

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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Bursa Securities did not peruse this Circular / Statement prior to issuance as they are exempted documents pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Shareholders should rely on their own evaluation to assess the merits and risks of the Proposals as set herein.



LEADER STEEL HOLDINGS BERHAD

Registration No.: 199301012471 (267209-K)

(Incorporated in Malaysia)

PART A CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR SHARE BUY-BACK AUTHORITY

The above Proposals (as defined) will be tabled under Special Business at the Thirty-First (31st) Annual General Meeting (“AGM”) of Leader Steel Holdings Berhad (“the Company”) which will be conducted on a fully virtual basis through Online Meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC – D6A357657) provided by Boardroom Share Registrar Sdn Bhd on Friday, 31 May 2024 at 12:30 pm. The Notice of 31st AGM of the Company together with the Proxy Form are set out in the Annual Report 2023 of the Company which is available on the Company’s website at <https://leadersteel.my/>. For further information, please refer to the Notice of 31st AGM and Administrative Guide on 31st AGM.

If you are unable to attend and vote at the AGM, please complete and return the Proxy Form in accordance with the instruction therein as soon as possible and deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia or via electronic means through Boardroom Smart Investor Portal (“BSIP”) at <https://investor.boardroomlimited.com> not later than forty-eight (48) hours before the time appointed for holding the 31st AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the AGM should you subsequently decide to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy : Wednesday, 29 May 2024 at 12:30 pm

Date and time of the AGM : Friday, 31 May 2024 at 12:30 pm

This Circular/Statement is dated 30 April 2024

DEFINITIONS

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

“Act”	:	The Companies Act 2016, as amended from time to time and any re-enactment thereof
“Aurea”	:	Aurea Canyon Mining Sdn. Bhd. [201301042772 (1072594-V)]
“ACME United”	:	ACME United Sdn. Bhd. [200801040893 (842244-X)]
“AGM”	:	Annual General Meeting of the Company
“Bischart”	:	Bischart Sdn. Bhd. [199401007832 (293511-A)]
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Board” or “Board of Directors”	:	The Board of Directors of LSTEEL
“CMSA”	:	Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016 including any amendment that may be made from time to time
“Directors”	:	This shall have the meaning given in Section 2(1) of the Act and for purposes of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding six (6) months from the date on which the terms of the transaction were agreed upon, a Director of LSTEEL or any other company which is its subsidiary or holding company or a Chief Executive Officer of LSTEEL, its subsidiary or holding company. The term “Executive Director” shall mean a natural person who holds a directorship in a full time executive capacity on the Board and is on the payroll of the Company
“ECSB”	:	Eonmetall Corporation Sdn. Bhd. [199701000036(415532-H)]
“Eonmetall”	:	Eonmetall Group Berhad [200301029197 (631617-D)]
“EPS”	:	Earnings per Share
“Family”	:	Such person, in relation to a person means such person who falls within any one of the following categories: (a) Spouse; (b) Parent; (c) Child including an adopted child and step-child; (d) Brother or sister; and (e) Spouse of the person referred to in subparagraphs (c) and (d) above.
“FerroNet”	:	FerroNet Asia Sdn. Bhd. [201601023381 (1194320-X)]
“LMC”	:	Leader Minerals Corporation Sdn. Bhd. [200501003944 (680990-W)]
“LMM”	:	Leader Minerals (Malaysia) Sdn. Bhd. [200401033223 (671731-D)]

DEFINITIONS (cont'd)

“LSTEEL” or “the Company”	:	Leader Steel Holdings Berhad [199301012471 (267209-K)]
“LSTEEL Group” or “the Group”	:	LSTEEL and its subsidiaries
“LSTEEL Share(s)” or “the Share(s)”	:	Ordinary share(s) in LSTEEL
“LSSC”	:	Leader Steel Service Centre Sdn. Bhd. [199601008941 (381289-U)]
“LSSB”	:	Leader Steel Sdn. Bhd. [198701008292 (167009-X)]
“LSTubes”	:	Leader Steel Tubes Sdn. Bhd. [199201004022 (235526-D)]
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including all amendments made from time to time and any re-enactment thereof
“LPD”	:	31 March 2024, being the latest practicable date before the printing of this Circular
“Market Day”	:	Any day when Bursa Securities is open for trading of securities
“Major Shareholder”	:	<p>means a person who has an interest or interests in one or more voting shares in a company and the number or aggregate number of those shares, is –</p> <p>(a) Ten per centum (10%) or more of the total number of voting shares in the company; or</p> <p>(b) Five per centum (5%) or more of the total number of voting shares in the company where such person is the largest shareholder of the company</p> <p>It shall include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the LSTEEL as defined above (or any other company which is its subsidiary or holding company).</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act</p>
“NA”	:	Net Assets
“PM”	:	Padma Minerals Co., Limited, incorporated in Hong Kong Special Administrative Region
“Person Connected”	:	<p>Such person, in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:</p> <p>(a) A family member of the said Person;</p> <p>(b) A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;</p> <p>(c) A partner of the said Person;</p>

DEFINITIONS (cont'd)

