

S & F CAPITAL BERHAD
(FORMERLY KNOWN AS LEWEKO RESOURCES BERHAD)
(200201000757) (568420-K)
(Incorporated in Malaysia)

Minutes of the Nineteenth Annual General Meeting (“19th AGM”) of the Company held at Bukit Jalil Golf & Country Resort, Langkawi Room, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Monday, 29 November 2021 at 10.00 a.m.

Present : Tan Sri (Dr) Ir. Jamilus Bin Md Hussin - Chairman
Mr. Kor Beng – Managing Director
Mr. Tan Tai Ming – Non-Independent Non-Executive Director
Mr. Kor Yann Shiun - Non-Independent Executive Director
Mr. Kor Yann Kae - Non-Independent Executive Director
Mr. Arthur Law Hian Tat - Independent Non-Executive Director

Others as per attendance lists

CHAIRMAN

The Chairman welcomed the members and attendees to the Company’s Nineteenth Annual General Meeting and introduced the Board members and the Secretary to the shareholders.

NOTICE

The notice convening the meeting, having been circulated earlier to all members of the Company within the prescribed period, was taken as read.

QUORUM

Upon the confirmation of the presence of the requisite quorum pursuant to the Constitution of the Company, the Chairman called the meeting to order at 10.00 a.m.

ANNOUNCEMENT ON POLLING AND ADMINISTRATIVE MATTERS

The Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll.

Pursuant to the Constitution of the Company, he demanded for a poll to be carried out on Ordinary Resolution 1 to 6 and informed that the poll would be conducted after all items on the agenda dealt with.

The poll administrator was Bina Management (M) Sdn. Bhd. (“Poll Administrator”) and the independent scrutineer was Lawco Corporate Services Sdn. Bhd. (“Scrutineer”).

1. **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (“AFS 2021”) TOGETHER WITH THE DIRECTORS’ AND AUDITORS’ REPORTS THEREON**

The Chairman informed that the AFS 2021 together with the Directors’ and Auditors’ reports thereon was meant for discussion only as the Companies Act 2016 did not

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require a formal approval of the shareholders for the AFS 2021. Therefore, the item was not put forward for voting.

There being no questions raised, the Chairman declared that the AFS 2021 together with the Directors' and Auditors' reports thereon be received.

**2. ORDINARY RESOLUTION 1
DIRECTORS' FEES AND BENEFITS OF UP TO RM330,000.00 FOR THE
FINANCIAL YEAR ENDING 30 JUNE 2022**

The Chairman proceeded to Ordinary Resolution 1 on the Directors' fees and benefits of up to RM330,000.00 for the financial year ending 30 June 2022 for consideration:

"THAT the Directors' fees and benefits of up to RM330,000.00 for the financial year ending 30 June 2022 be approved."

**3. ORDINARY RESOLUTION 2
RE-ELECTION OF MR. KOR BENG WHO RETIRES BY ROTATION PURSUANT TO
CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION**

The Chairman moved on to Ordinary Resolution 2 which was on the re-election of Mr. Kor Beng for consideration:

"THAT Mr. Kor Beng retiring pursuant to Clause 76(3) of the Company's Constitution and who being eligible, be re-elected Director of the Company."

**4. ORDINARY RESOLUTION 3
RE-ELECTION OF MR. KOR YANN KAE WHO RETIRES BY ROTATION
PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION**

The Chairman proceeded to Ordinary Resolution 3 which was on the re-election of Mr. Kor Yann Kae for consideration:

"THAT Mr. Kor Yann Kae retiring pursuant to Clause 76(3) of the Company's Constitution and who being eligible, be re-elected Director of the Company."

**5. ORDINARY RESOLUTION 4
RE-APPOINTMENT OF MESSRS. BAKER TILLY MONTEIRO HENG PLT AS
AUDITORS OF THE COMPANY**

The Chairman moved on to Ordinary Resolution 4 on the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company.

The Chairman put the following motion to the meeting for consideration:

“THAT Messrs. Baker Tilly Monteiro Heng PLT be hereby re-appointed as Auditors of the Company at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting.”

