

**LYSAGHT GALVANIZED STEEL BERHAD**

*Registration Number: 197901002195 (46426-P)*

(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting (“EGM”) of Lysaght Galvanized Steel Berhad held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Friday, 4 July 2025 at 10:00 a.m.

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**PRESENT**

Mr Ee Beng Guan (Chairman)  
Madam Chew Meu Jong  
Mr Cheam Low Soo  
Mr Yeoh Sheong Lee  
Mr Chong Chin Look  
Shareholders and proxies as per attendance list

**IN ATTENDANCE**

Ms Lim Chien Joo (Company Secretary)  
Mr Chua Tia Bon (Chief Executive Officer)  
Ms Ong Siew Sung (Chief Financial Officer)

**BY INVITATION**

Mr Foo Chun Keong (Inter-Pacific Securities Sdn Bhd)  
Mr Cheah Wei Han (Inter-Pacific Securities Sdn Bhd)  
Mr Desmond Cheong (Inter-Pacific Securities Sdn Bhd)  
Mr Andrew Chou (Affin Hwang Investment Bank Berhad)  
Ms Xin Kei Lee (Affin Hwang Investment Bank Berhad)  
Mr Chun Kay Yoong (Affin Hwang Investment Bank Berhad)  
Mr Stanley Toh (Laurelcap Sdn Bhd)  
Mr Bryan Wong (Laurelcap Sdn Bhd)  
Ms Wai Cheng Cheng (Cheng Cheng & Co.)  
Mr Thomas Lim (KPMG PLT)  
Ms Maegan Tan (KPMG PLT)  
Mr Lai Weng Chong (AD-Consult Sdn Bhd)

**NOTICE**

The Chairman welcomed the shareholders, corporate representatives, proxies and guests to the Meeting.

The Chairman informed the Meeting that the Board together with the Company Secretary, Chief Executive Officer, Chief Financial Officer, representatives from the Principal Adviser, Inter-Pacific Securities Sdn Bhd, representatives from the Independent Adviser, Affin Hwang Investment Bank Berhad, representatives from the Independent Valuer, Laurelcap Sdn Bhd and representative from the legal counsel, Cheng Cheng & Co were also present at the Meeting.

He then informed the Meeting that there were 11 shareholders present at the commencement of the Meeting. He added that 12 valid proxy forms had been received from 12 shareholders.

There being a quorum, he declared the Meeting duly convened at 10:00 a.m.

The Chairman informed the Meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements, all resolutions set out in the notice of the Meeting would be put to vote by poll. As the Chairman of Meeting, he proceeded to demand for a poll pursuant to Article 20.5 of the Company's Constitution in respect of all resolutions.

The Chairman further informed the Meeting that the Company has appointed 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 voting. He added that the polling would be conducted upon completion of the deliberation of all items to be transacted at the EGM.

Since the notice convening the Meeting in relation to the resolutions proposed at this meeting has been sent to all shareholders within the prescribed period, with the permission of the Meeting, it was taken as read.

**1. Ordinary Resolution 1 - Proposed Acquisition by Lysaght of 2 adjoining parcels of Leasehold Land held under HS(D) 6714, PT 989 and PN 385062, Lot 49809 together with the buildings erected thereon located at Kawasan Perindustrian Tasek, Ipoh, Perak from Lysaght Corrugated Pipe Sdn Bhd for a cash consideration of RM8.60 Million ("Acquisition of Subject Property 1")**

The Chairman informed the Meeting that Ordinary Resolution 1 is to consider and, if thought fit, to pass Ordinary Resolution 1 with regards to the Proposed Acquisition by Lysaght of 2 adjoining parcels of leasehold land held under HS(D) 6714, PT 989 and PN 385062, Lot 49809 together with the buildings erected thereon located at Kawasan Perindustrian Tasek, Ipoh, Perak from Lysaght Corrugated Pipe Sdn Bhd for a cash consideration of RM8.60 Million.

The Chairman informed the Meeting that interested Directors, interested Major Shareholders and Persons Connected to the interested Directors and interested Major Shareholders shall abstain from voting on the resolution. An interested Directors or interested Major Shareholders must also ensure that the Persons Connected to them abstain from voting in respect of their direct and/or indirect shareholdings on the resolution.

The details of the Acquisition of Subject Property 1 were set out in Circular to Shareholders dated 17 June 2025.

