

**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.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has only perused the Circular on a limited review basis in respect of the proposed new shareholders’ mandate for additional RRPT of a revenue or trading nature pursuant to Practice Note 18 of the Main Market Listing Requirement of Bursa Securities.

Bursa Securities has not perused the contents of this Circular/Statement in respect of the proposed renewal of shareholders’ mandate and proposed renewal of authority for share buy-back prior to its issuance as it is exempted pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, 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/Statement.



**EONMETALL GROUP BERHAD**

Registration No. 200301029197 (631617-D)

(Incorporated in Malaysia)

**CIRCULAR/STATEMENT TO SHAREHOLDERS IN RELATION TO**

**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

**PART B**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES**

The resolutions in respect of the above proposals will be tabled as Special Businesses at the 19<sup>th</sup> Annual General Meeting (“AGM”) of Eonmetall Group Berhad (“the Company”). The notice convening the 19<sup>th</sup> AGM of the Company together with the Form of Proxy are set out in the Annual Report 2021.

If you are unable to attend and vote in person at the 19<sup>th</sup> AGM, you are entitled to appoint a proxy by completing the Form of Proxy for the 19<sup>th</sup> AGM and deposit it at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 19<sup>th</sup> AGM or at any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting at the meeting if you subsequently wish to do so.

Date and time of the 19 <sup>th</sup> AGM	: Monday, 30 May 2022 at 3.00 pm
Venue of the 19 <sup>th</sup> AGM	: 2nd Floor, Wisma Leader Steel, Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Seberang Perai Tengah, Penang, Malaysia
Last date and time for lodging of the Form of Proxy	: Saturday, 28 May 2022 at 3.00 pm (Prior to 3.00 pm)

**This Circular and Statement are dated 29 April 2022**

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## DEFINITIONS

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

Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Bursa Securities	: Bursa Malaysia Securities Berhad
Board	: The Board of Directors of Eonmetall
Code	: Malaysian Code on Take-Overs and Mergers 2016 including any amendments that may be made from time to time
Director(s)	: Shall have the meaning given in Section 2 of the Capital Markets and Services Act 2007 and 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 Director or a chief executive of our Group
Eonmetall or the Company	: Eonmetall Group Berhad
Eonmetall Group or Group	: Eonmetall and its subsidiaries
EPS	: Earnings per Share
Listing Requirements	: Main Market Listing Requirements of Bursa Malaysia, as amended from time to time and any re-enactment thereof
LPD	: 31 March 2022, being the latest practicable date prior to the printing of this Circular
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 person is the largest shareholder of the Company For the purpose of this definition, “interest” shall have meaning of “interest in shares” given in Section 8 of the Act. A major shareholder includes 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
NA	: Net assets
Person(s) Connected	: Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements

Proposed Renewal of 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 total number issued shares of the Company
Proposed Shareholders' Mandate	: Proposed renewal of shareholders' mandate for existing Recurrent Related Party Transactions of a revenue or trading nature and Proposed New Shareholders Mandate for additional Recurrent Related Party Transactions of a revenue or trading nature to be entered into by the Group from the date of the upcoming 19 <sup>th</sup> AGM to the 20 <sup>th</sup> AGM
Purchased Shares	: Shares that have been purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back
Recurrent Related Party Transaction(s) or RRPT	: Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature that are necessary for the day-to-day operations and are in the ordinary course of business of the Group
Related Party(ies)	: Director(s), Major Shareholder(s) or Person(s) Connected with such Director or Major Shareholder
RM and sen	: Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
SC	: Securities Commission
Shares	: Ordinary shares
Substantial Shareholder	: Shall have the meaning given in Section 136 of the Act
Treasury Shares	: Purchased Shares which are or will be retained in treasury by the Company and shall have the meaning given under Section 127 of the Act

Note: Words importing the singular number only shall include the plural number, and vice-versa.

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**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED  
NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**



**EONMETALL GROUP BERHAD**  
Registration No. 200301029197 (631617-D)  
(Incorporated in Malaysia)

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

29 April 2022

**Board of Directors:**

Tan Sri Dato' Mohd Desa Bin Pachi (Independent Non-Executive Chairman)  
Yeoh Cheng Chye (Managing Director/Chief Executive Officer)  
Dato' Goh Cheng Huat (Executive Director)  
Goh Hong Kent (Executive Director/Chief Operating Officer)  
Dato' Wahab Bin Hamid (Independent Non-Executive Director)  
Tang Yin Kham (Independent Non-Executive Director)  
Chan Theng Sung (Independent Non-Executive Director)  
Goh Kee Seng (Non-Independent Non-Executive Director)

**To: The Shareholders of Eonmetall**

Dear Sir/Madam

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

At the Company's Eighteenth AGM held on 31 May 2021, shareholders had approved a general mandate for the Company/or its subsidiaries to enter into RRPT of a revenue or trading nature which are necessary for Eonmetall Group's day to day operations and are in the ordinary course of business and on terms not more favourable to the Related Parties than those generally available to the public. The said general mandate for RRPT shall, in accordance with Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is renewed.