6. ORDINARY RESOLUTION 5
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairman moved on to Ordinary Resolution 5 on the authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.

The Chairman put the following motion to the meeting for consideration:

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

THAT such approval on the Proposed General Mandate shall continue to be in force until:-

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;*
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or*
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,*

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

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THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. ORDINARY RESOLUTION 6
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR
RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING
NATURE

The Chairman informed that the details of the Proposed Shareholders’ Mandate were set out in the Circular to Shareholders dated 29 October 2021.

The Chairman put the following motion to the meeting for consideration:

“THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transaction of a revenue or trading nature as set out in Section 2.3 of the Circular to Shareholders dated 29 October 2021, provided that such recurrent related party transaction are necessary for the day-to-day operations and are carried out in the ordinary course of business at arms-length basis and on terms and transactions prices which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.

AND THAT such approval shall continue to be in force until:

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which this shareholders’ mandate was passed, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;*
- ii. the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but must not extend to such extension as may be allowed under Section 340(4) of the Act); or*
- iii. revoked or varied by resolution passed by the shareholders in general meeting; whichever is the earlier;*

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents and to assent to any conditions, variations and/or amendments) in the best interest of the Company to give effect to the aforesaid shareholders’ mandate.”

REPLY TO THE LETTER FROM MINORITY SHAREHOLDERS WATCH GROUP

The Chairman informed that the Company had received a letter from the Minority Shareholders Watch Group (“MSWG”) on 22 November 2021 raising a few questions pertaining to the Company’s Operational, Financial and Corporate Governance Matters.

The Company’s responses were presented on the screen was attached hereto as “Appendix A”.

8. ANY OTHER BUSINESS

The Chairman informed that no notice for other business pursuant to the Companies Act 2016.

CONDUCT OF POLL

Having dealt with all the items on the agenda, the Chairman invited the representative of the Poll Administrator to brief the floor on the polling procedures. The meeting then proceeded to conduct the poll on Resolution 1 to 6. The Chairman adjourned the meeting at 10.27 a.m. for the counting of votes.

Upon completion of counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairman resumed the meeting at 10.43 a.m. for the declaration of the results of the poll.

Based on the poll results attached hereto as “Appendix B”, the Chairman declared ALL resolutions carried.

CLOSURE

The Chairman thanked those present for their attendance and closed the meeting at 10.52 a.m

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NINETEENTH ANNUAL GENERAL MEETING
QUESTIONS FROM MINORITY SHAREHOLDERS WATCH GROUP

Operational & Financial Matters

Q1: In FY 2021, the Group recorded a loss of RM9,023,914 million from its continuing operations compared to a loss of RM15,577,097 recorded in FY 2020. This represents a positive variance of RM6,553,183 or 72.62% (Page 44 of the Annual Report 2021).

Considering the positive variance recorded in FY 2021, what is the prospect of the Group's performance achieving a positive bottom-line result from its continuing operations in the next financial year? When is S&F Cap's performance expected to turnaround?

A1: There are many factors affecting the Group's prospect and performance. It includes external factors such as performance of property market, availability and fluctuations in prices of our construction materials, competition risk, political stability and Covid-19 pandemic. The management of S&F Cap has been working hard for the positive turnaround and we hope our efforts will be reflected in our financial results soon.

Q2: There is an impairment loss on other receivables amounting to RM8,021,675 (FY 2020: Nil) (Page 48 of the Annual Report 2021).

(a) What is the nature of the other receivables which have been impaired?

A: The "other receivables" is primarily from an amount owing by Kampung Kenayat Sdn Bhd. Kampung Kenayat Sdn Bhd has failed to make any payment as per the instalment plan during the current financial year.

(b) Is the amount recoverable? If so, what is the expected recoverability amount in FY 2022?

A: The management does not foresee any of these amounts being recoverable.

(c) Have any of these impaired receivables been recovered to-date?

A: None to-date.

Q3: Current Project/Development

(a) What is the progress of the Group's projects? Are the projects on schedule?

A: All projects by the Group are on schedule.

(b) Is S & F Capital facing any major challenges in completing the projects? If so, what is the Group's strategy to manage the challenges?

