THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY IF YOU HAVE ANY DOUBT ABOUT THE PROPOSED SCR (AS DEFINED HEREIN).

If you have sold or transferred all your shares in Eonmetall Group Berhad ("**EGB**" or the "**Company**"), you should hand this Document (as defined herein) together with the enclosed Proxy Form immediately to the person through whom you have effected the sale or transfer for transmission to the purchaser or transferee.

The Securities Commission Malaysia ("**SC**") has notified that it has no further comments to this Document pursuant to subparagraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of the board of directors of EGB (save for the Interested Directors (as defined herein)) or the Independent Adviser (as defined herein), or that the SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

The SC takes no responsibility for the contents of this Document, 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 Document.

eonmetall

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

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF EGB PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 (“PROPOSED SCR”)

PART B

INDEPENDENT ADVICE LETTER FROM KENANGA INVESTMENT BANK BERHAD TO THE NON-INTERESTED DIRECTORS AND NON-INTERESTED SHAREHOLDERS OF EGB IN RELATION TO THE PROPOSED SCR

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

BERJAYA
Berjaya Securities

Berjaya Securities Sdn Bhd
(formerly known as Inter-Pacific Securities Sdn Bhd)
(Registration No: 197201001092 (12738-U))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser

kenanga

Kenanga Investment Bank Berhad
(Registration No. 197301002193 (15678-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting (“**EGM**”) of EGB will be held at Meeting Room, 2nd Floor, Lot 1258, Mk 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Pulau Pinang, Malaysia on Monday, 3 August 2026 at 2.30 p.m. or at any adjournment thereof. The Notice of the EGM together with the Proxy Form are enclosed in this Document.

You are requested to complete, sign and return the enclosed Proxy Form and deposit it at the Company’s Share Registrar, Securities Services (Holdings) Sdn Bhd at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time and date appointed for holding the EGM or at any adjournment thereof. The completion and lodgement of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

Last day, date and time for lodging the Proxy Form	:	Saturday, 1 August 2026 at 2.30 p.m.
Day, date and time of the EGM	:	Monday, 3 August 2026 at 2.30 p.m. or at any adjournment thereof

This Document is dated 10 July 2026

DEFINITIONS

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

Act	:	Companies Act, 2016
Berjaya Securities or Principal Adviser	:	Berjaya Securities Sdn Bhd *(formerly known as Inter-Pacific Securities Sdn Bhd)* (Registration No. 197201001092 (12738-U)), incorporated in Malaysia
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)), incorporated in Malaysia
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)), incorporated in Malaysia
CASIA	:	Constructor Asia Sdn Bhd (Registration No. 201701035700 (1249871-U)), incorporated in Malaysia, which is our wholly-owned subsidiary
Circular	:	This circular to our Shareholders dated 10 July 2026 in relation to the Proposed SCR, as set out in **Part A** of this Document
CMSA	:	Capital Markets and Services Act, 2007
Completion	:	The completion of the Proposed SCR
CSEA	:	Constructor SEA Sdn Bhd (Registration No. 202401049684 (1595528-W)), incorporated in Malaysia, which is our wholly-owned subsidiary
Dato' Goh	:	Dato' Goh Cheng Huat
DCF	:	Discounted cash flow
Directors	:	Directors of our Company as at the LPD
Document	:	This document to our Shareholders dated 10 July 2026 in relation to the Proposed SCR which consists of the Circular, the IAL and all the accompanying appendices, collectively
EBC	:	Eonmetall Bio-Coal Sdn Bhd (Registration No. 199301017710 (272448-P)), incorporated in Malaysia, which is our wholly-owned subsidiary
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
ECB	:	Eonchem Biomass Sdn Bhd (Registration No. 201001022671 (906441-M)), incorporated in Malaysia, which is our wholly-owned subsidiary
ECH	:	Eonchem Technology Sdn Bhd (Registration No. 200101006694 (542450-K)), incorporated in Malaysia, which is our wholly-owned subsidiary
ECO	:	Eonmetall Carotene Oil Sdn Bhd (Registration No. 201701022867 (1237033-M)), incorporated in Malaysia, which is our wholly-owned subsidiary
ECR	:	Eonmetall Copper Sdn Bhd (Registration No. 201201039669 (1024147-H)), incorporated in Malaysia, which is our wholly-owned subsidiary
ECSB	:	Eonmetall Corporation Sdn Bhd (Registration No. 199701000036 (415532-H)), incorporated in Malaysia

ECSB Group	:	Collectively, ECSB and its subsidiaries
ECSB Share(s)	:	Ordinary share(s) in ECSB
Effective Date	:	The date on which an office copy of the High Court Order is lodged with the Registrar of Companies pursuant to subsection 116(6) of the Act
EGB or Company	:	Eonmetall Group Berhad (Registration No. 200301029197 (631617-D)), incorporated in Malaysia
EGB Group or Group	:	Collectively, EGB and its subsidiaries
EGB Share(s) or Share(s)	:	Ordinary share(s) in EGB
EGM	:	Extraordinary general meeting of our Company
EIL	:	Eonmetall International Limited (Company No. LL07325), incorporated in Federal Territory of Labuan, Malaysia, which is our wholly-owned subsidiary
EINT	:	Eonmetall Integration Sdn Bhd (Registration No. 201701015127 (1229291-T)), incorporated in Malaysia, which is our wholly-owned subsidiary
EIT	:	Eontarr IT Solutions Sdn Bhd (Registration No. 199501036785 (365987-M)), incorporated in Malaysia, which is our wholly-owned subsidiary
Eligible Persons	:	Directors and/or employees of our Group who fulfil the eligibility criteria for participation in the ESOS
ELSB	:	Eonmetall Land Sdn Bhd (Registration No. 201901023635 (1332964-A)), incorporated in Malaysia, which is our wholly-owned subsidiary
EMI	:	Eonmetall Industries Sdn Bhd (Registration No. 199001015653 (207322-V)), incorporated in Malaysia, which is our wholly-owned subsidiary
EMS	:	Eonmetall Systems Sdn Bhd (Registration No. 199501031033 (360239-H)), incorporated in Malaysia, which is our wholly-owned subsidiary
EMSB	:	Emeida Metal Sdn Bhd (Registration No. 201901042662 (1351992-W)), incorporated in Malaysia, which is our indirect 40%-owned associate company
EMT	:	Eonmetall Technology Sdn Bhd (Registration No. 199401041916 (327604-K)), incorporated in Malaysia, which is our wholly-owned subsidiary
Entitled Shareholders	:	Our Shareholders (other than the Non-Entitled Shareholders) whose names appear on the Record of Depositors and/or register of members of EGB as at 5.00 p.m. on the Entitlement Date
Entitlement Date	:	The date on which the names of the Entitled Shareholders must appear on the Record of Depositors and/or register of members of EGB as at 5.00 p.m. for the purpose of determining their entitlement under the Proposed SCR, which shall be determined and announced later by the Board
EPS	:	Earnings per EGB Share
ESL	:	Eonsteel Sdn Bhd (Registration No. 200601014040 (733791-D)), incorporated in Malaysia, which is our wholly-owned subsidiary

ESOS	:	Our employees' share option scheme which provides for the grant of options to Eligible Persons of up to 15% of the total number of issued ordinary shares of our Company (excluding treasury shares), which shall be in force for a period from 8 October 2021 until 7 October 2026
ESOS Options	:	All or part of the 36,257,000 outstanding options as at the LPD granted to and held by the Eligible Persons pursuant to the ESOS, which are exercisable into 36,257,000 new EGB Shares at an exercise price of RM0.2283 per ESOS Option
EV	:	Enterprise value
FPE	:	Financial period ended
FYE	:	Financial year ended or ending, as the case may be
High Court	:	High Court of Malaya
High Court Order	:	An order granted by the High Court confirming the reduction of the issued share capital of EGB for the Proposed SCR pursuant to section 116 of the Act
IAL	:	Independent advice letter dated 10 July 2026 issued by the Independent Adviser in relation to the Proposed SCR as set out in **Part B** of this Document
Interested Directors	:	Collectively, Dato' Goh Cheng Huat, Datin Tan Pak Say, Goh Hong Kent and Goh Kee Seng
Interested Major Shareholders	:	Collectively, the Non-Entitled Shareholders and Datin Tan Pak Say
Kenanga IB or Independent Adviser	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H)), incorporated in Malaysia
KLPRO	:	Bursa Malaysia Industrial Products Index
Land	:	Parcels of freehold land measuring approximately 26.723 hectares (equivalent to approximately 2,876,579 square feet) held under Geran 455284, Lot 119910 and Geran 455285, Lot 119911 (formerly under H.S.(D) 166442, PT 85117), Mukim of Kapar, District of Klang, State of Selangor
Land Disposal Circular	:	The circular to our Shareholders dated 3 July 2026 in relation to the Proposed Land Disposal
LAT	:	Loss after taxation
LBITDA	:	Loss before interest, taxation, depreciation and amortisation
LBT	:	Loss before taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	3 July 2026, being the latest practicable date prior to the despatch of this Document
LPS	:	Losses per EGB Share
LTD	:	21 May 2026, being the last trading day prior to the receipt of the Proposal Letter by the Board

Major Shareholder	:	A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is:- (i) 10% or more of the total number of voting shares in our Company; or (ii) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company. For the purpose of this definition, "**interest**" shall have the meaning of "**interest in shares**" given in section 8 of the Act.
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming all the outstanding ESOS Options as at the LPD are exercised into new EGB Shares prior to the Entitlement Date
Minimum Scenario	:	Assuming none of the outstanding ESOS Options as at the LPD are exercised into new EGB Shares prior to the Entitlement Date
NA	:	Net assets attributable to the owners of our Company
NBV	:	Net book value
NL	:	Net liability
Non-Entitled Shareholders	:	Collectively, ECSB and Dato' Goh
Non-Interested Directors	:	Directors of EGB other than the Interested Directors, namely Dato' Mohammad Radhi Bin Abdul Razak, Chan Theng Sung and Datuk Yogeesvaran A/L Kumaraguru
Non-Interested Shareholders	:	All the shareholders of EGB other than the Non-Entitled Shareholders and persons acting in concert with them
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
PACs	:	Persons acting in concert with the Non-Entitled Shareholders in relation to the Proposed SCR pursuant to subsections 216(2) and/or 216(3) of the CMSA who hold or have interest in EGB Shares, as set out in **Section 2.1, Part A** of this Document
PAT	:	Profit after taxation
PBR	:	Price-to-book ratio
PBT	:	Profit before taxation
PER	:	Price-to-earnings ratio
PPE	:	Property, plant and equipment
Proposed Land Disposal	:	Proposed disposal of the Land by ELSB to WG Malaysia VIII for a cash consideration of RM273,275,005 in accordance with the SPA
Proposal Letter	:	The proposal letter dated 22 May 2026 (as supplemented by the Supplemental Letter) issued by the Non-Entitled Shareholders requesting our Company to undertake the Proposed SCR

Proposed SCR	:	The proposed selective capital reduction and repayment exercise to be undertaken by EGB pursuant to section 116 of the Act
PTEI	:	PT Eonmetall Investment (Registration No. 09.03.1.01.71448), incorporated in Indonesia, which is our indirect 88%-owned subsidiary
Record of Depositors	:	A record of securities holders provided by Bursa Depository pursuant to the rules of the central depository as defined in the Securities Industry (Central Depositories) Act 1991
RM and sen	:	Ringgit Malaysia and sen, respectively
RNAV	:	Revalued net asset value
ROU	:	Right-of-use asset
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
Savills	:	Savills (Malaysia) Sdn Bhd (Registration No. 199501004315 (333510-P)), incorporated in Malaysia
SC	:	Securities Commission Malaysia
SCR Offer Price	:	RM0.45 per EGB Share, being the cash consideration to be paid for each existing EGB Share held by the Entitled Shareholders on the Entitlement Date pursuant to the Proposed SCR
Shareholders	:	The holders of our Shares
SOPV	:	Sum of parts valuation
SPA	:	The conditional sale and purchase agreement dated 19 March 2026 entered into between ELSB (as vendor) and WG Malaysia VIII (as purchaser) for the Proposed Land Disposal
Special Resolution	:	The special resolution in respect of the Proposed SCR to be tabled at the forthcoming EGM which, pursuant to subparagraph 2(f) of Schedule 3 of the Rules:- (i) is required to be approved by at least a majority in number of our Non-Interested Shareholders and at least 75% in value to the votes attached to the EGB Shares held by our Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and (ii) must not be voted against by more than 10% in value of the votes attaching to all voting shares of our Company held by our Non-Interested Shareholders
sq. m.	:	Square meter
Supplemental Letter	:	The supplemental letter dated 3 June 2026 issued by the Non-Entitled Shareholders supplementing the Proposal Letter, pursuant to which the Non-Entitled Shareholders revised the offer price under the Proposed SCR from RM0.40 to RM0.45 per Share, with all other material terms and conditions to the Proposed SCR as set out in the Proposal Letter remaining unchanged
VWAP	:	Volume-weighted average market price

WG Malaysia VIII	:	WG Malaysia VIII Sdn Bhd (Registration No. 202501059596 (1661002-D)), incorporated in Malaysia
WRP	:	White Rack Projects Sdn Bhd (Registration No. 202001036226 (1392547-D)), incorporated in Malaysia, which is our wholly-owned subsidiary

All references to "our Company" and "EGB" in this Document are to Eonmetall Group Berhad and references to "our Group" and "EGB Group" are to our Company and our subsidiaries. All references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, our Group or our subsidiaries. All references to "you", "your", "yourselves" and "our Shareholders" in this Document are to the shareholders of EGB, unless the context otherwise requires.

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

Any reference in this Document to any statutes, rules, regulations, enactments, rules of the stock exchange or guidelines is a reference to those statutes, rules, regulations, enactments, rules of the stock exchange or guidelines as for the time being amended or re-enacted.

Any reference to time and date in this Document shall be a reference to Malaysian time and date, unless otherwise stated.

Any discrepancies in the figures included in this Document between the amounts stated, actual figures and the totals thereof are, unless otherwise explained, due to rounding.

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

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

PART A

CIRCULAR TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED SCR

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
Malaysia

10 July 2026

Board of Directors:

Dato' Mohammad Radhi Bin Abdul Razak *(Independent Non-Executive Chairman)*
Datin Tan Pak Say *(Managing Director & Chief Executive Officer)*
Dato' Goh Cheng Huat *(Executive Director)*
Goh Hong Kent *(Executive Director & Chief Operating Officer)*
Chan Theng Sung *(Independent Non-Executive Director)*
Datuk Yogeesvaran A/L Kumaraguru *(Independent Non-Executive Director)*
Goh Kee Seng *(Non-Independent Non-Executive Director)*

To: Our Shareholders

Dear Sir / Madam,

PROPOSED SCR

1. INTRODUCTION

On 22 May 2026, our Board announced that our Company had on even date received the Proposal Letter from the Non-Entitled Shareholders, informing us of their intention to privatise our Company by way of a selective capital reduction and repayment exercise pursuant to section 116 of the Act and requesting our Company to undertake the Proposed SCR for this purpose. The Non-Entitled Shareholders will hold the entire equity interest in our Company upon the Completion.

On 3 June 2026, our Board announced that it had on even date received the Supplemental Letter from the Non-Entitled Shareholders, notifying the Board that the SCR Offer Price has been revised from RM0.40 to RM0.45. Save for the revision of the offer price for the Proposed SCR, all other material terms and conditions to the Proposed SCR as stated in the Proposal Letter remain the same.