There being no further queries, Datuk Koh Seng Kiat proposed the motion "THAT approval be and is hereby given to Lysaght Galvanized Steel Berhad (Registration No. 197901002195 (46426-P)) to undertake the acquisition of 2 adjoining parcels of leasehold land held under HS(D) 6714, PT 989 and PN 385062, Lot 49809 together with the buildings erected thereon located at Kawasan Perindustrian Tasek, Ipoh, Perak and bearing postal address of Plot 3 & 55, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak from Lysaght Corrugated Pipe Sdn Bhd (Registration No. 197201001314 (12941-P)) for a cash consideration of RM8.60 million upon the terms and conditions as set out in the conditional sale and purchase agreement dated 9 April 2025 entered into between the Company and Lysaght Corrugated Pipe Sdn Bhd.

AND THAT the Board of Directors of the Company ("Board") be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Acquisition of Subject Property 1 with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Acquisition of Subject Property 1 or as the Board may deem necessary or expedient; and deal with all such matters and to take such steps and do all

acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Acquisition of Subject Property 1, in the best interest of the Company”

The motion was duly seconded by Madam Cheah Soke Hah and the Chairman put the motion to vote by poll.

**2. Ordinary Resolution 2 - Proposed Acquisition by Lysaght of a parcel of Leasehold Land held under PN 304583, Lot 226168 together with the buildings erected thereon located at Kawasan Perindustrian Pengkalan II, Pusing, Perak from Lysaght Naco Sdn Bhd for a cash consideration of RM6.90 Million (“Acquisition of Subject Property 2”)**

The Chairman informed the Meeting that Ordinary Resolution 2 is to consider and, if thought fit, to pass Ordinary Resolution 2 with regards to the Proposed Acquisition by Lysaght of a parcel of leasehold land held under PN 304583, Lot 226168 together with the buildings erected thereon located at Kawasan Perindustrian Pengkalan II, Pusing, Perak from Lysaght Naco Sdn Bhd for a cash consideration of RM6.90 Million.

The Chairman informed the Meeting that interested Directors, interested Major Shareholders and Persons Connected to the interested Directors and interested Major Shareholders shall abstain from voting on the resolution. An interested Directors or interested Major Shareholders must also ensure that the Persons Connected to them abstain from voting in respect of their direct and/or indirect shareholdings on the resolution.

The details of the Acquisition of Subject Property 2 were set out in Circular to Shareholders dated 17 June 2025.

There being no further queries, Datuk Koh Seng Kiat proposed the motion “THAT approval be and is hereby given to Lysaght Galvanized Steel Berhad (Registration No. 197901002195 (46426-P)) to undertake the acquisition of a parcel of leasehold land held under PN 304583, Lot 226168 together with the buildings erected thereon located at Kawasan Perindustrian Pengkalan II, Pusing, Perak and bearing postal address of No. 47, Jalan Johan 2/4, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak from Lysaght Naco Sdn Bhd (Registration No. 198501005785 (138226-U)) for a cash consideration of RM6.90 million upon the terms and conditions as set out in the conditional sale and purchase agreement dated 9 April 2025 entered into between the Company and Lysaght Naco Sdn Bhd.

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Acquisition of Subject Property 2 with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Acquisition of Subject Property 2 or as the Board may deem necessary or expedient; and deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Acquisition of Subject Property 2, in the best interest of the Company.”

The motion was duly seconded by Madam Cheah Soke Hah and the Chairman put the motion to vote by poll.

The Chairperson informed that the shareholder, Mr Chan Fung Han had via email dated 1 July 2025 addressed to the Board of Directors [“Board”] raised several questions in relation to the Company’s EGM.

The questions were read out by the Chairman and replied by the Management, Principal Adviser and Independent Valuer as follows:

Q1. The Group and both Vendors are subsidiaries of Lysaght (Malaysia) Sdn. Bhd. whereby it can exercise its control and make decisions to continue and renew the Tenancies. On the other hand, Lysaght (Malaysia) Sdn. Bhd. may decide to dispose the Subject Properties, regardless the Subject Properties are owned by the Vendors or by the Group. Hence, is the risk of business disruption to the Group's operations shall be resolved through these Proposed Acquisitions or it should be internally resolved with the holding company?

