

Minutes of the Extraordinary General Meeting

The minutes of the extraordinary general meeting of the Company held in The Conference Room at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 on Wednesday, 22 March 2023 at 11.00 am.

PRESENT

Directors

Sam Chong Keen (Independent Chairman)
Loh Kgai Mun (Executive Director)
Chai Woon Chew (Independent Director)
Lee Whay Keong (Non-independent non-executive Director)

In Attendance

Gan Choon Ching (Group Accountant)
Gan Chi Siew (Company Secretary)
Elsie Saw (B.A.C.S. Private Limited)
Muhammad Farhan (B.A.C.S. Private Limited)
Chan Sing Yee (WongPartnership LLP)
Sharon Ki (WongPartnership LLP)
Nicole Wong (Complete Corporate Services Pte Ltd)
Chee Kok Seng (Complete Corporate Services Pte Ltd)
Farhana Azmi (Complete Corporate Services Pte Ltd)
Lily Koh (Complete Corporate Services Pte Ltd)
Loo Chin Keong (Xandar Capital Pte. Ltd.)
Pauline Sim (Xandar Capital Pte. Ltd.)

Shareholders / Invitees

As per the attendance list.

Mr. Sam Chong Keen warmly welcomed the shareholders to the Company's Extraordinary General Meeting ("**EGM**").

QUORUM

As a quorum was present, Mr. Sam called the EGM to order at 11.00 am.

INTRODUCTION

Mr. Sam introduced the members of the Board, the Company's legal adviser and the appointed independent financial adviser, who were present.

The notice of the EGM, which was published in The Business Times and SGXNet on 7 March 2023, was taken as read.

He advised that the resolution tabled would be put to a vote, by way of a poll and the Company has appointed Complete Corporate Services Pte Ltd as the polling agent and B.A.C.S. Private Limited as the scrutineer.

ORDINARY RESOLUTION:

THE PROPOSED EXPANDED INTERESTED PERSON TRANSACTIONS GENERAL MANDATE

He proceeded to invite a shareholder to propose the resolution.

Mr. Sim Chor Chye proposed the resolution for the expanded interested person transactions general mandate. The motion was seconded by Mr. Chin Tung Fook.

Mr. Sam proceeded to open the floor for questions.

In response to Mr. Yeo Choon Leong's query on the accumulated provisions for doubtful debts on interested person transactions ("IPTs") over the past 10 years, Mr. Loh Kgai Mun opined that he did not have the exact number but assured that they have all been collected, except for Megasteel Sdn. Bhd. ("**Megasteel**"). Megasteel has been placed under a Malaysian court arrangement pending liquidation. Consequently, the Company managed to recover a small amount before writing off the balance. He added that the Group has no business dealings with Megasteel, its parent or subsidiaries following the completion of the court arrangement. Mr. Sam added that businesses with Interested persons have been profitable.

Regarding transactions with Interested Persons, Mr. Sam assured that the Company has complied with all the requirements of the SGX Listing Rules. He assured shareholders that the profit margins of the proposed supply of mining equipment and machinery would be better than the prevailing market fixed deposit rates in China.

In response to Mr. Yeo's question on working capital allocation, Mr. Sam revealed that the Board has been prudent and has put in place controls over the allocation of working capital to curb over-exposure.

On Mr. Manohar P. Sabnani's query on whether the supply of mining equipment and machinery would generate positive margins for the Group and whether the Company would be able to turn around, Mr. Sam acknowledged that the core business of the Group was not performing well, and the management was taking steps to address the difficulties like escalating logistics costs and energy costs. Against this backdrop, the Company has proposed the supply of mining equipment and machinery.

In response to Mr. Sabnani's query, Mr. Sam informed him that to expand its revenue base and improve profit margins, the Company has been exploring numerous investment projects, before proposing the supply of mining equipment and machinery. Additionally, Mr. Sam affirmed that both lime sales and trading of steel consumables generated positive margins and debt collections were on time. He explained that the numbers disclosed in the Annual Report were stated after the deduction of listing expenses.

Mr. Loh, in response to Mr. Sabnani's query on the funds in China, added that the funds in China was subjected to foreign exchange control. As the Board believed that the growth engine remained in China, the funds were maintained in bank accounts in China, to facilitate speedy investment decisions and to minimise foreign exchange translation losses.

Mr. Sam assured the shareholders that the Board took note of their request and would continue to review the dividend payout.

On Mr. Yeo's query on possible default payment by Lion Mining Sdn Bhd ("**Lion Mining**") and the creditworthiness of Bonus Essential Sdn Bhd ("**Bonus Essential**"), Mr. Loh explained that given the nature of business of Lion Mining, the Group had arranged for Bonus Essential to provide a corporate guarantee for all payment obligations arising from the supply of mining equipment due from Lion Mining. Due diligence had been performed on Bonus Essential and the Board was comfortable with the results. The AC also reviewed and implemented a credit limit on all IPTs.

With no further questions raised, the Resolution was put to a vote.

The poll voting results for the Resolution were as follows:

	No. of Shares	Percentage
For	1,848,958	89.74%
Against	211,400	10.26%
Total No. of Valid Votes	2,060,358	100.00%

Based on the results of the poll, Mr. Sam declared the Resolution carried.

IT WAS RESOLVED THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual, for the Company, its subsidiaries or associated companies that are considered "*entities at risk*" under Chapter 9 of the Listing Manual or any of them, to enter into any of the transactions falling within the categories of interested person transactions and with interested persons set out in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the methods and procedures for interested person transactions as set out in the Circular ("**Proposed Expanded IPT General Mandate**");
- (b) the Proposed Expanded IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting or when the next annual general meeting is required by law to be held, whichever is earlier.
- (c) the Audit Committee be and is hereby authorised to take such actions as it deems proper in respect of the methods and procedures for the Proposed Expanded IPT Mandate and/or to modify or implement such methods and procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the Singapore Exchange Securities Trading Limited from time to time; and
- (d) the Directors and each of them be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the approval and adoption of the Proposed Expanded IPT Mandate as such Directors or any of them may deem fit or expedient or give effect to the Proposed Expanded IPT Mandate and/or this Resolution.

ANY OTHER BUSINESS

There being no other business to discuss, Mr. Sam declared the EGM closed at 11.48 am and thanked everyone for their attendance.

Confirmed by

Sam Chong Keen
Chairman