- (d) A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- (e) A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- (f) A body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than twenty per centum (20%) of the votes attached to voting shares in the body corporate; or
- (g) A body corporate which is a related corporation of the said Person.
- “Proposals” : Collectively, the Proposed Shareholders’ Mandate & Proposed Share Buy-Back
- “Proposed Share Buy-Back” : Proposed renewal of authority to buy-back its own shares by the Company of up to maximum of ten per centum (10%) of its issued and paid-up share capital as set out in Part B
- “Proposed Shareholders’ Mandate” : Proposed Renewal of Shareholders’ Mandate pursuant to Paragraph 10.09 of the Listing Requirements and Practice Note 12 of the Listing Requirements for the RRPT for LSTEEL Group to enter into RRPT as set out in Part A
- “Purchased Shares” : Shares that have been purchased by the Company pursuant to the Proposed Share Buy-Back
- “Related Party” or “Related Parties” : Director(s), Major Shareholder(s) and/or Person(s) Connected with such Director(s) or Major Shareholder(s) of the Company
- “RRPT” : A recurrent related party transaction of a revenue or trading nature which is necessary for the day-to-day operations and is entered into by the Company or its subsidiaries in the ordinary course of business which involves the interest, direct or indirect, of a Related Party
- “RM and sen” : Ringgit Malaysia and sen respectively
- “SC” : Securities Commission Malaysia
- “Substantial Shareholder” : A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than five per centum (5%) of the total number of all the voting shares in the Company
- “Treasury Shares” : Purchased Share which are or will be retained in treasury by the Company and shall have the meaning given under Section 127 of the Act

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

DEFINITIONS (cont'd)

Any reference in this Statement/Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any discrepancies in the tables included in this Statement/Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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LEADER STEEL HOLDINGS BERHAD
Registration no.: 199301012471 (267209-K)
(Incorporated in Malaysia)

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

30 April 2024

Board of Directors:

Lim Leng Han (Non-Independent Non-Executive Director/Chairman)
Dato' Goh Cheng Huat (Deputy Chairman/Executive Director)
Datin Tan Pak Say (Managing Director)
Goh Wan Jing (Executive Director)
Abdull Sukor bin Ismail (Independent Non-Executive Director)
Soon Gim Wooi (Independent Non-Executive Director)
Datuk Dr. Roslan Bin A. Ghaffar (Independent Non-Executive Director)

To: The Shareholders of Leader Steel Holdings Berhad

Dear Sir/Madam

**PART A CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL
OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL
OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK AUTHORITY**

1. INTRODUCTION

At the Company's 30th AGM held on 31 May 2023, the shareholders had, inter-alia, approved:

- (i) a mandate for the Company and its subsidiaries to enter into arrangements or recurrent transactions with Related Parties which are necessary for LSTEEL Group's day to day operations, in the ordinary course of business, and on terms not more favourable to the Related Party than those generally available to the public and not detrimental to the interests of the minority shareholders.
- (ii) authority to the Company to purchase and/or hold from time to time and at any time up to ten per centum (10%) of its own shares in the total number of issued shares of the Company.

The shareholders' mandate and authority conferred at the 30th AGM of LSTEEL held on 31 May 2023 shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 31st AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming 31st AGM.

LSTEEL had, on 19 April 2024 announced to Bursa Securities that it proposes to seek the approvals from the shareholders for the Proposals at the forthcoming 31st AGM of the Company.

The purpose of this Statement/Circular is to provide you with the details of the Proposals together with the recommendations of the Board as well as to seek your approval for the resolutions thereto which will be tabled at the forthcoming 31st AGM of the Company. A copy of the Notice of the 31st AGM is included in the Annual Report 2023 which published at the Company's corporate website at www.leadersteel.my. You may download the Notice of the 31st AGM for your ease of reference.

Shareholders of LSTEEL are advised to read and consider the contents of this Circular/Statement carefully before voting on the resolutions pertaining to the Proposals at the forthcoming AGM.

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PART A: PROPOSED SHAREHOLDERS' MANDATE

2. CIRCULAR IN RELATION TO THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Background

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPTs subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital which is more than RM60 million:-
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (b) the percentage ratio of such RRPT is one per centum (1%) or more, whichever is the higher;
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities, together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholder mandate, the relevant related party must comply with the following requirements:-
 - (a) a related party with any interest, direct or indirect ("**Interested Related Party**"), must not vote on the resolution in respect of the RRPTs;
 - (b) an Interested Related Party who is a director or major shareholder must ensure that persons connected with it abstain from voting on the resolution in respect of the RRPTs;
 - (c) where the Interested Related Party is a person connected with a director or major shareholder; such persons stated in paragraphs (b) above, as the case may be, must not vote on the resolution in respect of the RRPTs;
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by ten per centum (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate. The Proposed Shareholders' Mandate will allow the LSTEEL Group, in the normal course of business, to enter into the existing RRPT referred to in section 2.4 of Part A of this Circular, provided that such transactions are made at arm's length, on LSTEEL Group's normal commercial terms and on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of LSTEEL.

The transactions concluded for the financial year ended 31 December 2023 are incorporated in the Annual Report 2023.

The Proposed Shareholders' Mandate will take effect from the date of the passing of the Ordinary Resolution proposed at the forthcoming AGM and is subject to annual renewal.