On 18 April 2022, the Company made announcement to Bursa Securities that the Company proposed to seek its shareholders' approval for the Proposed Shareholders' Mandate for the Eonmetall Group under Paragraph 10.09 of the Listing Requirements at the forthcoming AGM to be convened.

The transactions concluded for the last financial year ended 31 December 2021 are incorporated in the Annual Report 2021.

The Proposed Shareholders' Mandate, if approved by the Eonmetall shareholders at the forthcoming AGM, will take effect from the date of the passing of the proposed ordinary resolutions at the forthcoming AGM and shall continue to be in force until: -

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM; or

- (ii) 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 must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolutions passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

Thereafter, the approval from shareholders will be sought for a renewal of the Proposed Shareholders' Mandate for RRPT at each subsequent AGM of the Company.

The purpose of this Circular is to provide shareholders with the relevant information on the Proposed Shareholders' Mandate and to seek the shareholders' approval for the ordinary resolution to be tabled at the forthcoming AGM, which will be convened at 2nd Floor, Wisma Leader Steel, Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Seberang Perai Tengah, Penang, Malaysia on Monday, 30 May 2022 at 3.00 pm.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDIX CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS MANDATE TO BE TABLED AT THE FORTHCOMING AGM**

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Listing Requirements**

Paragraph 10.09(2) of the Listing Requirements provides that a listed issuer may seek a shareholders' mandate in respect of recurrent transactions with related parties which are of a revenue or trading nature and are necessary for its day-to-day operations 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 in relation to a listed issuer with a share capital of RM60 million and above:-
  - (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 1% or more,whichever is the higher;
- (iii) the issuance of circular to shareholders for shareholders' mandate shall include information as may be prescribed by the Bursa Securities;
- (iv) in a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of a person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (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 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

## 2.2 Background information

Eonmetall is an investment holding whilst the principal activities of its subsidiaries are more particularly set out under Note 8 to the Audited Financial Statements for the year ended 31 December 2021 enclosed in the Annual Report 2021.

The subsidiaries of Eonmetall which are involved in the RRPT are as set out in the table below:-

<b>Name of companies</b>	<b>Interest held (%)</b>	<b>Principal activities</b>
Eonmetall Industries Sdn. Bhd. ("EMI")	100	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products
Eonmetall Systems Sdn. Bhd. ("EMS")	100	Manufacture of steel products, focusing on steel storage systems
Eonmetall Technology Sdn. Bhd. ("EMT")	100	Manufacture of metalwork and industrial process machinery and equipment
Eonsteel Sdn. Bhd. ("ESL")	100	Property holding, manufacture and trading of steel products
*Lienteh Technology Sdn. Bhd. ("Lienteh")	51	Manufacturing, export and import of pharmaceutical and medical goods; other business support service activities and wholesale of pharmaceutical and medical goods

Note:

- \* Lienteh is expected to be a subsidiary within three (3) months as the acquisition is pending completion presently.

## 2.3 The principal activities of the other related transacting parties

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

<b>Related transacting parties</b>	<b>Principal activities</b>
Leader Steel Sdn. Bhd. ("LSSB")	Manufacturing, processing and trading of steel and metal products and minerals
Leader Steel Service Centre Sdn. Bhd. ("LSSC")	Manufacturing, trading of steel products and providing transportation services
Genrizt Storage System ("Genrizt")	Trading of storage systems and hardware
Eonlipids Sdn. Bhd. ("Eonlipids")	Manufacturing and trading of edible fat products involving in non-dairy creamer, sweeteners, bakery mix for food and beverage
Eonlipids Nutrition Specialties Sdn. Bhd. ("ENS")	Manufacturing of all kinds of edible oil, fat products, foodstuffs and beverages.



