

THIS CIRCULAR TO SHAREHOLDERS OF LYSAGHT GALVANIZED STEEL BERHAD (“LYSAGHT” OR THE “COMPANY”) 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.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has perused this Circular on a limited review basis pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular in relation to the Proposed New Shareholders’ Mandate (as defined herein), makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

(Incorporated in Malaysia)

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

Principal Adviser

INTER-PACIFIC
SECURITIES SDN. BHD.

INTER-PACIFIC SECURITIES SDN BHD

(Registration No. 197201001092 (12738-U))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Proposed New Shareholders’ Mandate will be tabled as Special Business at the 45th Annual General Meeting (“**AGM**”) of Lysaght to be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Thursday, 13 June 2024 at 10:00 a.m. or at any adjournment thereof. The Notice of the 45th AGM together with the Form of Proxy are enclosed in the Annual Report for the financial year ended 31 December 2023 of the Company, which is despatched together with this Circular.

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the Company’s Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time and date appointed for holding the AGM. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the AGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last day, date and time for lodging the Form of Proxy : Tuesday, 11 June 2024 at 10:00 a.m.
Day, date and time of the AGM : Thursday, 13 June 2024 at 10:00 a.m.

This Circular is dated 30 April 2024

DEFINITIONS

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

Act	- Companies Act, 2016
AGM	- Annual general meeting
Audit Committee	- The Audit Committee of the Company
Board	- The Board of Directors of the Company
Bursa Securities	- Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	- This circular to the Shareholders dated 30 April 2024 in relation to the Proposed New Shareholders' Mandate
Directors	- Directors of the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the Company (or any other company which is its subsidiary or holding company) or a chief executive officer of the Company, its subsidiary or holding company
Interpac or the Principal Adviser	- Inter-Pacific Securities Sdn Bhd (197201001092 (12738-U))
Listing Requirements	- Main Market Listing Requirements of Bursa Securities
LPD	- 4 April 2024, being the latest practicable date prior to the printing of this Circular
Lysaght or the Company	- Lysaght Galvanized Steel Berhad (197901002195 (46426-P))
Lysaght Group or the Group	- Collectively, Lysaght and its subsidiaries
LMSB	- Lysaght (Malaysia) Sdn Bhd (197501000563 (22148-W))
Lysaght Shares or Shares	- Ordinary shares in the Company
Major Shareholder(s)	- A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such a person is the largest shareholder of the Company.

For the purpose of this definition, "**interest**" shall have the meaning of "**interest in shares**" given in Section 8 of the Act.

Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of Lysaght or any other company which is its subsidiary or holding company.

DEFINITIONS *(cont'd)*

- Person Connected**
- Pursuant to Paragraph 1.01 of the Listing Requirements, a person connected in relation to a Director or Major Shareholder is a person who falls under any one of the following categories:-
 - (a) a family member of the Director or Major Shareholder which shall include the spouse, parent, child (including adopted child and stepchild), brother, sister, and the spouse of the child (including adopted child and stepchild), brother or sister;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary;
 - (c) a partner of the Director or Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
 - (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under and obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - (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 Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate in which the Director or Major Shareholder or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (g) a body corporate which is a related corporation of the Director or Major Shareholder.
- Proposed New Shareholders' Mandate**
- Proposed new shareholders' mandate for Recurrent Related Party Transactions as specified in Section 2 of this Circular to be entered into by the Lysaght Group from the date of the forthcoming AGM until the conclusion of the next AGM of the Company
- Recurrent Related Party Transactions or RRPT**
- Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the Lysaght Group's day-to-day operations and are in the ordinary course of business
- Related Party or Related Parties**
- A Director, a Major Shareholder or Person Connected
- RM and sen**
- Ringgit Malaysia and sen respectively
- Shareholders**
- Registered holders of the Shares

All references to "you" in this Circular are to the Shareholders.

DEFINITIONS *(cont'd)*

In this Circular, words referring to the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are due to rounding.

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 the Board after due enquiry, 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 the Company's plans and objectives will be achieved.