On 5 June 2026, in accordance with paragraph 3.06 of the Rules, our Non-Interested Directors had appointed Kenanga IB as the Independent Adviser to provide comments, opinion, information and recommendation on the Proposed SCR to our Non-Interested Directors and Non-Interested Shareholders. The IAL is set out in **Part B** of this Document.

On 5 June 2026, Berjaya Securities, on behalf of our Company, announced that our Non-Interested Directors had, at a meeting held on 5 June 2026, deliberated on the contents of the Proposal Letter (including the Supplemental Letter) and had resolved to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval.

The SC had vide its letter dated 9 July 2026 notified us that the SC has no further comments to this Document. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendation of our Non-Interested Directors or the Independent Adviser or that SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Document.

THE PURPOSE OF THIS DOCUMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SCR AND TO SEEK THE NON-INTERESTED SHAREHOLDERS' APPROVAL FOR THE PROPOSED SCR VIA THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE PROXY FORM ARE ENCLOSED IN THIS DOCUMENT.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM. YOU SHOULD ALSO CONSIDER CAREFULLY THE RECOMMENDATION OF THE INDEPENDENT ADVISER AS SET OUT IN PART B OF THIS DOCUMENT BEFORE VOTING ON THE SPECIAL RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SCR

2.1 Particulars of the Proposed SCR

The Proposed SCR involves our Company undertaking a selective capital reduction and a corresponding capital repayment exercise pursuant to section 116 of the Act in respect of the EGB Shares held by the Entitled Shareholders on the Entitlement Date.

As at the LPD:-

(i) the issued share capital of our Company is RM168,726,022[(1)] comprising 412,612,039 EGB Shares (including 3,096,600 treasury shares);

Note:-
(1) Based on the latest audited statement of financial position of the Company as at 31 December 2025 and after taking into account the exercise of 13,423,000 ESOS Options into 13,423,000 EGB Shares from 1 January 2026 up to the LPD.

(ii) there are 36,257,000 outstanding ESOS Options granted to and held by the Eligible Persons, which are exercisable into 36,257,000 new EGB Shares at an exercise price of RM0.2283 per ESOS Option;

(iii) the Entitled Shareholders (including the PACs) collectively hold 284,337,393 EGB Shares, representing 69.43% of the total number of issued EGB Shares (excluding treasury shares);

(iv) the Non-Entitled Shareholders and the PACs collectively hold 125,542,596 EGB Shares, representing approximately 30.66% of the total EGB Shares in issue (excluding treasury shares), the details of which are as follows:-

	Direct		Indirect	
	No. of Shares	**%[(1)]**	**No. of Shares**	**%[(1)]**
Non-Entitled Shareholders				
Dato' Goh	41,128,918	10.04	84,049,128	20.52[(2)]
ECSB[(3)]	84,049,128	20.52	-	-
Subtotal	**125,178,046**	**30.57**		

	Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)
PACs				
Tai Lew See(4)	70,000	0.02	-	-
Ang Suan(4)	13,500	-(8)	-	-
Tee Ka Hon(5)	91,000	0.02	-	-
Wong Yang Chong(4)	180,000	0.04	-	-
Tan Phaik Hoon(6)	10,000	-(8)	-	-
Tan Kheng Hwa(7)	50	-(8)	-	-
Subtotal	**364,550**	**0.09**		
Total (Non-Entitled Shareholders and the PACs)	**125,542,596**	**30.66**		

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.

(3) Dato' Goh is a director of ECSB and owns 65.0% equity interest in ECSB.

(4) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of a sibling of Dato' Goh, a director and 65.0% shareholder of ECSB, pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA.

(5) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of Goh Kee Seng, our Non-Independent Non-Executive Director, who is the sibling of Dato' Goh, a director and 65.0% shareholder of ECSB, pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA.

(6) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being a sibling of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB, pursuant to paragraph 216(3)(b) of the CMSA. For information, Datin Tak Pak Say is the spouse of Dato' Goh.

(7) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of a sibling of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB, pursuant to paragraph 216(3)(b) of the CMSA. For information, Datin Tak Pak Say is the spouse of Dato' Goh.

(8) Less than 0.01%.

(v) the Non-Entitled Shareholders and persons acting in concert with them do not hold any ESOS Options or any other option to acquire the EGB Shares.

Pursuant to the Proposed SCR, the Entitled Shareholders (including persons acting in concert with them) will receive a cash repayment of RM0.45 for each EGB Share held on the Entitlement Date. For the avoidance of doubt, the Shares held by the Non-Entitled Shareholders are not subject to capital reduction and accordingly the Non-Entitled Shareholders will not be entitled to any capital repayment pursuant to the Proposed SCR. For the avoidance of doubt, the Shares held by the PACs will be subject to the capital reduction and entitled to the corresponding capital repayment under the Proposed SCR.

The Proposed SCR will also be extended to the holders of outstanding ESOS Options who exercise their ESOS Options and receive new Shares before the Entitlement Date. In this regard, our Non-Interested Directors had also on 5 June 2026 resolved not to grant any further ESOS Option to the Eligible Persons in accordance with the terms of the Proposal Letter. The ESOS will be terminated after approval has been obtained from the Non-Interested Shareholders for the Proposed SCR but before the filing of the application to seek confirmation from the High Court for the reduction of the enlarged issued share capital of our Company pursuant to section 116 of the Act. Any outstanding ESOS Option which have yet to be exercised shall automatically terminate upon the termination of the ESOS.

For the avoidance of doubt, all EGB Shares in issue, including the 3,096,600 treasury shares held by our Company and any new EGB Shares to be issued pursuant to the exercise of the 36,257,000 outstanding ESOS Options as at the LPD, will be cancelled, save and except for EGB Shares which are held by the Non-Entitled Shareholders.

Based on the above, the total number of EGB Shares to be cancelled and the corresponding total capital repayment pursuant to the Proposed SCR at the SCR Offer Price of RM0.45 each under the Minimum Scenario and Maximum Scenario are as follows:-

	Minimum Scenario	**Maximum Scenario**
Total number of EGB Shares held by the Entitled Shareholders (including the PACs) to be cancelled	284,337,393	320,594,393
Total capital repayment (RM)	127,951,827	144,267,477

Upon Completion, the 125,178,046 EGB Shares held by the Non-Entitled Shareholders will amount to the entire issued share capital of our Company, resulting in the Non-Entitled Shareholders holding 100% equity interest in our Company.

As at the LPD, save for the Proposal Letter, we have not received any alternative offer to acquire EGB Shares or any offer to acquire our Company's assets and liabilities.

The Non-Entitled Shareholders and PACs will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the Special Resolution to be tabled at the forthcoming EGM.

The Non-Entitled Shareholders and/or persons acting in concert with them have not acquired or agreed to acquire any EGB Share at a price higher than the SCR Offer Price during the past 3 months prior to 22 May 2026, being the date of the Proposal Letter. In compliance with subparagraph 6.03(2) of the Rules, should the Non-Entitled Shareholders and/or persons acting in concert with them acquire any EGB Shares at a price higher than the SCR Offer Price during the period commencing from the date of the Proposal Letter until Completion, the SCR Offer Price will be revised accordingly to the higher price paid by the Non-Entitled Shareholders and/or persons acting in concert with them pursuant to Note 1 to paragraph 12.03 of the Rules.

The dealings in EGB Shares by the Non-Entitled Shareholders and persons acting in concert with them during the past 6 months prior to 22 May 2026, being the date of the Proposal Letter, and up to the LPD are set out in **Sections 2.2 and 2.3 of Appendix III** of this Document.

As at the LPD, the Non-Entitled Shareholders and persons acting in concert with them have not received any irrevocable undertaking from any Non-Interested Shareholders to vote in favour of or against the Special Resolution.

2.2 Proposed Land Disposal

On 19 March 2026, ELSB had entered into the SPA for the Proposed Land Disposal. For information, the Proposed Land Disposal is expected to result in a net increase in our Group's earnings of RM46.30 million and increase our Group's NA per Share by approximately RM0.13 per Share to RM1.37 per Share.

The conditions precedent of the Proposed Land Disposal as stipulated under the SPA are as follows:-

(i) ELSB having obtained from the appropriate authority one or more original freehold title(s) in continuation (annexed with the relevant land plan) to the Land registered in favour of ELSB, with the total land size measuring approximately 267,243 square meters (equivalent to approximately 66.04 acres or approximately 2,876,579 square feet) in area and subject to the category of land use, the express conditions and the restrictions in interest as set out in the SPA(1);

Note:-
(1) This condition precedent has been fulfilled on 16 June 2026.

(ii) ELSB having obtained:-

(a) the approval of its shareholder i.e. EGB; and

(b) the approval of our Shareholders at an EGM to be convened for the Proposed Land Disposal in accordance with the terms of the SPA;

(iii) WG Malaysia VIII having obtained the written confirmation from the Ministry of Economy of Malaysia to WG Malaysia VIII that it has no objection to the purchase and acceptance of transfer of the Land by WG Malaysia VIII, and/or that the approval under the Guideline on the Acquisition of Properties (effective 13 July 2022) as issued by the Ministry of Economy of Malaysia is not required for the acquisition of the Land by WG Malaysia VIII;

(iv) WG Malaysia VIII having obtained the support letter from Invest Selangor to WG Malaysia VIII for the acquisition of the Land by WG Malaysia VIII, including a written waiver of any requirement for registration with the Ministry of Investment, Trade and Industry of Malaysia; and

(v) WG Malaysia VIII having obtained the written approval from the State Authority of Selangor for the acquisition of the Land by WG Malaysia VIII (due to WG Malaysia VIII being a 'foreign company' under section 433B of the National Land Code (Revised 2020) [Act 828]).

As at the LPD, the condition precedent set out in Section 2.2(i) above has been fulfilled whilst the remaining conditions precedent have yet to be fulfilled. The Proposed Land Disposal is expected to be completed in the second half of 2026.

Further details on the Proposed Land Disposal are set out in the Land Disposal Circular which may be downloaded from the website of Bursa Malaysia Berhad at https://www.bursamalaysia.com.

For the avoidance of doubt, the Proposed SCR will **not be conditional** upon the completion of the Proposed Land Disposal and *vice versa*.

With regards to the above, the Non-Entitled Shareholders have informed us that they are aware of our prior contractual obligation under the SPA and that this is acceptable to the Non-Entitled Shareholders. The Non-Entitled Shareholders confirmed that they will not withdraw the Proposal Letter for any reason whatsoever relating to the outcome of the Proposed Land Disposal and they do not deem the Proposed Land Disposal to be an event that would result in the Proposed SCR being frustrated.

2.3 EGB's covenants pursuant to the Proposal Letter

From the date of our Non-Interested Directors' acceptance of the terms of the Proposal Letter until Completion, our Company undertakes to the Non-Entitled Shareholders that, without the Non-Entitled Shareholders' prior written consent:-

(i) save for the exercise of outstanding ESOS Options, we shall not conduct any capital or fund raising exercise, whether in the form of debt or equity, and shall not grant any options over EGB Shares including ESOS Options or issue any new EGB Shares;

(ii) save for the Proposed Land Disposal, our Group shall not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business;

(iii) we shall not pass any resolution in a general meeting (other than in respect of any usual business tabled in an annual general meeting or in connection with the Proposed Land Disposal or the Proposed SCR);

(iv) we shall not make any alteration to the provisions of the constitution of our Company or any of our subsidiaries unless it is in relation to the Proposed SCR; and

(v) we shall not do or cause, or allow to be done or omitted, any act or thing which would result (or be likely to result) in a breach of any lawful or contracted obligation of our Company or any of our subsidiaries.

In addition, we also undertake that, from 22 May 2026, being the date of the Proposal Letter until the date of Completion, we shall and shall procure (using all reasonable endeavours to cause) each of our subsidiaries to carry on its business in the usual, regular and ordinary course in substantially the same manner as the same is carried on as at the date of the Proposal Letter so as to preserve their relationships with all relevant parties, and ensure that the goodwill and going concern of our Group shall not be materially impaired at the date of Completion, in each case save as otherwise agreed in writing by the Non-Entitled Shareholders.

2.4 Basis of arriving at the SCR Offer Price

The SCR Offer Price was arrived at after taking into consideration the following closing price and VWAP of the EGB Shares up to and including the LTD, as set out below:-

	Closing market price / VWAPs	**Premium of SCR Offer Price over market prices**	
	(RM)	**(RM)**	**(%)**
Closing price of EGB Shares as at the LTD	0.3550	0.0950	26.76
VWAP of EGB Shares up to the LTD:-			
• 5-day	0.3502	0.0998	28.50
• 1-month	0.3299	0.1201	36.40
• 3-month	0.3020	0.1480	49.01
• 6-month	0.2909	0.1591	54.69
• 1-year	0.2742	0.1758	64.11

(Source: Bloomberg)

The SCR Offer Price represents a **premium** ranging between:-

(i) 26.76% over the closing price of EGB Shares as at the LTD of RM0.3550; and

(ii) 64.11% over the 1-year VWAP of EGB Shares as at the LTD of RM0.2742.

The PER and PBR based on the SCR Offer Price is illustrated below:-

(i) EPS and PER

	EPS / (LPS)	**PER(1)**	**PER based on SCR Offer Price**
	(RM)	**(times)**	**(times)**
Audited consolidated net EPS / (LPS) for FYE 31 December 2025	(0.1554)	Not applicable	Not applicable

Note:-
(1) Based on the closing price of EGB Shares as at the LTD of RM0.3550.

(ii) NA per EGB Share and PBR

	NA	**PBR(1)**	**PBR based on SCR Offer Price**
	(RM)	**(times)**	**(times)**
Audited consolidated NA per EGB Share as at 31 December 2025	1.27	0.28	0.35
Unaudited consolidated NA per EGB Share as at 31 March 2026	1.26	0.28	0.36

Note:-
(1) Based on the closing price of EGB Shares as at the LTD of RM0.3550.

Apart from the above, the Non-Entitled Shareholders had also taken into account the following key considerations in determining the SCR Offer Price:-

(i) the proforma NA of RM1.38 per Share assuming the Proposed Land Disposal had been effected on 31 December 2025, as set out in the Land Disposal Circular; and

(ii) the range of discounts to NA per share observed in precedent selective capital reduction and repayment exercises as well as take-over offers involving companies listed on Bursa Securities in the past 2 years, whereby the discount implied by the SCR Offer Price to the NA per EGB Share (after taking into account the proforma NA pursuant to the Proposed Disposal) is within such range.

2.5 Distribution

If our Company declares, makes and/or pays any dividend and/or distribution of any other nature whatsoever (collectively, "**Distribution(s)**") during the period commencing from 22 May 2026, being the date of the Proposal Letter up to the Entitlement Date, the SCR Offer Price will not be reduced as a result of the Distribution. In this regard, all our Shareholders (including the Non-Entitled Shareholders) will be entitled to the Distribution and all the Entitled Shareholders (including the PACs) will be entitled to the full SCR Offer Price of RM0.45 for each EGB Share held.

As at the LPD, there has been no Distribution declared, made and/or paid by our Company on or after 22 May 2026, being the date of the Proposal Letter.

2.6 Funding

The Proposed SCR will be funded via shareholder's advances from Dato' Goh to our Company.

The Non-Entitled Shareholders and our Board confirm that the Proposed SCR will not fail by reason of insufficient financial capability of our Company or the Non-Entitled Shareholders and that every Entitled Shareholder will be paid in full by cash.