## 2.4 Nature of RRPT and Class of Related Parties

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:

### Proposed Renewal of Shareholders' Mandate for Existing RRPT

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7 May 2021 (RM)	Actual value transacted <sup>(1)</sup> (RM)	Estimated aggregate value of the transactions during the validity of the Proposed Shareholders' Mandate to the next AGM <sup>(2)</sup> (RM)	Related Parties <sup>(3)</sup>
EMI	Genrizt	Sales of steel products	1,500,000	533,124	1,500,000	<p>Dato' Goh Cheng Huat ("Dato' Goh") is a major shareholder of Eonmetall Corporation Sdn. Bhd. ("ECSB").</p> <p>Datin Tan Pak Say ("Datin Tan") is the spouse of Dato' Goh and the sister of Tan Phaik Hoon ("TPH"). She is also a major shareholder of ECSB by virtue of her indirect interest through ECSB and her spouse.</p> <p>Goh Hong Kent ("GHK") is a director of EMI. He is a person connected to Dato' Goh and Datin Tan.</p> <p>Tan Kheng Hwa ("TKH") is the spouse of TPH.</p> <p>Genrizt is a partnership owned by TKH and TPH.</p>
EMI & EMT	Eonlipids	<sup>4</sup> Sales of steel products, sales and maintenance of machinery, and project works	5,000,000	-	5,000,000	Dato' Goh is a director of Eonlipids and ENS.
	ENS		5,000,000	-	5,000,000	<p>Dato' Goh and Datin Tan are major shareholders of Eonlipids and ENS by virtue of their indirect interest through ECSB.</p> <p>GHK is a director of EMI and EMT. He is a person connected to Dato' Goh and Datin Tan.</p> <p>Goh Kee Seng is a director of EMT, Eonlipids and ENS. He is a person connected to Dato' Goh and Datin Tan. He is also major shareholders of Eonlipids and ENS.</p> <p>Eonlipids and ENS are subsidiaries of ECSB.</p>

2.4 Nature of RRPT and Class of Related Parties (Cont'd)

Proposed Renewal of Shareholders' Mandate for Existing RRPT (cont'd)

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7 May 2021 (RM)	Actual value transacted <sup>(1)</sup> (RM)	Estimated aggregate value of the transactions during the validity of the Proposed Shareholders' Mandate to the next AGM <sup>(2)</sup> (RM)	Related Parties <sup>(3)</sup>
EMI	◊LSSB & ◊LSSC	Sales and servicing of steel products	30,000,000	399,014	30,000,000	<p>Tan Sri Dato' Mohd Desa Bin Pachi is a director of EMT and Leader Steel Holdings Berhad ("LSH").</p> <p>Dato' Goh is a director of LSH, LSSB and LSSC. He is also a major shareholder of LSH by virtue of his interest and indirect interest through Bischart Sdn. Bhd. ("Bischart") and Datin Tan.</p> <p>Datin Tan is a director of LSH, LSSB and LSSC. She is also a major shareholder of LSH by virtue of her interest and indirect interest through Bischart and Dato' Goh.</p> <p>GHK is a director of EMI, EMS, EMT, ESL and LSSC. He is a person connected to Dato' Goh and Datin Tan. He also has interest in LSH.</p> <p>ECSB is a major shareholder of Eonmetall.</p>
◊LSSC	EMI	Purchase and servicing of steel products		2,015,854		
	EMS			9,558		
	ESL			-		
EMT	◊LSSB	Sales and maintenance of machinery	-	8,000,000		
◊LSSB & ◊LSSC	EMT	Purchase and maintenance of machinery	212,420			
EMT	◊LSSC	<sup>4</sup> Construction of office building & a single storey steel factory	15,000,000	-	15,000,000	
		Sales and maintenance of machinery	8,000,000	194,076	8,000,000	

## 2.4 Nature of RRPT and Class of Related Parties (Cont'd)

### Proposed Renewal of Shareholders' Mandate for Existing RRPT (cont'd)

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7 May 2021 (RM)	Actual value transacted <sup>(1)</sup> (RM)	Estimated aggregate value of the transactions during the validity of the Proposed Shareholders' Mandate to the next AGM <sup>(2)</sup> (RM)	Related Parties <sup>(3)</sup>
◊LSSB	EMI	Purchase and servicing of steel products	30,000,000	177,886	30,000,000	<p>Tan Sri Dato' Mohd Desa Bin Pachi is a director of LSH. Dato' Goh is a director of LSH, LSSB and LSSC. He is also a major shareholder of LSH by virtue of his interest and indirect interest through Bischart and Datin Tan.</p> <p>Datin Tan is a director of LSH, LSSB and LSSC. She is also a major shareholder of LSH by virtue of her interest and indirect interest through Bischart and Dato' Goh.</p> <p>GHK is a director of EMI, EMS, ESL and LSSC. He is a person connected to Dato' Goh and Datin Tan. He also has interest in LSH.</p> <p>ECSB is a major shareholder of Eonmetall.</p>
	EMS					
	ESL					
EMS & ESL	◊LSSB ◊LSSC	Sales and servicing of steel products				
◊LSSC	Lienteh	Renting of <sup>5</sup> single storey factory, <sup>6</sup> double storey shophouses and <sup>7</sup> equipment	4,000,000	-	4,000,000	<p>Tan Sri Dato' Mohd Desa Bin Pachi is a director of LSH. Dato' Goh is a director of LSH, LSSB and LSSC. He is also a major shareholder of LSH by virtue of his interest and indirect interest through Bischart and Datin Tan.</p> <p>Datin Tan is a director of LSH, LSSB and LSSC. She is also a major shareholder of LSH by virtue of her interest and indirect interest through Bischart and Dato' Goh.</p> <p>Goh Hong Kent is a director of LSSC. He is a person connected to Dato' Goh and Datin Tan. He also has interest in LSH.</p> <p>ECSB is a major shareholder of Eonmetall.</p>
◊LSSB ◊LSSC		Sale, purchase and servicing of steel products	5,000,000	-	5,000,000	

