

LFE CORPORATION BERHAD
Registration No. 200201011680 (579343-A)
(Incorporated in Malaysia)

**MINUTES OF THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE
COMPANY CONDUCTED FULLY VIRTUAL VIA AN ONLINE PLATFORM AT
KUALA LUMPUR ON WEDNESDAY, 23 JUNE 2021 AT 10.00 A.M.**

- PRESENT : Directors
Mr. Liew Kiam Woon
Mr. Kok Tong Yong
Mr. Goh Chee Hoe
Mr. Loo Thin Tuck
YM Tunku Azlan Bin Tunku Aziz
Ms. Tng Ling Ling
- Shareholders, Proxies and Corporate Representative(s)
As per Attendance List
- IN ATTENDANCE : Ms. Wong Youn Kim (Company Secretary)
- BY INVITATION : As per Attendance List

1. PRELIMINARY

Ms. Wong Youn Kim, the Company Secretary informed the Members that the Board has not appointed a Chairman. Pursuant to Clause 72 of the Company's Constitution, if there is no Chairman of the Board of Directors, the Directors present shall choose one amongst themselves to act as the Chairman of the Meeting, and if there is no Chairman chosen pursuant thereof, the Members present shall choose one of them to act as the Chairman of the Meeting.

Upon the proposal of Mr. Goh Chee Hoe and seconded by Mr. Kok Tong Yong, Mr. Liew Kiam Woon was nominated as the Chairman of the Meeting.

2. CHAIRMAN

Mr. Liew Kiam Woon, who consented to act, was elected to Chair the Meeting. He welcomed all present to the Meeting and then introduced the Members of the Board to the Members present.

3. QUORUM

The requisite quorum being present pursuant to Clause 70 of the Company's Constitution, the Chairman declared the Meeting duly convened.

4. NOTICE OF MEETING

The Chairman addressed the meeting and declared the meeting duly convened as the Notice of the Annual General Meeting (“AGM”) dated 28 April 2021 had been circulated to all members of the Company in accordance with the Company’s Constitution.

It was unanimously agreed that the notice convening the Meeting having been circularised was taken as read.

5. BRIEFING ON HOUSEKEEPING PROCEDURES – FULLY VIRTUAL AGM

Before proceeding with the Agenda of the AGM, the Company Secretary, was called upon to explain the proceedings of the meeting and voting procedures to the shareholders.

The Company Secretary informed the shareholders that the businesses to be transacted in the AGM involve the moving and passing of seven (7) proposed Ordinary Resolutions.

The Company Secretary further said that the Agenda 1 which is to receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors’ and Auditors’ Reports is meant for discussion only and is not a business which requires a resolution to be put to vote by the shareholders.

Each of the seven (7) proposed Resolutions would require a Proposer and Secunder before the motions were put to the floor to vote; and any resolution set out in the notice of AGM to be voted by way of poll.

The Company Secretary further informed that with a view to facilitate the flow of the meeting, the proxy holders of the Company, Zaidah Binti Mohamaed Esa and Nur Fazlin Syaira binti Mohd Rosli have offered themselves to be the Proposer and Secunder for all the motions; and that pursuant to the Paragraph 8.29A of the Main Market Listing Requirements, any resolution set out in the notice of any general meeting or notice of resolution must be voted by way of poll. The Company Secretary informed the shareholders that HMC Corporate Services Sdn Bhd has been appointed as the Poll Administrator to conduct the poll by way of online voting and USearch Management Services was appointed as Scrutineer to supervise polling process and verify the poll results.

6. PRESENTATION ON ISSUES RAISED FROM MINORITY SHAREHOLDERS WATCH GROUP

Before proceeding with the first item of the Agenda, Mr. Goh Chee Hoe, the Executive Director presented to the shareholders the questions raised by the Minority Shareholders Watch Group (MSWG) via its letter dated 7 June 2021 and the answers provided by the Company as annexed herewith and marked “Appendix 1”.

7. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON

The Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon as attached in the 2020 Annual Report which had been previously circulated, were tabled for discussion.

8. ORDINARY RESOLUTION NO. 1

- **PAYMENT OF DIRECTORS' FEES AND BENEFITS FROM 24 JUNE 2021 UNTIL THE NEXT AGM OF THE COMPANY**

Ordinary Resolution 1 of the Agenda was to approve the payment of Directors' fees and benefits payable up to an amount of RM95,000.00 from 24 June 2021 until the next AGM of the Company to be held in 2022.