Berjaya Securities, being the Principal Adviser for the Proposed SCR, is satisfied and has confirmed that the Proposed SCR will not fail by reason of insufficient financial capability of our Company or the Non-Entitled Shareholders and that every Entitled Shareholder will be paid in full by cash.

2.7 Listing status

The Non-Entitled Shareholders have indicated vide the Proposal Letter that they **do not intend** to maintain the listing status of our Company on the Main Market of Bursa Securities following the Completion. Accordingly, the Non-Entitled Shareholders will request that our Company makes an application to Bursa Securities pursuant to paragraph 16.08 of the Listing Requirements to delist our Company and to withdraw our listing status from the Official List upon Completion.

However, in the event the Proposed SCR is unsuccessful and not implemented due to, among others, failure to fulfil any or all the conditions and/or obtain the approvals required as set out in **Section 9, Part A** of this Document, our Company will remain listed on the Main Market of Bursa Securities.

3. MODE AND TIMING OF SETTLEMENT

The settlement of the SCR Offer Price will be effected via electronic remittance to the Entitled Shareholders' eDividend accounts duly registered with Bursa Depository **within 10 days from the Effective Date**. For the Entitled Shareholders who do not maintain eDividend accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository or in our register of members (where applicable) at their own risk **within 10 days from the Effective Date**.

Except with the consent of the SC, settlement of the SCR Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which the Company may otherwise be, or claim to be, entitled against the Entitled Shareholders.

Entitled Shareholders who are not residents of Malaysia are advised that the settlement of the SCR Offer Price will be made in RM. Such Entitled Shareholders who wish to convert the amount received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective licensed financial institutions.

4. RATIONALE FOR THE PROPOSED SCR

As presented by the Non-Entitled Shareholders, the rationale for the Proposed SCR is as follows:-

(i) Greater flexibility in managing the business of our Group

The Proposed SCR would provide the Non-Entitled Shareholders greater flexibility in managing and developing the existing businesses of our Group. As a private company, our Company will be subject to less public scrutiny, including from shareholders and potential analysts. Given our Group's loss-making position in recent financial years, the Non-Entitled Shareholders believe that operating outside the constraints of short-term market expectations would provide our management with greater flexibility to focus on core growth initiatives for long-term value creation such as developing new products and services and pursuing suitable business and investment opportunities with the aim of improving our Group's financial performance over the longer term. Such business and investment opportunities may include, amongst others, mergers and acquisitions as well as ventures into new segments and/or markets which may require significant capital commitments or involve long gestation periods before generating returns.

In this context, as a private company, our Company would be able to undertake corporate exercises in relation to such initiatives in an expedient manner which may otherwise require extensive public disclosures and approvals from shareholders and/or capital market regulators should our Company remain listed on the Main Market of Bursa Securities. This also enables our Company to operate more effectively in the longer term and make decisions without being subjected to the interests and demands of a diverse group of shareholders who may have conflicting views.

(ii) Low trading liquidity of EGB Shares

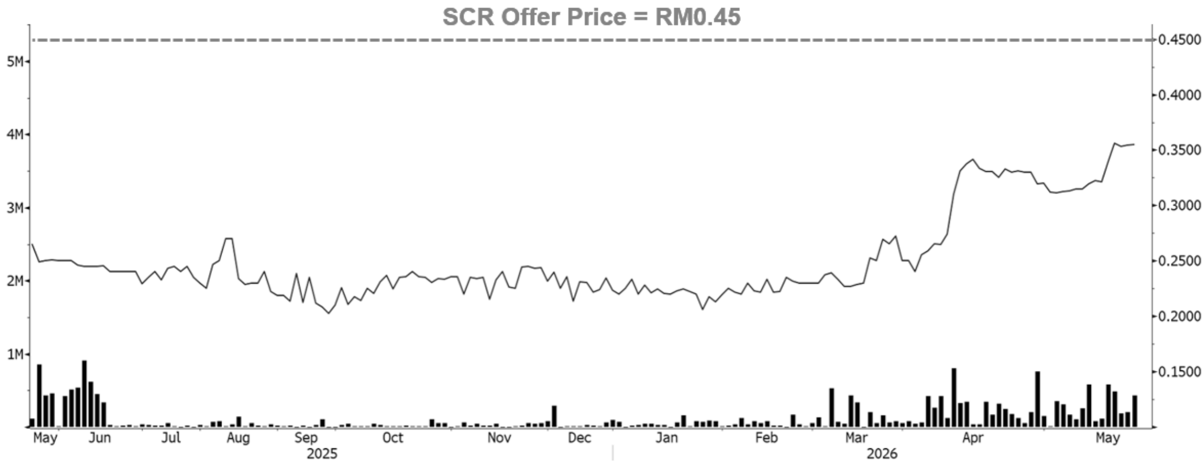
The trading liquidity of EGB Shares has been very low, with an average daily trading volume of 932,864 EGB Shares for the past 3 years up to the LTD. This average daily trading volume merely represents 0.37% of the free float of EGB Shares as at the LTD. The low trading liquidity of EGB Shares has, to a certain extent, curtailed the ease of the ordinary shareholders of the Company to trade EGB Shares on Bursa Securities.

As such, the Proposed SCR provides an opportunity for the Entitled Shareholders to immediately exit and realise their investments in our Company as well as free up their cash flows for other investment opportunities, which they may otherwise have not been able to do so due to the low trading liquidity of EGB Shares.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

(iii) Opportunity for the Entitled Shareholders to realise their holdings at a premium to the market price of EGB Shares

The Proposed SCR provides an opportunity for the Entitled Shareholders to exit and realise their investments in our Company at a premium over the prevailing market price of EGB Shares. As set out in **Section 2.4, Part A** of this Document, the SCR Offer Price represents premiums ranging from 26.76% to 64.11% based on the closing price of the Shares as at the LTD as well as the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the EGB Shares up to and including the LTD. In addition, EGB Shares have not traded at or above the SCR Offer Price for the past 1 year up to the LTD, as depicted below:-



(Source: Bloomberg)

Notwithstanding the above, the SCR Offer Price represents a discount to the Group's NA per Share, as set out in **Section 2.4, Part A** of this Document. In this regard, the Entitled Shareholders should note that the market price of EGB Shares has traded below the Group's NA per Share for a prolonged period. As such, there can be no assurance that the market price of EGB Shares will reflect the Group's NA per Share in the foreseeable future.

5. FUTURE PLANS FOR OUR GROUP AND EMPLOYEES

Our Non-Interested Directors have taken note of the intentions of the Non-Entitled Shareholders with respect to our Group's business and employees after the Completion which are as follows:-

(i) Continuation of our Group's businesses

The Non-Entitled Shareholders intend to continue with the existing core businesses of our Group and currently have no plans to liquidate any of our key subsidiaries. The Proposed SCR is not intended to nor expected to result in any disruption of our operations, ongoing projects and commitments to our customers and partners.

Nevertheless, after Completion, the Non-Entitled Shareholders may from time to time, undertake a review of the businesses and operations within our Group to determine the strategic plans to optimise the value of our diverse business operations and make such arrangements, rationalisation and reorganisation as the Non-Entitled Shareholders consider suitable and/or in the best interests of our Group.

(ii) Major changes to our Group's businesses

Save for the Proposed Land Disposal, the Non-Entitled Shareholders do not have any plans and/or intention to introduce or effect material changes to the existing businesses, liquidate any of the companies within our Group (save for dormant or inactive companies), dispose of any major assets or undertake any major redeployment of the fixed assets of our Group, except where such change, disposal and/or redeployment is necessary as to rationalise the business activities and/or direction of our Group to improve the prospects and future growth of the our Group.

(iii) Employees

The Non-Entitled Shareholders do not have any plan to dismiss or make redundant any of the employees of our Group by way of a retrenchment exercise.

However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of subsequent reviews (if any) by the Non-Entitled Shareholders of our Group's employment structure, role of individual employees, rationalisation of business activities and/or direction to further improve productivity and efficiency of the operations of our Group. Nevertheless, any such action taken involving employees will be carried out in accordance with the relevant legislation and the terms of employment of the affected employees.

Notwithstanding the above, the Non-Entitled Shareholders shall retain the flexibility to consider any option or explore any potential opportunities as they consider suitable and which are in the best interests of our Group that may present themselves.

For the avoidance of doubt, as at the LPD, the Non-Entitled Shareholders have not entered into any negotiation, arrangement and/or understanding with any third party with regards to any significant change in our Group's business, assets or shareholding structure.

Our Non-Interested Directors are of the view that the rationale for the Proposed SCR as set out in **Section 4, Part A** of this Document and the intentions of the Non-Entitled Shareholders with respect to the future plans for our Group and our employees are reasonable. Our Non-Interested Directors note the Group's loss-making position in recent financial years and that by being an unlisted company after completion of the Proposed SCR, our Company will be subject to less public scrutiny as well as fewer constraints from capital market regulations. In turn, this provides greater flexibility to our management to operate more effectively as well as pursue strategies and opportunities that are geared towards improving our Group's financial performance in the longer term. On the other hand, in the shorter term, the Proposed SCR provides the Entitled Shareholders with an opportunity to immediately exit and realise their investments in EGB Shares at a premium over prevailing market prices, which Entitled Shareholders might otherwise not have been able to do so in the open market in light of the low trading liquidity of EGB Shares.

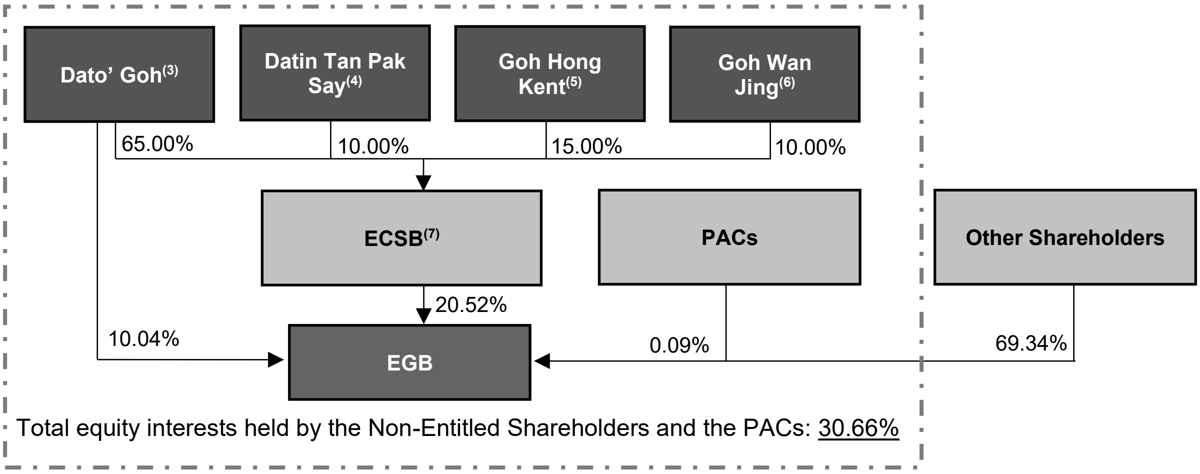
THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6. CORPORATE STRUCTURE

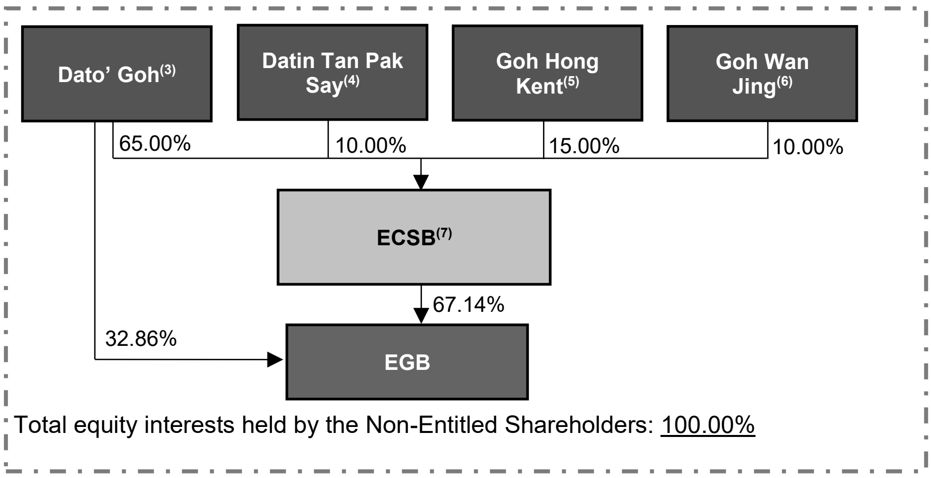
Our corporate structure before the Proposed SCR and upon Completion are illustrated below:-

Minimum Scenario

As at the LPD and after the Proposed Land Disposal(1)



Upon completion of the Proposed SCR(2)



Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD. For the avoidance of doubt, the Proposed Land Disposal would not result in any change in the Shareholders' shareholdings in our Company as it does not involve the issuance of any new Shares.

(2) Computed based on the total number of 125,178,046 EGB Shares, representing the entire issued share capital of our Company after the Proposed SCR and after taking into consideration the cancellation of all the 3,096,600 treasury shares held by our Company as at the LPD.

(3) Dato' Goh is the spouse of Datin Tan Pak Say and father of Goh Hong Kent and Goh Wan Jing. He is also the Executive Director of our Company.

(4) Datin Tan Pak Say is the spouse of Dato' Goh and mother of Goh Hong Kent and Goh Wan Jing. She is also the Managing Director & Chief Executive Officer of our Company.

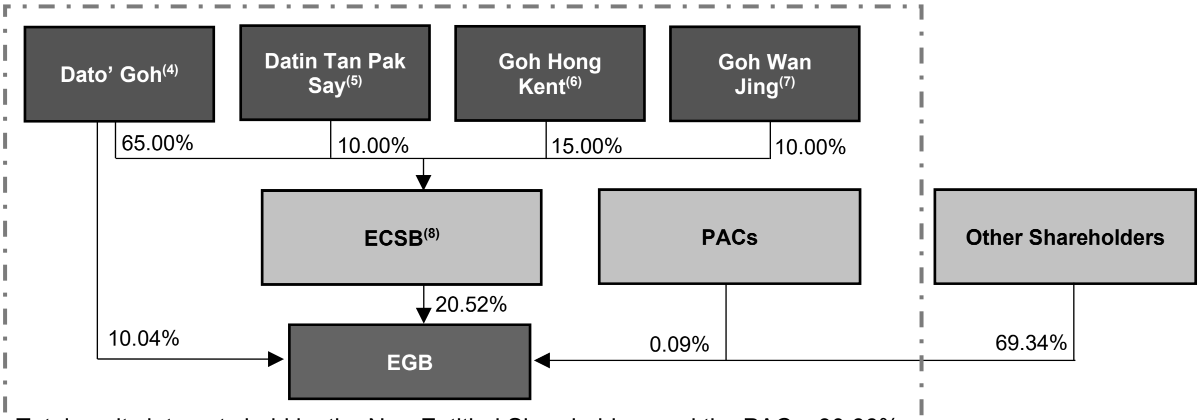
(5) Goh Hong Kent is the son of Dato' Goh and Datin Tan Pak Say and the Executive Director & Chief Operating Officer of our Company.

(6) Goh Wan Jing is the daughter of Dato' Goh and Datin Tan Pak Say.