In this respect, the Proposed Shareholders' Mandate shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which the authorisation is obtained, at which time it shall lapse, unless by ordinary resolution passed at the next AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date 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 resolutions passed by the shareholders of the Company in a general meeting

whichever is the earlier.

2.2 The principal business activities of the Company and its subsidiaries

The principal activity of LSTEEL is investment holding whilst the principal activities of its subsidiaries as at LPD are as follows:

Name of subsidiary	Interest held (%)	Principal activities
Held by LSTEEL		
LSSB	100	Manufacturing, processing and trading of steel and metal products and minerals
LSSC	100	Manufacturing, trading of steel products and providing transportation services
LMM	100	Inactive
LMC	100	Inactive
LSTubes	100	Inactive
FerroNet	100	Inactive
Held by LSSB		
PM	100	Inactive
ACME United	50.50	Inactive
Aurea	100	Inactive

All the abovenamed subsidiaries, save and except for PM, are all incorporated and domiciled in Malaysia. PM is incorporated and domiciled in Hong Kong Special Administrative Region.

2.3 The principal activities of the other related transacting parties

The LSTEEL Group has entered into RRPT on terms not more favourable to the Related Party(ies) than those generally available to the public and which are not detrimental to the interests of the minority shareholders. Some of these transactions are bound by agreements and others could occur in accordance to periodic requirements and are not bound by any preceding agreements negotiated in advance.

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The principal activities of the other related transacting parties which are not part of LSTEEL Group that are involved in the RRPT with the LSTEEL Group are set out below:-

Other transacting parties	Principal activities
Eonmetall Industries Sdn. Bhd. ("EMI")	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanized coils and flat steel products
Eonmetall Technology Sdn. Bhd. ("EMT")	Manufacturer of metalwork and industrial process machinery and equipment
Eonsteel Sdn. Bhd. ("ESL")	Property holding, manufacture and trading of steel products
Eonmetall Systems Sdn. Bhd. ("EMS")	Manufacture of steel products, focusing on steel storage systems

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2.4 Nature of RRPT and Class of Related Parties

2.4.1 The details of the nature and estimated annual value of the RRPT in respect of which the Company is seeking renewal of mandate from its shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:-

Related Party with whom the Group is transacting	Nature of Transactions	Company within the Group involved in RRPT	Estimated value as disclosed in the Circular to Shareholders dated 28 April 2023 ("Estimated Value") (RM)	Actual value transacted ("Actual Value") ⁽²⁾ To-date (RM)	Estimated value from forthcoming AGM to next AGM ⁽³⁾ (RM)	Interested Related Party(ies) ⁽⁴⁾	Relationship
EMI, EMS, ESL, EMT ⁽¹⁾	Sale, purchase and servicing of steel products	LSSB & LSSC	60,000,000	1,900,623	60,000,000	Dato' Goh Cheng Huat Datin Tan Pak Say Ms. Goh Wan Jing Mr. Goh Hong Kent Bischart Sdn. Bhd.	Refer Note 1 below
EMT ⁽¹⁾	Sale, purchase and maintenance of machinery ⁽⁵⁾	LSSB & LSSC	8,000,000	-	8,000,000		
EMI, EMT ⁽¹⁾	Renting of single storey factory ⁽⁶⁾	LSSB	4,000,000	3,211,882	4,000,000		
			72,000,000	5,112,505	72,000,000		

Notes:

The RRPT covered by this Proposed Shareholders' Mandate are in compliance with the Listing Requirements and Practice Note 12 of the Listing Requirements.

- (1) Subsidiaries of Eonmetall.
- (2) The actual value transacted of RRPT from the date on which the mandate was obtained up to the latest practicable date.
- (3) From the date of forthcoming AGM up to date of the next AGM. The estimated value for mandate is based on management forecast of transaction value that have been undertaken and anticipated. The estimated value is subject to changes.
- (4) The direct and indirect shareholdings of these interested Related Parties (if any) are set out in Section 2.12 below. Accordingly, these interested Related Parties will abstain from voting in respect of their direct or indirect shareholdings in LSTEEL at the forthcoming AGM on the Proposed Shareholders' Mandate.
- (5) The machineries included Angle Bar Machine with Medium Frequency Heater, Cold Rolled Angle Bar Machine, Cold Rolled Forming Machine, Cold Rolling Mill, Continuous Galvanizing Line, Cut to Length Machine, Expanded Metal Flattening Machine, Expanded Metal Machine, Flat/ Square/ Deformed Bar Machine, Hot Steel Rolling Mill, NC Feeding Machine, Overhead Crane, Pipe Line Machine, Powder Coating Line and Prepainted Galvanizing Line.
- (6) A single storey factory building located at Lot 1596, Mukim 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Daerah Seberang Perai Selatan, Penang measuring approximately up to 230,769 square feet in area at a monthly rental of around RM300,000.00.