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(Registration No. 197901002195 (46426-P))

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(Registration No. 197901002195 (46426-P))

(Incorporated in Malaysia)

Registered office:

Suite 13.03, 13th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia

30 April 2024

Board of Directors

Ee Beng Guan (*Independent Non-Executive Chairman*)
Chew Meu Jong (*Non-Independent Non-Executive Director*)
Ir. Aik Siaw Kong, KMN (*Non-Independent Non-Executive Director*)
Cheam Low Soo (*Non-Independent Non-Executive Director*)
Chong Sai Sin (*Senior Independent Non-Executive Director*)
Yeoh Sheong Lee (*Independent Non-Executive Director*)
Chong Chin Look (*Independent Non-Executive Director*)

To: The Shareholders

Dear Sir / Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 8 April 2024, Interpac had on behalf of the Board announced its intention to seek shareholders' approval on the Proposed New Shareholders' Mandate at its forthcoming AGM of the Company.

The purpose of this Circular is to provide you with relevant information on the Proposed New Shareholders' Mandate and to set out the views and recommendation of the Board as well as to seek your approval for the resolutions pertaining to the Proposed New Shareholders' Mandate which will be tabled at the forthcoming AGM of the Company. The Notice of the 45th AGM and the Form of Proxy are enclosed in the Annual Report for the financial year ended 31 December 2023, which is despatched together with this Circular.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED NEW SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek shareholders' mandate in respect of Recurrent Related Party Transactions subject to the following:-

- (a) 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;
- (b) 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 prescribed below (in relation to a listed issuer with a share capital which is less than RM60.0 million):-
 - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
 - (ii) the percentage ratio of such Recurrent Related Party Transactions is 1% or more,whichever is lower;
- (c) the issuance of circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain the shareholders' mandate, relevant related party must comply with the following requirements:-
 - (i) a Related Party with any interest, direct or indirect ("**Interested Related Party**"), must not vote on the resolution in respect of the Proposed New Shareholders' Mandate;
 - (ii) 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 Recurrent Related Party Transactions; and
 - (iii) where the Interested Related Party is a Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution in respect of the Recurrent Related Party Transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Group exceeds the estimated value of the Recurrent Related Party Transactions disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Validity Period of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate is subject to renewal and if approved by the Shareholders at the forthcoming AGM, will take effect from the date of passing the ordinary resolution at the forthcoming AGM and will only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM, at which time it will lapse, unless the authority is renewed by an ordinary resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM of the Company 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 Act); or
- (c) revoked or varied by an ordinary resolution passed by the Shareholders in a general meeting,

whichever is the earlier.

Thereafter, the approval from the Shareholders will be sought for the renewal of shareholders' mandate for the Recurrent Related Party Transactions, as applicable at each subsequent AGM of the Company, if the Board decides that the renewal of the Proposed New Shareholders' Mandate is required.

2.3 Classes of Related Parties

The Proposed New Shareholders' Mandate will apply to the following classes of Related Parties:-

- (a) Directors; and
- (b) Major Shareholders; and
- (c) Persons Connected.

2.4 Principal business activities of the Lysaght Group

The Group is principally involved in the manufacturing of galvanized steel poles and masts. The details of Lysaght's subsidiaries as well as their principal activities as at the LPD are set out below:-

Name of company	Effective equity interest (%)	Principal activities
Lysaght Marketing Sdn Bhd	100	Trading in galvanized steel poles, masts and related products
Lysaght Marketing (S) Pte Ltd	100	Trading in galvanized lighting columns and high masts, gantries, transmission and telecommunication towers, power poles and general lattice structures

2.5 Details of the Recurrent Related Party Transactions under the Proposed New Shareholders' Mandate

The Recurrent Related Party Transactions which fall under the Proposed New Shareholders' Mandate shall comprise the following:-