(7) As at the LPD, the shareholders and directors of ECSB are Dato' Goh, Datin Tan Pak Say, Goh Hong Kent and Goh Wan Jing.

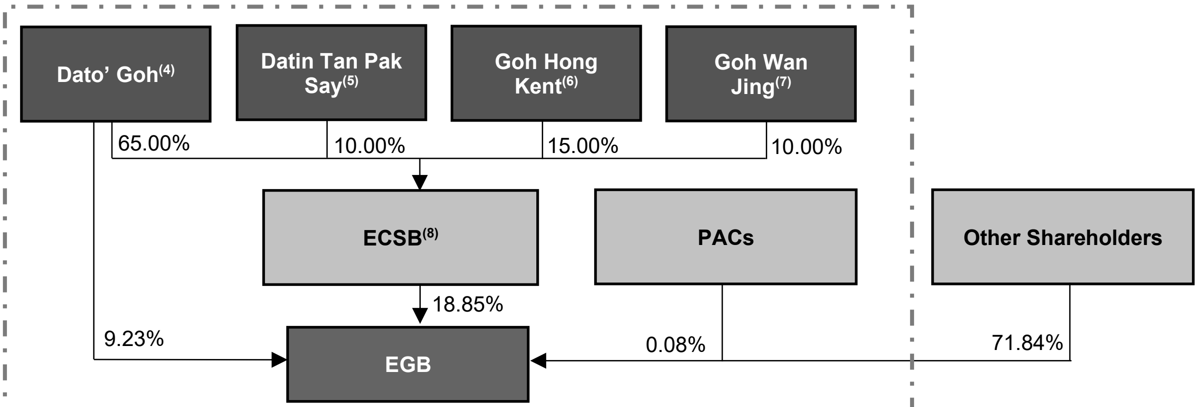
Maximum Scenario

As at the LPD and after the Proposed Land Disposal[1]



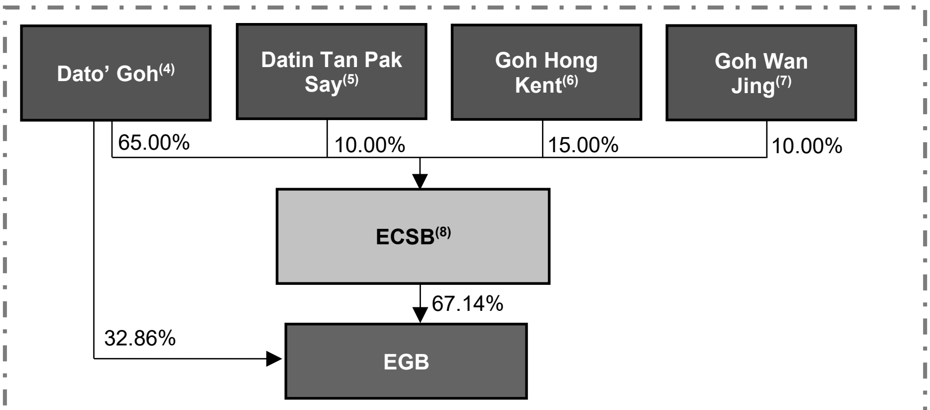
Total equity interests held by the Non-Entitled Shareholders and the PACs: 30.66%

After assuming full exercise of all outstanding ESOS Options[2]



Total equity interests held by the Non-Entitled Shareholders and the PACs: 28.16%

Upon completion of the Proposed SCR[3]



Total equity interests held by the Non-Entitled Shareholders: 100.00%

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD. For the avoidance of doubt, the Proposed Land Disposal would not result in any change in the Shareholders' shareholdings in our Company as it does not involve any issuance of new Shares.

(2) Computed based on the total number of 445,772,439 issued EGB Shares (after excluding 3,096,600 treasury shares) after assuming full exercise of all 36,257,000 outstanding ESOS Options into 36,257,000 new EGB Shares.

(3) Computed based on the total number of 125,178,046 EGB Shares, representing the entire issued share capital of our Company after the Proposed SCR and after taking into consideration the cancellation of all the 3,096,600 treasury shares held by our Company as at the LPD.

(4) Dato' Goh is the spouse of Datin Tan Pak Say and father of Goh Hong Kent and Goh Wan Jing. He is also the Executive Director of our Company.

(5) Datin Tan Pak Say is the spouse of Dato' Goh and mother of Goh Hong Kent and Goh Wan Jing. She is also the Managing Director & Chief Executive Officer of our Company.

(6) Goh Hong Kent is the son of Dato' Goh and Datin Tan Pak Say and the Executive Director & Chief Operating Officer of our Company.

(7) Goh Wan Jing is the daughter of Dato' Goh and Datin Tan Pak Say.

(8) As at the LPD, the shareholders and directors of ECSB are Dato' Goh, Datin Tan Pak Say, Goh Hong Kent and Goh Wan Jing.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7. EFFECTS OF THE PROPOSED SCR

7.1 Share capital

The pro forma effects of the Proposed SCR on the share capital of our Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	**RM'000**	**No. of Shares**	**RM'000**
Issued share capital as at the LPD[(1)]	412,612,039	168,726	412,612,039	168,726
Add: New Shares to be issued upon full exercise of all outstanding ESOS Options	-	-	36,257,000	[(2)]10,480
Enlarged issued share capital	**412,612,039**	**168,726**	**448,869,039**	**179,206**
Less: Shares to be cancelled pursuant to the Proposed SCR	(284,337,393)	[(3)](127,952)	(320,594,393)	[(3)](144,267)
Less: Cancellation of treasury shares, at cost	(3,096,600)	(1,761)	(3,096,600)	(1,761)
Resultant share capital of our Company after the Proposed SCR	**125,178,046**	**39,013**	**125,178,046**	**33,177**

Notes:-
(1) Including 3,096,600 treasury shares as at the LPD.
(2) Calculated based on the exercise price of RM0.2283 per ESOS Option and reversal of share options reserve.
(3) Calculated based on the SCR Offer Price of RM0.45 per EGB Share.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7.2 Substantial Shareholders’ shareholdings

The pro forma effects of the Proposed SCR on the shareholdings of the substantial Shareholders of our Company as at the LPD are as follows:-

Minimum Scenario

	As at the LPD				(I) After the Proposed Land Disposal			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Dato’ Goh	41,128,918	10.04	84,049,128	20.52[2]	41,128,918	10.04	84,049,128	20.52[2]
ECSB	84,049,128	20.52	-	-	84,049,128	20.52	-	-
Dato' Sri Lee Hock Seng	25,000,000	6.10	-	-	25,000,000	6.10	-	-
Datin Tan Pak Say	-	-	125,178,046	30.57[3]	-	-	125,178,046	30.57[3]

	(II) After (I) and the Proposed SCR			
	Direct		Indirect	
Substantial Shareholders	**No. of Shares**	**%[4]**	**No. of Shares**	**%[4]**
Dato’ Goh	41,128,918	32.86	84,049,128	67.14[2]
ECSB	84,049,128	67.14	-	-
Dato' Sri Lee Hock Seng	-	-	-	-
Datin Tan Pak Say	-	-	125,178,046	100.00[3]

Notes:-
(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.
(2) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.
(3) Deemed interested by virtue of her spouse’s direct and indirect interest pursuant to section 8 and subsection 59(11)(c) of the Act.
(4) Computed based on the total number of 125,178,046 EGB Shares held by the Non-Entitled Shareholders, representing the entire issued share capital of our Company after the Proposed SCR and after taking into consideration the cancellation of all the 3,096,600 treasury shares held by our Company as at the LPD.

Maximum Scenario

	As at the LPD				(I) After the Proposed Land Disposal			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Dato' Goh	41,128,918	10.04	84,049,128	20.52[2]	41,128,918	10.04	84,049,128	20.52[2]
ECSB	84,049,128	20.52	-	-	84,049,128	20.52	-	-
Dato' Sri Lee Hock Seng	25,000,000	6.10	-	-	25,000,000	6.10	-	-
Datin Tan Pak Say	-	-	125,178,046	30.57[3]	-	-	125,178,046	30.57[3]

	(II) After (I) and after assuming full exercise of all outstanding ESOS Options				(III) After (II) and the Proposed SCR			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	**No. of Shares**	**%[4]**	**No. of Shares**	**%[4]**	**No. of Shares**	**%[5]**	**No. of Shares**	**%[5]**
Dato' Goh	41,128,918	9.23	84,049,128	18.85[2]	41,128,918	32.86	84,049,128	67.14[2]
ECSB	84,049,128	18.85	-	-	84,049,128	67.14	-	-
Dato' Sri Lee Hock Seng	25,000,000	5.61	-	-	-	-	-	-
Datin Tan Pak Say	-	-	125,178,046	28.08[3]	-	-	125,178,046	100.00[3]

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.

(3) Deemed interested by virtue of her spouse's direct and indirect interest pursuant to section 8 and subsection 59(11)(c) of the Act.

(4) Computed based on the enlarged total number of 445,772,439 issued EGB Shares (after excluding 3,096,600 treasury shares) after assuming full exercise of all 36,257,000 outstanding ESOS Options as at the LPD.

(5) Computed based on the total number of 125,178,046 EGB Shares held by the Non-Entitled Shareholders, representing the entire issued share capital of our Company after the Proposed SCR and after taking into consideration the cancellation of all the 3,096,600 treasury shares held by our Company as at the LPD.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7.3 NA per Share and gearing

For illustration purposes, based on the latest audited consolidated statement of financial position of our Company as at 31 December 2025 and assuming that the Proposed SCR had been effected on 31 December 2025, the pro forma effects of the Proposed SCR on the consolidated NA per Share and gearing of our Company are as follows:-

Minimum Scenario

	Audited as at 31 December 2025 (RM'000)	**(I) After subsequent events up to the LPD[(1)] (RM'000)**	**(II) After (I) and the Proposed Land Disposal[(2)] (RM'000)**	**(III) After (II) and the Proposed SCR[(3)] (RM'000)**
Share capital	164,846	168,726	168,726	39,013
Treasury shares	(1,761)	(1,761)	(1,761)	-[(4)]
Revaluation reserve	244,992	244,992	141,448	141,448
Exchange translation reserve	(1,726)	(1,726)	(1,726)	(1,726)
Share options reserve	3,362	2,202	2,202	2,202
Retained earnings	93,718	94,063	251,784	249,787
Shareholders' equity / NA	**503,431**	**506,495**	**560,672**	**430,724**
Non-controlling interests	173	173	173	173
Total equity	**503,603**	**506,668**	**560,845**	**430,896**
No. of Shares, excluding treasury shares ('000)	396,092	409,515	409,515	125,178
NA per Share (RM)	1.27	1.24	1.37	3.44[(5)]
Total borrowings, including lease liabilities (RM'000)	138,060	138,060	30,845	30,845
Gearing (times)	0.27	0.27	0.05	0.07

Notes:-

(1) After accounting for the following:-
- (i) issuance of 13,423,000 new Shares pursuant to the exercise of 13,423,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and
- (ii) lapse of 5,670,000 ESOS Options.

(2) After accounting for the following:-
- (i) gain on disposal of the Land of RM62.45 million;
- (ii) reclassification of RM103.54 million from revaluation reserve to retained earnings, relating to revaluation gains previously recognised for the Land;
- (iii) reversal of RM11.51 million deferred tax liabilities previously recognised in relation to the Land;

(iv) deducting estimated expenses in relation to the Proposed Land Disposal including real property gains tax of approximately RM18.48 million;
(v) repayment of borrowings amounting to RM107.22 million as detailed in **Section 2.7, Part A** of the Land Disposal Circular; and
(vi) penalty for early repayment of borrowings amounting to RM1.30 million in relation to the redemption of the charges over the Land.

(3) After taking into consideration the cancellation of all the 284,337,393 EGB Shares held by the Entitled Shareholders (including the PACs) and the corresponding capital repayment amounting to approximately RM127.95 million to the Entitled Shareholders (including the PACs) pursuant to the Proposed SCR as well as the deduction of the estimated expenses in relation to the Proposed SCR of approximately RM2.00 million.

(4) After taking into consideration the cancellation of all treasury shares amounting to approximately RM1.76 million at cost, before the completion of the Proposed SCR.

(5) For avoidance of doubt, the increase in NA per Share following the Proposed SCR is principally attributable to the reduction in the number of issued Shares pursuant to the cancellation of all the 284,337,393 EGB Shares held by the Entitled Shareholders (including the PACs) and the corresponding capital repayment amounting to approximately RM127.95 million to the Entitled Shareholders (including the PACs), which does not in itself represent the creation of additional value.

Maximum Scenario

	Audited as at 31 December 2025 (RM'000)	(I) After subsequent events up to the LPD[(1)] (RM'000)	(II) After (I) and the Proposed Land Disposal[(2)] (RM'000)	(III) After (II) and assuming full exercise of outstanding ESOS Options into new Shares[(3)] (RM'000)	(IV) After (III) and the Proposed SCR[(4)] (RM'000)
Share capital	164,846	168,726	168,726	179,206	33,177
Treasury shares	(1,761)	(1,761)	(1,761)	(1,761)	-[(5)]
Revaluation reserve	244,992	244,992	141,448	141,448	141,448
Exchange translation reserve	(1,726)	(1,726)	(1,726)	(1,726)	(1,726)
Share options reserve	3,362	2,202	2,202	-	-
Retained earnings	93,718	94,063	251,784	251,784	249,787
Shareholders' equity / NA	**503,431**	**506,495**	**560,672**	**568,950**	**422,685**
Non-controlling interests	173	173	173	173	173
Total equity	**503,603**	**506,668**	**560,845**	**569,122**	**422,858**
No. of Shares, excluding treasury shares ('000)	396,092	409,515	409,515	445,772	125,178
NA per Share (RM)	1.27	1.24	1.37	1.28	3.38[(6)]
Total borrowings, including lease liabilities (RM'000)	138,060	138,060	30,845	30,845	30,845
Gearing (times)	0.27	0.27	0.05	0.05	0.07

Notes:-

(1) After accounting for the following:-
  (i) issuance of 13,423,000 new Shares pursuant to the exercise of 13,423,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and
  (ii) lapse of 5,670,000 ESOS Options.

(2) After accounting for the following:-
  (i) gain on disposal of the Land of RM62.45 million;
  (ii) reclassification of RM103.54 million from revaluation reserve to retained earnings, relating to revaluation gains previously recognised for the Land;
  (iii) reversal of RM11.51 million deferred tax liabilities previously recognised in relation to the Land;
  (iv) deducting estimated expenses in relation to the Proposed Land Disposal including real property gains tax of approximately RM18.48 million;
  (v) repayment of borrowings amounting to RM107.22 million as detailed in **Section 2.7, Part A** of the Land Disposal Circular; and
  (vi) penalty for early repayment of borrowings amounting to RM1.30 million in relation to the redemption of the charges over the Land.

(3) After taking into consideration the issuance of 36,257,000 new EGB Shares arising from the exercise of all the outstanding 36,257,000 ESOS Options as at the LPD at the exercise price of RM0.2283 each and reversal of share options reserve.

(4) After taking into consideration the cancellation of all the 320,594,393 EGB Shares held by the Entitled Shareholders (including the PACs) and the corresponding capital repayment amounting to approximately RM144.27 million to the Entitled Shareholders (including the PACs) pursuant to the Proposed SCR as well as the deduction of the estimated expenses in relation to the Proposed SCR of approximately RM2.00 million.

(5) After taking into consideration the cancellation of all treasury shares amounting to approximately RM1.76 million at cost, before the completion of the Proposed SCR.

