

LION POSIM BERHAD

Registration No. 198201002310 (82056-X)

(Incorporated in Malaysia)

Minutes of the 42nd Annual General Meeting of the Company (“42nd AGM”) held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 27 May 2025 at 10.30 am.

PRESENT

- BOARD OF DIRECTORS** : Y. Bhg. Tan Sri Cheng Heng Jem (Chairman)
Ms Cheng Hui Ya, Serena
Y. Bhg. Tan Sri Abd Karim bin Shaikh Munisar
Dr Folk Jee Yoong
Mr Liew Jee Min @ Chong Jee Min
- MEMBERS AND PROXIES** : As per Attendance List
(collectively, the
“Shareholders”)
- INVITEES** : Representative of Messrs Forvis Mazars PLT,
the External Auditors
- Mr Francis Xavier Joseph (Engagement Partner)
- IN ATTENDANCE** : Ms Kong Siew Foon (Secretary)

1. OPENING

At the outset, the Chairman welcomed all to the Meeting.

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

2. QUORUM

There being a quorum present, the Chairman 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 28 April 2025 and as such, the Notice was taken as read.

4. PROCEEDINGS OF MEETING

As a matter of safety, the Chairman invited the representative of the Building Management to advise on the safety exit measures of the Meeting Hall.

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 7 resolutions tabled at the Meeting would be voted upon by way of a poll.

The Chairman further informed that the Company had appointed the Share Registrar, Securities Services (Holdings) Sdn Bhd, as the Poll Administrator to conduct the polling process and Commercial Quest Sdn Bhd as the Independent Scrutineer to verify the results of the poll.

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 2024 and the Reports of the Directors and Auditors thereon (“2024 AFS”).

The Chairman informed that the 2024 AFS had been uploaded to the website of the Company on 28 April 2025. He further explained that in accordance with the provisions of the Companies Act 2016, the 2024 AFS did not require Shareholders’ approval and therefore, would not be put to vote.

The information on the businesses of the Group together with the financial results of the Group for the financial year ended 31 December 2024 was presented at the Meeting.

Thereafter, the questions received in advance from a Shareholder together with the Management’s response thereto set out herein as Annexure I was also presented at the Meeting.

As there were no further questions from the Floor, the Chairman declared the 2024 AFS duly received.

The Chairman then proceeded with the remaining Agenda items.

6. DIRECTORS’ FEES

The second item on the Agenda was to approve the payment of Directors’ fees amounting to RM168,700 for the financial year ended 31 December 2024.

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 42nd AGM until the next annual general meeting of the Company.

8. RE-ELECTION OF DIRECTOR RETIRING IN ACCORDANCE WITH CLAUSE 110 OF THE COMPANY’S CONSTITUTION

The fourth item on the Agenda was to re-elect Dr Folk Jee Yoong who retired by rotation in accordance with Clause 110 of the Company’s Constitution and who being eligible, had offered himself for re-election.

9. RE-ELECTION OF DIRECTOR RETIRING IN ACCORDANCE WITH CLAUSE 111 OF THE COMPANY'S CONSTITUTION

The fifth item on the Agenda was to re-elect Mr Liew Jee Min @ Chong Jee Min who was appointed during the financial year and retired in accordance with Clause 111 of the Company's Constitution and who being eligible, had offered himself for re-election.

10. RE-APPOINTMENT OF AUDITORS

The sixth item on the Agenda was to re-appoint the retiring Auditors, Messrs Forvis Mazars PLT, 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.

The Chairman informed that Messrs Forvis Mazars PLT had expressed their willingness to be re-appointed Auditors of the Company.

11. SPECIAL BUSINESS

The Chairman informed that there were 2 Ordinary Resolutions to be tabled as Special Business.

11.1 Authority to Directors to Issue and Allot Shares

The first 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.

11.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

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

12. OTHER BUSINESS

The Chairman informed that he had been advised that the Company had not received any notice of other business to be transacted at the Meeting.

13. POLLING PROCESS

The Chairman proceeded to carry out the voting for all the 7 resolutions by way of a poll and shared the step-by-step guide by the Poll Administrator on the e-voting procedures.