Note 1:

Interested Related Party	Relationship
Dato' Goh Cheng Huat	Director and major shareholder of LSTEEL by virtue of direct interest and indirect interest. His indirect interest is held through Bischart, his spouse, Datin Tan Pak Say and his children, Goh Hong Kent. Director and major shareholder of Eonmetall by virtue of his direct interest and indirect interest through ECSB and his spouse, Datin Tan Pak Say.
Datin Tan Pak Say	Director and major shareholder of LSTEEL by virtue of direct interest and indirect interest. Her indirect interest is held through Bischart, her spouse, Dato' Goh Cheng Huat and her children, Goh Hong Kent. Major shareholder of Eonmetall by virtue of her indirect interest through ECSB and her spouse, Dato' Goh Cheng Huat.
Goh Wan Jing	Director of LSTEEL. Daughter of Dato' Goh Cheng Huat and Datin Tan Pak Say and sister to Goh Hong Kent.
Goh Hong Kent	Shareholder of LSTEEL. Director of LSSB and Eonmetall. Son of Dato' Goh Cheng Huat and Datin Tan Pak Say and brother to Goh Wan Jing.
Bischart Sdn. Bhd.	Bischart is a major shareholder of LSTEEL.

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2.5 Amount Due and Owing by Related Parties

As at financial year ended 31 December 2023, outstanding amount due and owing by the Related Parties under the RRPT of the Group, which exceeded the credit term are as follows:

No.	Transacting Parties	Total sum due and owing pursuant to a RRPT which exceeded the credit term as at the financial year ended 31 December 2023 by:							
		Exceeding credit term but ≤ 1 year		1 year to ≤ 3 years		3 years to ≤ 5 years		> 5 years	
		Principal (RM)	Interest (RM)	Principal (RM)	Interest (RM)	Principal (RM)	Interest (RM)	Principal (RM)	Interest (RM)
1.	EMT	2,181,423	-	-	-	-	-	-	-
2.	EMI	1,082,909							

As at LPD, outstanding amount due and owing by the Related Parties under the RRPT of the Group, which exceeded the credit term are as follows:

No.	Transacting Parties	Total sum due and owing pursuant to a RRPT which exceeded the credit term as at LPD by:			
		Exceeding credit term but ≤ 1 year		1 year to ≤ 3 years	
		Principal (RM)	Interest (RM)	Principal (RM)	Interest (RM)
1.	EMT	2,947,778	-	-	-
2.	EMI	1,437,442	-	-	-

Notes:

- There are no late payment charges imposed on the outstanding amounts as these are trade in nature and as gesture of goodwill to valued customers.
- The Group continuously follow-up with the debtors for timely settlement of outstanding amounts.
- The Board is of the opinion that there is no recoverability issue as the debtor is a related party with a long standing relationship with the Group.

2.6 Guidelines and Review Procedures

The Group had established the guidelines and procedures to ensure that the RRPT contemplated under the Proposed Shareholders' Mandate are undertaken on transaction prices and terms which are generally not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders:-

2.6.1 Methods for Determination of Transaction Price

- The transaction prices and the terms and conditions are determined by current market forces under similar commercial terms and normal trade practices for transactions with third parties.
- The Group shall ensure that at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.
- In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Group's pricing for the products/services to be supplied/provided and/or purchased/received will be determined in accordance with the Group's usual business practices and policies, which are on terms not more favourable to the Related Parties than those extended to third parties/public and not to the detriment of minority shareholders of the Company.

2.6.2 Thresholds for Approval of RRPT

There are no specific thresholds for the approval of RRPT within the Group. All the RRPT will be reviewed by the Audit Committee and approved by the Board of Directors.

2.6.3 Monitoring of RRPT

- (a) A list of Related Parties shall be circulated within the Group from time to time for reference and at the same time, the Related Party will be notified to ensure that all RRPT are undertaken in accordance with the policies.
- (b) All operating divisions and subsidiary companies shall review the existing information systems to ensure that information on Related Party Transactions are captured at source.
- (c) Records will be maintained by the Company for Audit Committee's review in order to capture all RRPT which are entered into pursuant to the shareholders' mandate.
- (d) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (e) The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- (f) The Board and the Audit Committee shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or Audit Committee has an interest, as the case may be, he will abstain from any decision making by the Board and the Audit Committee respectively in respect of the said transaction.
- (g) Additional quotations, if relevant, from third parties will be obtained and will be evaluated based on ranking on the price, delivery, services and other terms and conditions before entering into such transactions.

If it is determined that the guidelines and/or procedures stated are inadequate and to ensure that:-

- (i) the RRPT will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures. The Audit Committee shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed Shareholders' Mandate, the interested Director, interested Major Shareholder or interested Persons Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions.

2.7 Disclosure in Annual Report

Disclosure will be made in the Company's Annual Report 2023 in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year pursuant to the Proposed Shareholder Mandate based on the following information:-

- (a) the type of RRPT made; and
- (b) the names of the Related Parties involved in each type of the RRPT made and their relationship with the Company.

2.8 Deviation from Mandate

The actual value of RRPT did not exceed ten per centum (10%) of the estimated value as approved under the previous shareholders' mandate granted to the Company at the last AGM.

2.9 Statement by the Audit Committee

The Audit Committee, is of the opinion that the Proposed Shareholders' Mandate is fair, reasonable and is in the best interest of the Company and its shareholders.

The Audit Committee of the Company, with the overall responsibility in determining the procedures for reviewing all RRPT, will at least once a year, conduct a review and ascertain that the guidelines and procedures established to monitor the RRPTs have been complied with.

