

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

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Bursa Securities has not perused the contents this Circular prior to its issuance as these are exempted pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



**LEADER STEEL HOLDINGS BERHAD**  
Registration No. 199301012471 (267209-K)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PROPOSED WAIVER FROM THE SHAREHOLDERS TO WAIVE THEIR PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016 AND CLAUSE 66 OF THE COMPANY'S CONSTITUTION ("PROPOSED WAIVER")**

**AND**

**PROPOSED ALLOCATION OF OPTIONS UNDER THE EMPLOYEES' SHARE OPTION SCHEME ("ESOS") TO A DIRECTOR OF A SUBSIDIARY, NAMELY, GOH HONG KENT ("PROPOSED ALLOCATION OF OPTIONS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Extraordinary General Meeting of our Company ("**EGM**") will be conducted on a fully virtual basis through live streaming and online remote voting from Broadcast Venue by using Remote Participation and Electronic Voting ("**RPEV**") facilities through meeting platform at <https://meeting.boardroomlimited.my>. Kindly refer to the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPEV facilities.

The Notice of the EGM together with a copy of the Form of Proxy is enclosed with this Circular. If you decide to appoint a proxy to attend and vote on your behalf at the EGM, the Form of Proxy should be completed and lodged at our Company's registered office at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than 48 hours before the time appointed for the EGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy electronically through the Boardroom Smart Investor Portal ("**BSIP**") at <https://investor.boardroomlimited.com>. The lodging of the Form of Proxy will not preclude you from attending and voting at the forthcoming EGM if you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	Saturday, 1 April 2023 at 12.30 pm
Date and time of the EGM	:	Monday, 3 April 2023 at 12.30 pm
Online meeting platform	:	<a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>

This Circular is dated 18 March 2023



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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	:	Companies Act 2016
Board	:	Board of Directors of LSH
Bursa Depository	:	Bursa Malaysia Depository Sdn. Bhd. Registration No.: 198701006854 (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad Registration No.: 200301033577 (635998-W)
By-Laws	:	The rules, terms and conditions governing the Scheme as may be modified, amended, varied or supplemented from time to time
Circular	:	This circular to shareholders dated 18 March 2023 in relation to the Proposals
Directors	:	Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007 and shall be construed accordingly
EGM	:	Extraordinary general meeting of the Company
EPS	:	Earnings per share
Eligible Persons	:	Directors and/or employees of the Group who fulfill the eligibility criteria for participation in the Scheme as set out in the By-laws
ESOS or the Scheme	:	Employees' share option scheme for the granting of the ESOS Options to the Eligible Persons to subscribe for new Shares upon the terms as set out in the By-laws, such scheme to be known as the "Leader Steel Holdings Berhad Employees' Share Option Scheme"
ESOS Committee	:	The committee appointed and authorised by the Board to administer the Scheme in accordance with the By-laws, comprising such number of Directors and/or other persons identified and appointed from time to time by the Board
ESOS Exercise Price	:	The price at which an ESOS Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted in accordance with the provisions of the By-laws
ESOS Grantee	:	Any Eligible Person who has accepted an ESOS Offer in the manner provided in the By-laws
ESOS Options	:	The right of an ESOS Grantee to subscribe for new Shares during the ESOS Option Period at the ESOS Exercise Price pursuant to an ESOS Offer duly accepted by the ESOS Grantee
ESOS Offer	:	Written offer of ESOS Options at the discretion of the ESOS Committee, to an Eligible Person from time to time within the duration of the Scheme
ESOS Option Period	:	The period commencing from the ESOS Effective Date to a date not exceeding 5 years or such other date as stipulated by the ESOS Committee in the ESOS Offer or upon the date of termination or expiry of the Scheme as provided in the By-laws