For proper and orderly conduct of the poll, the Chairman declared that the registration for attendance at the 42nd AGM be closed.

The Chairman then adjourned the 42nd AGM at 10.55 am for 20 minutes or in the event the poll results were not ready by then, as soon as the results were tabulated thereafter, for the announcement of the results of the poll.

14. DECLARATION OF POLL RESULTS

14.1 At 11.15 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 7 Ordinary Resolutions as follows which had been verified by the Independent Scrutineer, and 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	170,473,151	100.0000	0	0.0000
Resolution 2 To approve Directors' benefits	170,473,151	100.0000	0	0.0000
Resolution 3 To re-elect Dr Folk Jee Yoong as Director	170,473,151	100.0000	0	0.0000
Resolution 4 To re-elect Mr Liew Jee Min @ Chong Jee Min as Director	170,473,151	100.0000	0	0.0000
Resolution 5 To re-appoint Messrs Forvis Mazars PLT as Auditors	170,473,151	100.0000	0	0.0000
Resolution 6 Authority to Directors to Issue and Allot Shares	170,473,151	100.0000	0	0.0000
Resolution 7 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	331,758	100.0000	0	0.0000

14.2 Based on the results of the poll, the Chairman declared the following 7 Ordinary Resolutions duly carried:

- (a) Resolution 1 - THAT the Directors' fees amounting to RM168,700 for the financial year ended 31 December 2024 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 42nd AGM until the next annual general meeting of the Company be approved for payment to the Directors.
- (c) Resolution 3 - THAT Dr Folk Jee Yoong who retired by rotation in accordance with Clause 110 of the Company's Constitution, be re-elected to the Board.

- (d) Resolution 4 - THAT Mr Liew Jee Min @ Chong Jee Min who was appointed during the financial year and retired in accordance with Clause 111 of the Company's Constitution, be re-elected to the Board.
- (e) Resolution 5 - THAT the retiring Auditors, Messrs Forvis Mazars PLT, be re-appointed 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.
- (f) Resolution 6 - 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.

- (g) Resolution 7 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

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 28 April 2025 ("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. CLOSING REMARKS BY THE CHAIRMAN

The Chairman encouraged Shareholders to provide or update their email addresses in respect of their Central Depository System accounts to facilitate prompt electronic receipt of all notifications issued by the Company.

16. TERMINATION

There being no other business, the Meeting ended at 11.17 am.

SIGNED AS A CORRECT RECORD

SIGNED

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CHAIRMAN

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

(Incorporated in Malaysia)

42nd Annual General Meeting held on 27 May 2025

- Management's response to Questions Received in Advance from a Shareholder

No. Questions	Reply
<p>1. Given the full impairment of RM155.7 million in receivables from Lion Diversified Holdings Berhad ("LDHB") subsidiaries, Lion DRI Sdn Bhd and Graimpi Sdn Bhd, mentioned on page 15 of the Circular, and LDHB's liquidation status, what specific actions, if any, are the liquidators taking that might lead to potential future recovery for Lion Posim Berhad ("LPB")?</p>	<p>As the liquidation of LDHB involves the entire group and remains ongoing, the matter is currently under the custody of the appointed liquidator. At this juncture, we do not foresee any substantial recovery. Nevertheless, we will continue to closely monitor the situation and assess it as and when further information becomes available.</p>
<p>2. Page 15 of the Circular expresses confidence in recovering RM129.8 million in non-LDHB related party receivables due to long-standing relationships and repayments, could the Board provide more specific details on the repayment trends and aging profile of this specific RM129.8 million portion?</p>	<p>As defined on page 1 of the Circular, "related party or related parties" refers to the "director", "major shareholder" and/or "person connected" with such director or major shareholder of LPB or its subsidiaries or its holding company, Lion Industries Corporation Berhad.</p> <p>The outstanding balances relate to trade receivables arising from regular commercial transactions and ongoing business relationships with the Group.</p> <p>Over the past 3 years, collections from these related parties have averaged approximately RM60.0 million per year. Furthermore, the trade receivables due from a related party is secured by a lienholder caveat placed on two parcels of land, with an estimated value of RM43 million (representing 33% of the RM129.8 million), in favour of the Group.</p> <p>For the first quarter of financial year 2025, these related parties have made repayment totalling RM5.0 million.</p>
<p>3. The Chairman's Statement (page 43 of Annual Report ("AR") extract) mentions navigating challenges through cost control and efficiency, beyond these measures, what are the key growth strategies the Board is pursuing for the Building Materials and Lubricants divisions in the challenging 2025 outlook?</p>	<p>The Building Materials Division is focused on strengthening strategic partnerships and expanding its distribution network for in-house brands to drive revenue and improve margins. It is also widening its market presence by establishing new warehouse facilities nationwide. Proactive measures remain in place to enhance resilience and support long-term sustainable growth. Meanwhile, the Lubricants Division continues to strategise and pursue emerging business opportunities as part of its growth strategy.</p>