The Audit Committee of the Company has seen and reviewed the procedure mentioned in section 2.6 above and is of the view that:

- (a) The procedures and processes are sufficient to ensure that the RRPT are carried out on terms that are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders; and
- (b) The Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

2.10 Rationale and Benefits of the Proposed Shareholders' Mandate

The rationale is to enable LSTEEL Group to obtain general mandate from its shareholders for the RRPT. On the whole, the RRPT are considered by the Directors of LSTEEL to be beneficial to the LSTEEL Group as they constitute recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations of LSTEEL Group, and which contribute to the generation of its turnover.

It is envisaged that in the normal course of business of LSTEEL Group, transactions in respect of goods or services with the Related Parties will occur with some degree of frequency from time to time and may arise at any time. Some of these RRPT may be time-sensitive and it may be impractical to seek shareholders' approval on a case-to-case basis before entering into such RRPT.

The obtaining of the shareholders' mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT arise, thereby reducing administrative time and cost associated with the corporate objectives or adversely affecting the business opportunities available to LSTEEL Group.

Some of the benefits to be derived from the Proposed Shareholders' Mandate of these RRPT are:-

- (a) flexibility and choice of parties to enter into such transactions, whether with Related Parties or Non-Related Parties;
- (b) facilitate transactions with Related Parties which are in the ordinary course of business of LSTEEL Group undertaken at arm's length basis, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the

Company;

- (c) facilitate transactions with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations, particularly business needs which are time-sensitive in nature; and
- (d) eliminate the need to announce and convene separate general meetings to seek shareholders' mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

In addition to the above benefits, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the LSTEEL Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

2.11 Effects of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate does not have any effect on the issued share capital and the substantial shareholders' shareholdings of the Company. It is also not expected to have any effect on the net assets, earnings per share and gearing of the Company and/or the Group for the financial year ending 31 December 2024.

2.12 Interest of Directors, Major Shareholders and or Persons Connected

As at LPD (Total Paid-Up Capital: 160,334,960 Shares, including 5,802,400 retained as Treasury Shares), the direct and indirect interests of the interested Directors, Major Shareholders and or Persons Connected with the Directors and Major Shareholders of the Company are as follows:

	No. of Shares held			
	Direct Interest	%	Indirect Interest	%
Interested Directors and Major Shareholders				
Datin Tan Pak Say	1,375,006	0.89	^(a) 67,295,862	^(a) 43.55
Dato' Goh Cheng Huat	12,047,894	7.80	^(a) 56,622,974	^(a) 36.64
Interested Directors				
Goh Wan Jing	-	-	-	-
Director(s) of Subsidiaries				
Goh Hong Kent	1,212,100	0.78	-	-
Major Shareholders				
Bischart Sdn. Bhd.	54,035,868	34.97	-	-

Notes:

- ^(a) (i) Deemed interested pursuant to Section 8(4) of the Companies Act 2016.
- (ii) Deemed interested pursuant to spouse's and children's direct and indirect interest pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.

The above interested Directors and Major Shareholders have abstained and will continue to abstain from all deliberations and voting on the RRPT involving them as comprised in the Proposed Shareholders' Mandate at the relevant Board meetings and shall also abstain from voting in respect of their direct and indirect shareholdings (if any) in the Company at the forthcoming AGM on the resolution approving the Proposed Shareholders' Mandate.

In addition, the above interested Directors and Major Shareholders have undertaken and will ensure that the Persons Connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the 31st AGM.

2.13 Directors' Recommendation

Having considered the rationale and relevant aspects for the Proposed Shareholders' Mandate, the Board, with the exception of Dato' Goh Cheng Huat, Datin Tan Pak Say and Ms. Goh Wan Jing (collectively "the Interested Directors"), is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

With the exception of the Interested Directors who are interested in the Proposed Shareholders' Mandate in the manner disclosed in the table in Section 2.4 of this Circular and have therefore abstained from making any recommendation in respect of the RRPT in which they are involved, the Board recommends that you vote in favour of the Ordinary Resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

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PART B: DETAILS OF THE PROPOSED SHARE BUY-BACK

3. STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHAREHOLDERS' MANDATE

3.1 Background

The Company proposes to seek renewal of the authority from shareholders for LSTEEL to purchase and/or hold from time to time and at any time up to ten per centum (10%) of its own shares in the total number of issued shares of the Company.

3.2 Proposed Share Buy-Back

In accordance with Section 127 of the Act, and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase, the Company is allowed to purchase its own Shares on the Bursa Securities through its appointed stockbroker(s) as approved by Bursa Securities.

As at LPD, the Company has bought back 5,802,400 Shares from the open market.

As at LPD, the total issued capital of LSTEEL before adjusting for Treasury Shares comprises 160,334,960 LSTEEL Shares. A total of up to 16,033,496 LSTEEL Shares may be purchased by the Company. As such, the balance of LSTEEL Shares that can be purchased as at to-date is 10,231,096.

The authority from shareholders, if granted, shall be effective upon passing of the Ordinary Resolution for Proposed Renewal of Authority for Share Buy-Back until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first ("Proposed Authorised Period").