Transacting party within Lysaght Group	Transacting Related Party	Interested Related Party and nature of their relationships	Nature of RRPT	Estimated aggregate value of the transaction for the period from the forthcoming AGM to the next AGM ⁽¹⁾ (RM'000)
Lysaght Marketing (S) Pte Ltd	Lysaght Corrugated Pipe (S) Pte Ltd ("LCPS")	<p>Chew Kar Hoo @ Chew Kar Yoo is a Major Shareholder of the Company. He is also a director of LCPS and has direct and indirect shareholdings in LCPS.</p> <p>Chew Meu Jong is a Director and Major Shareholder of the Company. She also has indirect shareholdings in LCPS.</p> <p>LMSB, Liew Swee Mio @ Liew Hoi Foo, Chew Mee Lee, Chew Bros (M) Sdn Bhd, ChewKarHeing Sdn Bhd, Yusuf Bin Jamil, WTTWT Sdn Bhd, Janfreys Sdn Bhd, Bina Securities & Management Sdn Bhd, CKH And LIK Family Sdn Bhd, Lim lee Kuan and Deborah Mun Sook Ho are Major Shareholders of the Company. They also have indirect shareholdings in LCPS.</p> <p>Ingli Sdn Bhd is a Major Shareholder of the Company. Ingli Sdn Bhd also has direct shareholdings in LCPS.</p>	Lysaght Marketing (S) Pte Ltd purchases poles and other related products from LCPS.	12,000
Lysaght	Lysaght Corrugated Pipe Sdn Bhd ("LCP")	<p>Chew Kar Hoo @ Chew Kar Yoo is a Major Shareholder of the Company. He is also a director of LCP and has indirect shareholdings in LCP.</p> <p>Chew Meu Jong is a Director and Major Shareholder of the Company. She is also a director of LCP and has indirect shareholdings in LCP.</p> <p>LMSB is a Major Shareholder of the Company. LMSB also has direct shareholdings in LCP.</p>	<p>(i) Lysaght rents factory⁽²⁾ from LCP;</p> <p>(ii) Lysaght provides powder coating services to LCP; and</p> <p>(iii) LCP provides fabricating services to Lysaght.</p>	<p>400</p> <p>300</p> <p>500</p>

Transacting party within Lysaght Group	Transacting Related Party	Interested Related Party and nature of their relationships	Nature of RRPT	Estimated aggregate value of the transaction for the period from the forthcoming AGM to the next AGM ⁽¹⁾
		<p>Liew Swee Mio @ Liew Hoi Foo, Chew Bros (M) Sdn Bhd, ChewKatHeing Sdn Bhd, Yusuf Bin Jamil, WTWT Sdn Bhd, Janfreys Sdn Bhd, Bina Securities & Management Sdn Bhd, CKH And LIK Family Sdn Bhd, Lim lee Kuan and Deborah Mun Sook Ho are Major Shareholders of the Company. They also have indirect shareholdings in LCP.</p> <p>Chew Mee Lee and Ingli Sdn Bhd are Major Shareholders of the Company. They are Person Connected to Liew Swee Mio @ Liew Hoi Foo, who have indirect shareholdings in LCP.</p>		

Notes:-

- (1) The estimated aggregate values stated are determined by the Lysaght Group's management. Actual transaction values may differ from the values stated.
(2) The details of the factory and the tenancy agreement are as follows:-

Description of the factory	Postal address	Built-up / Land area (square feet)	Tenure	Rental payable per month / Tenancy period
2 adjoining parcels of industrial lands held under HS(D) 6714 PT. No. 989 and PN385062 Lot. No. 49809, both of Mukim Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan.	Plot 3 & 55, Medan Tasek, Tasek Industrial Estate, 31400 Ipoh, Perak Darul Ridzuan.	55,059 sq. ft. / 140,961 sq. ft.	<p>HS(D) 6714 PT. No. 989: Leasehold of 99 years expiring on 28 July 2069 (unexpired terms of 46 years)</p> <p>PN385062 Lot. No. 49809: Leasehold of 99 years expiring on 11 October 2064 (unexpired terms of 41 years)</p>	RM31,500 per month / 2 years commencing from 1 February 2024 to 31 January 2026.

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2.6 Amount due and owing to the Lysaght Group by its Related Parties

As at the LPD, there is no amount due and owing to the Lysaght Group by its Related Parties which has exceeded credit term.