*Reply: Currently, the Subject Properties are owned by the Vendors and the Company is only a tenant of the Subject Properties. The Group is not able to control or influence the decisions of Lysaght (Malaysia) Sdn. Bhd. over its interest in the Subject Properties.*

*It is imperative to purchase the Subject Properties when the opportunity presents itself and not let other companies buy the Subject Properties as both properties contribute around 40% of the Company's revenue, thus the business disruption factor far outweigh other considerations.*

*The Proposed Acquisitions allow the Company to gain control over the Subject Properties, enabling the Company to undertake actions in respect of the Subject Properties in the best interest of the Group. Any such actions to be undertaken will undergo due processes including directors' and shareholders' deliberations and voting and will be in accordance with the Listing Requirements.*

Q2. Echoing a question raised during the recent AGM about the strategic plan of the Group for the next 5 years, it is stated in the Circular that the management anticipates a need to expand the production capacity in the next 5 years. Can the Management share further insights about the plan on expanding the production capacity and the Group's future plans in respect of the operations at the Subject Properties?

*Reply: The Company's current galvanizing plant has been operating for more than 23 years. In view of the transition to minimize carbon footprint to improve environmental sustainability, the Company needs to improve its production lines, especially the galvanizing plant. This can be done by setting up new production line at Property 1 in Tasek.*

*As for Property 2 in Pengkalan, the Company can improve its pole welding by semi-automation or robotic welding of base flanges to reduce the dependence on manual welders.*

Q3. The estimated financial commitment required for the expansion is RM1 million and RM0.5 million respectively for Subject Property #1 and #2. Is this merely the cost of refurbishment and renovation, or the cost of the entire expansion plan that the Management envisages?

*Reply: This is only initial expenses on improvement of some manufacturing equipment.*

Q4. It is stated that the remaining estimated expenses in relation to the Proposed Acquisitions which have not been recognised is approximately RM1.18 million. How much expenses for the Proposed Acquisitions had been recognised in accounts up to LPD, and what is the total estimated expenses in relation to the Proposed Acquisitions?

*Reply: The total estimated expenses are about RM1.28 million and these include stamp duty and professional fees. RM1.18 million refers to estimated expenses not yet incurred as at the end of the Company's financial year, 31 December 2024. The expenses recognised in the accounts up to LPD 26 May 2025 is RM1.03 million*

Q5. Questions to the Board of Directors in relation to the market valuations:

(a) For Subject Property 1, why is there a need to adjust Parcel 2 upwards by 25% for the differences in size? Similarly, why should the market rental rate per sq. ft. for Parcel 2 is higher than Parcel 1 with a 10% upward adjustment? Please clarify.

*Reply: Parcel 1 is approximately 8 times the size of Parcel 2. A smaller parcel of land is generally more marketable and can be transacted at higher price psf. The 10% upward adjustment was made for the longer remaining tenure for Parcel 2 (44 years) as compared to Parcel 1 (39 years).*

- (b) Cost Approach for Subject Property 2 - The adjusted price ranged from RM24.70 per sq. ft. to RM32.56 per sq. ft. The valuer has justified why the Comparable 3 is chosen. However, why are Comparable 1 & Comparable 2 not being chosen to adopt their adjusted price? Please clarify.

*Reply: Comparable 3 was adopted based on its most recent transaction date, closest proximity to the Subject Property, and the fact that it required the least amount of adjustment, resulting in a more reliable and accurate indicator under the Comparison Approach.*

*In contrast, Comparable 1 was transacted on 27 January 2022, making it relatively dated, while Comparable 2 is located slightly farther to the eastern side, reducing its direct relevance. As such, Comparable 3 is considered the most representative and was adopted in this case.*

- (c) For land value of Subject Property 2, are the adjusted price per sq. ft. of all Comparables equally suitable to be adopted? Why does the valuer adopt the highest adjusted price of RM32.56 per sq. ft.? Why not the Comparable 1 with the lowest adjusted price of RM24.70 per sq. ft., which is also located at the Pengkalan Industrial Area, be adopted? Please clarify.

