



LEADER STEEL HOLDINGS BERHAD

Registration No.: 199301012471 (267209-K)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth (29th) Annual General Meeting (“AGM”) of the shareholders of LEADER STEEL HOLDINGS BERHAD (“LSH” or “the Company”) will be held at 2nd Floor, Wisma Leader Steel, Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Seberang Perai Tengah, Pulau Pinang, Malaysia on **Monday, 30 May 2022** at **12.15 pm** for the following purposes:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors retiring pursuant to Clause 107 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - 2.1 Tan Sri Dato’ Mohd Desa Bin Pachi Ordinary Resolution 1
 - 2.2 Mr. Lim Leng Han Ordinary Resolution 2
3. To re-elect the Director, Encik Abdull Sukor Bin Ismail who retires pursuant to Clause 114 of the Company’s Constitution and who, being eligible, offers himself for re-election. Ordinary Resolution 3
4. To approve the payment of Directors’ fees and benefits payable up to RM450,000 for the period commencing this AGM through to the next AGM of the Company in 2023. Ordinary Resolution 4
5. To re-appoint Messrs. BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 5

As Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications:

AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES

6. "THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and subject always to the provisions of the Constitution of the Company and the approvals from the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until 31 December 2022 or such timing, as empowered by Bursa Securities and thereafter ten percent (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being to be utilised before the conclusion of the next AGM of the Company after such approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier ("20% General Mandate")."

Ordinary Resolution 6

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed Shareholders' Mandate")

7. "THAT, subject to the provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with specified classes of related parties ("Recurrent Related Party Transactions") which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:
- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;

Ordinary Resolution 7

- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is earlier.

AND THAT, the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders’ Mandate.”

PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY (“Proposed Share Buy-Back”)

8. “THAT, subject to the Companies Act 2016 (“the Act”) (as may be amended, modified or re-enacted from time to time), the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and approvals of all relevant governmental and/or regulatory authorities, where applicable, the Company be and is hereby authorized to purchase and/or hold such amount of ordinary shares in the Company (Proposed Share Buy-Back) as may be determined by the Directors of the Company from time to time and upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any given point in time and an amount of funds not exceeding the total retained profits of the Company based on the audited financial statements for the financial year ended 31 December 2021 be utilized by the Company for the Proposed Share Buy-Back.
- AND THAT, at the discretion of the Directors of the Company, the ordinary shares of the Company to be purchased may be cancelled; and/or retained as treasury shares and subsequently distributed as dividends or resold on Bursa Securities or transfer for the purpose of or under an employee share option scheme (“ESOS”) or as part of purchase consideration; or be cancelled.
- AND THAT, the Directors of the Company be and are hereby empowered to take all such steps as necessary to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the company.
- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company in 2023 at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

Ordinary Resolution 8

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier; but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid date and in any event, in accordance with the provisions in the guidelines issued by Bursa Securities and/or by any other relevant authorities.”

RETENTION AS INDEPENDENT DIRECTORS

9. “THAT, contingent upon the passing of Ordinary Resolution 2, Mr. Lim Leng Han be retained as Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM.” Ordinary Resolution 9
10. “THAT, Encik Mohd. Arif bin Mastol be retained as Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM.” Ordinary Resolution 10
11. To transact any other business of which due notice shall have been given.

By Order of the Board

Tai Yit Chan (MAICSA 7009143) (SSM PC No. 202008001023)

Ong Tze-En (MAICSA 7026537) (SSM PC No. 202008003397)

Joint Company Secretaries

Penang, 29 April 2022

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under its Common Seal, or under the hand of an officer or attorney duly authorised. A proxy must be of full age. An instrument appointing a proxy to vote shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer. Members not resident in Malaysia may appoint and revoke proxies by cable.
5. For the proxy to be valid, the Form of Proxy duly completed must be deposited at the Company’s Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
6. In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 23 May 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Explanatory Notes:

1. The profiles of the Directors who are standing for re-election under item 2 and 3 of this Agenda are set out in the Board of Directors’ profile of the Annual Report 2021. Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:-

(Re-election of Tan Sri Dato’ Mohd Desa Bin Pachi & Mr. Lim Leng Han as Independent Non-Executive Directors)
Tan Sri Dato’ Mohd Desa Bin Pachi and Mr. Lim Leng Han fulfill the requirement of independence set out in the Main Market Listing Requirements (“MMLR”) of Bursa Securities as well as the prescribed criteria under the Malaysian Code on Corporate Governance (“MCCG 2021”). They have demonstrated their independence through their engagement in the meetings by proactively giving valuable insights to the Management in developing the Group’s business strategies. They also exercised their due care and carried out their professional duties proficiently during their tenure as an Independent Non-Executive Directors and Chairman of the Company respectively.

