

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

**MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE  
COMPANY CONDUCTED FULLY VIRTUAL VIA AN ONLINE PLATFORM ON  
TUESDAY, 28 JUNE 2022 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  
Mr. Lim Say Leong
- 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 2022 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 eight (8) 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 2021 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 eight (8) 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 16 June 2022 and the answers provided by the Company as annexed herewith and marked “Appendix A”.

**7. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON**

The Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon as attached in the 2021 Annual Report which had been previously circulated, were tabled for discussion.

**8. ORDINARY RESOLUTION NO. 1**

- **PAYMENT OF DIRECTORS' FEES AND BENEFITS FROM 29 JUNE 2022 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 RM150,000.00 from 29 June 2022 until the next AGM of the Company to be held in 2023.

**9. ORDINARY RESOLUTION NO. 2**

- **RE-ELECTION OF DIRECTOR, MR. LIEW KIAM WOON PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 2 of the Agenda was to re-elect Mr. Liew Kiam Woon, a Managing Director of the Company who was retiring in accordance with Clause 97.1 of the Company's Constitution.

As the Ordinary Resolution 2 involved the interest of the Chairman himself, the Director, Mr. Loo Thin Tuck was invited to take over the Chair to proceed with the motion.

The resolution to re-elect Mr. Liew Kiam Woon was tabled to the shareholders for consideration.

Mr. Loo Thin Tuck then handed the Chair back to the Chairman.

**10. ORDINARY RESOLUTION NO. 3**

- **RE-ELECTION OF DIRECTOR, YM TUNKU AZLAN BIN TUNKU AZIZ PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 3 of the Agenda was to re-elect YM Tunku Azlan Bin Tunku Aziz, an 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-ELECTION OF DIRECTOR, MR. LIM SAY LEONG PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 4 of the Agenda was to re-elect Mr. Lim Say Leong, an Independent Non-Executive Director of the Company who was retiring in accordance with Clause 104 of the Company's Constitution.

**12. ORDINARY RESOLUTION NO. 5**

**• APPOINTMENT OF AUDITORS**

Ordinary Resolution 5 of the Agenda was to appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring Auditors, Messrs. HLB AAC PLT and to authorise the Directors to fix their remuneration.

The proposed new Auditors is the rebranding of the merger of previous audit firm and Messrs. HLB Ler Lum PLT.

The Chairman informed the floor that Messrs. HLB Ler Lum Chew PLT have indicated their willingness to accept the appointment as Auditors of the Company in place of the retiring Auditors for the financial year ending 31 December 2022.

**13. ORDINARY RESOLUTION NO. 6**

**• AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

Ordinary Resolution 6 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 Sections 75 and 76 of the Companies Act, 2016.

**14. ORDINARY RESOLUTION NO. 7**

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

Ordinary Resolution 7 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 nine (9) years to continue to act as an Independent Non-Executive Director of the Company.

**15. ORDINARY RESOLUTION NO. 8**

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

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Ordinary Resolution 8 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 nine (9) years to continue to act as an Independent Non-Executive Director of the Company.

**16. ANY OTHER BUSINESS**

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

**17. BRIEFING BY COMPANY SECRETARY ON POLLING**

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

**18. ADJOURNED OF MEETING FOR POLL VOTING**

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

**19. RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS**

The meeting re-convened at 10.53 a.m. for the announcement of the results of the poll voting by the Chairman as follows:-

Agenda	For		Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 1</b> To approve the Directors' fees and benefits payable up to an amount of RM150,000 for the period from 29 June 2022 until the next Annual General Meeting of the Company to be held in 2023.	520,971,297	100%	100	0.0000%	Carried
<b>Ordinary Resolution 2</b> To re-elect Mr Liew Kiam Woon who is retiring as a Director of the Company in accordance with Clause 97.1 of the Company's Constitution.	520,971,397	100%	-	-	Carried