## 2.4 Nature of RRPT and Class of Related Parties (Cont'd)

### Proposed Renewal of Shareholders' Mandate for Existing RRPT (cont'd)

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to Shareholders dated 7 May 2021 (RM)	Actual value transacted <sup>(1)</sup> (RM)	Estimated aggregate value of the transactions during the validity of the Proposed Shareholders' Mandate to the next AGM <sup>(2)</sup> (RM)	Related Parties <sup>(3)</sup>
<sup>◊</sup> LSSB	EMI & EMT	<sup>8</sup> Renting of single storey factory	2,000,000	-	2,000,000	<p>Tan Sri Dato' Mohd Desa Bin Pachi is a director of EMT and LSH.</p> <p>Dato' Goh is a director of LSSB and LSSC. He is also a major shareholder of LSH by virtue of his interest and indirect interest through Bischart and Datin Tan.</p> <p>Datin Tan is a director of LSSB and LSSC. She is also a major shareholder of LSH by virtue of her interest and indirect interest through Bischart and Dato' Goh.</p> <p>GHK is a director of EMI and EMT. He is a person connected to Dato' Goh and Datin Tan. He also has interest in LSH.</p> <p>ECSB is a major shareholder of Eonmetall.</p>

#### Notes:

<sup>◊</sup> Subsidiaries of LSH

<sup>1</sup> The actual value transacted of RRPT from the date on which the existing mandate was obtained up to LPD before the printing of this Circular.

<sup>2</sup> 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.

<sup>3</sup> The direct and indirect shareholdings of these interested related parties (if any) are set out in Section 7 below. Accordingly, these interested related parties will abstain from voting in respect of their direct or indirect shareholdings in Eonmetall at the forthcoming AGM on the Proposed Shareholders' Mandate.

<sup>4</sup> Project delay pending finalisation of negotiations on the project specification as well as terms and conditions of award.

<sup>5</sup> A Single storey office and factory located at Lot 6483, Jalan Sungai Puloh/KU5, Kawasan Perindustrian Sungai Puloh, 42100 Selangor owned by LSSC. The premises are measuring approximately 191,799.22 square feet in area. The anticipated monthly rental is about RM292,269.72. The tenure of rental for the single storey office and single storey factory (comprising bays A, B and C) are ranging from 12 months to 36 months.

<sup>6</sup> 2 double storey shophouses located at Nos. 30 & 32, Klang Central Industrial Park, Lorong 5 DI Lorong Sungai Puloh, Batu 5 3/4, Jalan Kapar, 41400 Klang, Selangor owned by LSSC. Both premises approximately 4,058 square feet in area. The anticipated monthly rental is about RM6,500. The tenure of rental for premises are 12 months.

<sup>7</sup> A weighing machine owned by LSSC at a monthly rental of RM3,000.

<sup>8</sup> A single storey factory building located at Lot 1596, Mukim 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Daerah Seberang Perai Selatan, Penang measuring approximately 210,000 square feet in area at a monthly rental approximately RM250,000.

## 2.4 Nature of RRPT and Class of Related Parties (Cont'd)

### Proposed Additional Shareholders' Mandate for RRPT

Provider of goods and services	Recipient of goods and services	Nature of Transaction	Estimated aggregate value of the transactions during the validity of the Proposed Shareholders' Mandate to the next AGM <sup>(2)</sup> (RM)	Related Parties <sup>(3)</sup>
◊LSSC	EMT	Purchase and servicing of steel products	3,000,000	<p>Tan Sri Dato' Mohd Desa Bin Pachi is a director of EMT and LSH.</p> <p>Dato' Goh is a director of LSH, LSSB and LSSC. He is also a major shareholder of LSH by virtue of his interest and indirect interest through Bischart and Datin Tan.</p> <p>Datin Tan is a director of LSH, LSSB and LSSC. She is also a major shareholder of LSH by virtue of her interest and indirect interest through Bischart and Dato' Goh.</p> <p>GHK is a director of EMT and LSSC. He is a person connected to Dato' Goh and Datin Tan. He also has interest in LSH.</p> <p>ECSB is a major shareholder of Eonmetall.</p>
◊LSSB			3,000,000	
◊LSSB		<sup>8</sup> Renting of single storey factory	3,000,000	
EMT	◊LSSB	<sup>4</sup> Construction of office building & a single storey steel factory	10,000,000	

*Notes:*

◊ Subsidiaries of LSH

<sup>4</sup> Project delay pending finalisation of negotiations on the project specification as well as terms and conditions of award.