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**DEFINITIONS** *(cont'd)*

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FYE	:	Financial year ended/ending 31 December, where relevant
Interested Persons	:	Directors, major shareholders or chief executive of our Company or our holding Company (if any)
LPD	:	28 February 2023., being the latest practicable date prior to the date of this Circular
LSH Shares or Shares	:	Ordinary shares in the Company
LSH or Company	:	Leader Steel Holdings Berhad Registration No.: 199301012471 (267209-K)
LSH Group or Group	:	LSH and its subsidiaries, collectively
LSH Share(s) or Share(s)	:	Ordinary share(s) in LSH
Proposed Allocation of Options	:	Proposed allocation of ESOS Option under the ESOS to a Director of a subsidiary, namely, Goh Hong Kent
Private Placement	:	Private placement of up to 40,359,700 new shares in the Company representing up to approximately 30% of the existing total number of issued Shares to independent third-party investor(s) to be identified and at an issue price to be determined later
Proposals	:	Collectively, the Proposed Waiver and Proposed Allocation of Options
Proposed Waiver	:	Proposed waiver from the shareholders to waive their pre-emptive rights under Section 85 of the Companies Act and Clause 66 of the Company's Constitution
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
RM and sen	:	Ringgit Malaysia and sen, respectively

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. All references to "our Company" in this Circular are to LSH, references to "our Group" are to our Company and our subsidiaries, collectively, and references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, shall include our subsidiaries. All references to "you" or "your" in this Circular are to the shareholders of our Company, unless the context otherwise requires.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

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**DEFINITIONS** *(cont'd)*

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Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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**LEADER STEEL HOLDINGS BERHAD**  
Registration No. 199301012471 (267209-K)

**Registered office:**  
170-09-01 Livingston Tower  
Jalan Argyll  
10050 George Town  
Pulau Pinang, Malaysia

18 March 2023

**Board of Directors**

Tan Sri Dato' Mohd Desa bin Pachi (Independent Non-Executive Director/Chairman)  
Dato' Goh Cheng Huat (Deputy Chairman/Executive Director)  
Datin Tan Pak Say (Managing Director)  
Lim Leng Han (Senior Independent Non-Executive Director)  
Goh Wan Jing (Executive Director)  
Mohd. Arif bin Mastol (Independent Non-Executive Director)  
Datuk Abdullah bin Haji Kuntom (Independent Non-Executive Director)  
Abdull Sukor bin Ismail (Independent Non-Executive Director)

To: Our shareholders,

Dear Sir / Madam

- (A) **PROPOSED WAIVER**
- (B) **PROPOSED ALLOCATION OF OPTIONS**

**(collectively 'THE PROPOSALS')**

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**1. INTRODUCTION**

On 30 May 2022, approval was obtained from our shareholders at the EGM held on the even date for establishment of the Private Placement and the ESOS.

On 26 August 2022, the Company announced that the effective date for the implementation of the ESOS is 26 August 2022, being the date on which the Company is in full compliance with all relevant requirements of the Listing Requirements. No ESOS Option has been granted under the ESOS up till the date of this announcement.

Bursa Securities had, vide its letter dated 6 October 2022, resolved to grant the Company an extension of time until 28 April 2023 for the Company to complete the implementation of the Private Placement. No new Share has been issued pursuant to the Private Placement.

On 16 March 2023, the Company announced intention to seek shareholders' approval for the Proposals at a forthcoming EGM to be convened.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSALS AND TO SET OUT OUR BOARD'S OPINION AND RECOMMENDATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR IN RELATION TO THE PROPOSALS TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS AND RATIONALE OF THE PROPOSED WAIVER**

Pursuant to Section 85(1) of the Act read together with Clause 66 of the Constitution of our Company, the existing shareholders of our Company have pre-emptive rights to be offered any new shares or other convertible securities free of pre-emptive rights which will rank equally to the existing Shares issued by our Company subject to any direction to the contrary that may be given in general meeting.