A: During the year, S&F Cap has encountered a significant loss of working days due to the reimposition of Movement Control Order ("MCO") 3.0. We have successfully applied for Extension of Time ("EOT") from clients to compensate for the loss of man-days due to the MCO.

(c): What is the latest take-up rate for the Group's development in Ipoh, Perak?

A: Approval is still pending from the Perak State Government to develop a parcel of housing development land. In addition, considering the escalation in construction cost since the Covid-19 pandemic, the Board of Directors has agreed to defer the development of mixed and commercial properties for the time being.

Q4: Construction

(a): What is the Group's current construction order book?

A: The Group's current construction order book is RM17 million.

(b): What is the targeted orderbook replenishment in the next two financial years?

A: We target to replenish RM100 million orderbook in the next two financial years.

(c): Is the Group actively tendering for any projects? If so, how much contract value is expected to be awarded to the Group under the current project tenders?

A: There are many factors to consider in tendering a project. Due to the current economy outlook with significant increase in construction cost, the Management has been very selective in tendering for viable and profitable projects. We are expecting to receive not less than RM50 million contract value for the financial year ending 30 June 2022.

Q5: Property Development

(a): What is the Group's current landbank size? How long will it take to develop the existing landbank?

A: The Group currently has 4.46 hectares of commercial land and 0.28 hectares of residential land in Ipoh. The land development depends on the property demand trend in Ipoh and approval from local authorities.

(b): The Group intends to identify and acquire suitable land bank or development rights for its property development activities in Selangor and Wilayah Persekutuan (Page 12 of the Annual Report 2021).

What is the update on the lookout for suitable land in the abovementioned areas?

A: We are currently at the final discussion stage to enter into strategic partnership with suitable partner to acquire and jointly develop suitable land at Selangor and Wilayah Persekutuan. We shall make necessary public announcements at the appropriate juncture.

Corporate Governance Matters

Q1: The Company in its Corporate Governance Report 2021 (CG Report 2021) (Page 12) states that it has adopted Step Up 4.3 of the Malaysian Code on Corporate Governance.

The Company explained that "In accordance with our Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. In the event the Director is remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval".

This is contrary to Step Up 4.3 which does not provide for any extension of tenure beyond the 9-year tenure of Independent Directors.

Please take note of this.

A: *Noted.*

Q2: The Company states that it has applied Practice 10.2 of the Malaysian Code on Corporate Governance (Page 33 of the CG Report 2021).

However, based on the available information in the CG Report and the Annual Report 2021, the Company has not applied Practice 10.2. There is no information for the number of resources and the name and qualification of the person responsible for the outsourced internal audit.

A: *The outsourced Internal Audit firm, Sterling Business Alignment Consulting Sdn Bhd (“Sterling”) was established since May 2004. Sterling assigns different Leader/Head to lead each and every internal audit review. This is to ensure the Leader/Head of Internal Auditor has the appropriate relevant knowledge for the review scope assigned and competencies to perform his/her duties during the internal audit reviews. For example, different Leader/Head of Internal Auditor who has the capabilities and technical knowledge were assigned to review specified areas such as “Project Management”, “Finance and Accounts” etc. The number of audit staff deployed for each internal audit review ranges from 3 to 4 Internal Auditors per review.*

The Leader/Head of Internal Auditor performing the internal audit review for the financial year ended 30 June 2021 are as follow:

Ms. So Hsien Ying – She is the Principal Consultant/Director of Sterling with more than 20 years of internal audit experiences. She is a Certified Internal Control Professional from Internal Control Institute, USA. She holds a Master of Business Administration (MBA) degree from the University of Hull, UK. She obtained her Honorable Bachelor Degree in Economics as well as Diploma in Economics from the University of London. She is a member of Malaysian Alliance of Corporate Directors as well as an associate member of Institute of Internal Auditors Malaysia.

Mr. Cheng Chean is a Chartered Member of the Institute of Internal Auditors Malaysia (“CMMIIA”) and a member of the Association of Chartered Certified Accountants (“ACCA”). He possesses more than 16 years of hand on experience in the internal audit, risk management and internal control review.

Mr. Calvin Ng Tze Haur holds a Bachelor of Commerce degree from University of South Australia.