9. ORDINARY RESOLUTION NO. 2

- **RE-ELECTION OF DIRECTOR, MR. KOK TONG YONG PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 2 of the Agenda was to re-elect Mr. Kok Tong Yong, an Executive Director of the Company who was retiring in accordance with Clause 97.1 of the Company's Constitution.

10. ORDINARY RESOLUTION NO. 3

- **RE-ELECTION OF DIRECTOR, MR. LOO THIN TUCK PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 3 of the Agenda was to re-elect Mr. Loo Thin Tuck, a Senior Independent Non-Executive Director of the Company who was retiring in accordance with Clause 97.1 of the Company's Constitution.

11. ORDINARY RESOLUTION NO. 4

- **RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution 4 of the Agenda was to re-appoint Messrs. HLB ACC PLT (formerly known as Morison AAC PLT) as Auditors of the Company and to authorise the Directors to fix their remuneration was tabled before the meeting.

The Chairman informed the floor that Messrs. HLB ACC PLT (formerly known as Morison AAC PLT) have indicated their willingness to continue office as Auditors of the Company for the financial year ending 31 December 2021.

12. ORDINARY RESOLUTION NO. 5

- **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016**

Ordinary Resolution 5 of the Agenda was to obtain the shareholders' approval on the authority for Directors' to issue and allot shares of not more than ten percent (10%) of the total number of issued shares of the Company pursuant to Section 76 of the Companies Act, 2016.

13. ORDINARY RESOLUTION NO. 6

- **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR - MR. LOO THIN TUCK**

Ordinary Resolution 6 of the Agenda, authority for Mr. Loo Thin Tuck to continue in office as an Independent Non-Executive Director.

The Chairman informed the floor that the Board has recommended the retention of Mr. Loo Thin Tuck who has served as an Independent Non-Executive Director of the Company for more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company.

14. ORDINARY RESOLUTION NO. 7

- **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR - YM TUNKU AZLAN BIN TUNKU AZIZ**

Ordinary Resolution 7 of the Agenda, authority for YM Tunku Azlan Bin Tunku Aziz to continue in office as an Independent Non-Executive Director.

The Chairman informed the floor that the Board has recommended the retention of YM Tunku Azlan Bin Tunku Aziz who has served as an Independent Non-Executive Director of the Company for a cumulative of twelve (12) years to continue to act as an Independent Non-Executive Director of the Company.

15. ANY OTHER BUSINESS

The Company Secretary confirmed that the Company had not received any notice to transact any other business at the Meeting.

16. BRIEFING BY COMPANY SECRETARY ON POLLING

The Company Secretary, was called upon to brief on the polling procedures to the shareholders.

LFE CORPORATION BERHAD

Registration No. 200201011680 (579343-A)

Minutes of the Eighteenth Annual General Meeting held on 23 June 2021 (Cont'd)

17. ADJOURNED OF MEETING FOR POLL VOTING

The meeting was adjourned at 10.30 a.m. for the poll voting to commence immediately.

18. RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS

The meeting re-convened at 10.55 a.m. for the announcement of the results of the poll voting by the Chairman as follows:-

Agenda	For		Against		Abstained	Results
	No. of Shares	%	No. of Shares	%		
Ordinary Resolution 1 To approve the Directors' fees and benefits payable up to an amount of RM95,000.00 for the period from 24 June 2021 until the next Annual General Meeting of the Company to be held in 2022.	540,576,721	99.9999%	405	0.0001%	-	Carried
Ordinary Resolution 2 To re-elect Mr Kok Tong Yong who is retiring as a Director of the Company in accordance with Clause 97.1 of the Company's Constitution.	540,577,126	100%	-	-	-	Carried
Ordinary Resolution 3 To re-elect Mr Loo Thin Tuck who is retiring as a Director of the Company in accordance with Clause 97.1 of the Company's Constitution.	540,576,726	99.9999%	400	0.0001%	-	Carried

LFE CORPORATION BERHAD

Registration No. 200201011680 (579343-A)

Minutes of the Eighteenth Annual General Meeting held on 23 June 2021 (Cont'd)