<sup>8</sup> A single storey factory building located at Lot 1596, Mukim 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Daerah Seberang Perai Selatan, Penang measuring approximately 210,000 square feet in area at a monthly rental approximately RM250,000.

## 2.5 Amount Due and Owing by Related Parties

As at financial year ended 31 December 2021, 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 2021 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	Genrizt	321,598	-	-	-	-	-	-	-
2	LSSC	1,634,755	-	-	-	-	-	-	-

Notes:

1. There are no late payment charges imposed on the outstanding amounts as these are trade in nature.
2. The Group continuously follow-up with the debtor for timely settlement of outstanding amounts.
3. 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.
4. Out of the total outstanding amount due and owing by Related Parties a sum of RM434,356 have been settled as at LPD.

## 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 not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders:-

### (i) Methods for Determination of Transaction Price

- (a) 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.
- (b) The Group shall ensure that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, whenever 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.
- (c) 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.
- (d) The rental rates for the properties were determined based on the valuation report from professional valuer and/or conducting an internal market survey and comparison with the rental rate at the adjacent properties.

### (ii) 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 (excluding the interested Directors).

### **(iii) Monitoring of RRPT**

- (a) An updated 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 Audit Committee shall review the internal audit reports as and when required to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- (e) 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.
- (f) 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 in Section 2.6(i) of Part A in this Circular 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 and/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 Deviation from mandate**

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

### **3. STATEMENT BY AUDIT COMMITTEE**

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

- (i) 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
- (ii) 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.

## **4. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **4.1 Rationale for the Proposed Shareholders' Mandate**

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

It is envisaged that in the normal course of business of Eonmetall 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 Eonmetall Group.

### **4.2 Benefits of the Proposed Shareholders' Mandate**

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

- (i) flexibility and choice of parties to enter into such transactions, whether with Related Parties or Non-Related Parties;
- (ii) facilitate transactions with Related Parties which are in the ordinary course of business of Eonmetall 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;
- (iii) 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
- (iv) 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 Eonmetall 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.

## **5. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is not expected to have any effect on the total number issued shares, the substantial shareholders' shareholdings of the Company, the NA per share and gearing of the Group for the financial year ending 31 December 2022.

## **6. APPROVAL REQUIRED**

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of Eonmetall at the forthcoming AGM.



## 7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

The direct and indirect interest of the interested Major Shareholders and the interested Directors of Eonmetall and Persons Connected with them as at LPD are summarised below:

Interested Directors of Eonmetall	Shareholdings			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tan Sri Dato' Mohd Desa Bin Pachi	30,000	0.01	-	-
Dato' Goh Cheng Huat	32,765,918	16.08	<sup>(1)</sup> 84,049,128	41.26
Goh Kee Seng	-	-	-	-
Goh Hong Kent	-	-	-	-

Note:

<sup>(1)</sup> Deemed interested pursuant to spouse's direct and indirect interest pursuant to Section 8(4) and Section 59(11)(c) of the Act.

The abovenamed Interested Directors had abstained and will continue to abstain from Board deliberation and voting in respect of their direct and indirect interests in Eonmetall on the ordinary resolutions pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

Interested Persons Connected to Interested Directors and Interested Major Shareholders of Eonmetall	Shareholdings			
	Direct		Indirect	
	No. of shares	%	No. of shares	%
Datin Tan Pak Say	-	-	<sup>(1)</sup> 116,815,046	57.34
Tan Kheng Hwa	50	0.00	-	-
Wong Yang Chong	210,000	0.10	-	-
Tan Phaik Hoon	-	-	-	-
ECSB	84,049,128	41.26	-	-

Note:

<sup>(1)</sup> Deemed interested pursuant to spouse's direct and indirect interest pursuant to Section 8(4) and Section 59(11)(c) of the Act.

The abovenamed Interested persons connected to Directors and/or Major Shareholders, shall abstain from voting and deliberating in respect of their direct and indirect shareholdings in the Company, if any, at the forthcoming AGM on the resolutions approving the RRPT involving their interests which are comprised in the Proposed Shareholders' Mandate.