(6) For avoidance of doubt, the increase in NA per Share following the Proposed SCR is principally attributable to the reduction in the number of issued Shares pursuant to the cancellation of all the 320,594,393 EGB Shares held by the Entitled Shareholders (including the PACs) and the corresponding capital repayment amounting to approximately RM144.27 million to the Entitled Shareholders (including the PACs), which does not in itself represent the creation of additional value.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7.4 Earnings and EPS

The Proposed SCR is not expected to have any material effect on the consolidated earnings of our Company for the FYE 31 December 2026 other than the estimated expenses of RM2.00 million for the Proposed SCR.

Upon completion of the Proposed SCR and as a result of the cancellation of EGB Shares (including the treasury shares) pursuant to the Proposed SCR, the total number of EGB Shares in issue will be reduced and as a result, the consolidated EPS / LPS of our Company will increase accordingly.

For illustration purposes, based on the latest audited consolidated financial statements of our Company for the FYE 31 December 2025 and assuming that the Proposed SCR had been effected on 1 January 2025, being the beginning of the FYE 31 December 2025, the pro forma effects of the Proposed SCR on the consolidated earnings and EPS / LPS of our Company are as follows:-

Minimum Scenario

	Audited for the FYE 31 December 2025 (RM'000)	**(I) After subsequent events up to the LPD[(1)] (RM'000)**	**(II) After (I) and the Proposed Land Disposal[(2)] (RM'000)**	**(III) After (II) and the Proposed SCR (RM'000)**
Loss after taxation attributable to the owners of our Company (RM'000)	(51,376)	(51,032)	(4,735)	(6,732)[(3)]
Weighted average number of Shares in issue (excluding treasury shares) ('000)	330,551	343,974	343,974	125,178[(4)]
EPS / (LPS) (sen)	(15.54)	(14.84)	(1.38)	(5.38)

Notes:-

(1) After accounting for the following:-

(i) issuance of 13,423,000 new Shares pursuant to the exercise of 13,423,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and

(ii) lapse of 5,670,000 ESOS Options.

(2) The pro forma loss after taxation attributable to the owners of our Company is computed as follows:-

	Amount (RM'000)	Amount (RM'000)
Loss after taxation attributable to the owners of our Company based on the audited consolidated financial statements of our Company for the FYE 31 December 2025		(51,376)
Add: Lapse of ESOS Options		344
		(51,032)
Add: Gain on disposal of the Land	62,452	
Add: Post-tax interest savings on repayment of borrowings	3,625	
Less: Estimated expenses for the Proposed Land Disposal including real property gains tax	(18,477)	
Less: Penalty for early repayment of borrowings	(1,303)	
Net increase in earnings	46,297	46,297
Pro forma loss after taxation attributable to the owners of our Company		**(4,735)**

(3) After deducting the estimated expenses in relation to the Proposed SCR of approximately RM2.00 million.
(4) After taking into consideration the cancellation of all the 284,337,393 EGB Shares held by the Entitled Shareholders (including the PACs) pursuant to the Proposed SCR.

<u>Maximum Scenario</u>

	Audited for the FYE 31 December 2025 (RM'000)	(I) After subsequent events up to the LPD(1) (RM'000)	(II) After (I) and the Proposed Land Disposal(2) (RM'000)	(III) After (II) and assuming full exercise of outstanding ESOS Options into new Shares (RM'000)	(IV) After (III) and the Proposed SCR (RM'000)
Profit / (loss) after taxation attributable to the owners of our Company (RM'000)	(51,376)	(51,032)	(4,735)	(4,735)	(6,732)(4)
Weighted average number of Shares in issue (excluding treasury shares) ('000)	330,551	343,974	343,974	380,231(3)	125,178(5)
EPS / (LPS) (sen)	(15.54)	(14.84)	(1.38)	(1.25)	(5.38)

Notes:-

(1) After accounting for the following:-
   (i) issuance of 13,423,000 new Shares pursuant to the exercise of 13,423,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and
   (ii) lapse of 5,670,000 ESOS Options.

(2) The pro forma loss after taxation attributable to the owners of our Company is computed as follows:-

	Amount (RM'000)	Amount (RM'000)
Loss after taxation attributable to the owners of our Company based on the audited consolidated financial statements of our Company for the FYE 31 December 2025		(51,376)
Add: Lapse of ESOS Options		344
		(51,032)
Add: Gain on disposal of the Land	62,452	
Add: Post-tax interest savings on repayment of borrowings	3,625	
Less: Estimated expenses for the Proposed Land Disposal including real property gains tax	(18,477)	
Less: Penalty for early repayment of borrowings	(1,303)	
Net increase in earnings	46,297	46,297
Pro forma loss after taxation attributable to the owners of our Company		**(4,735)**

(3) After taking into consideration the issuance of 36,257,000 new EGB Shares arising from the exercise of all the outstanding 36,257,000 ESOS Options.

(4) After deducting the estimated expenses in relation to the Proposed SCR of approximately RM2.00 million.

(5) After taking into consideration the cancellation of all the 320,594,393 EGB Shares held by the Entitled Shareholders (including the PACs) pursuant to the Proposed SCR.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

8. HISTORICAL SHARE PRICES AND TRADING LIQUIDITY OF EGB SHARES

8.1 Historical share prices

The monthly closing, highest and lowest prices of EGB Shares as traded on the Main Market of Bursa Securities from November 2025 to June 2026, being the period commencing 6 full months preceding the date the Proposal Letter was sent to the Board and ending on the LPD are as follows:-

	Closing RM	High RM	Low RM
2025			
November	0.2250	0.2450	0.2000
December	0.2350	0.2400	0.2100
2026			
January	0.2250	0.2350	0.2000
February	0.2300	0.2400	0.2100
March	0.2500	0.2900	0.2200
April	0.3200	0.3500	0.2400
May	0.3700	0.3850	0.3050
June	0.4100	0.4150	0.3650
Last transacted market price as at the LTD		0.3550	
Last transacted market price on 4 June 2026, being the last trading day prior to the announcement made pursuant to our Non-Interested Directors' deliberation on the Proposed SCR on 5 June 2026		0.3900	
Last transacted market price on the LPD		0.4050	

(Source: Bloomberg)

During the 6 months preceding the date the Proposal Letter was sent to the Board and up to the LPD:-

(i) the highest closing price of EGB Share was RM0.4100 which was transacted on 9 June 2026, 10 June 2026, 11 June 2026, 12 June 2026, 15 June 2026, 16 June 2026, 18 June 2026, 19 June 2026, 22 June 2026, 23 June 2026, 24 June 2026, 25 June 2026, 26 June 2026 and 30 June 2026; and

(ii) the lowest closing price of EGB Share was RM0.2000 which was transacted on 23 January 2026.

(Source: Bloomberg)

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

8.2 Historical trading liquidity

For information purposes, the monthly trading volume of EGB Shares from November 2025 (being 6 months prior to the receipt of the Proposal Letter by our Board) to June 2026 (being the last full trading month prior to the LPD) are as follows:-

	Monthly volume traded	Monthly volume traded over free float[(1)] (%)
<u>2025</u>		
November	477,200	0.19
December	531,500	0.22
<u>2026</u>		
January	806,200	0.33
February	723,800	0.29
March	2,160,000	0.88
April	5,490,000	2.21
May	7,940,000	3.18
June	12,870,000	4.97
Simple average	3,874,838	1.53

(Source: Bloomberg)

<u>Note:-</u>

(1) Free float of EGB Shares refers to the total EGB Shares held by the public shareholders that excludes EGB Shares held by our Board, substantial shareholders of our Company and persons connected with them as at the end of the respective months. As at the LTD, the free float of EGB Shares was 249.74 million EGB Shares.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9. CONDITIONS OF THE PROPOSED SCR

The Proposed SCR is subject to and conditional upon the following being obtained or conditions being satisfied:-

(i) approval of the Non-Interested Shareholders for the Proposed SCR via the Special Resolution to be tabled at the forthcoming EGM; and

(ii) grant of the High Court Order.

The Proposed SCR will become effective upon the lodgement of an office copy of the High Court Order with the Registrar of Companies pursuant to subsection 116(6) of the Act. In this respect, the Proposed SCR shall be binding on all Entitled Shareholders (including the PACs) notwithstanding that there may have been Non-Interested Shareholders who voted against the Special Resolution.

Save for the above, the Proposed SCR is not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

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

The following Directors and Major Shareholders are deemed interested in the Proposed SCR:-

(i) Dato' Goh, being one of the Non-Entitled Shareholders, is also our Executive Director and our Major Shareholder. He is a director of ECSB and owns 65.0% equity interest in ECSB. He is also the spouse of Datin Tan Pak Say, father of Goh Hong Kent and brother of Goh Kee Seng;

(ii) Datin Tan Pak Say, our Managing Director & Chief Executive Officer and our Major Shareholder. She is a director of ECSB and owns 10.0% equity interest in ECSB. She is also the spouse of Dato' Goh and mother of Goh Hong Kent;

(iii) Goh Hong Kent, our Executive Director & Chief Operating Officer. He is a director of ECSB and owns 15.0% equity interest in ECSB. He is also the son of Dato' Goh Cheng Huat and Datin Tan Pak Say;

(iv) Goh Kee Seng, our Non-Independent Non-Executive Director, is the brother of Dato' Goh; and

(v) ECSB, being one of the Non-Entitled Shareholders, is also our Major Shareholder.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposed SCR, and the Interested Directors and the Interested Major Shareholders will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the Special Resolution to be tabled at the forthcoming EGM.

Furthermore, the Interested Directors and the Interested Major Shareholders will also ensure that persons connected with them (including the PACs) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the Special Resolution to be tabled at the forthcoming EGM.

As at the LPD, the direct and indirect shareholdings of the Interested Directors, Interested Major Shareholders and PACs in our Company are set out below:-

	Direct		Indirect	
	No. of Shares	**%[(1)]**	**No. of Shares**	**%[(1)]**
Interested Directors				
Dato' Goh	41,128,918	10.04	84,049,128	20.52[(2)]
Datin Tan Pak Say	-	-	125,178,046	30.57[(3)]
Goh Hong Kent	-	-	-	-
Goh Kee Seng	-	-	-	-
Interested Major Shareholders				
Dato' Goh	41,128,918	10.04	84,049,128	20.52[(2)]
Datin Tan Pak Say	-	-	125,178,046	30.57[(3)]
ECSB[(4)]	84,049,128	20.52	-	-
PACs				
Tai Lew See[(5)]	70,000	0.02	-	-
Ang Suan[(5)]	13,500	-[(9)]	-	-
Tee Ka Hon[(6)]	91,000	0.02	-	-
Wong Yang Chong[(5)]	180,000	0.04	-	-
Tan Phaik Hoon[(7)]	10,000	-[(9)]	-	-
Tan Kheng Hwa[(8)]	50	-[(9)]	-	-
Total	**125,542,596**	**30.66**		

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.

(3) Deemed interested by virtue of her spouse's direct and indirect interest pursuant to section 8 and subsection 59(11)(c) of the Act.

(4) Dato' Goh is a director of ECSB and owns 65.0% equity interest in ECSB.

(5) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of a sibling of Dato' Goh, a director and 65.0% shareholder of ECSB, pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA.

(6) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of Goh Kee Seng, our Non-Independent Non-Executive Director, who is the sibling of Dato' Goh, a director and 65.0% shareholder of ECSB, pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA.

(7) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being a sibling of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB, pursuant to paragraph 216(3)(b) of the CMSA. For information, Datin Tak Pak Say is the spouse of Dato' Goh.

(8) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of a sibling of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB, pursuant to paragraph 216(3)(b) of the CMSA. For information, Datin Tak Pak Say is the spouse of Dato' Goh.

(9) Less than 0.01%.

Save as disclosed above, none of the Directors, Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed SCR other than their respective entitlements as Entitled Shareholders under the Proposed SCR which is also similarly available to all the other Entitled Shareholders.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the fulfilment of the conditions of the Proposed SCR as set out in **Section 9** above, the Board expects the Proposed SCR to be completed in the fourth quarter of 2026.

The tentative timetable for the implementation of the Proposed SCR is set out below:-

Date and time	Events[1]
10 July 2026	• Despatch of this Document to the Shareholders
2.30 p.m., 3 August 2026	• EGM for the Proposed SCR
3 August 2026	• Announcement on outcome of the EGM
Early August 2026	• Filing of application to seek confirmation from the High Court for the reduction of the share capital of our Company under section 116 of the Act
Early October 2026	• Expected receipt of the High Court Order and announcement thereto • Announcement of the Entitlement Date • Announcement of notice of suspension in relation to the trading of EGB Shares
End October 2026	• Entitlement Date[2] • Lodgement of an office copy of the High Court Order with the Registrar of Companies • Announcement of the Effective Date
Early November 2026	• Settlement of the SCR Offer Price to the Entitled Shareholders[3] • Completion
End November 2026	• De-listing of our Company from the Official List of Bursa Securities

Notes:-

(1) This is an indicative timetable depending on, amongst others, the date of the hearing of the application to seek confirmation for the reduction of share capital, which will be fixed by the High Court and the date on which the High Court grants the High Court Order pursuant to section 116 of the Act. If any of the events are changed or delayed, the subsequent events will be adjusted accordingly.

(2) The trading of EGB Shares on the Main Market of Bursa Securities will be suspended 3 clear Market Days prior to the Entitlement Date.

(3) Settlement of the SCR Offer Price will be effected within 10 days from the Effective Date.

In the event there is any change to the tentative timetable, we will make an announcement on the website of Bursa Securities.

12. OUTSTANDING PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

Save for the following, there are no outstanding corporate proposals which have been announced by our Company but pending completion as at the LPD:-

(i) the Proposed SCR; and

(ii) the Proposed Land Disposal as described in **Section 2.2, Part A** of this Document and **Section 10(i), Appendix II** of this Document.

13. INDEPENDENT ADVISER

In accordance with paragraph 3.06 of the Rules, our Non-Interested Directors had on 5 June 2026 appointed Kenanga IB as the Independent Adviser to provide comments, opinion, information, recommendation and to advise the Non-Interested Directors and Non-Interested Shareholders on the Proposed SCR. In accordance with paragraph 3.07 of the Rules, Kenanga IB had on 8 June 2026 declared their independence to the SC as the Independent Adviser in relation to the Proposed SCR.

Please refer to **Part B** of this Document for the IAL in relation to the Proposed SCR. The Non-Interested Shareholders are advised to read and carefully consider the contents of the IAL before voting on the Special Resolution to give effect to the Proposed SCR at the forthcoming EGM.

14. NON-INTERESTED DIRECTORS' RECOMMENDATION AND INTENTION TO VOTE

Our Non-Interested Directors, after having considered all aspects of the Proposed SCR, in particular:-

(i) the rationale for the Proposed SCR as set out in **Section 4, Part A** of this Document and the intentions of the Non-Entitled Shareholders, with respect to the future plans for our Group and our employees as set out in **Section 5, Part A** of this Document;

(ii) the advice of the Independent Adviser that the Proposed SCR is **not fair but reasonable**; and

(iii) the Independent Adviser's recommendation for the Non-Interested Shareholders to **vote in favour** of the Special Resolution;

are of the opinion that the Proposed SCR is deemed not fair but reasonable and is in the best interest of the Non-Interested Shareholders.

Accordingly, our Non-Interested Directors concur with the evaluation and recommendation of the Independent Adviser and recommend that the Non-Interested Shareholders **VOTE IN FAVOUR** of the Special Resolution at the forthcoming EGM.