No. Questions	Reply
<p>4. The Corporate Governance Overview Statement (page 12 of AR extract) acknowledges non-compliance with Malaysian Code on Corporate Governance (“MCCG”) Practice 5.9 requiring 30% women directors, what concrete steps and timeline does the Nomination Committee have in place to identify suitable female candidates and achieve this target?</p>	<p>While the Board acknowledges the departure from the recommendation under Practice 5.9 of the MCCG and will endeavour to identify suitable candidate to fulfil the recommendation in having at least 30% women directors on board, the Board also views that the broad range of knowledge, skills, and experience of the current members of the Board sufficiently facilitate the discharge of the Board’s stewardship responsibilities.</p> <p>As outlined in our Corporate Governance Report, the Board undertakes periodic evaluations of its composition encompassing size, competencies and diversity including gender representation to ensure its continued alignment with the Group’s businesses and strategies for appropriateness.</p>
<p>5. The Risk Management Statement (page 20 of AR extract) notes the Group Chief Internal Auditor (“Group CIA”) resigned and a successor search is ongoing, what is the current status of this appointment, and what measures are ensuring the robustness and independence of the internal audit function in the interim?</p>	<p>The appointment of a successor to Group CIA is in progress. In the interim, Internal Audit Function is overseen by a Senior Manager who is a professional member of the Institute of Internal Auditors Malaysia, Certified Practising Accountant Australia and Chartered Accountant with the Malaysian Institute of Accountants. The Internal Auditors are updated on the improvement and development in internal auditing standards, procedures, techniques, corporate governance and the Listing Requirements through the attendance at seminars and talks. Internal Auditors are required to submit their Conflict of Interest and Anti-Bribery and Corruption Compliance Declarations on an annual basis. Internal Auditors are free from any relationships or conflict of interest which could impair their objectivity and independence in their audit assignments.</p>
<p>6. Considering the extensive and complex nature of the recurrent related party transactions (“RRPTs”) detailed in the Circular (pages 13-14) and the inherent conflicts involving major shareholders and directors (pages 11-13), how does the Audit and Risk Management Committee (“ARMC”) specifically satisfy itself that the review procedures (page 16-17) effectively ensure transactions are consistently on terms not more favourable than those available to the public?</p>	<p>The ARMC reviewed the review procedures and had opined that the procedures were sufficient to ensure that the RRPTs were not more favourable to the related parties than those generally available to the public. The Group has adequate procedures and processes in place covering the transaction price, terms and conditions for RRPTs and such procedures and processes are reviewed on an annual basis or whenever the need arise.</p> <p>The review on RRPTs by the Internal Auditors is reported to the ARMC on a quarterly basis.</p>

No. Questions	Reply
<p>7. The actual value for the purchase of steel and building materials under the 2024 RRPT Mandate was RM252.7 million against an estimate of RM450 million (page 13 of the Circular), could the Board elaborate on the primary reasons for this significant variance and how this informs the RM450 million estimate for the renewed mandate?</p>	<p>For the financial year 2024, in view of the intensified price competition among distributors, the actual value for the purchase of steel and building materials was lower than estimated.</p> <p>However, with the anticipated expansion of the construction sector, driven by the revival of mega infrastructure and renewable energy projects, as well as rising private investments in data centres, the Group expects increased demand and accordingly estimates a higher purchase of steel and building materials in 2025.</p>