2.7 Review and approving procedures for the Recurrent Related Party Transactions

The Lysaght Group has established various methods and procedures to ensure the Recurrent Related Party Transactions are entered into on an arm's length basis, transaction prices and normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

The review procedures established by the Group for the Recurrent Related Party Transactions are as follows:-

- (a) the identity of the Related Parties are disclosed / circulated within Lysaght Group and at the same time, the Related Parties are notified that all Recurrent Related Party Transactions are required to be undertaken on arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public;
- (b) all Recurrent Related Party Transactions to be entered into will be reviewed by the Company's Audit Committee and reported to the Board to ensure that the transactions are not more favourable to the Related Parties and will not be detrimental to the Company's minority shareholders;
- (c) records will be maintained by the Company to capture all Recurrent Related Party Transactions which are entered into pursuant to the shareholder mandate;
- (d) the Recurrent Related Party Transactions prices are determined, after taking into account the pricing, level of service, quality of deliverables as compared to the prevailing market rates / prices, and are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms. Any Recurrent Related Party Transactions entered into shall be treated and processed on normal commercial terms consistent with the Company's usual business practices and policies and will not be detrimental to the Company's minority shareholders;
- (e) at least 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 / 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 transaction price will be determined based on benchmarking against experts' reports or the Group's internal assessment of the relevant costs plus a reasonable margin for similar products / services in order to ensure the Recurrent Related Party Transactions are not detrimental to the Group.

- (f) reports on the Recurrent Related Party Transactions are compiled by the Finance Division on a quarterly basis for reporting to the Audit Committee and the threshold for approval of Recurrent Related Party Transactions currently practiced within the Group is RM1.0 million. All Recurrent Related Party Transactions are first reviewed and authorised by the Executive Committee of the Company, provided that such personnel in the Executive Committee have no interest in the transaction and the said transaction will subsequently be subject to review, approval and/or ratified by the Audit Committee;
- (g) the internal auditors will conduct reviews on the Recurrent Related Party Transactions to ensure that the review procedures pertaining to the transactions are adhered to. All Recurrent Related Party Transactions will be recorded in a register to be maintained by the Company and reported to the Audit Committee on a quarterly basis for review. Any divergence will be reported by the Audit Committee to the Board accordingly. In the event where the actual value of the Recurrent Related Party Transactions exceeds the estimated value by 10% or more, such Recurrent Related Party Transactions and the reasons for such deviation will be immediately announced to Bursa Securities; and
- (h) in addition to the guidelines set out above, the Audit Committee will also undertake the following reviews:-
 - (i) The Audit Committee will carry out a quarterly review or as and when necessary to ascertain that the established guidelines and procedures for the Recurrent Related Party Transactions have been complied with; and
 - (ii) The Audit Committee will consider, from time to time, whether established guidelines and procedures for the Recurrent Related Party Transactions have become inappropriate, and/or are unable to ensure that the transactions will be on normal commercial terms, and/or prejudice the interests of shareholders generally.

Should the Audit Committee during its review form an opinion that the Recurrent Related Party Transactions are not being conducted in accordance with the established guidelines and procedures and/or are not on an arm's length basis, are not on normal commercial terms, or are detrimental to the interest of Shareholders, the Board will be advised to convene a general meeting of Shareholders to seek a fresh shareholders' mandate for the Recurrent Related Party Transactions.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the shareholders' approval for the Proposed New Shareholders' Mandate, the interested Director, interested Major Shareholder or interested Persons Connected, and where it involves the interest of a Person Connected, such Director or Major Shareholder, must not vote on the ordinary resolution approving the Proposed New Shareholders' Mandate. In addition, such interested Director or Major Shareholder must also ensure that Persons Connected with them abstain from voting on the ordinary resolution approving the Proposed New Shareholders' Mandate.

2.8 Statement by the Audit Committee

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.7 above and is of the view that the terms of the procedures established are sufficient to ensure that the RRPT 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. Any member of the Audit Committee who is interested in any RRPT shall not be involved in the review of RRPT.

The Audit Committee of the Company is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee shall review these procedures periodically to ensure that the RRPT are not detrimental and prejudicial to the minority shareholders of the Company.