As at the LPD, save for Chan Theng Sung who holds 180,000 Shares (representing approximately 0.04% of the total EGB Shares in issue (excluding treasury shares)), none of our Non-Interested Directors hold any EGB Shares, whether directly or indirectly. Chan Theng Sung intends to vote in favour of the Special Resolution at the forthcoming EGM in respect of the Shares held by him.

15. EGM

The EGM, the notice of which is enclosed in this Document, will be held at Meeting Room, 2nd Floor, Lot 1258, Mk 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Pulau Pinang, Malaysia on Monday, 3 August 2026 at 2.30 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the Special Resolution, with or without modifications, to give effect to the Proposed SCR.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible so as to arrive at our Company's Share Registrar, Securities Services (Holdings) Sdn Bhd at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time and date appointed for holding the EGM or at any adjournment thereof. The completion and lodgement of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

16. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
EONMETALL GROUP BERHAD

DATO' MOHAMMAD RADHI BIN ABDUL RAZAK
Independent Non-Executive Chairman

PART B

IAL FROM KENANGA IB TO THE NON-INTERESTED DIRECTORS AND NON-INTERESTED SHAREHOLDERS OF EGB IN RELATION TO THE PROPOSED SCR

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the "Definitions" section in this Document, except where the context otherwise requires or where otherwise defined in this IAL.

All references to "we", "us" or "our" are references to Kenanga IB, being the Independent Adviser in relation to the Proposed SCR. All references to "you" and "your" are to the Non-Interested Shareholders.

This Executive Summary highlights only the pertinent information of the Proposed SCR. You are advised to read and understand this IAL in its entirety, together with the Circular as set out in Part A of this Document, including the accompanying annexure and appendices for other relevant information. You should not rely solely on this Executive Summary before forming an opinion on the Proposed SCR.

You are also advised to carefully consider the recommendations contained in both this IAL and the Circular before voting on the Special Resolution.

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

1. INTRODUCTION

On 22 May 2026, the Board announced that EGB had on even date received the Proposal Letter from the Non-Entitled Shareholders, informing the Board of the Non-Entitled Shareholders' intention to privatise EGB by way of a selective capital reduction and repayment exercise pursuant to section 116 of the Act and accordingly, requesting EGB to undertake the Proposed SCR.

On 3 June 2026, the Board announced that it had on even date received the Supplemental Letter from the Non-Entitled Shareholders, notifying the Board that the SCR Offer Price has been revised from RM0.40 to RM0.45. Save for the revision of the offer price for the Proposed SCR, all other material terms and conditions to the Proposed SCR as stated in the Proposal Letter remain the same.

On 5 June 2026, in accordance with paragraph 3.06 of the Rules, the Board (save for the Interested Directors) had appointed Kenanga IB as the Independent Adviser to provide comments, opinions, information and recommendations to the Board (save for the Interested Directors) and the Non-Interested Shareholders on the Proposed SCR.

On 5 June 2026, Berjaya Securities, on behalf of the Company, announced that the Non-Interested Directors had, at a meeting held on 5 June 2026, deliberated on the contents of the Proposal Letter (including the Supplemental Letter) and resolved to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval.

On 8 June 2026, in accordance with paragraph 3.07 of the Rules, Kenanga IB had declared its independence from any conflict of interest or potential conflict of interest in relation to the Proposed SCR to the SC.

Pursuant to subparagraph 2(a) of Schedule 3 of the Rules, the SC had, via its letter dated 9 July 2026, notified that it has no further comments to the contents of this IAL. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendations of the Board (save for the Interested Directors) and the Independent Adviser or that SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide the Non-Interested Directors and Non-Interested Shareholders with our independent evaluation on the Proposed SCR, together with our recommendation on whether the Non-Interested Shareholders should vote in favour of or against the Special Resolution, subject to the scope of our role and limitations specified in this IAL.

As provided under subparagraph 2(f) of Schedule 3 of the Rules, the Special Resolution must be approved by at least:

(i) a majority in number of the Non-Interested Shareholders attending the EGM and 75% in value of the votes attached to the EGB Shares in issue held by the Non-Interested Shareholders attending the EGM that are cast either in person or by proxy at the EGM; and

(ii) the value of the votes cast against the Special Resolution is not more than 10% in value of the votes attaching to all the EGB Shares in issue held by the Non-Interested Shareholders.

Please refer to **Section 2** of the Circular for further details of the Proposed SCR.

2. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation in respect of the Proposed SCR, we have assessed the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 under Schedule 2: Part III of the Rules, whereby:

(i) the term "**fair and reasonable**" should generally be analysed as 2 distinct criteria, i.e. whether the Proposed SCR is "**fair**"; and whether the Proposed SCR is "**reasonable**", rather than as a composite term;

(ii) the Proposed SCR is considered as "**fair**" if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the EGB Shares. However, if the SCR Offer Price is equal to or higher than the market price but is lower than the value of EGB Shares, the Proposed SCR is considered as "**not fair**". In making the assessment, the value of the EGB Shares is determined based on the assumption that 100% of the issued share capital of EGB is being acquired;

(iii) in considering whether the Proposed SCR is "**reasonable**", we have taken into consideration matters other than the valuation of the EGB Shares. Generally, 8the Proposed SCR would be considered "**reasonable**" if it is "**fair**". Nevertheless, an independent adviser may also recommend for the Non-Interested Shareholders to vote in favour of the Special Resolution despite it being "**not fair**", if the independent adviser is of the view that there are sufficiently strong reasons to vote in favour of the said resolution in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as 'not reasonable' and thus, the recommendation would be to reject the offer; and

(iv) in the event the independent adviser concludes that the Proposed SCR is "**not fair but reasonable**", the independent adviser must clearly explain the following:-

    (a) what is meant by "**not fair but reasonable**";

    (b) how has the independent adviser reached this conclusion; and

    (c) the course of action that the Non-Interested Shareholders are recommended to take pursuant to the conclusion.

2.1 FAIRNESS OF THE PROPOSED SCR

In arriving at the fairness of the Proposed SCR, we have considered the factors as stated in the table below:-

<table>
<tr><th>Consideration</th><th>Our evaluation</th></tr>
<tr><td>Valuation of EGB Shares</td><td>
EGB is principally an investment holding company. Through its subsidiaries, EGB Group's business can be categorised into the following segments:
<table>
<tr><th>Business segment</th><th>Description</th><th>(1)Revenue contribution (%)</th></tr>
<tr><td>Machinery and equipment</td><td>Manufacture and sale of metalwork machinery and other industrial process machinery and equipment.</td><td>10.51</td></tr>
<tr><td>Steel product and trading activity</td><td>Manufacture and sale as well as trading of steel product.</td><td>89.46</td></tr>
<tr><td>Property, investment holding and others</td><td>Property and investment holding and others.</td><td>0.03</td></tr>
</table>
Note:
(1) Based on the audited consolidated financial statements of EGB Group for FYE 31 December 2025.
In arriving at the most appropriate valuation method to estimate the value of EGB Shares, Kenanga IB has adopted RNAV and NA methods, where relevant, to value the business segments of the EGB Group.
We have not adopted the relative valuation approach such as PER and EV/EBITDA as such valuation methodologies are generally more meaningful where the subject company is able to generate sustainable and positive earnings to support the application of earnings-based multiples. In this regard, the machinery and equipment segment has recorded a LBITDA of RM4.30 million and RM11.66 million for the FYE 31 December 2024 and FYE 31 December 2025, respectively, LAT of RM3.3 million and RM11.0 million for the FYE 31 December 2024 and FYE 31 December 2025, respectively, as well as a LBT of RM0.9 million for the 3-month FPE 31 March 2026.
Similarly, the steel product and trading activity segment has recorded a LBT of RM28.6 million and RM0.7 million for the FYE 31 December 2025 and 3-month FPE 31 March 2026, respectively.
In addition, ECB, being a property-heavy subsidiary of the property, investment holding and others segment has recorded a LBITDA of RM6.33 million for FYE 31 December 2024, LBT of RM7.50 million and RM0.22 million for the FYE 31 December 2024 and FYE 31 December 2025 respectively, as well as a LBT of RM0.18 million for the 3-month FPE 31 March 2026. The segmental loss is further affected by the segment comprising dormant and inactive subsidiaries, which do not generate stable or recurring earnings.
In view of the valuation methodologies adopted for different business segments of the EGB Group, Kenanga IB has adopted the SOPV method as the most appropriate valuation methodology to arrive at the value of EGB Shares. The SOPV method represents the aggregate valuation of the different businesses.
</td></tr>
</table>

Consideration	Our evaluation
	Premised on the SOPV valuation, the SCR Offer Price represents a **significant discount of RM0.87 or approximately 65.91%** on the estimated value of RM1.32 per EGB Share (assuming full exercise of the outstanding ESOS Options). Based on our assessment, the SOPV reflects an indicative value based largely on the estimated value of the Group's properties. While these assets may have significant value on paper, they cannot be easily or quickly converted into cash. Realising such value depends on many factors, including property market conditions, regulatory approvals, funding availability and the presence of buyers willing to pay the assessed values. There is no certainty as to when, or at what price, such value can eventually be realised. In addition, shareholders should note that EGB recorded a LAT of RM2.78 million for the first quarter ended 31 March 2026. In the event EGB continues to make losses in the subsequent financial periods, EGB's NA will correspondingly be eroded, resulting in a decline in NA per EGB Share over time. In the event EGB's financial performance improves, EGB's NA position could improve and support an increase in the value of EGB Shares. However, the timing and sustainability of such improvement remain uncertain and depend on the Group's operating performance and market conditions. Accordingly, shareholders who accept the Proposed SCR may forgo potential upside should EGB's financial performance improve. Against this backdrop, the Proposed SCR offers shareholders the certainty of immediate cash consideration at a known price, without taking on the risks and uncertainty associated with holding the shares for an extended period in the hope that the SOPV value will eventually be realised. Accordingly, although the SCR Offer Price is lower than the SOPV-derived value, the certainty of the Proposed SCR represents a practical and attractive exit option for the Entitled Shareholders.
Historical market prices of EGB Shares	EGB Shares have not traded above the SCR Offer Price for the past 2 years, prior to the LTD and up to the LPD. The SCR Offer Price of RM0.45 per EGB Share represents: (i) a **premium of 26.76%** over the last transacted market price of EGB Shares on the LTD and **premiums ranging between 28.50% and 63.82%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including the LTD; (ii) a **premium of 80.00%** over the last transacted market price of EGB Shares as at 31 March 2026[(1)] and **premiums ranging between 80.00% and 93.22%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including 31 March 2026[(1)]; and (iii) a **premium of between 11.06% and 11.11%** over the last transacted market price and 5-day VWAP of EGB Shares up to and including the LPD. *Note:* *(1) Save for the announcement on the receipt of the Proposal Letter on 22 May 2026 and the Supplemental Letter on 3 June 2026 and the announcement on the Proposed Land Disposal dated 19 March 2026 (which did not materially affect the share price of EGB), there were no significant corporate events or announcements during the past 1 year prior to the date of the Proposal Letter and up to the LPD that would have materially affected the historical market price performance of the EGB Shares. Subsequent to 31 March 2026 and up to the LTD, the market price of EGB Shares increased by 42.00%, reflecting abnormal volatility given that there were no material events during this period that would have influenced the share price.*

Consideration	Our evaluation
	As such, we are of the view that assessing the market price performance of the EGB Shares based on the 1-year period up to 31 March 2026 is more appropriate. *In the event that the Proposed SCR is unsuccessful, there can be no assurance that the market price of EGB Shares will be maintained at or near the SCR Offer Price. Instead, the market price may reasonably be expected to revert towards levels more consistent with the prevailing fundamentals and historical trading patterns.*

In view of the above, Kenanga IB is of the view that the Proposed SCR is **NOT FAIR** as the SCR Offer Price represents:

(a) a **significant discount of RM0.87 or approximately 65.91%** to the estimated value of EGB Shares of **RM1.32** per EGB Share derived from using the SOPV method (assuming full exercise of the outstanding ESOS Options);

(b) a **discount of RM0.69 or approximately 60.53%** to the adjusted consolidated audited and unaudited NA per EGB Share of RM1.14[(1)] as at 31 December 2025 and 31 March 2026 (assuming full exercise of the outstanding ESOS Options); and

(c) a **discount of RM0.93 or approximately 67.39%** to the proforma NA of RM1.38 per EGB Share assuming the Proposed Land Disposal had been effected on 31 December 2025, as set out in the Land Disposal Circular (after accounting for the issuance of 8,750,000 new Shares pursuant to the exercise of 8,750,000 ESOS Options as disclosed in the Land Disposal Circular).

Note:

*(1) For clarity, the adjusted consolidated audited NA per EGB Share of RM1.14 is different from RM1.28 (as set out in **Section 7.3** of the Circular (based on the maximum scenario assuming the full exercise of all outstanding ESOS Options)) as we had not made any adjustments related to the Proposed Land Disposal mainly because the conditions precedent for the Proposed Land Disposal have not been fulfilled as at the LPD.*

(The remainder of this page is intentionally left blank)

2.2 REASONABLENESS OF THE PROPOSED SCR

In assessing the reasonableness of the Proposed SCR, we have considered the factors as stated in the table below:

Consideration	Our evaluation
Historical trading liquidity of EGB Shares	The trading volume of EGB Shares was relatively illiquid whereby its trading liquidity based on the average historical monthly volume traded for the past 12 months up to and including the LTD represented 0.90% of its issued shares (including outliers) and 0.23% of its issued shares (excluding outliers), equivalent to 1,832,488 shares and 478,063 shares, respectively. Both trading liquidities were significantly lower than the average monthly traded volume over the free float of KLPRO of approximately 7.00% (including outliers) and 6.73% (excluding outliers). As such, the Entitled Shareholders may have limited opportunity to realise his/her investment in EGB Shares in the open market.
No alternative proposal and level of control of the Non-Entitled Shareholders and PACs	The aggregate shareholding percentage of the Non-Entitled Shareholders and PACs decreased from 31.38% as at the date of the Proposal Letter to 30.66% as at the LPD, representing a dilution of 0.72% pursuant to the exercise of ESOS Options during the said period. Assuming full exercise of the remaining outstanding ESOS Options as at the LPD, the aggregate shareholding of the Non-Entitled Shareholders and PACs would be further diluted to 28.16%. As at the LPD, EGB has not received any alternative offer for EGB Shares or any offer to acquire the assets and liabilities of EGB. In addition, as part of the covenant in the Proposal Letter, EGB Group shall not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business save for the Proposed Land Disposal from the date of the Proposal Letter until the completion of the Proposed SCR, without the Non-Entitled Shareholders' prior written consent. As such, unless the Non-Entitled Shareholders provides its consent, any alternative proposal is unlikely to succeed. As at the LPD, the Non-Entitled Shareholders and the PACs hold the equity stake/voting rights (excluding treasury shares) of approximately 30.66% in EGB. As such, the Non-Entitled Shareholders and the PACs are able to influence the outcome of any ordinary and special resolutions sought at a general meeting of the Company through casting of their votes (unless the Non-Entitled Shareholders and the PACs are required to abstain from voting). For information purposes, an ordinary resolution requires approval from more than 50% of the total votes cast while a special resolution requires approval from at least 75% of the total votes cast.
Expected market price if the Proposed SCR is unsuccessful	In assessing the expected market prices in the event the Proposed SCR is not successful, we have considered the following: (i) the illustrative market price based on the average historical PBR of 0.17 times will be RM0.22 with the SCR Offer Price representing a premium of 104.55% to the illustrative market price; (ii) based on precedents, the share prices of offeree companies typically do not sustain above the offer price following the unsuccessful delisting exercise being undertaken. In the immediate post-closing and 1-month post-closing period, most offeree companies saw their share prices either declined or remain flat, rather than rise;

Consideration	Our evaluation
	(iii) the Group operates in a challenging environment characterised by persistent pricing pressure, excess supply and intensified regional competition. These conditions have constrained its pricing power and ability to pass through higher costs, resulting in pressure on margins, earnings and cash flow generation, which may adversely affect its financial performance and growth prospects in the near to medium term; and (iv) EGB's financial performance is affected by prevailing demand and supply conditions in the steel industry. Following the loss of a major export market in FYE 31 December 2023 due to anti-dumping and countervailing duty-related proceedings in the United States of America, coupled with persistent oversupply in the global steel market, the Group experienced a decline in revenue and profitability in FYE 31 December 2025. Competitive pressure from lower-priced imports, particularly from China, and ongoing geopolitical uncertainties have further constrained the Group's pricing power and margins. Accordingly, the Group may continue to face challenges in improving capacity utilisation, maintaining selling prices and achieving sustainable revenue growth, which may adversely affect its financial performance and prospects.