The Directors and/or Major Shareholders have undertaken to ensure that all the Persons Connected to them will abstain from voting in respect of their direct and/or indirect interests in the Company on the ordinary resolutions pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

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

## 8. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Proposed Shareholders' Mandate and deliberated on the same, the Board with the exception of Tan Sri Dato' Mohd Desa Bin Pachi, Dato' Goh Cheng Huat, Mr Goh Kee Seng and Goh Hong Kent, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

With the exception of Tan Sri Dato' Mohd Desa Bin Pachi, Dato' Goh Cheng Huat, Mr Goh Kee Seng and Goh Hong Kent who are interested in the Proposed Shareholders' Mandate in the manner disclosed in the table in Section 2.4 of Part A in 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.

## **9. AGM**

The AGM, the notice of which is enclosed in the Annual Report of the Company for the financial year ended 31 December 2021, will be convened at 2nd Floor, Wisma Leader Steel, Plot 85, Lorong Perusahaan Utama, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Tengah, Seberang Perai Tengah, Penang, Malaysia on Monday, 30 May 2022 at 3.00 pm for the purpose of considering and, if thought fit, passing with or without any modifications to the ordinary resolutions so as to give effect to the Proposed Shareholders' Mandate under the Special Business in the AGM.

If you are unable to attend the AGM in person, you are requested to complete the enclosed Form of Proxy in accordance with the instructions contained therein and forward it to the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia so as to arrive not less than forty-eight (48) hours before the time set for the holding of the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **10. FURTHER INFORMATION**

Shareholders of Eonmetall are requested to refer to the attached Appendix I contained in this Circular for further information.

Yours faithfully  
for and on behalf of the Board of  
Eonmetall Group Berhad

Tang Yin Kham  
Independent Non-Executive Director

**PART B**

**STATEMENT OF PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY  
TO BUY-BACK ITS OWN SHARES**



**EONMETALL GROUP BERHAD**  
Registration No. 200301029197 (631617-D)  
(Incorporated in Malaysia)

## **STATEMENT OF PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES**

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### **1. INTRODUCTION**

At the Company's Eighteenth AGM held on 31 May 2021, the Board had obtained shareholders' approval to undertake the share buy-back of up to ten per centum (10%) of the total number of issued shares of the Company. This authority will, in accordance with Chapter 12 of the Listing Requirements, lapse at the conclusion of forthcoming AGM unless a renewal of authority of share buy-back is obtained from the shareholders of the Company at the forthcoming AGM.

On 18 April 2022, the Company made announcement to Bursa Securities that the Company proposes to seek its shareholders' approval for the Proposed Renewal of Authority for the Company to Buy-Back its Own Shares at the forthcoming AGM, to be held on 30 May 2022.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS STATEMENT INCLUDING THE APPENDIX CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING AGM**

### **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK**

#### **2.1 Proposed Renewal of Share Buy-back**

The Company proposes to seek the authority from shareholders of Eonmetall to renew the authority to enable the Company to purchase and/or hold from time to time and at any time up to ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase. 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 3,096,600 shares from the open market.

As at LPD, the total number of issued shares of Eonmetall before adjusting for Treasury Shares is 206,807,250 shares ("Eonmetall Shares"). A total of up to 20,680,725 Eonmetall Shares may be purchased by the Company. As such, the balance that can be purchased as at to-date is 17,584,125 shares. None of the Eonmetall Shares bought back have been cancelled.

The Proposed Renewal of Share Buy-Back, if approved, will be effective upon the passing of the ordinary resolution at the forthcoming AGM and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (ii) the expiration of the period within which the next AGM is required by law to be held; or
  - (iii) revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,
- whichever occurs first.

## **2.2 Purchase, Resale or Transfer Price**

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 for the Shares for the five (5) market days immediately before the purchase.

The Company may only resell the Treasury Shares on the Bursa Securities or transfer treasury shares pursuant to section 127(7) of the Act at -

- (a) a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately before the resale; 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.

## **2.3 Treatment of Shares Purchased**

Pursuant to the provisions of Section 127 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 Purchased Shares held as Treasury Shares may either be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities, subsequently cancelled or any combination of the three. The distribution of Treasury Shares as share dividends may be applied as a reduction of the retained profits or share premium account of the Company subject to any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

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 and/or resold on Bursa Securities, or a combination of above, once determined.

## **2.4 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. The Treasury Shares shall not be taken into account in calculating the number or percentage of Eonmetall Shares or of a class of Eonmetall Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## **3. SOURCE OF FUND**

The Proposed Renewal of Share Buy-Back will be financed through internally generated funds and/or bank borrowings. The maximum amount of funds to be utilised by the Company for the Proposed Renewal of Share Buy-Back shall not exceed the retained profits of the Company.