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Agenda	For		Against		Results
	No. of Shares	%	No. of Shares	%	
<b>Ordinary Resolution 3</b> To re-elect YM Tunku Azlan Bin Tunku Aziz who is retiring as a Director of the Company in accordance with Clause 97.1 of the Company's Constitution.	520,970,997	99.9999%	400	0.0001%	Carried
<b>Ordinary Resolution 4</b> To re-elect Mr Lim Say Leong who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution.	520,971,397	100%	-	-	Carried
<b>Ordinary Resolution 5</b> To appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company in place of the retiring auditors, Messrs. HLB AAC PLT and to authorise the Directors to fix their remuneration.	520,971,397	100%	-	-	Carried
<b>Ordinary Resolution 6</b> Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	520,971,297	100%	100	0.0000%	Carried
<b>Ordinary Resolution 7</b> Proposed Retention of Mr Loo Thin Tuck as Independent Non-Executive Director.	Tier 1		Tier 1		Carried
	351,994,378	100%	-	-	
	Tier 2		Tier 2		
	168,976,619	99.9998%	400	0.0002%	
<b>Ordinary Resolution 8</b> Proposed Retention of YM Tunku Azlan Bin Tunku Aziz as Independent Non-Executive Director.	Tier 1		Tier 1		Carried
	351,994,378	100%	-	-	
	Tier 2		Tier 2		
	168,976,519	99.9997%	500	0.0003%	

**ORDINARY RESOLUTION 1**

**PAYMENT OF DIRECTORS' FEES AND BENEFITS FROM 29 JUNE 2022 UNTIL THE NEXT AGM OF THE COMPANY**

**RESOLVED THAT** the Directors' fees and benefits payable up to an amount of RM150,000 for the period from 29 June 2022 until the next Annual General Meeting of the Company to be held in 2023 be and is hereby approved.

**ORDINARY RESOLUTION 2**

**RE-ELECTION OF DIRECTOR, MR. LIEW KIAM WOON PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

**RESOLVED THAT** Mr. Liew Kiam Woon 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, YM TUNKU AZLAN BIN TUNKU AZIZ PURSUANT TO CLAUSE 97.1 OF THE COMPANY'S CONSTITUTION**

**RESOLVED THAT** YM Tunku Azlan Bin Tunku Aziz 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-ELECTION OF DIRECTOR, MR. LIM SAY LEONG PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

**RESOLVED THAT** Mr. Lim Say Leong who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 5**

**APPOINTMENT OF AUDITORS**

**RESOLVED THAT** Messrs. HLB Ler Lum Chew PLT having their consent for appointment, be and is hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. HLB AAC PLT for the financial year ending 31 December 2022 at a remuneration to be determined by the Directors.

**ORDINARY RESOLUTION 6**

**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 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 Sections 75 and 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 7**

**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 nine (9) years.

**ORDINARY RESOLUTION 8**

**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 nine (9) years.

The Chairman declared that all the eight (8) Ordinary Resolutions as set out in the Notice were duly carried.

**20. TERMINATION OF MEETING**

There being no other business, the meeting ended at 11.54 a.m. with a vote of thanks to the chair.

CONFIRMED AS THE CORRECT RECORD  
OF THE PROCEEDINGS THEREAT,

.....  
CHAIRMAN

Kuala Lumpur

Date: 28 June 2022



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 (Incorporated in Malaysia)

**REPLY TO MINORITY SHAREHOLDERS WATCH GROUP ENFORCEMENT  
 QUERIES VIA THE LETTER DATED 16 JUNE 2022 FOR THE  
 NINETEENTH (19<sup>TH</sup>) ANNUAL GENERAL MEETING**

**Operational & Financial Matters**

1. The increase in revenue was mainly attributable to the newly acquired subsidiary, Cosmo Property Management Sdn Bhd (“Cosmo”). Cosmo contributed RM18 million revenue in financial year (“FY”) 2021, which was entirely from the construction of civil and structural project. The outstanding order book of Cosmo as at FY2021 is RM104 million, which provides earning visibility in the coming years. (Page 4 of Annual Report (AR) 2021).

- (a) How long will Cosmo’s order book of RM104 million last? What is the current outstanding order book of the Group’s other existing projects?

**Answer**

Cosmo expect to complete all projects in the order book on end of year 2024. Besides Cosmo, the Group’s development project located at Kedah with an approximant RM 111 mil Gross Development Value to be kick start second half of year 2022. Cosmo is also in the process of tender and/or secure more jobs besides the existing order book.

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

**Answer**

The Group’s current tender book consist of 3 private sector’s projects with total RM 81.2 million and 2 government’s projects with total of RM 20.5 million. Further on that, the Group targeted order book replenishment between RM 20 – 30 million per year.

