

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 perused the Circular on a limited review basis in respect of the proposed new shareholders' mandate for additional new RRPT of a revenue or trading nature pursuant to Practice Note 18 of the Main Market Listing Requirement of Bursa Securities.

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



EONMETALL GROUP BERHAD

Registration No. 200301029197 (631617-D)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

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

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting ("**EGM**") of Eonmetall Group Berhad ("**Eonmetall**" or the "**Company**") together with the Form of Proxy are enclosed with this Circular. The EGM will be held virtually at 12th Floor, Menara Symphony, No.5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via Remote Participation and Electronic Voting ("**RPEV**") facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 03 April 2023 at 11.00 am or at any adjournment thereof.

If you are unable to attend and vote in person at the EGM, you are entitled to appoint a proxy by completing the Form of Proxy for the EGM 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 EGM 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 EGM : Monday, 03 April 2023 at 11.00 am

Last date and time for lodging of the Form of Proxy : Saturday, 01 April 2023 at 11.00 am (Prior to 11.00 am)

This Circular is dated 18 March 2023

DEFINITIONS

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 |
| 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 |
| EMTS | EMT Systems Sdn. Bhd. [Formerly known as E Metall Systems Sdn. Bhd.], subsidiary of Maybulk |
| Eonmetall or the Company | : Eonmetall Group Berhad |
| Eonmetall Group or Group | : Eonmetall and its subsidiaries |
| EGM | : Extraordinary General Meeting |
| Listing Requirements | : Main Market Listing Requirements of Bursa Malaysia, as amended from time to time and any re-enactment thereof |
| LPD | : 28 February 2023, 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 |
| Maybulk | : Malaysian Bulk Carriers Berhad |
| NA | : Net assets |
| Person(s) Connected | : Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements |
| Proposed New Shareholders' Mandate | : Proposed new shareholders mandate for new recurrent related party transactions of a revenue or trading nature |
| 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 |

DEFINITIONS (cont'd)

| | | |
|-------------------------|---|---|
| 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 |

All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, are to our Group. All references to “you” in this Circular are references to the shareholders of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Reference to persons shall include a corporation, unless otherwise specified. 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 specified.

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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

18 March 2023

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)
Chan Theng Sung (Independent Non-Executive Director)
Dato' Mohammad Radhi Bin Abdul Razak (Independent Non-Executive Director)
Tang Yin Kham (Non-Independent Non-Executive Director)
Goh Kee Seng (Non-Independent Non-Executive Director)

To: The Shareholders of Eonmetall

Dear Sir/Madam

PROPOSED NEW SHAREHOLDERS' MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's Nineteenth ("19th") AGM held on 30 May 2022, shareholders had approved a general mandate for the Company and/or Eonmetall Group 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 1 March 2023, the Company announced to Bursa Securities that the Company proposed to seek its shareholders' approval for the Proposed New Shareholders' Mandate for the Eonmetall Group under Paragraph 10.09 of the Listing Requirements at a forthcoming EGM to be convened.

The Proposed New Shareholders' Mandate shall be in addition to the aforementioned mandate for RRPT approved by the shareholders at the 19th AGM held on 30 May 2022.

This general mandate is still valid and subsisting and shall, in accordance with Listing Requirements, be in force until:-

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at that meeting; or

- (b) the expiration of the period within which the next AGM, after the 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
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

Thereafter, the approval from the shareholders will be sought for the renewal of this Proposed New Shareholders' Mandate (together with the earlier general mandate) at each subsequent AGM of the Company.

The purpose of this Circular is to provide shareholders with the relevant information on the Proposed New Shareholders' Mandate and to seek the shareholders' approval for the ordinary resolution to be tabled at the forthcoming EGM, which will be convened at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via RPEV facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 03 April 2023 at 11.00 am or at any adjournment thereof.

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 NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED NEW 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:-

- (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 in relation to a listed issuer with a share capital of RM60 million and above:-
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,

whichever is the higher;

- (c) the issuance of circular to shareholders for shareholders' mandate shall include information as may be prescribed by the Bursa Securities;
- (d) 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

- (e) 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 Validity of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate, if approved at the forthcoming EGM, will take effect from the date of the passing of the Ordinary Resolution proposed at the forthcoming EGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless the authority is renewed by a resolution passed at that meeting; or
- (b) (b) the expiration of the period within which the next AGM, after the 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
- (c) revoked or varied by resolutions 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 this Proposed New Shareholders' Mandate (together with the earlier general mandate) at each subsequent AGM of the Company.

Transactions with any Related Parties, which do not fall within the ambit of the Proposed New Shareholders' Mandate, will be subject to other applicable provisions of the Listing Requirements, the Act and/or any applicable law.