The retained profit of the Company, based on the latest audited financial statements of the Company as at 31 December 2021 is RM123,909,774.

In the event that the Company intends to purchase its own shares using bank borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the external borrowings and that the repayment would not have any material effect on the cash flow of the Group.

#### **4. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK**

Proposed Renewal of 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.

The Proposed Renewal of Share Buy-Back is not expected to have any potential material disadvantage to the Company and the shareholders and it will be exercised only after due consideration of financial resources of Eonmetall Group and of the resultant impact on its Shareholders. The Board in exercising any decision to buy-back any Eonmetall Shares will be mindful of the interests of the Company and the Shareholders.

#### **5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK**

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

##### **5.1 Potential Advantages**

- (i) The Company would expect to enhance the EPS of the Group (in the case where the Directors resolve to cancel the Shares so purchased and/or retain the Shares in treasury and the Treasury Shares are not subsequently resold), and thereby long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- (ii) 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;
- (iii) The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values;
- (iv) It allows the Company flexibility in attaining its desired capital structure; and
- (v) It will enable the Company to utilise its surplus financial resources which is not immediately required for other usage as an additional option to utilise its financial resources more efficiently.

##### **5.2 Potential Disadvantages**

- (i) The Proposed Renewal of Share Buy-Back, if exercised, will reduce the financial resources of Eonmetall and may result in Eonmetall having to forego other alternative investment opportunities which may emerge in the future or, at the least, deprive the Eonmetall interest income that can be derived from the funds utilised for the Proposed Renewal of Share Buy-Back; and
- (ii) The Proposed Renewal of 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 Renewal of Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, other than as disclosed above, 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 Renewal of Share Buy-Back and the subsequent resale of Treasury Shares on Bursa Securities.

## 6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

Assuming that the Proposed Renewal of Share Buy-Back is implemented in full, by the Company, the effects of the Proposed Renewal of Share Buy-Back on the number of issued shares, EPS, NA, working capital and dividend are as set out below: -

### 6.1 Share Capital

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

	No. of Shares
Total number of issued shares	206,807,250
Less: Maximum number of Shares that may be purchased*	20,680,725
Total number of issued shares after the Proposed Renewal of Share Buy-Back	186,126,525

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

Note:

\* Inclusive 3,096,600 Treasury Shares currently held by the Company.

### 6.2 EPS

The effect of the Proposed Renewal of Share Buy-Back on the EPS of the Group will depend on the purchase price(s) of the Shares and the actual number of Shares bought back. The reduced number of issued shares subsequent to the Proposed Renewal of Share Buy-Back will generally have a positive impact, all else being equal, on the Group's EPS.

### 6.3 NA

The effect of the Proposed Renewal of Share Buy-Back on the NA per share of the Group is dependent on the purchase price(s) of the Shares purchased. If the purchase price is less than the audited NA per share of the Group at the time of purchase, the NA per share will increase. Conversely, if the purchase price exceeds the audited NA per share of the Group at the time of purchase, the NA per share will decrease.

### 6.4 Working Capital

The Proposed Renewal of 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 making 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.

### 6.5 Dividend

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

## **7. IMPLICATION OF THE CODE**

Pursuant to the Code, a person and any person acting in concert with him, will be obliged under Part II of the Code to make a mandatory offer for the remaining Shares of the Company not already owned by him/them if he and/or persons acting in concert with him hold more than 33% but less than 50% of the voting shares of the Company and has inadvertently increased his/their shareholdings by 2% or more in any six (6) month period.

However, an exemption from a mandatory general offer may be granted by the SC under Practice Note 9 of the Code, subject to the substantial shareholder(s) and/or the person(s) acting in concert complying with conditions stipulated in the said practice note, if the obligation is triggered as a result of any action that is outside their direct participation.

Should such circumstances arise and if required, the substantial shareholder(s) and/or the person(s) acting in concert are expected to make an application to the SC for the waiver from implementing a mandatory general offer under the Code, before implementing the Proposed Renewal of Share Buy-Back.

In the event the proposed waiver is not granted by the SC, the Company will only proceed with Proposed Renewal of Share Buy-Back to the extent that it will not contravene the limit as provided under the Code.

There is no implication relating to the Code on the Company's shareholders arising from the Proposed Renewal of Share Buy-Back, in the event the Share Buy-Back is implemented in full.

## **8. PURCHASE, RESALE AND CANCELLATION OF EONMETALL SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS**

The Company did not purchase Eonmetall Shares in the preceding twelve (12) months.