Section 85(1) of the Act provides that:

*"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

Clause 66 of the Constitution of the Company states that:

*"Unless otherwise determined by the Company in general meeting any original shares or securities for the time being unissued and not allotted as provided in this Constitution and any new shares or securities from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares or securities held by them. Such offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of the same in such manner as they think fit most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares or securities as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid, or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided."*

In order for our Board to issue any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. As such, the waiving of such pre-emptive rights will be tabled at our forthcoming EGM under the proposed Ordinary Resolution 1 to seek our shareholders' approval to enable the Directors of the Company to:

- (a) allot and issue new Shares under the Private Placement; and
- (b) grant the ESOS Options and to allot and issue new Shares upon the exercise of such ESOS Options.

Please refer to the notice of EGM for the proposed Ordinary Resolution which is enclosed herein.



### **3. DETAILS AND RATIONALE FOR THE PROPOSED ALLOCATION OF OPTIONS**

The Proposed Allocation of Options, if approved, will allow the Board or the ESOS Committee to allocate the Options to an eligible director of our wholly owned subsidiary, Mr. Goh Hong Kent (“**Eligible Director**”).

In line with our belief to continue to motivate, incentivise and reward our directors and employees, the allocation of Options to the Eligible Director serves to achieve, among others, the following objectives:

- (a) to drive and motivate the Eligible Director to work towards achieving the Group’s goals and objectives;
- (b) to reward the Eligible Director in recognition of his accumulated contribution to the operations and continued growth of the Group;
- (c) to retain the Eligible Director by giving the Eligible Director a sense of ownership, loyalty and belonging to the Group by enabling them to participate directly in the equity of the Company and thereby provides an incentive for the Eligible Director to participate in the future growth of the Group and motivate him towards better performance through greater productivity and loyalty;
- (d) to align the interests of the Eligible Director with the interests of the Shareholders via direct participation in the equity of the Company; and
- (e) to attract and retain high-calibre Eligible Director.

### **4. EFFECTS OF THE PROPOSED WAIVER AND PROPOSED ALLOCATION OF OPTIONS**

The Proposed Waiver, upon approval by our shareholders, means that shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act and Clause 66 of the Constitution of the Company to be first offered the new Shares which will result in a dilution of their shareholding percentage in the Company. Essentially, will provide flexibility to the Company to issue and allot new Shares pursuant to the Private Placement and to grant ESOS Options which are exercisable into new Shares which rank equally to existing issued Shares to any person without having first to offer such new Shares to existing shareholders of the Company in proportion to their shareholdings in the Company.

LSH will be able to implement the ESOS efficiently in terms of the granting, vesting and issuance of new Shares pursuant to the exercise of the ESOS Options by eligible employees and Directors of the Group (excluding dormant subsidiaries, if any).

The Proposed Waiver and Proposed Allocation of Options are not expected to have material effect on the issued share capital; net asset per share and gearing level; substantial shareholding structure; earnings and EPS of our Company. As at the LPD, save for the ordinary shares, our Company does not have any outstanding convertible securities and we have not issued any Options to eligible directors of LSH and employees of LSH Group as at the LPD.

Further, any proceeds to be received by our Company pursuant to the exercise of the ESOS Options (which will depend on, amongst others, the number of ESOS Options granted and exercised at the relevant point of time as well as the price to be paid for each LSH Share pursuant to the exercise of an ESOS Option) will be used for our Group’s working capital purposes.

## 5. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Waiver and Proposed Allocation of Options, there are no other corporate exercises / schemes which have been announced by the Company but pending completion as at the date of this Circular.

## 6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of LSH and/or any persons connected with them have any interest, direct or indirect, in the Proposed Waiver, other than their interests as eligible employees and/or Directors of the Group (excluding dormant subsidiaries, if any) under the ESOS. As at the date of this announcement, LSH has not granted any ESOS Options.

The Eligible Director, Mr. Goh Hong Kent is the son of Dato' Goh Cheng Huat and Datin Tan Pak Say and the brother to Ms. Goh Wan Jing (collectively the "**Interested Directors and Major Shareholders**").