2.3 The principal activities of the Company and its subsidiaries

Eonmetall is an investment holding whilst the principal activities of its subsidiaries are as set out in the table below:-

| Name of companies | Interest held (%) | Principal activities |
|--|-------------------|---|
| 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 |

2.4 The principal activities of the related transacting party

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

| Related transacting party | Principal activities |
|---------------------------|--|
| EMTS | Provision of end-to-end racking systems, logistics storage and retail display solutions, offering of consultancy services, warehouse system design, supply of metal shelving solutions, and installation works to both local and international clients |

2.5 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 new mandate from its shareholders as contemplated under the Proposed New Shareholders' Mandate are as follows:

| 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 New Shareholders' Mandate to the forthcoming AGM ⁽¹⁾ (RM) | Related Parties ⁽²⁾ |
|--------------------------------|---------------------------------|---------------------------|--|---|
| EMI | EMTS | Trading of steel products | 60,000,000 | <p>Dato' Goh Cheng Huat ("Dato' Goh") is an Executive Director and major shareholder of Eonmetall and Maybulk. He is also a major shareholder of Eonmetall Corporation Sdn. Bhd. ("ECSB").</p> <p>Datin Tan Pak Say ("Datin Tan") is the spouse of Dato' Goh. She is also a major shareholder of ECSB by virtue of her indirect interest through ECSB and Dato' Goh.</p> <p>Goh Hong Kent ("GHK") is an Executive Director of Eonmetall. He is also a director of EMI and EMS. He is the son to Dato' Goh and Datin Tan.</p> <p>Goh Kee Seng is a Non-Independent Non-Executive Director of Eonmetall. He is the brother to Dato' Goh and brother-in-law to Datin Tan.</p> <p>Lim Junliang, Troy is a Non-Independent Non-Executive of Maybulk. He is the son-in-law to Dato' Goh.</p> |
| EMS | EMTS | Trading of steel products | | |

EMTS is a customer of the Group and transactions between these identified parties are the norm as these are part of contractual obligations on supply contracts to EMTS.

Following completion of acquisition of entire 100% equity interest in EMTS by Maybulk on 30 January 2023, all transactions between the Group with EMTS effective 1 February 2023 are now classified as RRPT given the presence of common Executive Director and major shareholder in both Eonmetall and Maybulk.

¹ This is for the period from the date EGM up to date of the forthcoming AGM of the Company. The values are merely estimated and are based on management's forecast of transaction values that have been undertaken and anticipated. The estimated value is subject to changes.

² 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 EGM on the Proposed New Shareholders' Mandate.

2.6 Amount Due and Owing by Related Parties

As at the financial year ended 31 December 2022 and the LPD, there is no outstanding amount due by and owing to Eonmetall Group under the RRPT as per Section 2.5 which has exceeded the credit term as this is a new RRPT under the Proposed New Shareholders' Mandate.

2.7 Guidelines and Review Procedures

The Group had established the guidelines and procedures to ensure that the RRPT contemplated under the Proposed New 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:-

(a) Methods for Determination of Transaction Price

- (i) 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.
- (ii) 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.
- (iii) 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.

(b) 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).

(c) Monitoring of RRPT

- (i) 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.
- (ii) All operating divisions and subsidiary companies shall review the existing information systems to ensure that information on Related Party Transactions are captured at source.
- (iii) 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.
- (iv) 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.

- (v) 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.
- (vi) 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 2.7 of 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 New 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.

2.8 Disclosure in the Annual Report

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

- (a) type of RRPT made;
- (b) names of the Related Parties involved and their relationship with the Group pursuant to the Proposed Shareholders' Mandate in accordance with paragraph 10.09(2) and Practice Note No. 12 of the Listing Requirements.

3. STATEMENT BY AUDIT COMMITTEE

The Audit Committee of the Company has seen and reviewed the procedure mentioned in Section 2.7 above and is of the view that:-

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

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

4.1 Rationale for the Proposed New Shareholders' Mandate

The rationale for the Proposed New 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 New Shareholders' Mandate

Some of the benefits to be derived from the Proposed New 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 NEW SHAREHOLDERS' MANDATE

The Proposed New 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 2023.

6. APPROVAL REQUIRED

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

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 | % |
| Dato' Goh Cheng Huat ("Dato' Goh") | 33,750,018 | 12.20 | ⁽¹⁾ 84,049,128 | 30.39 |
| Goh Hong Kent | - | - | - | - |
| ⁽²⁾ Goh Kee Seng ("Goh KS") | - | - | - | - |

Notes:

- (1) Deemed interested by virtue of his interest in Eonmetall Corporation Sdn. Bhd. ("ECSB") pursuant to Section 8(4) of the Act.
- (2) Goh KS is a Non-Independent Non-Executive Director of Eonmetall. He is the brother to Dato' Goh.