As at LPD, the Company has bought back 3,096,600 ordinary shares from the open market. There was no cancellation of Eonmetall Shares held as Treasury Shares in the preceding twelve (12) months. The entire shares bought back were retained as Treasury Shares.

## **9. PUBLIC SHAREHOLDING SPREAD**

As at LPD, the public shareholding spread of the Company was approximately 42.38%. Assuming the Proposed Renewal of Share Buy-Back is implemented in full, and the number of ordinary shares held by the Major Shareholders, Directors and persons connected to the Major Shareholders and/or Directors remain unchanged, the public shareholdings spread of the Company will reduce to 37.04%.

The Company will only undertake the Proposed Renewal of Share Buy-Back, provided that the public shareholding spread of at least 25% of the total number of issued shares of Eonmetall (excluding treasury shares) are in the hands of public shareholders. The Board is mindful of the compliance with the public shareholding spread as required by the Listing Requirements and will take into consideration the requirement when making any purchase of Eonmetall Shares pursuant to the Proposed Renewal of Share Buy-Back.

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## 10. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED

The Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders of Eonmetall Group have no direct or indirect interest in the Proposed Renewal of 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 Eonmetall by the Directors and Substantial shareholders of Eonmetall as at LPD before and after the Proposed Renewal of Share Buy-Back:-

Directors	No. of Eonmetall Shares held							
	Before Proposed Renewal of Share Buy-Back				After Proposed Renewal of Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Mohd Desa Bin Pachi	30,000	0.01	-	-	30,000	0.02	-	-
Yeoh Cheng Chye	50,000	0.02	-	-	50,000	0.03	-	-
Dato' Goh Cheng Huat	32,765,918	16.08	<sup>(1)</sup> 84,049,128	41.26	32,765,918	17.60	<sup>(1)</sup> 84,049,128	45.16
Goh Hong Kent	-	-	-	-	-	-	-	-
Dato' Wahab Bin Hamid	-	-	-	-	-	-	-	-
Tang Yin Kham	-	-	-	-	-	-	-	-
Chan Theng Sung	180,000	0.09	-	-	180,000	0.10	-	-
Goh Kee Seng	-	-	-	-	-	-	-	-

Substantial Shareholders	No. of Eonmetall 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	%
Dato' Goh Cheng Huat	32,765,918	16.08	<sup>(1)</sup> 84,049,128	41.26	32,765,918	17.60	<sup>(1)</sup> 84,049,128	45.16
Datin Tan Pak Say	-	-	<sup>(2)</sup> 116,815,046	57.34	-	-	<sup>(2)</sup> 116,815,046	62.76
ECSB	84,049,128	41.26	-	-	84,049,128	45.16	-	-

Notes:

<sup>(1)</sup> Deemed interested pursuant to Section 8(4) of the Act.

<sup>(2)</sup> Deemed interested pursuant to spouse's direct and indirect interest pursuant to Section 8(4) and Section 59(11)(c) of the Act.

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## 11. SHARE PRICES

The monthly highest and lowest prices of the Shares traded on the Bursa Securities for the last twelve (12) months from June 2021 to March 2022 are as follows:

Year	Month	Highest price (RM)	Lowest price (RM)
2021	April	0.720	0.590
	May	0.835	0.635
	June	0.655	0.580
	July	0.645	0.570
	August	0.640	0.495
	September	0.675	0.590
	October	0.650	0.580
	November	0.585	0.465
	December	0.505	0.465
2022	January	0.505	0.450
	February	0.490	0.445
	March	0.485	0.420

(Source: Bloomberg)

The last transacted price of Eonmetall Shares on LPD, being the LPD prior to the printing of this Circular was RM0.470.

## 12. DIRECTORS' RECOMMENDATION

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

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**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given 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 in this Circular misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, neither the Company nor of its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business of the Group) within two (2) years preceding the date of the Circular.

- (a) On 5 January 2021, Eonmetall Industries Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Power Portal Sdn. Bhd. to disposed of a parcel of land held under Geran No. Hakmilik 33125, Lot 393, Mukim 12, Daerah Seberang Perai Selatan, Negeri Pulau Pinang together with a building erected thereon and bearing assessment address at Lot 393, Ladang Valdor, Kawasan Perindustrian Valdor, 14200 Sungai Jawi, Pulau Pinang at the disposal price of RM58,800,000-00.

**3. MATERIAL LITIGATION**

Neither the Company nor of its subsidiaries is engaged in any material litigation, claim and arbitrations either, as plaintiff or defendant, and the Board have no knowledge of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Company and its subsidiaries.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the time set for convening the 19<sup>th</sup> AGM:

- (i) Constitution of the Company; and
- (ii) Audited Financial Statements of the Company for the past two (2) financial years ended 31 December 2020 and 2021.