Agenda	For		Against		Abstained	Results
	No. of Shares	%	No. of Shares	%		
Ordinary Resolution 4 To re-appoint Messrs. HLB AAC PLT (formerly known as Morison AAC PLT) as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	540,577,021	100%	105	0.0000%	-	Carried
Ordinary Resolution 5 Authority for Directors to issue and allot shares pursuant to Section 76 of the Companies Act, 2016.	540,576,921	100%	205	0.0000%	-	Carried
Ordinary Resolution 6 Proposed Retention of Mr Loo Thin Tuck as Independent Non-Executive Director.	Tier 1		Tier 1		-	Carried
	351,883,252	100%	-	-		
	Tier 2		Tier 2			
	188,693,369	99.9997%	505	0.0003%		
Ordinary Resolution 7 Proposed Retention of YM Tunku Azlan Bin Tunku Aziz as Independent Non-Executive Director.	Tier 1		Tier 1		-	Carried
	351,883,252	100%	-	-		
	Tier 2		Tier 2			
	188,691,869	99.9989%	2,005	0.0011%		

ORDINARY RESOLUTION 1**PAYMENT OF DIRECTORS' FEES AND BENEFITS FROM 24 JUNE 2021 UNTIL THE NEXT AGM OF THE COMPANY**

RESOLVED THAT the Directors' fees and benefits payable up to an amount of RM95,000.00 for the period from 24 June 2021 until the next Annual General Meeting of the Company to be held in 2022 be and is hereby approved.

ORDINARY RESOLUTION 2

RE-ELECTION OF DIRECTOR, MR. KOK TONG YONG PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION

RESOLVED THAT Mr. Kok Tong Yong who is retiring as a Director of the Company in accordance with Clause 97.1 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 3

RE-ELECTION OF DIRECTOR, MR. LOO THIN TUCK PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION

RESOLVED THAT Mr. Loo Thin Tuck who is retiring as a Director of the Company in accordance with Clause 97.1 of the Company's Constitution be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 4

RE-APPOINTMENT OF AUDITORS

RESOLVED THAT Messrs. HLB AAC PLT (formerly known as Morison AAC PLT), the retiring Auditors having given their consent for re-appointment, be and were hereby re-appointed as Auditors of the Company at a fee to be agreed upon by the Directors.

ORDINARY RESOLUTION 5

AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT, 2016

RESOLVED THAT subject always to the Companies Act, 2016 ("Act"), Company's Constitution, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 76 of the Act to allot shares in the Company at any time until the conclusion of the next Annual General Meeting 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 pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

ORDINARY RESOLUTION 6

PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR - MR. LOO THIN TUCK

RESOLVED THAT Mr. Loo Thin Tuck be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director notwithstanding that he has been on the Board of the Company for a cumulative term of more than twelve (12) years.

ORDINARY RESOLUTION 7

PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR
- YM TUNKU AZLAN BIN TUNKU AZIZ

RESOLVED THAT YM Tunku Azlan Bin Tunku Aziz be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non- Executive Director notwithstanding that he has been on the Board of the Company for a cumulative term of more than twelve (12) years.

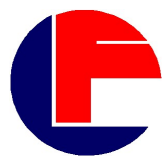
The Chairman declared that all the seven (7) Ordinary Resolutions as set out in the Notice were duly carried.

19. TERMINATION OF MEETING

There being no other business, the meeting ended at 11.58 a.m. with a vote of thanks to the chair.

CONFIRMED AS THE CORRECT RECORD
OF THE PROCEEDINGS THEREAT,

CHAIRMAN
Kuala Lumpur
Date: 23 June 2021



Since 1967

LFE Corporation Berhad

PRESENTATION TO SHAREHOLDERS

- 18th Annual General Meeting

23 June 2021

Fully Virtual AGM

PRESENTATION OUTLINE

Queries from MSWG:-

Operation & Financial Matters

1. Financial Forecast of YE 2021
2. Order Book and Tendering Job
3. Impairment loss of other receivables
4. Aging of trade receivables

Corporate Governance (CG) Matters

5. Absent of Chairman of the board
6. Update of Corporate Website
7. Information in Corporate Website

Operational & Financial Matters

Question 1 - Financial Forecast of YE 2021

The Group recorded loss after tax of RM1.72 million in FY2020. The losses were mainly due to an one-off expense incurred for professional fees of approximately RM1.13 million related to the Group's corporate exercise (page 2 of Annual Report (AR) 2020).

Is the Group expected to turnaround and register profits in FY2021?

What are the strategies and initiatives to turnaround the Group in 2021 and going forward?

Operational & Financial Matters

Question 1 - Financial Forecast of YE 2021

Answer

There are still many **external uncertainties** in 2021, such as government policies and increase of material price, which will still be a challenging year for the construction industry as a whole.

However, based on **internal projections** of the financial results for the YE2021, management expects the **Group to turnaround and record a profit after tax in the financial year 2021** due to the profit contribution from the newly acquired subsidiary, Cosmo Property Management Sdn Bhd. Management would like to emphasize that this **profit forecast is dependent on the construction progress of the project**, which in turn is highly dependent on the development of "Full MCO" and subsequent government policies.