*Reply: Comparable 1 was not selected as it is not the most recent transaction, as previously mentioned. Additionally, it required a significant adjustment of -36% under the tenure category, resulting in a higher overall adjustment to align it with the Subject Property. In contrast, Comparable 3 required fewer adjustments and was therefore considered a more reliable and appropriate basis for valuation.*

- (d) Page 71 & 80 to the Circular (Page 9 & 18 to the Valuation Certificate) - It is stated that due to the lack of sufficient meaningful concluded rental transactions within the vicinity, the valuer has relied on recently posted asking rentals and the asking rentals exhibit a consistent pattern of values, which enhances the reliability of the information used. Contradictory, in the same page, it is stated that the rental rates and yields in the area are volatile and hence, difficult to establish a consistent pattern of values. I am puzzled with these two statements or sentences. Is there a consistent pattern of values being established, or not?

*Reply: The two statements may appear contradictory at first glance, but they refer to different aspects of market data reliability and are not actually in conflict.*

*The first statement highlights that asking rentals from various sources show a consistent pattern, which provides a reasonable reference point for estimating market rental rates in the absence of sufficient concluded transactions. This allows the valuer to derive indicative rental values under the Income Approach, albeit on a limited and qualified basis.*

*The second statement refers to the broader volatility in actual rental rates and investment yields within the area. Due to the predominance of owner-occupied industrial properties and the lack of leasing activity, the market does not exhibit stable, investment-grade rental trends or returns. As such, while asking rentals may show short-term consistency, they do not reflect deep, liquid, or stable market evidence, making it difficult to establish a truly reliable investment yield or fully support an income-based valuation.*

*In summary:*

- *Statement 1 refers to asking rentals showing a superficial pattern of consistency sufficient to inform cross-check estimates.*
- *Statement 2 refers to the overall volatility of rental and yield evidence due to scarce transactions and low investment activity, which undermines the reliability of a full*

*Income Approach. Thus, the Income Approach is used as a cross-check only, and the Cost Approach is adopted as primary, given the property's owner-occupier profile and lack of dependable rental yield benchmarks.*

- (e) How accurate or reliable are the asking prices at iProperty platform whereby the owners and agents are free to list the asking rentals which may be exaggeratedly inflated?

*Reply: While it is true that asking prices on platforms such as iProperty may sometimes be inflated, the valuer has carefully filtered and selected listings that closely match the characteristics of the Subject Property. Only comparable and relevant listings were considered and any anomalies were excluded from the analysis.*

*Furthermore, the valuer has factored in a reasonable discount to reflect the typical negotiation margin between asking and actual transacted rentals, which aligns with standard market practice. This ensures that the adjusted rentals used are both realistic and reflective of prevailing market conditions.*

- Q6. The loss of interest income alone is higher than the savings on rental, notwithstanding there are depreciation charges and cost of maintaining and managing the properties. Furthermore, both Subject Properties are aged buildings of approximately 40 to 45 years, and 23 to 28 years respectively. Is it really a beneficial move to acquire such old buildings instead of continuing to rent them?

*Reply: The rationale for the Proposed Acquisitions are as set out in Section 3 of the Circular. The Proposed Acquisitions reduce the exposure to rental escalation and tenancy risks and will enable the Company to have full control over the Subject Properties and this provides the Company with more certainty and flexibility in undertaking its future plans in respect of the Group's operations.*

*There is no immediate cost saving in cash terms due to loss of interest income outweigh rental savings, however the acquisitions provide control over a key operational asset to support expansion or customisation plans.*

The Chairperson informed that Mr Chee Sai Mun had also addressed to the Management a question in relation to the Company's EGM.

- Q7. How can Management overcome the challenges in relation to the lower earnings and asset value resulting from the Proposed Acquisitions in the short term and in the long term?

The Independent Adviser has supported the Proposed Acquisitions but did not address the fall in EPS and NTA. Why did the Independent Adviser support the Proposed Acquisitions despite it is not earning accretive or asset value accretive to the Company?

*Reply: In the short term, the decrease in earnings and NTA value are the inevitable consequence of the one-off cost of approximately RM1.28 million related to stamp duty and professional fees associated with the acquisitions. However, in the long term, Management believes that the Subject Properties will increase in value and is expected to contribute positively to shareholders' value in the long term. The Group's loyal customers and customers with long-term projects expect the Group to have steady and absolute control over its production capacity and the Group wish to eliminate reliance on tenancy renewals.*

Mr Chan Fung Han presented further enquiries to the Board and his enquiries were addressed by the Independent Valuer as follows:

- Q8. In respect of Subject Property 1, why are the acquisition of the 2 adjoining parcels of leasehold land not assessed and approved separately, given that the land value is adjusted upward due to increased land size?