As at LPD (based on total issued share capital of 140,334,960 Shares including 5,802,400 retained as treasury Shares), the direct and indirect interests of the Directors, major shareholders, chief executive of LSH and/or any persons connected to them are as follows:

	No of Shares held			
	Direct Interest	%	Indirect Interest	%
<b>Interested Directors and Major Shareholders</b>				
Tan Sri Dato' Mohd Desa bin Pachi	-	-	-	-
Datin Tan Pak Say	1,375,006	1.02	<sup>(a)</sup> 67,295,862	<sup>(a)</sup> 50.02
Dato' Goh Cheng Huat	12,047,894	8.96	<sup>(a)</sup> 56,622,974	<sup>(a)</sup> 42.09
Goh Wan Jing	-	-	-	-
Lim Leng Han	18,000	-	-	-
Datuk Abdullah bin Haji Kuntom	-	-	-	-
Mohd. Arif bin Mastol	-	-	-	-
Abdull Sukor bin Ismail	-	-	-	-
<b>Director of Subsidiary</b>				
Goh Hong Kent	1,212,100	0.90	-	-
<b>Major Shareholder</b>				
Bischart Sdn. Bhd.	54,035,868	40.17	-	-

Note:

<sup>(a)</sup> Deemed interested pursuant to spouse's and children's interest and by virtue of their interest in Bischart Sdn. Bhd. pursuant to Section 8(4) and Section 59(11)(c) of the Act

The Interested Directors and Major Shareholders have abstained and will continue to abstain from all deliberations and voting on the Proposed Allocation of Options at the relevant Board meetings. The Interested Directors and Major Shareholders together with the Eligible Director shall also abstain from voting in respect of their direct and indirect shareholdings in the Company at the forthcoming EGM on the resolution approving the Proposed Allocation of Option.

## **7. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposals are expected to be effective upon obtaining the approval of the Shareholders at the forthcoming EGM.

## **8. DIRECTORS' RECOMMENDATION**

Our Board, having considered all aspects of the Proposed Waiver, is of the opinion that the Proposed Waiver is in the best interest of our Company and accordingly, recommend that you vote in favour of the proposed ordinary resolution in relation to the Proposed Waiver to be tabled at our forthcoming EGM.

Having considered the rationale and relevant aspects of the Proposed Allocation of Options, our Board, save and except for the Interested Directors and Major Shareholders is of the opinion that the Proposed Allocation of Options is in the best interest of our Company. With the exception of the Interested Directors and Major Shareholders who are interested in the Proposed Allocation of Options in the manner disclosed in the table in Section 6 of this Circular and have therefore abstained from making any recommendation in respect of the Proposed Allocation of Options, the Board recommends that you vote in favour of the Ordinary Resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

The Interested Directors have abstained and will continue to abstain from deliberating and making any recommendations at all relevant Board meetings on the resolutions pertaining to the Proposed Allocation of Options. They will also abstain and ensure that persons connected to them, abstain from voting in respect of their direct and/ or indirect interests in LSH (if any), on the resolution pertaining to the Proposed Allocation of Options at the forthcoming EGM to be convened.

## **9. APPROVALS REQUIRED**

The Proposals and are subject to the approval of our shareholders at the EGM to be convened or at any adjournment thereof. Save and except for the approval of our shareholders, there are no other approvals required for the Proposals.

## **10. EGM**

The EGM, the notice of which is set out in the Circular and published on corporate website at [www.leadersteel.my](http://www.leadersteel.my), will be convened at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via RPEV facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 3 April 2023 at 12.15 pm or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Waiver and Proposed Allocation of Options.

If you are unable to attend and vote in person at the EGM, you are requested to complete the enclosed Form of Proxy in accordance with the instructions contained therein and forward it to the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia so as to arrive not less than forty-eight (48) hours before the time set for the holding of the EGM. Alternatively, you may submit the Form of Proxy electronically through the Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com>. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

## **11. FURTHER INFORMATION**

Please refer to the Appendix I of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**LEADER STEEL HOLDINGS BERHAD**

**TAN SRI DATO' MOHD. DESA BIN PACHI**  
Independent Non-Executive Chairman

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## **APPENDIX I - FURTHER INFORMATION**

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### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

### **2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position or business of our Group.

### **3. MATERIAL COMMITMENT**

As at the LPD, our Board is not aware of any material commitment, incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial results or position of our Group.