In view of the above, we are of the view that the Proposed SCR is **REASONABLE** as it represents a viable exit option for Non-Interested Shareholders to realise their investments in EGB Shares.

3. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation in respect of the Proposed SCR, we have assessed the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 under Schedule 2: Part III of the Rules, as set out in **Sections 5 and 6** of this IAL, we are of the opinion that the Proposed SCR is **NOT FAIR BUT REASONABLE**.

Accordingly, we would recommend that Non-Interested Shareholders **VOTE IN FAVOUR** of the Special Resolution.

(The remainder of this page is intentionally left blank)

Registered Office:

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

10 July 2026

TO: THE NON-INTERESTED DIRECTORS AND ENTITLED SHAREHOLDERS

Dear Sir / Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED DIRECTORS AND ENTITLED SHAREHOLDERS IN RELATION TO THE PROPOSED SCR

*This IAL has been prepared for inclusion in **Part B** of this Document. Unless otherwise stated, all definitions used in this IAL shall have the same meaning as the words and expressions defined in the "Definitions" section of this Document, except where the content otherwise requires or where otherwise defined herein.*

All references to "we", "us" or "our" are references to Kenanga IB, being the Independent Adviser in relation to the Proposed SCR.

1. INTRODUCTION

On 22 May 2026, the Board announced that EGB had on even date received the Proposal Letter from the Non-Entitled Shareholders, informing the Board of the Non-Entitled Shareholders' intention to privatise EGB by way of a selective capital reduction and repayment exercise pursuant to section 116 of the Act and accordingly, requesting EGB to undertake the Proposed SCR.

On 3 June 2026, the Board announced that it had on even date received the Supplemental Letter from the Non-Entitled Shareholders, notifying the Board that the SCR Offer Price has been revised from RM0.40 to RM0.45. Save for the revision of the offer price for the Proposed SCR, all other material terms and conditions to the Proposed SCR as stated in the Proposal Letter remain the same.

On 5 June 2026, in accordance with paragraph 3.06 of the Rules, the Board (save for the Interested Directors) had appointed Kenanga IB as the Independent Adviser to provide comments, opinions, information and recommendations to the Board (save for the Interested Directors) and the Non-Interested Shareholders on the Proposed SCR.

On 5 June 2026, Berjaya Securities, on behalf of the Company, announced that the Non-Interested Directors had, at a meeting held on 5 June 2026, deliberated on the contents of the Proposal Letter (including the Supplemental Letter) and had resolved to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval.

On 8 June 2026, in accordance with paragraph 3.07 of the Rules, Kenanga IB had declared its independence from any conflict of interest or potential conflict of interest in relation to the Proposed SCR to the SC.

Pursuant to subparagraph 2(a) of Schedule 3 of the Rules, the SC had, via its letter dated 9 July 2026, notified that it has no further comments to the contents of this IAL. However, such notification shall not be taken to indicate that the SC recommends the Proposed SCR or that the SC agrees with the recommendations of the Board (save for the Interested Directors) and the Independent Adviser or that SC assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAL.

The purpose of this IAL is to provide the Non-Interested Directors and Non-Interested Shareholders with our independent evaluation on the Proposed SCR, together with our recommendation on whether the Non-Interested Shareholders should vote in favour of or against the Special Resolution, subject to the scope of our role and limitations specified in this IAL.

As provided under subparagraph 2(f) of Schedule 3 of the Rules, the Special Resolution must be approved by at least:

(i) a majority in number of the Non-Interested Shareholders attending the EGM and 75% in value of the votes attached to the EGB Shares in issue held by the Non-Interested Shareholders attending the EGM that are cast either in person or by proxy at the EGM; and

(ii) the value of the votes cast against the Special Resolution is not more than 10% in value of the votes attaching to all the EGB Shares in issue held by the Non-Interested Shareholders.

Please refer to **Section 2** of the Circular for further details of the Proposed SCR.

THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS TO CONSIDER THE PROPOSED SCR AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE.

NON-INTERESTED SHAREHOLDERS ARE ADVISED TO ALSO CONSIDER CAREFULLY THE CONTENTS OF THE DOCUMENT AS WELL AS THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION.

IF THE NON-INTERESTED SHAREHOLDERS ARE IN ANY DOUBT AS TO THE COURSE OF ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE PROPOSED SCR

The details of the Proposed SCR are as follows:

Consideration for the Proposed SCR	The Proposed SCR involves a cash consideration of **RM0.45 per EGB Share held** by the Entitled Shareholders. For avoidance of doubt, the shares held by the Non-Entitled Shareholders are not subject to capital reduction and accordingly the Non-Entitled Shareholders will not be entitled to any capital repayment pursuant to the Proposed SCR. For the avoidance of doubt, the Shares held by persons acting in concert with them will be subject to the capital reduction and entitled to the corresponding capital repayment under the Proposed SCR. If EGB declares, makes and/or pays any dividends and/or other distributions of any nature whatsoever (collectively, "**Distribution(s)**") during the period commencing from 22 May 2026, being the date of the Proposal Letter up to the Entitlement Date, the SCR Offer Price will not be reduced as a result of the Distribution. In this regard, all EGB's shareholders (including the Non-Entitled Shareholders) will be entitled to the Distribution and all the Entitled Shareholders (including persons acting in concert with them) will be entitled to the full SCR Offer Price of RM0.45 for each EGB Share held.

	As at the LPD, there has been no Distributions declared, made and/or paid by EGB on or after 22 May 2026, being the date of the Proposal Letter.
Mode and timing of the settlement	The settlement of the SCR Offer Price will be effected via electronic remittance to the Entitled Shareholders' eDividend accounts duly registered with Bursa Depository **within 10 days from the Effective Date**. For the Entitled Shareholders who do not maintain eDividend accounts, the settlement of the SCR Offer Price will be effected via remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the Entitled Shareholders (or their designated agents, as they may direct) at the Entitled Shareholders' registered addresses last maintained with Bursa Depository or in EGB's register of members (where applicable) at their own risk **within 10 days from the Effective Date**. Except with the consent of the SC, settlement of the SCR Offer Price to which the Entitled Shareholders are entitled under the Proposed SCR will be implemented in full in accordance with the terms of the Proposed SCR without regard to any lien, right of set-off, counter claim or other analogous rights to which the Company may otherwise be, or claim to be, entitled against the Entitled Shareholders. Entitled Shareholders who are not residents of Malaysia are advised that the settlement of the SCR Offer Price will be made in RM. Such Entitled Shareholders who wish to convert the amount received into foreign currency for repatriation may do so after payment of the appropriate fee and/or charges as levied by the respective licensed financial institutions.
Voting conditions of the Proposed SCR	As provided under subparagraph 2(f) of Schedule 3 of the Rules, the Special Resolution must be approved by at least: (i) a majority in number of the Non-Interested Shareholders attending the EGM and 75% in value of the votes attached to the EGB Shares in issue held by the Non-Interested Shareholders attending the EGM that are cast either in person or by proxy at the EGM; and (ii) the value of the votes cast against the Special Resolution is not more than 10% in value of the votes attaching to all the EGB Shares in issue held by the Non-Interested Shareholders. The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposed SCR, and the Interested Directors and the Interested Major Shareholders will also abstain from voting in respect of their direct and/or indirect shareholdings in EGB, if any, on the Special Resolution to be tabled at the forthcoming EGM. Furthermore, the Interested Directors and the Interested Major Shareholders will also ensure that persons connected with them (including persons acting in concert with them) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the Special Resolution to be tabled at the forthcoming EGM. The Non-Entitled Shareholders and persons acting in concert with them will abstain from voting in respect of their direct and/or indirect shareholdings in EGB, if any, on the Special Resolution to be tabled at the forthcoming EGM.
Conditions of the Proposed SCR	The Proposed SCR is subject to and conditional upon the following being obtained or conditions being satisfied: (i) approval of the Non-Interested Shareholders for the Proposed SCR via the Special Resolution to be tabled at the forthcoming EGM; and (ii) grant of the High Court Order.

	The Proposed SCR will become effective upon the lodgement of an office copy of the High Court Order with the Registrar of Companies pursuant to subsection 116(6) of the Act. In this respect, the Proposed SCR shall be binding on all Entitled Shareholders (including persons acting in concert with them) notwithstanding that there may have been Non-Interested Shareholders who voted against the Special Resolution. Save for the above, the Proposed SCR is not conditional upon any other corporate exercise undertaken or to be undertaken by EGB.
Irrevocable undertaking	As at the LPD, the Non-Entitled Shareholders and persons acting in concert with them have not received any irrevocable undertaking from any Non-Interested Shareholders to vote in favour of or against the Special Resolution to be tabled at the forthcoming EGM. The Proposed SCR is not conditional upon any other corporate exercise of EGB.
Source of funding for the Proposed SCR	The Proposed SCR will be funded via shareholder's advances from Dato' Goh to EGB. The Non-Entitled Shareholders and the Board confirm that the Proposed SCR will not fail by reason of insufficient financial capability of EGB or the Non-Entitled Shareholders and that every Entitled Shareholder will be paid in full by cash. Berjaya Securities, being the Principal Adviser for the Proposed SCR, is satisfied and has confirmed that the Proposed SCR will not fail by reason of insufficient financial capability of EGB or the Non-Entitled Shareholders and that every Entitled Shareholder will be paid in full by cash.

The Proposed SCR will also be extended to the holders of outstanding ESOS Options who exercise their ESOS Options and receive new Shares before the Entitlement Date. In this regard, the Non-Interested Directors had also on 5 June 2026 resolved not to grant any further ESOS Option to the Eligible Persons in accordance with the terms of the Proposal Letter. The ESOS will be terminated after approval has been obtained from the Non-Interested Shareholders for the Proposed SCR. Any outstanding ESOS Option which have yet to be exercised shall automatically terminate upon the termination of the ESOS.

For the avoidance of doubt, all EGB Shares in issue, including the 3,096,600 treasury shares held by EGB and any new EGB Shares to be issued pursuant to the exercise of the 36,257,000 outstanding ESOS Options as at the LPD, will be cancelled, save and except for the EGB Shares held by the Non-Entitled Shareholders.

Based on the above, the total number of EGB Shares to be cancelled and the corresponding total capital repayment pursuant to the Proposed SCR at the SCR Offer Price of RM0.45 each under the Minimum Scenario and Maximum Scenario are as follows:

	Minimum Scenario	**Maximum Scenario**
Total number of EGB Shares held by the Entitled Shareholders (including the PACs) to be cancelled	284,337,393	320,594,393
Total capital repayment (RM)	127,951,827	144,267,477

Upon Completion, 125,178,046 Shares held by the Non-Entitled Shareholders will amount to the entire issued share capital of the Company, resulting in the Non-Entitled Shareholders holding 100% equity interest in the Company.

3. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSED SCR

We have evaluated the Proposed SCR and in rendering our advice, we have considered various factors which we believe are of relevance and general importance to an assessment of the Proposed SCR and would be of general concern to the Non-Interested Shareholders.

Kenanga IB was not involved in the formulation, deliberations and negotiations of the terms and conditions pertaining to the Proposed SCR. The terms of reference of our appointment as the Independent Adviser is limited to expressing our independent comments, opinion, information and recommendation on the Proposed SCR based on the following:

(i) the information contained in the Proposal Letter and the Supplemental Letter;

(ii) the information contained in this Document and the accompanying annexure and appendices;

(iii) the valuation reports by Savills on the property assets owned by EGB Group;

(iv) the audited financial statements of EGB for the FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 as well as the latest unaudited financial statements of EGB for the 3-months FPE 31 March 2026;

(v) other relevant information, documents, confirmations and/or representations furnished to us by the Board and the management of EGB;

(vi) discussions with the Board and the management of EGB; and

(vii) other publicly available information which we consider relevant for our evaluation.

We have made all reasonable enquiries to and have relied on the Board and the management to take due care to ensure that all the information, documents as mentioned above and all relevant facts, information and representations provided to us to facilitate our evaluation of the Proposed SCR which had been used, referred to and/or relied upon in this IAL are accurate, valid and complete in all material aspects.

We have relied on the valuation reports prepared by Savills. We have assessed and evaluated the reasonableness of the methodologies and key assumptions adopted by Savills and are of the view that the valuation methodologies adopted for the valuation of all the properties are reasonable and are consistent with generally applied valuation methodologies. We are satisfied with the reasonableness of the bases and assumptions used by Savills in deriving the valuation for all the properties. As such, we are satisfied with the reasonableness of their respective opinion and have thus relied upon the valuation of all the properties determined by Savills for the purpose of computing the RNAV of the selected companies.

Based on the above and after making all reasonable enquires, we are satisfied with the information and documents available to us, and deem such information as sufficient to facilitate our evaluation of the Proposed SCR and are not aware of any fact or matter not disclosed which renders any such information inaccurate, incomplete, omitted or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL.

Our evaluation as set out in this IAL is rendered solely for the benefit of the Non-Interested Directors and Non-Interested Shareholders as a whole and not for any specific group of Non-Interested Directors and Non-Interested Shareholders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, risk profiles, financial situations or particular needs of any individual Non-Interested Shareholder or any specific group of Non-Interested Shareholders. We recommend that any Non-Interested Shareholder who is in doubt as to the action to be taken or requires specific advice in relation to the Proposed SCR in the context of his or her investment objectives, risk profiles, financial situations and particular needs should consult his or her stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

Our advice expressed in this IAL are, amongst others, based on the prevailing conditions in the equity capital market, the economic environment, the industry which EGB Group operates in, regulatory requirements and the information and/or documents available to us as at the LPD. Such conditions may change significantly over a short period of time. It should be noted that our evaluation and opinions expressed in this IAL do not take into account the information, events or conditions arising after the LPD or such other period as specified herein, as the case may be.

We shall immediately disclose to the SC in writing and notify the Non-Interested Shareholders by way of announcement if, after this IAL has been despatched, as guided by subparagraphs 11.07(1) and 11.07(3) of the Rules, we become aware that this IAL:

(i) contains a material statement which is false or misleading;

(ii) contains a statement from which there is a material omission; or

(iii) does not contain a statement relating to a material development.