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 New Shareholders' Mandate at the forthcoming EGM.

| Interested Persons Connected to Interested Directors and Interested Major Shareholders of Eonmetall | Shareholdings | | | |
|---|---------------|-------|----------------------------|-------|
| | Direct | | Indirect | |
| | No. of shares | % | No. of shares | % |
| ⁽³⁾ Datin Tan Pak Say ("Datin Tan") | - | - | ⁽⁵⁾ 117,799,146 | 42.59 |
| ⁽⁴⁾ ECSB | 84,049,128 | 30.39 | - | - |

Notes:

- (3) Datin Tan is the spouse of Dato' Goh. She is also a major shareholder of ECSB by virtue of her indirect interest through ECSB and Dato' Goh.
- (4) Dato' Goh is a major shareholder of ECSB.
- (5) Deemed interested by virtue of her 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 EGM on the resolution approving the RRPT involving their interests which are comprised in the Proposed New 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 New Shareholders' Mandate at the forthcoming EGM.

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 New Shareholders' Mandate.

8. DIRECTORS' RECOMMENDATION

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

With the exception of Dato' Goh Cheng Huat, Mr Goh Kee Seng and Mr Goh Hong Kent who are interested in the Proposed New Shareholders' Mandate in the manner disclosed in the table in Section 2.5 of this Circular, and have therefore abstained from making any recommendation in respect of the RRPT in which they are involved, the Board recommends that you vote in favour of the Ordinary Resolution on the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

9. EGM

The EGM, the notice of which is set out in the Circular and published on corporate website at www.eonmetall.com, will be convened at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via RPEV facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 03 April 2023 at 11.00 am or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed New Shareholders' Mandate.

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

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

Chan Theng Sung
Independent Non-Executive Director & Chairman of the Audit Committee

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

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 this Circular.

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 EGM:

- (a) Constitution of Eonmetall; and
- (b) Audited Financial Statements of the Company for the financial years ended 31 December 2020 and 2021 and the latest unaudited consolidated financial statements for the financial year ended 31 December 2022.



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Eonmetall Group Berhad (“**Eonmetall**” or the “**Company**”) will be held virtually at 12th Floor, Menara Symphony, No.5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via Remote Participation and Electronic Voting (“**RPEV**”) facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 03 April 2023 at 11.00 am or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without any modifications:-

ORDINARY RESOLUTION

PROPOSED NEW SHAREHOLDERS’ MANDATE FOR NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”), a general mandate of the shareholders be and is hereby granted for the Company and/or its subsidiaries to enter into recurrent related party transactions as set out in Section 2.5 under of the Circular to Shareholders dated 18 March 2023, which are necessary for the Group’s day-to-day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company, AND THAT such approval shall be in force until:

- (i) The conclusion of the next Annual General Meeting (“**AGM**”) of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or
- (ii) the approval shall continue to be in force until the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolutions passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

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

By Order of the Board
EONMETALL GROUP BERHAD

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

Penang
18 March 2023

Notes:-

Appointment of Proxy

1. The EGM would be held entirely via RPEV facilities through meeting platform at <https://meeting.boardroomlimited.my>. Kindly refer to the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPEV facilities.
2. The online meeting platform is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairman of the meeting to be present at the main venue of the meeting. Shareholders / proxies from the public WILL NOT BE ALLOWED to be physically present. Shareholders who wish to participate in the EGM will have to register online and attend remotely. Kindly read and follow the procedures in the Administrative Guide for the EGM in order to participate remotely.
3. A proxy may but need not be a member.
4. The instrument appointing a proxy must be deposited / submitted via the following ways not less than 48 hours before the time set for holding the EGM or at any adjournment thereof:-
 - (i) By hardcopy form
The Form of Proxy must be deposited at the registered office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.
 - (ii) By electronic form
The Form of Proxy can be electronically submitted through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for the procedures on electronics lodgement of Form of Proxy.
5. A member entitled to attend, participate, speak and vote is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of him. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
7. If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 27 March 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Explanatory Note

This Ordinary Resolution, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions under the Proposed New Shareholders' Mandate pursuant to the provisions of the MMLR without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The Proposed New Shareholders' Mandate is subject to renewal on an annual basis.

**FORM OF PROXY**

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

| No. of Shares held | CDS Account No. |
|--------------------|-----------------|
| | |

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

of _____ and _____
(Address) (Tel. No./Email Address)

being a member/members of Eonmetall Group Berhad ("**Company**"), hereby appoint

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

* and/or (*delete if not applicable)

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

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company, to be held virtually at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor and entirely via Remote Participation and Electronic Voting ("**RPEV**") facilities through meeting platform at <https://meeting.boardroomlimited.my> on Monday, 03 April 2023 at 11.00 am or at any adjournment thereof.

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

| Ordinary Resolution | For | Against |
|------------------------------------|-----|---------|
| Proposed New Shareholders' Mandate | | |

Signed this _____ day of _____ 2023.

.....
Signature of Shareholder(s)/ Common Seal

* Strike out whichever is not desired.

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Personal Data Privacy

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

Fold this flap for sealing

1st fold here

AFFIX
STAMP

THE COMPANY SECRETARIES
EONMETALL GROUP BERHAD
Registration No. 200301029197 (631617-D)
170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang

Fold this flap for sealing