The Proposed Share Buy-Back will allow the Board to exercise the power of the Company to purchase and/or hold its own shares at any time within the Proposed Authorised Period as stated above using the internally generated funds of the Company and/or external borrowings.

The actual number of LSTEEL Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back, the total amount of internally generated funds and/or external borrowings involved for each purchase and the timing of the purchase will depend, inter-alia, on the market conditions and sentiments of the share market as well as the availability of internally generated funds and retained profits, the repayment capabilities, the actual number of LSTEEL Shares to be purchased and other relevant cost factors.

3.3 Shareholding Spread

The Proposed Share Buy-Back will be in accordance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulation issued by the relevant authorities as the time of purchase including compliance with para 8.02(1) of the Listing Requirements, which requires the Company to maintain a public shareholding spread of at least 25% of its total listed shares (excluding Treasury Shares) or such lower percentage of public shareholding spread as may be allowed by Bursa Securities.

The Board is mindful of the public shareholding spread requirement and will continue to be mindful of such requirement when making any purchase of Shares by the Company.

As at LPD, the public shareholding spread of the Company was 54.36%. The public shareholding spread is expected to be reduced to 51.12% assuming the Proposed Share Buy-Back is implemented in full with the purchases from the market and all the Shares so purchased are fully cancelled. The effects of the Proposed Share Buy-Back on the public shareholding spread, assuming full implementation are illustrated as below:-

Description	As at LPD	After Proposed Share Buy-Back
Maximum number of Shares purchased assuming full implementation of the Proposed Share Buy-Back	-	16,033,496
Total number of issued shares of LSTEEL	160,334,960	144,301,464
Public shareholding spread (%)	54.36%	51.12%

The Company would endeavour to ensure that the Proposed Share Buy-Back will not breach para 12.14 of the Listing Requirements, which states that a listed corporation must not purchase its own shares if the purchase(s) would result in the listed corporation being in breach of para 8.02(1) of the Listing Requirements.

3.4 Funding

The Proposed Share Buy-Back will be financed through internally generated funds and/or external borrowings. The Proposed Share Buy-Back by the Company must be made wholly out of its retained profits. There is no restriction on the types of funds which can be utilized so long as the buy-back is backed by an equivalent amount of retained profits. Based on the audited financial statements as at 31 December 2023, the Company's retained profits is RM10,995,181.

The amount of funds to be utilised will depend on the actual number of Shares to be purchased, the price of the Shares and the availability of funds involved for each purchase(s) will depend on the market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Group. In the event that if the Company purchases and holds its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment is not expected to have a material effect on the cash flow of the Company.

3.5 Treatment of Shares Purchased

Pursuant to the provisions of Section 127(4) of the Act, the Company may either retain the Purchased Shares as treasury shares or cancel the Purchased Shares or a combination of both.

The Board could opt to cancel the Purchased Shares if it is of the opinion that, in the foreseeable future, there are no investment opportunities that could result in an enhanced investment to LSTEEL and hence the value of LSTEEL Shares. In the event these Purchased Shares are cancelled, the total number of issued shares of LSTEEL shall be diminished by the cancellation of the Shares so purchased.

The Purchased Shares, held as Treasury Shares, could either to be distributed as share dividends or resold on Bursa Securities in accordance with the relevant rules of Bursa Securities or transfer pursuant to section 127(7) of the Act or subsequently cancelled or any combination of the above.

To date, the Company has yet to determine the manner of which the Purchased Shares are to be treated. However, the Board will deal with the Purchased Shares in accordance with Section 127 of the Act and will make an immediate announcement to Bursa Securities regarding the treatment of the Purchased Shares, whether the Shares purchased will be cancelled, retained as treasury shares, distributed as dividend to the shareholders, transfer pursuant to Section 127 of the Act and/or resold on Bursa Securities, or a combination of above, once determined.

3.6 Ranking

While the Purchased Shares are held as Treasury Shares, Section 127(9) of the Act states that the rights attached to them as to voting, dividends and participation in other distribution and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of LSTEEL Shares or of a class of LSTEEL Shares for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

3.7 Pricing

Pursuant to the Listing Requirements, the Company may only purchase its own Shares on the Bursa Securities at a price not more than fifteen per centum (15%) above the weighted average market price of the Shares for the five (5) market days immediately preceding the date(s) of purchase(s).

If the treasury shares are subsequently resold on the Bursa Securities or transfer, the selling price of the said Shares has to be:

- (a) a price which is not less than the weighted average market price of the Shares for the five (5) market days immediately before the resale or transfer; or
- (b) a discounted price of not more than five per centum (5%) to the weighted average market price of the Shares for the five (5) market days immediately before the resale or transfer provided that:
 - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

3.8 Purchase, resale and cancellation of LSTEEL Shares made in the preceding twelve (12) months

During the preceding 12 months up to the LPD, the Company did not purchase any of its Shares from the open market. There has been no resale or transfer or cancellation of Purchased Shares as at to-date.

3.9 Implication of the Code

In the event that the Proposed Share Buy-Back results in any Major Shareholder holding more than thirty-three per centum (33%) of the voting shares of the Company, pursuant to the Code, the affected Major Shareholder will be obliged to make a mandatory offer for the remaining LSTEEL Shares not held by it.