Operational & Financial Matters

Question 2 - Order Book and Tendering Job

The Group will continue to actively pursue and bid for new projects in the mechanical & electrical engineering (M&E), plumbing and construction sectors locally and regionally (page 3 of AR 2020).

a. What is the current outstanding order book of the Group's existing projects?

Project	Contact Value	Expected completion date
Shiangly Builder Sdn. Bhd. ("SBSB") :	RM 34,503,500	Q1 2022
Electrical ACMV Services		
Fire Protection Services		
Hydraulic Services		
Electrical HT, LV & ELV Services		
Seri Jaya Perkasa Sdn. Bhd. – C&S ("SJPSB")	RM 15,200,000	On-hold
Shiangly Athens Park Sdn. Bhd. – C&S of tower ("SAP")	RM 70,363,000	Q1 2022
Property Builder(Kuala Kedah) Sdn. Bhd. – C&S work	RM 85,000,000	Q1 2023

Operational & Financial Matters

Question 2 - Order Book and Tendering Job

b. What is the current tender book and targeted order book replenishment in the next two financial years?

Answer

The Group submitted several tenders (including direct negotiation) during the year, currently 3 active tenders still pending to finalise from Project owner. The details of the tendered project as follows:

Project	Work Scope	Estimated Value
Mixed Development project with 8 floors commercial shoptop & 12 floors residential @ Ara Damansara, Selangor	Building Construction & M&E services	RM 70 mill- RM 80 mil
Industrial Factory @ Banting Selangor	Mechanical & Electrical Services	RM 4 mil- RM 5 mil
Sales Gallery @ Raja Chulan, Kuala Lumpur	Mechanical & Electrical Services	RM 1.5 mil- RM 2 mil

Operational & Financial Matters

Question 2 - Order Book and Tendering Job

c. What are the specific tenders/opportunities for M&E and construction sectors in the next 12-24 months?

Answer

In addition to residential projects, the Group will expand into a wider range of projects, including **commercial buildings, industrial factory and infrastructure**. LFE is also exploring opportunities in the **Smart Home division**, a new and value-added sub-segment of our existing mechanical and electrical services

Operational & Financial Matters

Question 2 - Order Book and Tendering Job

d. The Company recently announced a mutual termination of contract from Innoseven Sdn Bhd in relation to the sub-contractor work for the supply of labour, equipment, tools, plant and machineries for the completion of the extension to a hospital in Segamat, Johor. The reasons for termination, amongst others, was that the contract has been severely delayed due to MCO and the recent steel price increase in construction materials to complete the entire contract. Going forward, how will the Group be tendering for projects given the challenges in the industry?

Operational & Financial Matters

Question 2 - Order Book and Tendering Job

Answer

LFE will actively **monitor the material costs and government policies** to ensure that our project tenders are viable and also remain competitive. LFE will further adopt new methods such as **material price sensitivity studies and price hedging** to minimize risk.

Operational & Financial Matters

Question 3 - Impairment loss of other receivables

Accumulated impairment losses on other receivables have increased to RM477,837 in FY2020 (FY2019: Nil) (page 77 of AR2020).

a. What was the nature of these other receivables that have been impaired?

Answer

It is one-off impairment on the **advances to the subsidiaries**, Teratai Megah Sdn Bhd and LFE Engineering (JB) Sdn Bhd, which both of them **disposed during the financial year**.

Operational & Financial Matters

Question 3 - Impairment loss of other receivables

b. What were the reasons for the high impairment losses in FY2020?

Answer

As mentioned above, this was a **one-off impairment on the disposal of subsidiaries**

c. What are the measures taken by the Company to ensure that the impairment losses on other receivables does not increase further?

Answer

As it is one-off transaction derived from the disposal, the Group **does not foresee any potential impairment** of other receivables in the future.

Operational & Financial Matters

Question 4 – Aging of receivables

The ageing analysis of the Group's trade receivables and contract assets - accrued billings shows all categories of past due but not impaired trade receivables and contract assets. The category of more than 1 year past due but not individually impaired increased by 202.6% to RM11.5 million in FY2020 (FY2019: RM3.8 million) (Note 22, page 93 of AR 2020).

a. How much of overdue trade receivables and contract assets of RM11.5 million is related to the Group's major customers?

Answer

RM4.5mil out of RM11.5mil (approximately 39%) relates to major customers in 2019.