2. There were substantial increases in impairment charges for the Group and Company for the following items in FY2021: (Page 52 of AR2021)

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Impairment loss/ (reversal of impairment loss) on:				
- Contract assets	5,225	(116)		
- Trade receivables	6,850	257		
- Other receivables	556	478		
- Investment in subsidiary companies	-	-	39,095	176

- (a) What were the main reasons for the substantial impairment losses for each item?

**Answer**

- Contract assets – Being Variation Order (“VO”) issued to customer for the M&E project completed on previous year but not yet approved by the Project Owner. LFE have being actively discuss with the Project Owner to finalise on the VO, however the recent change of management of the project owner further delays the finalization process. Hence, on prudence, the Group have impaired the VO value.
  - Trade Receivables – Being the outstanding amount long overdue from Customer. The Customer have made the repayment progressively from previous years. However, the repayment progress ceased on middle of year 2021 due to customer’s internal finance issue.
  - Other receivables – Being the additional advance made by the Group to disposed subsidiary. The Group advance to the disposed subsidiary for the payment in connection with tax audits of basic period under the LFE Group.
- (b) For each item, what is the likelihood of further impairment or reversal or recoverability, as applicable, in FY2022?

**Answer**

Please refer to page 95 of the annual report, the Group has no receivables outstanding for more than 365 days. This indicates that the Group has made all impairments on long overdue receivables. The risk of additional impairment of long overdue receivables is minimal. The likelihood of reversal and the collectability of impaired receivables is uncertain. The Group will take the necessary steps to recover all or part of the impaired receivables.

3. In late 2021, the Group entered into a joint venture development agreement with the landowner to develop and build 422 units of single storey terrace houses and 142 units of double storey terrace houses at Kedah. The property development division is expected to contribute positively to the Group’s revenue and profit from 2022 onwards (Page 2 of AR 2021).

- (a) What is the status of the abovementioned property development project?

**Answer**

The project divided in to 3 phases and The Advertising Permit and Developer’s License (APDL) of first phase were obtained and marketing activities have been underway since the beginning of the year. The project site is in the ground clearance process.

- (b) What are the expected contributions to the Group in FY2022?

**Answer**

The revenue contribution of the development project depends on the sales of house units and progress of the construction site. The Group expected the development will contribute RM 5 million – 8 million of revenue to the group in FY 2022 as the work only start in second half of year 2022.

4. The Group has significant concentration of credit risk arising from the amounts owing by top 2 customers constituting 82% of the total trade receivables and contract assets – accrued billings of the Group (Note 29, page 95 of AR2021).

- (a) What are the identities/profiles of the top 2 customers?

**Answer**

Both customers are main contractors on the project and we are their subcontractors. These two customers have been in the construction industry for over 25 and 30 years respectively.

- (b) Has the board evaluated the customer concentration risks of the Group? If so, what has the Board done to mitigate the customer concentration risks?

**Answer**

The concentration risk arises from the nature and size of the construction projects, all of which are awarded directly by the main constructor and the Group has a limited number of projects it can execute simultaneously. The Group conducts due diligence and internal assessments of its customers prior to tendering for projects and the Group believes that its customers have strong financial positions and goodwill.

**Corporate Governance (“CG”) Matters**

5. Practice 1.2 of the Malaysian Code of Corporate Governance 2021 (MCCG 2021) stipulates that a Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed. The Company does not have a chairman since 2008.

Based on the Company’s reply letter dated 21 June 2021 to MSWG’s letter dated 7 June 2021, the Company responded that it has identified a suitable candidate to be the Chairman of the Board, however, the candidate would like to defer his appointment to a later date after the 8th Annual General Meeting of the Company held on 23 June 2021. Based on the Company’s Corporate Governance Report for Financial Year Ended 31 December 2021 (CG Report), it was stated that the Company is currently actively looking for a suitable candidate to fill the vacancy.

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

**Answer**

The identified candidate has not yet accepted the position because of personal reasons. The Group is in the process of finalising with the identified candidate's appointment and in the meantime considering other suitable candidates for appointment as Chairman. The Group target timeline is to get the appointment of Chairman on or before end of year 2022.

6. LFE in its CG Report states that it has departed from Practice 5.10 which requires the board to disclose in its annual report the company's policy on gender diversity for the board and senior management. Currently, the Company does not have any policy on gender diversity.

When does the Board plan to disclose in its annual report the company's policies on gender diversity, its target and measures to meet those targets?

**Answer**

The Company will adopt the Gender Diversity Policy during the financial year ending 31 December 2022.