3. RATIONALE AND BENEFIT FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Recurrent Related Party Transactions referred to in Section 2.5 of this Circular are necessary for the day-to-day operations of the Group and are intended to meet the business needs of the Group on the best possible terms. The Recurrent Related Party Transactions are made in the ordinary course of business of Lysaght Group at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to public. The Recurrent Related Party Transactions are also not detrimental to the interests of the minority shareholders of Lysaght.

The Proposed New Shareholders' Mandate will enable the Lysaght Group to carry out Recurrent Related Party Transactions necessary for the Group's day-to-day operations, which are time sensitive in nature, without the need to make any public announcement and convene general meetings to approve such transactions whenever such transactions arise from time to time, thereby reducing the administrative time, efforts and costs associated with convening of such general meetings.

4. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate is not expected to have any material effect on the share capital, shareholdings of substantial Shareholders of Lysaght and the earnings, gearing or net assets of the Lysaght Group.

5. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed New Shareholders' Mandate is conditional upon approval being obtained from the Shareholders at the forthcoming AGM to be convened.

No other approvals are required for the Proposed New Shareholders' Mandate.

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

The direct and indirect interests of the interested Director(s), Major Shareholder(s) and Persons Connected with them as the LPD are as follows:-

Interested Director	Direct interest		Indirect interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Chew Meu Jong	-	-	22,957,200 ⁽²⁾	55.21

Notes:-

(1) Based on total number of 41,580,000 issued Shares as at the LPD.

(2) Deemed interest by her shareholdings in LMSB through CKH And LIK Family Sdn Bhd and her spouse's shareholdings in the Company.

Interested Major Shareholders	Direct interest		Indirect interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
LMSB	22,925,700	55.14	-	-
Ingli Sdn Bhd	6,428,800	15.46	-	-
Liew Swee Mio @ Liew Hoi Foo	344,400	0.83	30,454,900 ⁽²⁾	73.24
Chew Mee Lee	729,800	1.76	30,069,500 ⁽³⁾	72.32
Chew Bros (M) Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
ChewKarHeing Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
Yusuf Bin Jamil	-	-	23,097,900 ⁽⁵⁾	55.55
WTWT Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
Janfreys Sdn Bhd	-	-	23,097,900 ⁽⁶⁾	55.55
Bina Securities & Management Sdn Bhd	172,200	0.41	22,925,700 ⁽⁴⁾	55.14
CKH And LIK Family Sdn Bhd	-	-	22,925,700 ⁽⁴⁾	55.14
Lim lee Kuan	-	-	22,925,700 ⁽⁷⁾	55.14
Chew Meu Jong	-	-	22,957,200 ⁽⁸⁾	55.21
Deborah Mun Sook Ho	-	-	22,925,700 ⁽⁷⁾	55.14
Chew Kar Hoo @ Chew Kar Yoo	-	-	22,925,700 ⁽⁷⁾	55.14

Notes:-

(1) Based on total number of 41,580,000 issued Shares as at the LPD.

(2) Deemed interest through LMSB, Ingli Sdn Bhd and family members' direct interest in the Company.

(3) Deemed interest through Ingli Sdn Bhd and family members' direct and indirect interest in the Company.

(4) Deemed interest through LMSB.

(5) Deemed interest through LMSB and Bina Securities & Management Sdn Bhd.

(6) Deemed interest by virtue of being the holding company of Bina Securities & Management Sdn Bhd.

(7) Deemed interest in LMSB through CKH And LIK Family Sdn Bhd.

(8) Deemed interest in LMSB through CKH And LIK Family Sdn Bhd and her spouse's shareholdings in the Company.

Accordingly, the Interested Director has abstained and will continue to abstain from all deliberations and voting on the Proposed New Shareholders' Mandate at Board meetings. Further, she will also abstain from voting in respect of her direct and/or indirect shareholdings in Lysaght on the ordinary resolution pertaining to the Proposed New Shareholders' Mandate at the forthcoming AGM.