### **4. CONTINGENT LIABILITIES**

As at the LPD, our Board is not aware of any contingent liabilities, incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at No. 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) our Constitution; and
- (ii) the audited consolidated financial statements of LSH for the past 2 financial years up to FYE 31 December 2021.



**LEADER STEEL HOLDINGS BERHAD**  
Registration No.: 200001024664 (527272-V)  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Leader Steel Holdings Berhad (“**LSH**” or the “**Company**”) will be held virtually at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via Remote Participation and Electronic Voting (“**RPEV**”) facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 3 April 2023 at 12:30 pm or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without any modifications:-

### **ORDINARY RESOLUTION 1**

#### **PROPOSED WAIVER FROM THE SHAREHOLDERS TO WAIVE THEIR PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016 AND CLAUSE 66 OF THE COMPANY’S CONSTITUTION (“PROPOSED WAIVER”)**

“THAT the Board had on 30 May 2022 at the Extraordinary General Meeting obtained the approval from the shareholders for the authority to allot and issue up to 40,359,700 new ordinary shares of LSH (“**Shares**”) by way of private placement to independent third party investor(s) to be identified later (“**Private Placement**”) and to establish the LSH Employees’ share option scheme involving up to 15% of the total number of issued Shares from time to time (excluding treasury shares) for the benefit of eligible directors and eligible employees of the Group (excluding dormant subsidiaries) (“**ESOS**”).

THAT pursuant to Section 85(1) of the Act to be read together with Clause 66 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled (“**Pre-emptive Rights**”).

AND THAT should this resolution be passed by the Shareholders, this resolution shall have the effect of the Shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 66 of the Constitution of the Company in respect of the new Shares to be allotted and issued by the Company pursuant to the Private Placement and ESOS and the issuance of such new Shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.”

### **ORDINARY RESOLUTION 2**

#### **PROPOSED ALLOCATION OF OPTIONS UNDER THE EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) TO A DIRECTOR OF A SUBSIDIARY, NAMELY, GOH HONG KENT (“PROPOSED ALLOCATION OF OPTIONS”)**

“THAT subject to all approvals and/or consents of the relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors (“**Board**”) to authorise the ESOS Committee, at any time and from time to time throughout the duration of the ESOS, to offer and grant to Goh Hong Kent, ESOS Options to subscribe for new Shares under the ESOS:

provided always that:

- (i) he shall not participate in the deliberation or discussion of his own allocation as well as allocation to persons connected with him;
- (ii) the allocation to him, who singly or collectively through persons connected with him, holds 20% or more of the total number of issued Shares (excluding treasury shares), shall not exceed 10% of the total number of new Shares to be issued under the Scheme; and
- (iii) such offer and grant of ESOS Options are subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the By-laws, the Main Market Listing Requirements of Bursa Securities Malaysia Securities Berhad (“Bursa Securities”) or any prevailing guidelines issued by Bursa Securities or any other relevant authority, as amended from time to time;

THAT the Board is authorised to allot and issue such number of new Shares arising from the exercise of the ESOS Options issued under the Scheme;

AND THAT the Shares to be allotted and issued upon the exercise of any ESOS Options granted under the Scheme will be subject to the provisions of the Constitution of the Company and will, upon allotment and issuance, rank pari passu in all respects with then existing issued Shares, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

THAT pursuant to Section 85(1) of the Act to be read together with Clause 66 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**").

AND THAT should this resolution be passed by the Shareholders, this resolution shall have the effect of the Shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 66 of the Constitution of the Company in respect of the new Shares to be allotted and issued by the Company pursuant to the Private Placement and ESOS and the issuance of such new Shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect."