*Reply: Acquisitions of Subject Property 1 and Subject Property 2 are distinct and are not inter-conditional.*

*Land valuation is affected by quantum factor. Although the acquisition of the 2 parcels of leasehold land, each with a distinct land title, is integrated collectively under Subject Properties 1, value assessments were still analysed separately.*

Q9. Please clarify on the adjustment rates and justifications on why Comparable 3 is chosen.

*Reply: Every property transaction is heterogeneous and there are limited property market transactions for comparison. Hence, adjustment rate varies for each property and the best comparable will be chosen.*

Mr Liew Kong Chen presented his enquiry to the Board and his enquiry was addressed by the Chief Executive Officer as follows:

Q10. The economy is currently in a dire state. Why doesn't the Company consider withholding the acquisitions for another year in the hope of securing a lower acquisition price?

*Reply: The Group's loyal customers and customers with long-term projects expect the Group to have steady and absolute control over its production capacity and the Group wish to eliminate reliance on tenancy renewals and to avoid disruption in supply.*

The Chairman then invited the Poll Administrator to brief the Meeting on the polling process.

The Poll Administrator briefed the Meeting on the polling process and the Chairman then adjourned the Meeting at 10:30 a.m. for polling on the resolutions for the day.

The Meeting resumed at 10:45 a.m. for the declaration of poll voting results. The Chairman informed the Meeting that he received the duly verified poll voting results from the appointed Independent Scrutineer and the results of the poll were as follows:

Ordinary Resolution	Voted For			Voted Against		
	No. of Shareholders	No. of shares	% of Voted Shares	No. of Shareholders	No. of shares	% of Voted Shares
<b>Resolution 1</b>	21	408,002	99.9510	2	200	0.0490
<b>Resolution 2</b>	21	408,002	99.9510	2	200	0.0490

Based on the poll voting results, the Chairman declared that Ordinary Resolutions 1 and 2 were carried and RESOLVED:-

Ordinary Resolution 1      "THAT approval be and is hereby given to Lysaght Galvanized Steel Berhad (Registration No. 197901002195 (46426-P)) to undertake the acquisition of 2 adjoining parcels of leasehold land held under HS(D) 6714, PT 989 and PN 385062, Lot 49809 together with the buildings erected thereon located at Kawasan Perindustrian Tasek, Ipoh, Perak and bearing postal address of Plot 3 & 55, Medan Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak from Lysaght Corrugated Pipe Sdn Bhd (Registration No. 197201001314 (12941-P)) for a cash consideration of RM8.60 million upon the terms and conditions as set out in the conditional sale and purchase agreement dated 9 April 2025 entered into between the Company and Lysaght Corrugated Pipe Sdn Bhd.

AND THAT the Board of Directors of the Company (“Board”) be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Acquisition of Subject Property 1 with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Acquisition of Subject Property 1 or as the Board may deem necessary or expedient; and deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Acquisition of Subject Property 1, in the best interest of the Company.”

Ordinary  
Resolution 2

“THAT approval be and is hereby given to Lysaght Galvanized Steel Berhad (Registration No. 197901002195 (46426-P)) to undertake the acquisition of a parcel of leasehold land held under PN 304583, Lot 226168 together with the buildings erected thereon located at Kawasan Perindustrian Pengkalan II, Pusing, Perak and bearing postal address of No. 47, Jalan Johan 2/4, Kawasan Perindustrian Pengkalan II, 31550 Pusing, Perak from Lysaght Naco Sdn Bhd (Registration No. 198501005785 (138226-U)) for a cash consideration of RM6.90 million upon the terms and conditions as set out in the conditional sale and purchase agreement dated 9 April 2025 entered into between the Company and Lysaght Naco Sdn Bhd.

AND THAT the Board be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as the Board may consider necessary or expedient, and to take all such necessary steps to give effect to the Acquisition of Subject Property 2 with full powers to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Acquisition of Subject Property 2 or as the Board may deem necessary or expedient; and deal with all such matters and to take such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Acquisition of Subject Property 2, in the best interest of the Company.”

There being no other business, the Meeting closed at 10:50 a.m. with a vote of thanks to the Chairman.

**CONFIRMED AS CORRECT**

CHAIRMAN

4 July 2025