The Interested Major Shareholders will abstain from voting in respect of their direct and/or indirect shareholdings in Lysaght on the ordinary resolution pertaining to the Proposed New Shareholders' Mandate at the forthcoming AGM.

The above Interested Director and Interested Major Shareholders will ensure that Persons Connected to them (*if any*) will abstain from voting in respect of their direct and/or indirect shareholdings in Lysaght (*if any*) on the ordinary resolution pertaining to the Proposed New Shareholders' Mandate at the forthcoming AGM.

Cheam Low Soo is a Director of the Company and a director of LCP. He does not hold any shareholdings in both the Company and LCP. Pursuant to the Listing Requirements, Cheam Low Soo is not deemed to be interested in the Proposed New Shareholders' Mandate. Notwithstanding that, Cheam Low Soo has voluntarily abstained from and will continue to abstain from deliberating and voting at the Board meetings of the Company as well as abstain from voting in respect of his direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM. Cheam Low Soo will ensure that the Persons Connected to him (*if any*) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (*if any*) on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/or Persons Connected with them have any interest, direct or indirect, in the Proposed New Shareholders' Mandate.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (*save for Chew Meu Jong and Cheam Low Soo*), having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is in the best interests of the Company and its Shareholders.

Accordingly, the Board (*save for Chew Meu Jong and Cheam Low Soo*) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM.

8. AUDIT COMMITTEE'S STATEMENT

The Company's Audit Committee (*save for Cheam Low Soo*), after having considered all relevant aspects of the Proposed New Shareholders' Mandate is of the opinion that the Proposed New Shareholders' Mandate is in the best interests of the Company, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the Company's minority shareholders.

9. AGM

The ordinary resolution to vote on the Proposed New Shareholders' Mandate is set out as Special Business in the Notice of Meeting contained in the Annual Report for the financial year ended 31 December 2023 which was sent to you together with this Circular. The 45th AGM will be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Thursday, 13 June 2024 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolutions, with or without any modifications, to give effect to the Proposed New Shareholders' Mandate.

If you are unable to attend and vote in person at the AGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the Company's Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time set for holding the AGM or any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the AGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

10. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
LYSAGHT GALVANIZED STEEL BERHAD

EE BENG GUAN
Independent Non-Executive Chairman

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors who collectively and individually accept full responsibility for the completeness and 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 false or misleading statements contained in this Circular or other material facts the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

Interpac, being the Principal Adviser for the Proposed New Shareholders' Mandate, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Interpac is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Principal Adviser for the Proposed New Shareholders' Mandate.

3. MATERIAL LITIGATION

As at the LPD, save as disclosed below, Lysaght Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which might materially and adversely affect the financial position and/or businesses of Lysaght Group:-

- (i) LCP & Lysaght v Popeye Resources Sdn Bhd ("**Popeye**") & Macsteel International Far East Limited ("**Macsteel**") – High Court Civil Suit No: W-22NCvC-21-01/2021 converted to WA- 22NCC-109-03/2021

On 16 December 2020, pursuant to Paragraph 9.04(g) of the Listing Requirements, the Company had announced the commencement of arbitration by Macsteel against the Company in connection with a dispute relating to three alleged contracts for the sale of steels coils on various dates i.e. 17 January 2020, 18 February 2020 and 24 February 2020 ("**Contractual Dates**") ("**the Arbitration**"). In this regard, the Company has been duly served with the Notice of Arbitration on 15 December 2020 from the Claimant's solicitors, Ince & Co. The Notice of Arbitration and Statement of Claim alleges that Macsteel is owed a total amount of US\$1,555,656.12 by the Company for goods sold and delivered pursuant to the three alleged contracts for sale of steel coils. The Company is denying and refuting all Macsteel's allegations of liability and claims for damages and states that these alleged contracts are forgeries.

On 15 January 2021, the Company had announced that it filed a civil suit before the High Court of Malaya on 14 January 2021 against Popeye and Macsteel for, amongst others, that the three alleged contracts for the sale of steel coils on Contractual Dates were forgeries and/or fraudulently prepared ("**the Suit**").

On 25 March 2021, the Company announced that it had obtained an ad interim injunction against Macsteel from proceeding with the arbitration in Hong Kong pending the disposal of the interlocutory injunction application filed by the Company.