Mr. Wilson Khoo Sheh Yiao is an associate member of Certified Practicing Accountant (CPA), Australia. He holds a Bachelor of Accounting (Hons) from University of Hertfordshire.

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 NINETEENTH ANNUAL GENERAL MEETING ("19TH AGM") TO BE HELD ON 29-Nov-2021 AT 10:00 AM

AFTER TABULATION OF RESULTS

THE CHAIRMAN : THE POLL RESULT(S) ARE / IS BASED ON THOSE WHO ARE PRESENT AND HAVE VOTED.

THE RESULTS ARE :-

RESOLUTION 1

DESCRIPTION	DIRECTORS' FEES AND BENEFITS OF UP TO RM330,000.00 FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022	
VOTED	FOR	AGAINST
NO. OF HOLDERS	3	0
NO. OF SHARES/UNITS	370,605,925	0
% OF VOTED SHARES/UNITS	100.000000	0.000000
NO. OF ABSTAIN	0	
RESULT	ACCEPTED / REJECTED	

RESOLUTION 2

DESCRIPTION	RE-ELECTION OF MR. KOR BENG WHO RETIRES PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION	
VOTED	FOR	AGAINST
NO. OF HOLDERS	3	0
NO. OF SHARES/UNITS	370,605,925	0
% OF VOTED SHARES/UNITS	100.000000	0.000000
NO. OF ABSTAIN	0	
RESULT	ACCEPTED / REJECTED	



(SCRUTINEERS)



(SCRUTINEERS)

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NINETEENTH ANNUAL GENERAL MEETING ("19TH AGM") TO BE HELD ON 29-Nov-2021 AT 10:00 AM

AFTER TABULATION OF RESULTS

THE CHAIRMAN : THE POLL RESULT(S) ARE / IS BASED ON THOSE WHO ARE PRESENT AND HAVE VOTED.

THE RESULTS ARE :-

RESOLUTION 3

DESCRIPTION	RE-ELECTION OF MR. KOR YANN KAE WHO RETIRES PURSUANT TO CLAUSE 76 (3) OF THE CONSTITUTION	
VOTED	FOR	AGAINST
NO. OF HOLDERS	3	0
NO. OF SHARES/UNITS	370,605,925	0
% OF VOTED SHARES/UNITS	100.000000	0.000000
NO. OF ABSTAIN	0	
RESULT	ACCEPTED / REJECTED	

RESOLUTION 4

DESCRIPTION	RE-APPOINTMENT OF MESSRS. BAKER TILLY MONTEIRO HENG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION	
VOTED	FOR	AGAINST
NO. OF HOLDERS	3	0
NO. OF SHARES/UNITS	370,605,925	0
% OF VOTED SHARES/UNITS	100.000000	0.000000
NO. OF ABSTAIN	0	
RESULT	ACCEPTED / REJECTED	



(SCRUTINEERS)



(SCRUTINEERS)

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NINETEENTH ANNUAL GENERAL MEETING ("19TH AGM") TO BE HELD ON 29-Nov-2021 AT 10:00 AM

AFTER TABULATION OF RESULTS

THE CHAIRMAN : THE POLL RESULT(S) ARE / IS BASED ON THOSE WHO ARE PRESENT AND HAVE VOTED.

THE RESULTS ARE :-

RESOLUTION 5

DESCRIPTION	AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016	
VOTED	FOR	AGAINST
NO. OF HOLDERS	3	0
NO. OF SHARES/UNITS	370,605,925	0
% OF VOTED SHARES/UNITS	100.000000	0.000000
NO. OF ABSTAIN	0	
RESULT	ACCEPTED / REJECTED	

RESOLUTION 6

DESCRIPTION	PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RRPT OF A REVENUE OR TRADING NATURE	
VOTED	FOR	AGAINST
NO. OF HOLDERS	3	0
NO. OF SHARES/UNITS	55,592,160	0
% OF VOTED SHARES/UNITS	100.000000	0.000000
NO. OF ABSTAIN	315,013,765	
RESULT	ACCEPTED / REJECTED	



(SCRUTINEERS)



(SCRUTINEERS)