 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM 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 to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority 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 Act, read together with Clause 5 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 ranking equally to the existing issued of the Company shares arising from issuance of new shares pursuant to this Mandate.”

“THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

7. ORDINARY RESOLUTION 7**- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTION**

The Chairman announced the results of the poll as follows:-

Resolution	Votes in favour		Votes against		Results
Ordinary Resolution 7	No. of Shareholders:	36	No. of Shareholders:	3	Accepted

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	No. of Shares:	14,594,850	No. of Shares:	300	
	% of Voted Shares:	99.9979	% of Voted Shares:	0.0021	

It was RESOLVED:-

“THAT approval be and is hereby given to the Company and its subsidiaries (“Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 30 April 2024, provided that :

- (a) such arrangements and/or transactions are necessary for the Group’s day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”), unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

CONCLUSION

The Chairman on behalf of his fellow Board members extended his appreciation to the stakeholders, shareholders and business partners for their continued support. There being no other business to be transacted, the Meeting concluded at 10.51 a.m. with a vote of thanks to the Chair.