

LEFORM BERHAD (“LEFORM” OR THE “COMPANY”)

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

Pursuant to Rule 10.09(1)(a) of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board of Directors of Leform wishes to announce that Leform and the following subsidiaries of the Company (as disclosed below), had in the ordinary course of business entered into Recurrent Related Party Transactions (“**RRPTs**”) with Leform Marketing Sdn Bhd (“**LMSB**”). LMSB is an 80%-owned subsidiary of the Company and the remaining 20% interest in LMSB is owned by Mr Chai Chang Wai, a person connected to Mr Law Kok Thye, the Managing Director and major shareholder of the Company.

The subsidiaries of the Company involved in the RRPTs are as follows:

1. LF Engineering Sdn Bhd – 60%-owned subsidiary of Leform
2. LF Metal Sdn Bhd – wholly-owned subsidiary of Leform
3. Leform Steel Service Centre Sdn Bhd - wholly-owned subsidiary of Leform
4. Leform Steel Pipes Sdn Bhd - wholly-owned subsidiary of Leform

The total consideration for the RRPTs between Leform and the abovementioned subsidiaries with LMSB of which by way of aggregation from the period from 30 November 2022 to 16 January 2023, has exceeded the percentage ratio of 1% as prescribed under the AMLR.

2. DETAILS OF THE RRPTs

Related Party	Transacting Parties within Leform Group *	Nature of Transaction	Total amount of transaction from 30 November 2022 to 16 January 2023 (RM'000)
Leform Marketing Sdn Bhd (“LMSB”)¹	Leform Berhad, LF Engineering Sdn Bhd, LF Metal Sdn Bhd, Leform Steel Service Centre Sdn Bhd and Leform Steel Pipes Sdn Bhd	Sales of mother coils, pipes, plates, slitted coils, guardrails and strapping metals to LMSB	6,653

Notes:

* Leform and its subsidiaries are collectively referred to as “Leform Group” or “Group”.

¹ LMSB is principally engaged in trading of steel pipes and flat steel products

Related Party	Interested Directors, Major Shareholders and Persons Connected to them
LMSB	Chai Chang Wai is a director and substantial shareholder (20.00%) of LMSB and the brother-in-law of Law Kok Thye, the Managing Director and major shareholder of Leform, via his direct interest and indirect interest pursuant to his shareholding in Tianwen Holdings Sdn Bhd.

3. RATIONALE FOR THE RRPTs

The RRPTs are in the ordinary course of business by Leform and the relevant subsidiaries by supplying steel pipes and flat steel products produced to LMSB for LMSB's trading business. LMSB is principally engaged in trading of steel pipes and flat steel products. The RRPTs are on arm's length basis and on normal commercial terms not more favourable to the related parties than those generally available to the public. The transactions are not detrimental to the interest of the minority shareholders of the Company.

4. FINANCIAL EFFECTS OF THE RRPTs

The RRPTs have no effect on the issued share capital and substantial shareholders' shareholdings of Leform. The RRPTs will not have any material effect on the consolidated earnings per share, net assets per share and gearing of Leform for the financial year ended 31 December 2022 and the forthcoming financial year.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed in the item 2 above, none of the other Directors and/or Major Shareholders of the Company and/or persons connected with them have any interest, direct or indirect in the RRPTs. Accordingly, Mr Law Kok Thye has abstained and will continue to abstain from all deliberations and voting at board meetings in respect of the RRPTs.

6. STATEMENT BY AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee having considered the rationale for the RRPTs and all aspects of the RRPTs, was of the view that the RRPTs are in the best interests of the Group, fair, reasonable and on normal commercial terms and not detrimental to the interests of the minority shareholders of the Company.

7. STATEMENT BY BOARD OF DIRECTORS

Save for the interested Director, Mr. Law Kok Thye, the Board having considered all aspects of the RRPTs is of opinion that the RRPTs are in the best interest of the Group and not detrimental to the interests of the minority shareholders of the Company.

8. APPROVALS REQUIRED

The RRPTs are not subject to shareholders' approval as the percentage ratio of the value transacted is less than 5%.

This announcement is dated 10 February 2023.