By Order of the Board  
**LEADER STEEL HOLDINGS BERHAD**

Tai Yit Chan (MAICSA 7009143) (SSM PC No. 202008001023)  
Ong Tze-En (MAICSA 7026537) (SSM PC No. 202008003397)  
Joint Company Secretaries

Penang  
18 March 2023

Notes:

1. The EGM would be held entirely via RPEV facilities through meeting platform at <https://meeting.boardroomlimited.my>. Kindly refer to the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPEV facilities.
2. The online meeting platform is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairman of the meeting to be present at the main venue of the meeting. Shareholders / proxies from the public WILL NOT BE ALLOWED to be physically present. Shareholders who wish to participate in the EGM will have to register online and attend remotely. Kindly read and follow the procedures in the Administrative Guide for the EGM in order to participate remotely.
3. 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.
4. 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.
5. 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.
6. 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.
7. For the proxy to be valid, the Form of Proxy duly completed must be deposited / submitted via the following ways at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
  - (i) By hardcopy form  
The Form of Proxy must be deposited at the Registered Office at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia

(ii) By electronic form

The Form of Proxy can be electronically submitted through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for the procedures on electronics lodgement of Form of Proxy.

8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 27 March 2023 (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 Note**

Pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 66 of the Company's Constitution, the existing shareholders of the Company have pre-emptive rights to be offered any new shares which will rank equally to the existing Shares issued by the Company.

Section 85(1) of the Companies Act 2016 provides that:

*"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

Clause 66 of the Constitution of our Company states that:

*"Unless otherwise determined by the Company in general meeting any original shares or securities for the time being unissued and not allotted as provided in this Constitution and any new shares or securities from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares or securities held by them. Such offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of the same in such manner as they think fit most beneficial to the Company. The Directors may, in like manner dispose of any such new or original shares or securities as aforesaid, which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid, or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein before provided."*

By voting in favour of the proposed Ordinary Resolutions, you will also approve the disapplication of the pre-emptive rights under Section 85(1) of the Companies Act 2016 read together with Clause 66 of the Company's Constitution to be first offered such new Shares or new Options to be allotted and issued by the Company pursuant to the Private Placement or ESOS, which will result in a dilution to your shareholding in the Company.

The details of the Proposed Waiver and the Proposed Allocation of Options are set out in the circular to shareholders dated 18 March 2023, which is available on the Company's website at [www.leadersteel.my](http://www.leadersteel.my).



**LEADER STEEL HOLDINGS BERHAD**Registration No. 199301012471 (267209-K)  
(Incorporated in Malaysia)**FORM OF PROXY**

No. of Shares held	CDS Account No.

I/We \_\_\_\_\_

(Full Name in Block Letters and NRIC No./Passport No./Company No.)

of \_\_\_\_\_

and \_\_\_\_\_

(Address)

(Tel. No./Email Address)

being a member/members of LEADER STEEL HOLDINGS BERHAD ("**Company**"), hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding
Email Address:			
Telephone No.			

\* and/or (\*delete if not applicable)

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding
Email Address:			
Telephone No.			

as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company, to be held virtually at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via Remote Participation and Electronic Voting ("**RPEV**") facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 3 April 2023 at 12:30 pm or at any adjournment thereof.

Please indicate with an "x" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

Ordinary Resolution	For	Against
Proposed Waiver		
Proposed Allocation of Options		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signature of Shareholder(s)/ Common Seal

\* Strike out whichever is not desired.

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5. 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.
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**Personal Data Privacy**

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the EGM of the Company and any adjournment thereof.

Fold this flap for sealing

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AFFIX  
STAMP

THE COMPANY SECRETARIES  
**LEADER STEEL HOLDINGS BERHAD**  
Registration No. 199301012471 (267209-K)  
170-09-01, Livingston Tower  
Jalan Argyll, 10050 George Town  
Pulau Pinang

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