Operational & Financial Matters

Question 4 – Aging of receivables

b. Why weren't any impairments made for these trade receivables and contract assets as they have been long outstanding for more than 1 year?

Answer

As at the date of Annual Report, LFE had **reached settlement agreements** with the relevant customers in respect of the outstanding balances. Most of the outstanding balance is **expected to be settled in the year 2021**.

c. Are there any allowances for impairment losses expected for FY2021?

Answer

To date, LFE has **no knowledge of any potential factors** that could lead to a specific impairment loss in the financial year 2021 other than the ECL impairment provision under MFRS 9.

Corporate Governance (CG) Matters

Question 5 - Absent of Chairman of the board

Based on the Company's Corporate Governance Report for FY2020 ("CG Report 2020") on the application of the practices under the Malaysian Code on Corporate Governance, please provide clarification on the following:

Part A

Practice 1.2 – A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

LFE's response: Departure. The Company does not have a Chairman. LFE is currently actively looking for a suitable candidate to fill the vacancy.

MSWG's comment: Based on the Company's reply letter dated 18 September 2020 to MSWG's letter dated 11 September 2020, the Company responded that it has identified a suitable candidate to be the Chairman of the Board. LFE will make announcement on appointment of Chairman once the Board has approved the said appointment

What were the reasons that the Chairman was not appointed? What is the Company's action plan and targeted timeline to appoint a Chairman?

Corporate Governance (CG) Matters

Question 5 - Absent of Chairman of the board

Answer

LFE had identified a suitable candidate, however, the candidate would like to **defer his appointment to a later date**, after forthcoming Annual General Meeting to be held on 23 June 2021, due to personal reason.

Corporate Governance (CG) Matters

Question 5 - Absent of Chairman of the board

Based on the Company's Corporate Governance Report for FY2020 ("CG Report 2020") on the application of the practices under the Malaysian Code on Corporate Governance, please provide clarification on the following:

Part B

Practice 1.3 – The positions of Chairman and CEO are held by different individuals.

LFE's response: Applied. LFE does not have Chairman and CEO, however, a Chairman will be elected amongst the Board of Directors before convening the meeting and the Managing Director of the Company is Mr. Liew Kiam Woon.

MSWG's comment: It was stated that the Company does not have a Chairman and the same individual, Managing Director also acts as Chairman, hence, LFE has inaccurately stated that it has applied the practice.

Corporate Governance (CG) Matters

Question 5 - Absent of Chairman of the board

Answer

LFE **does not have neither Chairman nor CEO**, however, a Chairman will be elected amongst the Board of Directors before convening the meeting. LFE does not have Chief Executive Officer while Managing Director is seated at the highest position in the Group by Mr. Liew Kiam Woon.

Corporate Governance (CG) Matters

Question 6 – Update of Corporate Website

Based on the Company’s reply letter dated 18 September 2020 to MSWG’s letter dated 11 September 2020, the Company mentioned that it will upgrade and update all information (includes key matters discussed at the AGM) on its website by end of 2020.

Chapter 9, Paragraph 9.21(2) of the Main Market Listing Requirements (“MMLR”) requires companies to publish the summary of Key Matters Discussed at the previous AGM onto the companies’ website. As at 6 June 2021, the Company did not publish the summary of Key Matters Discussed at its AGM held in 2020 onto its website. Please explain.

Corporate Governance (CG) Matters

Question 6 – Update of Corporate Website

Answer

The new website with major upgrade and new interface was released on early of the year. Following the launch of the new website, we noticed that some features were not well integrated and needed further tweaking. Therefore, as a transitional plan, LFE decided to **maintain a simplified version of the website**, only containing basic company information, investor relations material and bursa announcements. **The new website is expected to go live next month** and will include details company information, financial data, stock market information as well as the Key Matters Discussed at its AGM.

Corporate Governance (CG) Matters

Question 7 – Information in Corporate Website

The written terms of reference of nominating committee and audit committee were not available on the Company's website upon checking on 6 June 2021. This constitutes a breach of the following MMLR. Please explain.

- Chapter 15, Paragraph 15.08 A (2) of the MMLR states that the written terms of reference of nominating committee must be made available on the listed issuer's website.
- Chapter 15, Paragraph 15.11 of the MMLR states that an audit committee must have written terms of reference which deal with its authority and duties, and such information must be made available on the listed issuer's website.

Corporate Governance (CG) Matters

Question 6 – Information in Corporate Website

Answer

Noted. As mention before, **the information will be publishing in the new website.**

END OF PRESENTATION

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the slide, with some extending towards the center. The overall aesthetic is modern and professional.