Explanatory Notes: (cont'd)

1. (Re-election of Encik Abdull Sukor Bin Ismail as Independent Non-Executive Director)

Encik Abdull Sukor Bin Ismail's background is set out under Directors' Profile in this Annual Report 2021. He was appointed as Independent Non-Executive Director on 24 February 2022.

As Encik Abdull Sukor was appointed recently and with notice of the basis of his appointment, the Board concurred with the Nominating Committee that he should be given opportunity to contribute to the Company and therefore supports his re-election. Encik Abdull Sukor Bin Ismail has provided confirmation of independence.

- The proposed Ordinary Resolution 4, if passed, will facilitate the payment of the Directors' fees and benefits payable to the Directors for the period commencing this AGM through to the next AGM in 2023. Details of the Directors' fees and benefits payable to the Directors for the financial year ended 31 December 2021 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2021.

The Directors' fees and benefits payable proposed from this AGM up to the next AGM in year 2023 are calculated based on the number of days scheduled for Board and Board Committees' meetings. The amount of Directors' fees payable includes fees payable to Directors as members of Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director, additional unscheduled Board and Board Committees' meeting days and/or for the formation of additional Board Committees.

The Board had proposed for the increase of annual fee for Directors for the period commencing this AGM through to the next AGM of the Company in 2023. During a review for financial year ended 2021, the Nominating and Remuneration Committee recommended, and the Board has approved, subject to shareholders' approval at this AGM, an increase of for fees payable to Directors as members of Board and Board Committee.

- The proposed Ordinary Resolution 6, if passed, will empower the Directors to issue shares up to an aggregate amount not exceeding twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being, for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM. This is a renewal of the mandate obtained from its shareholders at the last AGM held on 20 May 2021 and will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate and on 23 December 2021 further extended the implementation and utilisation of this 20% General Mandate to 31 December 2022 to allow as an interim relief measure to allow a listed issuer to seek a higher general mandate under Rule 6.03 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of new securities. This 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares until 31 December 2022 and thereafter, unless extended by Bursa Securities, the 10% limit under Paragraph 6.03(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last AGM held on 20 May 2021 and which will lapse at the conclusion of the 29th AGM.

- The proposed Ordinary Resolution 7, if passed, will obtain the Shareholders' Mandate for the Company and its subsidiaries to enter into specified recurrent related party transactions with Eonmetal Group Berhad and its subsidiaries as set out under Section 2.4 of the Circular which are necessary for the Group's day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related party than those generally available to the public and not detrimental to the minority shareholders. Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 29 April 2022.
- The proposed Ordinary Resolution 8, if passed, will allow the Company to purchase its own shares. The total number of ordinary shares purchased shall not exceed ten per centum (10%) of the total number of issued share (excluding treasury shares) of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM in 2023.

- The proposed Ordinary Resolutions 9 and 10, if passed, will retain Mr. Lim Leng Han and Encik Mohd. Arif bin Mastol as Independent Directors of the Company to fulfill the requirements of Paragraph 3.04 of the Bursa Securities' Main Market Listing Requirements and in line with the Practice 4.2 of the Malaysian Code on Corporate Governance issued by the Securities Commission on 26 April 2017.

The Board intends to retain the services of Mr. Lim Leng Han and Encik Mohd. Arif bin Mastol who have served the Board as Independent Non-Executive Directors ("INED") since their respective appointment as INED on 25 July 1994 and 28 June 2002.

The Nominating Committee ("NC") had evaluated the performance of the directors concerned individually especially with regards to their ability to remain independent in line with the definition of independent director in MMLR. The NC is satisfied with their ability to continue to act as INED and to act in the best interest of the Company and the Group.

Key justifications to retain them as INEDs are as follows:

- They have remained objective and independent in expressing their views during deliberation and decision-making of the Board and the Board Committees. Their judgement is not clouded by familiarity.
- They had fulfilled the criteria on independence as prescribed by Bursa Securities and have always been able to bring elements of objectivity and impartiality that provide check and balance to the executive team.
- They provided the Board with a diverse set of experience, skill and expertise.
- They had carried their duties diligently and had participated actively during deliberations of both Board and Board Committees by bringing different perspectives and balanced assessment to deliberation and decision-making.
- They understand the business and operations of the Group as they have been with the Company for some time.

Therefore, they are able to participate effectively during meetings.

Their continuation to serve as INED will ensure that the Group will not suffer from a sudden loss of skilled and experienced directors and enable the Group to have adequate time to identify new candidates to serve as future INED.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

No individual is standing for election as a Director at the forthcoming 29th AGM of the Company.