In the event that the Proposed Share Buy-Back results in any Major Shareholder who already holds more than thirty-three per centum (33%) of the voting shares of the Company increasing by more than two per centum (2%) in any six (6) months period, pursuant to the Code, the affected major shareholder will be obliged to make a mandatory offer for the remaining LSTEEL Shares not held by it.

However, a waiver may be granted by the Securities Commission pursuant to the Code, subject to the affected Major Shareholder complying with certain conditions, if the obligation was triggered as a result of action outside its direct participation.

3.10 Rationale for the Proposed Share Buy-Back

The Proposed Share Buy-Back will give the Directors the flexibility to purchase Shares, if and when circumstances permit, with a view to enhance the EPS of the Group and NA per share of the Company.

3.11 Potential advantages and disadvantages of the Proposed Share Buy-Back

The Proposed Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders as follows:

- (a) The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values;
- (b) The Company would expect to enhance the EPS of the Group and thereby long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- (c) If the Shares bought back are kept as Treasury Shares, it will give the Directors an option to sell the Shares so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively, the Shares so purchased can be distributed as share dividends to reward shareholders;
- (d) It allows the Company flexibility in attaining its desired capital structure in terms of debt and equity composition and size of equity; and
- (e) It allows the Company to execute preventive measures against speculations particularly when its Shares are undervalued which would in turn, stabilise the market price of the Shares and hence, investors' enhance confidence in LSTEEL.

The Proposed Share Buy-Back, if exercised, will reduce the financial resources of LSTEEL and may result in LSTEEL having to forego other alternative investment opportunities which may emerge in the future or, at the least, deprive the LSTEEL interest income that can be derived from the funds utilised for the Proposed Share Buy-Back.

Further, the Proposed Share Buy-Back if implemented, may result in a lower amount of cash reserves available for distribution in the form of cash dividends to shareholders. However, the financial resources of the Company may increase upon resale of the Purchased Shares held as treasury shares at prices higher than the purchased price.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, other than as disclosed, as it will be exercised only after consideration of the financial resources of the Group and of the resultant impact on its shareholders.

Nevertheless, the Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Share Buy-Back and the subsequent resale of treasury shares on Bursa Securities.

3.12 Effects of the Proposed Share Buy-Back

Assuming that the Proposed Share Buy-Back was carried out in full, the financial effects are summarised below:

(a) Share Capital

In the event that all the shares purchased are cancelled and on the assumption that the Proposed Share Buy-Back is exercised in full, the proforma effects of the Proposed Share Buy-Back on the issued capital of LSTEEL as at LPD are as follows:-

Description	No of Shares
Issued capital	160,334,960
Cancellation of Purchased Shares	16,033,496
After the Proposed Share Buy-Back	144,301,464

However, there should be no effect on the issued capital of LSTEEL if the Shares so purchased are retained as Treasury Shares.

(b) EPS

The effects of the Proposed Share Buy-Back on the consolidated earnings of LSTEEL will depend on the purchase price and number of Shares purchased as well as the effective funding cost to the Company in implementing the Proposed Share Buy-Back.

The reduction in the number of Shares applied in the computation of the consolidated EPS pursuant to the Proposed Share Buy-Back would generally, all else being equal, have a positive impact on the consolidated EPS for the financial year when the Proposed Share Buy-Back is implemented. Should the Purchased Shares be resold, the extent of the impact to the earnings of LSTEEL Group will depend on the actual selling price, the number of treasury shares resold, the effective funding cost and the gain or loss on the disposal, if any.

(c) NA

The effect of the Proposed Share Buy-Back on the NA per Share of the Group is dependent on the purchase price(s) of the Shares, the number of Shares purchased, the treatment of the Shares so purchased and the effective funding cost.

Depending on the purchase price and number of Shares purchased, the Proposed Share Buy-Back will reduce the consolidated NA per Share at the time of purchase if the purchase price exceeds the consolidated NA per Share and conversely will increase the consolidated NA per Share at the time of purchase if the purchase price is less than the consolidated NA per Share. In the event the Purchased Shares are resold, the consolidated NA per Share will increase if a gain from the resale is recognised, and vice versa.

If the Purchased Shares which were held as Treasury Shares, are distributed as share dividends, the consolidated NA per share will decrease by the cost of the Treasury Shares.

(d) Gearing

The effect of the Proposed Share Buy-Back on the gearing of the Group would depend on the proportion of borrowings utilized to finance the purchases of the Shares. Any utilization of borrowings to fund the purchase of any Shares will increase the gearing of the Group.

(e) Working Capital

The Proposed Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which depends on, amongst others, the number of Shares purchased, the purchase price of the Shares and any associated costs incurred in funding the purchase.

However, if the Purchased Shares kept as Treasury Shares, are resold on Bursa Securities, the working capital of the Group would increase if the Company realises a gain from the resale. The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

(f) Dividends

The Proposed Share Buy-Back may reduce the amount of distributable reserves available for payment of dividend in the immediate future.

Assuming the Proposed Share Buy-Back is implemented in full and the Company's quantum of dividends is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued capital of the Company.