On 20 October 2021, the Company announced that the Company had obtained an interlocutory injunction against Macsteel from proceeding with the arbitration proceeding in Hong Kong until the disposal of the suit before the Kuala Lumpur High Court. The Kuala Lumpur High Court also dismissed Macsteel's application for a stay of proceedings pending arbitration.

APPENDIX I – FURTHER INFORMATION (CONT'D)

On 26 October 2021, Macsteel had appealed against the decisions of the High Court to the Court of Appeal against the grant of the anti-arbitration injunction and dismissal of the stay pending arbitration application (the “**Appeal**”). On 15 August 2022, the Company announced that on even date, the Appeal was heard and the Court of Appeal dismissed the Appeal.

On 13 September 2022, Macsteel filed 3 notices of motion to the Federal Court for leave to appeal against the decision of the Court Appeal for dismissing the Appeal. Macsteel’s motion before the Federal Court was fixed for hearing on 16 February 2023 and the Federal Court had dismissed Macsteel’s motion for leave to appeal to the Federal Court. As such Macsteel had exhausted its rights to appeal. With the conclusion of the issue on injunction and stay of proceedings pending arbitration, the parties will proceed to trial before the High Court.

As Macsteel had exhausted all rights to appeal to have the matter heard by at the arbitration, Macsteel applied to the High Court to amend their Defence to include a Counterclaim against both LCP and Lysaght. Macsteel counterclaims for breach of contract to the amount of USD1,555,656.12 against the series of contract allegedly entered into between Macsteel and Lysaght. Macsteel’s amendment application was allowed and Lysaght had filed its Defence to Counterclaim. Macsteel had also applied for a discovery of documents application and the hearing was held on 2 April 2024 which will continue on 15 May 2024.

The case is fixed for trial from 9 September 2024 to 12 September 2024.

Based on the advice obtained from the Company’s solicitor, the Board is of the opinion that the likelihood of Macsteel succeeding its claim is low.

4. MATERIAL CONTRACTS

As at the LPD, there were no contracts which are material (*not being contracts entered into in the ordinary course of business*) which have been entered into by the Company and/or any of its subsidiaries within the 2 years immediately preceding the date of this Circular.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Lysaght at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the forthcoming AGM:-

- (i) the Constitution of Lysaght;
- (ii) the audited financial statements of Lysaght for the past 2 financial years ended 31 December 2022 and 31 December 2023;
- (iii) the letter of consent as referred to in Section 2 of Appendix I; and
- (iv) the relevant cause paper in respect of the material litigation referred to in Section 3 of Appendix I.



LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

LYSAGHT GALVANIZED STEEL BERHAD

(Registration No. 197901002195 (46426-P))

(Incorporated in Malaysia)

**EXTRACT OF RESOLUTION TO BE TABLED AS SPECIAL BUSINESS
AT THE FORTHCOMING 45th AGM**

NOTICE IS HEREBY GIVEN THAT the Forty-Fifth Annual General Meeting (“**45th AGM**”) of **Lysaght Galvanized Steel Berhad** (the “**Company**”) will be held at Ballroom 1, Level 6, Weil Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Thursday, 13 June 2024 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without any modification:-

Proposed New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed New Shareholders’ Mandate”) *Ordinary Resolution 8*

“THAT subject to the Companies Act 2016 (“**Act**”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature and with all classes of related parties as set out in Section 2 of the circular to the shareholders of the Company in relation to Proposed New Shareholders’ Mandate dated 30 April 2024 which are necessary for day-to-day operations of the Company and its subsidiaries subject to the following:-

- (a) the transactions are in the ordinary course of business and are carried out at arm’s length basis on normal commercial terms of the Company and its subsidiaries and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (b) the shareholders’ mandate shall take effect from this resolution and shall continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting of the Company (“**AGM**”) following the general meeting at which the ordinary resolution for the Proposed New Shareholders’ Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things (including executing such documents as may be required) as they may consider expedient or necessary to give full effect to the Proposed New Shareholders’ Mandate.”