The Proposed Share Buy-Back may have an adverse impact on the Company's dividend, if any, as it would reduce the cash available, which may otherwise be used for dividend payment. Nonetheless, the Purchased Shares may be distributed as dividends to shareholders of the Company, if the Company so decides.

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3.13 Directors' and Substantial Shareholders' Interests

The Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders of LSTEEL Group have no direct or indirect interest in the Proposed Share Buy-Back and/or the resale of treasury shares, if any.

The proforma table below shows the equity interests held directly and indirectly in LSTEEL by the Directors and Substantial shareholders of LSTEEL as at LPD before and after the Proposed Share Buy-Back:

No. of LSTEEL Shares held							
Before Proposed Share Buy-Back				After Proposed Share Buy-Back			
Direct		Indirect		Direct		Indirect	
No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%

Directors

Dato' Goh Cheng Huat	12,047,894	7.80	^(a) 56,622,974	^(a) 36.64	12,047,894	8.35	^(a) 56,622,974	^(a) 39.24
Datin Tan Pak Say	1,375,006	0.89	^(a) 67,295,862	^(a) 43.55	1,375,006	0.95	^(a) 67,295,862	^(a) 46.64
Goh Wan Jing	-	-	-	-	-	-	-	-
Lim Leng Han	18,000	0.01	-	-	18,000	0.01	-	-
Abdull Sukor Bin Ismail	-	-	-	-	-	-	-	-
Soon Gim Wooi	-	-	-	-	-	-	-	-

Substantial Shareholders

Dato' Goh Cheng Huat	12,047,894	7.80	^(a) 56,622,974	^(a) 36.64	12,047,894	8.35	^(a) 56,622,974	^(a) 39.24
Datin Tan Pak Say	1,375,006	0.89	^(a) 67,295,862	^(a) 43.55	1,375,006	0.95	^(a) 67,295,862	^(a) 46.64
Bischart	54,035,868	34.97	-	-	54,035,868	37.45	-	-

Notes:

- ^(a) (i) Deemed interested pursuant to Section 8(4) of the Companies Act 2016.
(ii) Deemed interested pursuant to spouse's and children's direct and indirect interest pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act 2016.

3.14 Share Prices

The monthly highest and lowest prices of the Shares traded on the Bursa Securities for the last twelve (12) months from April 2023 to March 2024 are as follows:

Year Month	High (RM)	Low (RM)
2023 April	0.50	0.47
2023 May	0.55	0.45
2023 June	0.45	0.39
2023 July	0.50	0.41
2023 August	0.51	0.44
2023 September	0.53	0.46
2023 October	0.51	0.44
2023 November	0.53	0.40
2023 December	0.50	0.42
2024 January	0.54	0.45
2024 February	0.54	0.46
2024 March	0.50	0.46

(Source: Bursa Market Place Online)

The last transacted price of LSTEEL Shares on LPD, being the last practicable date prior to the printing of this Circular was RM0.49.

3.15 Directors' Recommendation

The Board, having considered all relevant aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interests of the Company and its shareholders. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

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4. Approvals Required

The Proposals are subject to the approval of the shareholders at the forthcoming 31st AGM to be convened.

5. Directors' Recommendation

The Board, having considered all aspects of the Proposals, including but not limited to the rationale and justifications of the Proposals and the financial effects of the Proposals of this Statement and Circular respectively, the Board is of the opinion that the Proposals are in the best interest of the Company and the shareholders of the Company. Accordingly, the Board hereby recommends that the shareholders vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming 31st AGM.

6. AGM

The AGM, the notice of which is enclosed in the Annual Report 2023 of the Company, will be conducted on a fully virtual basis via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn Bhd on Friday, 31 May 2024 at 12:30 pm for the purpose of considering and, if thought fit, passing with or without any modifications to the ordinary resolutions and special resolution respectively so as to give effect to the Proposed Shareholders' Mandate and Proposed Share Buy-Back under the Special Business in the forthcoming 31st AGM.

If you are unable to attend the AGM in person, you are requested to complete the Form of Proxy as set out in the Annual Report 2023 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 later than forty-eight (48) hours before the time set for the holding of the AGM. In the case of electronic appointment, you may submit the Form of Proxy electronically 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. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the AGM should you subsequently decide to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

7. FURTHER INFORMATION

Shareholders of the Company are requested to refer to Appendix A contained in this Circular for further information.

Yours faithfully
for and behalf of the Board of
Leader Steel Holdings Berhad

Mr. Lim Leng Han
Chairman/Non-Independent Non-Executive Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular and Statement have been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and 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

Neither the Company nor any of its subsidiary companies is engaged in any material litigation, claim and arbitration whether, as plaintiff or defendant, and the Directors have no knowledge of any proceeding pending or threatened against the Group or of any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of the Company and its subsidiary companies.

3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Company and our subsidiary companies within the two (2) years immediately preceding the date of this Circular and Statement.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during normal office hours on Monday to Friday (except public holidays) from the date of this Circular and Statement up to and including the date of AGM:-

- (a) the Constitution of the Company;
- (b) the Audited Financial Statements of the Company for the past two (2) financial years ended 31 December 2022 and 31 December 2023; and
- (c) the material contract referred to in Section 3 above.