If circumstances require, a supplemental IAL will be sent to the Non-Interested Shareholders in accordance with subparagraph 11.07(2) of the Rules.

4. EVALUATION OF THE PROPOSED SCR

In arriving at our conclusion and recommendation, we have assessed the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 of Schedule 2: Part III of the Rules whereby:

(i) the term "**fair and reasonable**" should generally be analysed as 2 distinct criteria i.e. whether the Proposed SCR is "**fair**" and whether the Proposed SCR is "**reasonable**", rather than as a composite term;

(ii) the Proposed SCR is considered "**fair**" if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the EGB Shares. However, if the SCR Offer Price is equal to or higher than the market price but is lower than the value of the EGB Shares, the Proposed SCR is considered as "**not fair**"**.** In making the assessment, the value of the EGB Shares is determined based on the assumption that 100% of the issued share capital of EGB is being acquired;

(iii) in considering whether a Proposed SCR is "**reasonable**", we have taken into consideration matters other than the valuation of the EGB Shares that are subject of the Proposed SCR. Generally, the Proposed SCR would be considered "**reasonable**" if it is "**fair**". Nevertheless, an independent adviser may also recommend for the Non-Interested Shareholders to vote in favour of the Special Resolution despite it being "**not fair**", if the independent adviser is of the view that there are sufficiently strong reasons to accept the Proposed SCR in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as 'not reasonable' and thus, the recommendation would be to reject the offer; and

(iv) in the event that the independent adviser concludes that the Proposed SCR is "**not fair but reasonable**", the independent adviser must clearly explain the following:

  (a) what is meant by "**not fair but reasonable**";

  (b) how has the independent adviser reached to this conclusion; and

  (c) the course of action that the Non-Interested Shareholders are recommended to take pursuant to the conclusion.

In evaluating the Proposed SCR, we have taken into consideration the following factors in forming our opinion of the Proposed SCR:

Fairness of the Proposed SCR		**Section in this IAL**
(i)	Valuation of EGB Shares	Sections 5.1 to 5.4
(ii)	Historical market price analysis of EGB Shares	Section 5.5

Reasonableness of the Proposed SCR		**Section in this IAL**
(i)	Historical trading liquidity of EGB Shares	Section 6.1
(ii)	No alternative proposal and level of control of the Non-Entitled Shareholders and PACs	Section 6.2
(iii)	Expected market price if the Proposed SCR is unsuccessful	Section 6.3

5. FAIRNESS OF THE PROPOSED SCR

Valuation of EGB Shares

EGB Group is principally involved in the following operating business segments:

No.	Business segments	Description
1.	Machinery and equipment	Manufacture and sale of metalwork machinery and other industrial process machinery and equipment.
2.	Steel product and trading activity	Manufacture and sale as well as trading of steel product.
3.	Property, investment holding and others	Property and investment holding and others.

The principal activities of EGB's subsidiaries, associates and joint ventures are stated in **Section 5**, **Appendix II** of this Document.

(The remainder of this page is intentionally left blank)

The contribution of the above business segments to the EGB Group's revenue and PBT/(LBT) are as follows:

	Audited FYE 31 December 2024				Audited FYE 31 December 2025				Unaudited 3-months FPE 31 March 2026			
	Revenue		PBT/(LBT)		Revenue		(LBT)		Revenue		(LBT)	
Segments	RM'mil	%	RM'mil	%	RM'mil	%	RM'mil	%	RM'mil	%	RM'mil	%
Machinery and equipment	9.7	4.9	(7.3)	(663.6)	14.8	10.5	(14.1)	(23.8)	0.3	1.1	(0.9)	(30.0)
Steel product and trading activity	187.7	95.1	(4.0)	(363.6)	125.9	89.5	(28.6)	(48.2)	25.9	98.9	(0.7)	(23.3)
Property, investment holding and others	-*	-*	12.4	1,127.2	-*	-*	(16.6)	(28.0)	-	-	(1.4)	(46.7)
Total	**197.4**	**100.0**	**1.1**	**100.0**	**140.7**	**100.0**	**(59.3)**	**100.0**	**26.2**	**100.0**	**(3.0)**	**100.0**

** Negligible*

Machinery and Equipment

The machinery and equipment segment's revenue increased from RM9.7 million for the FYE 31 December 2024 to RM14.8 million for the FYE 31 December 2025, mainly attributable to higher contribution from trading of machineries as well as the recognition of a contract revenue.

The machinery and equipment segment's LBT increased to RM14.1 million for the FYE 31 December 2025 from RM7.3 million for the FYE 31 December 2024. The increase was mainly attributable to the one-off expenses of inventory written down and inventory written off amounting to RM7.2 million.

Steel Product and Trading Activity

The steel product and trading activity segment's revenue decreased from RM187.7 million for the FYE 31 December 2024 to RM125.9 million for the FYE 31 December 2025, mainly attributable to a 45% decline in local sales.

Correspondingly, the steel product and trading activity segment's LBT increased from RM4.0 million for the FYE 31 December 2024 to RM28.6 million for the FYE 31 December 2025, mainly attributable to the increase in ESOS expenses of RM2.0 million, design and installation charges RM3.3 million, recognition of one-off expenses such as impairment loss on property, plant and equipment of RM7.0 million and provision for litigation of RM1.4 million.

Property, Investment Holding and Others

The property, investment holding and other segment's revenue remained constant at less than RM0.1 million for the FYE 31 December 2024 and FYE 31 December 2025, as the segment predominantly comprises dormant companies which resulted in minimal revenue contribution.

The property, investment holding and other segment's PBT decreased from RM12.4 million for the FYE 31 December 2024 to a LBT of RM16.6 million for the FYE 31 December 2025, mainly attributable to the absence of a one-off gain which amounted to RM28.0 million arising from partial disposal of land in Kapar in the FYE 31 December 2024.

Our valuation approach

In view of the different business segments of EGB Group, we have adopted the SOPV methodology to arrive at the value of EGB Shares as it is the most appropriate valuation method. The SOPV represents the aggregate valuation of these different operating business segments which shall be valued based on their respective appropriate valuation methods as follows:

Segments	Valuation methodologies	Section	Estimated value RM'mil
Machinery and equipment	RNAV	Section 5.1	98.91
Steel product and trading activity(1)	RNAV	Section 5.2.1	453.25
	NA	Section 5.2.2	13.42
Property, investment holding and others	RNAV	Section 5.3.1	48.81
	NA	Section 5.3.2	(26.08)
Total value			**588.31**

Note:

(1) In relation to the parcel of vacant industrial land to be disposed under the Proposed Land Disposal, we have adopted the fair value of RM273.0 million as stated in the valuation report dated 6 March 2026 prepared by Savills, which is broadly in line with the disposal consideration of RM273.28 million.

We had not adopted the expected disposal consideration of RM273.28 million as the value of the land, as the conditions precedent for the Proposed Land Disposal have not been fulfilled as at the LPD.

For information, the audited financial statements for the FYE 31 December 2025 have been adopted as the base figures given that they have been independently audited by the Group's appointed external auditors, whereas the unaudited financial statements for the FPE 31 March 2026 (including the NBV of PPE) have not been subject to any independent review. Notwithstanding this, the difference arising from the use of the latest unaudited figures would be immaterial and is not expected to materially affect the valuation.

5.1 Machinery and Equipment

The machinery and equipment segment of the EGB Group is solely contributed by EMT, a company incorporated in Malaysia. EMT is principally engaged in the manufacturing of metalwork and industrial process machinery and equipment. In arriving at the fair value of the machinery and equipment segment, we have adopted the RNAV methodology.

We have considered various other valuation methodologies, including income approach (namely the DCF valuation method) and relative valuation approach to arrive at the estimated fair value of EMT.

We have not adopted the DCF valuation method as this methodology is generally more appropriate for businesses with reasonably predictable future cash flows that are supported by contractual visibility. At this point, the management of EGB Group is unable to reliably forecast the future cashflows of the machinery and equipment segment, primarily due to the absence of long-term contracts with customers and the inherent nature of the steel industry, as well as its involvement in the construction of solvent extraction plant for the palm oil industry, both of which are dependent on prevailing market and economy conditions.

The machinery and equipment segment has been loss-making in two of the past five years, recording a LBT of RM7.3 million in FYE 31 December 2024 and RM14.1 million in FYE 31 December 2025. In addition, management has represented that the Group is currently operating in a steel industry environment characterised by oversupply, resulting in intense competition and sustained pressure on selling prices and margins, and is also exposed to demand cycles and capital expenditure trends within the palm oil industry for its solvent extraction plant projects. This has reduced earnings visibility over future orders and pricing trends, thereby limiting the Group’s ability to project its future financial performance with reasonable certainty. We are satisfied with the basis provided by the management and as such, the DCF valuation method has not been adopted.

We have not adopted the relative valuation approach such as PER and EV/EBITDA as such valuation methodologies are generally more meaningful where the subject company is able to generate sustainable and positive earnings to support the application of earnings-based multiples. In this regard, EMT has recorded a LBITDA of RM4.30 million and RM11.66 million for the FYE 31 December 2024 and FYE 31 December 2025, respectively, LAT of RM3.3 million and RM11.0 million for the FYE 31 December 2024 and FYE 31 December 2025, respectively, as well as a LBT of RM0.9 million for the 3-month FPE 31 March 2026. As such, the relative valuation approach has not been adopted.

In view that EMT have substantial tangible assets, we view the RNAV methodology as the most appropriate method to derive the valuation of EMT.

This methodology takes into consideration any surplus and/or deficit (net of tax) attributable to the owners of the Company arising from the revaluation of material assets of the entities to reflect their market values based on the presumption that the assets are realisable on a willing-buyer willing-seller basis in the open market.

In applying the RNAV methodology, certain assumptions are made, including amongst others:

(i) EMT will continue to operate on a going concern basis;

(ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on the business activities of EMT;

(iii) there will not be any compulsory acquisition of the lands in EMT by the relevant authorities;

(iv) insurable risks relating to the EMT’s assets are and will continue to be appropriately covered by relevant insurance policies and the sums insured are adequate;

(v) the current accounting policies in respect of EMT adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which may have a material adverse effect on the financial performance and financial position of EMT; and

(vi) there will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the industrial products industry in Malaysia subsequent to the LPD which may have a material adverse effect on the financial performance and financial position of EMT.

In assessing the RNAV of EMT, we have considered the valuation conducted by Savills.

The management has represented that there are none and neither have we noted of any requirement or circumstances for impairment and/or any material appreciation in value of any non-real property assets of EMT which may have a material impact on the financial position of EMT.

Based on the valuation report on the revalued property asset of EMT by Savills, we are of the view that the valuation methodology adopted is reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by Savills and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by Savills as well as the reasonableness of the opinion of the market value expressed by the Savills on the revalued property asset of EMT and we have considered such market value for the purpose of computing the RNAV of EMT.

In arriving at the market value, Savills has adopted the cost approach, namely the depreciated replacement cost method as the valuation methodology. The depreciated replacement cost method is determined by taking the current replacement cost of the building as new and allowing for depreciation for physical, functional and economic obsolescence.

(The remainder of this page is intentionally left blank)

The details of the net revaluation surplus of the properties based on the valuation conducted by the Savills are as set out below:

No.	Properties	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1] Estimated transaction costs RM'000	Revaluation surplus after transaction costs RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
1.	Title Nos.: GRN 162673 and GM 709 Lot Nos.: Lot 1696 and Lot 1697 Mukim 12, District of Seberang Perai Selatan, Pulau Pinang Location: Lot 1258, Mk 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Pulau Pinang Two (2) contiguous parcels of first grade/industrial land presently built-upon with the industrial premises of EMT, with improvements of 5 building structures namely: Structure A: 3-storey office building; Structure B-E: 4 single storey detached factory/ warehouse; and Structure F: Ancillary connecting structure.[3] Land area: 541,855 sq.ft.	Freehold	8 June 2026	Savills / Cost approach	79,000	76,280	2,720	2,370	350	35	315	100	315

No.	Properties	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1] Estimated transaction costs RM'000	Revaluation surplus after transaction costs RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
	Gross floor area: Approximately 332,700 sq.ft. (excluding other supporting structures) Category of land use: None Existing use: Factory Registered owner: EMT, a wholly-owned subsidiary of EGB												
Total					79,000	76,280	2,720	2,370	350	35	315		315

Notes:

(1) *The estimated transaction costs such as agent commission fees and legal fees amount to 3% of the market value of the subject properties.*

(2) *Assuming the asset is sold at its market value, we have considered the applicable RPGT rate in accordance with the Real Property Gains Tax Act 1976. The RPGT will be imposed on a company when it disposes of its assets, to be calculated based on the net gain from the disposal and depending on its date of acquisition.*

Property holding period	***RPGT rate (%)***
More than 5 years	*10*

(3) *Roof extension structures that provide interconnection between all the main buildings/structures (A-E) within the site.TNB electricity cables are observed to pass through the north-eastern portion (rear) of the subject property. As no documentary records in respect of the arrangement with TNB have been made available, a formal enquiry has been submitted to TNB to ascertain the details of the arrangement. Accordingly, the market value of the subject property has been determined based on the foregoing assumptions, including an estimated affected area of approximately 8,350 sq.m., for which a corresponding adjustment has been applied.*

After considering the abovementioned net revaluation surplus arising from the properties above, the estimated RNAV of EMT is as follows:

	Amount RM'000
Audited NA of EMT attributable to EGB as at 31 December 2025	98,592
Add: Estimated net revaluation surplus of the revalued property assets	315
Estimated RNAV of EMT	**98,907**

(The remainder of this page is intentionally left blank)

kenanga

5.2 Steel Product and Trading Activity

The steel product and trading activity segment of the EGB Group is mainly contributed by the following subsidiaries:

No.	Name of entities	Principal activities	Valuation Method
1.	EMI	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products	RNAV
2.	ESL	Property holding, manufacture and trading of steel products	RNAV
3.	ELSB	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products	RNAV
4.	EMS	Manufacture of steel products, focusing on steel storage systems	NA

In arriving at the fair value of the steel product and trading activity segment, we have adopted a combination of the RNAV and NA valuation methodologies. RNAV valuation methodology was adopted for EMI, ESL and ELSB (collectively, the "**Steel RNAV Entities**") whereas NA valuation methodology was adopted for EMS.

We have considered other various valuation methodologies, including income approach (namely the DCF valuation method) to arrive at the estimated fair value of steel product and trading activity segment.

We have not adopted the DCF valuation method as this methodology is generally more appropriate for businesses with reasonably predictable future cash flows that are supported by contractual visibility. At this point, the management of EGB Group is unable to reliably forecast the future cashflows of the steel product and trading activity segment, primarily due to the absence of long-term contracts with customers and the inherent nature of the steel industry, which is dependent on prevailing market and economy conditions. The steel product and trading activity segment has been loss-making in two of the past five years, recording LBT of RM4.0 million in FYE 31 December 2024 and RM28.6 million in FYE 31 December 2025. In addition, management has represented that the Group is currently operating in an industry environment characterised by oversupply, resulting in intense competition and sustained pressure on selling prices and margins. This has reduced visibility over future orders and pricing trends, thereby limiting the Group's ability to project its future financial performance with reasonable certainty. We are satisfied with the basis provided by the management and as such, the DCF valuation method has not been adopted.

5.2.1 Steel Product and Trading Activity – RNAV method

We have considered other various valuation methodologies, including relative valuation approach to arrive at the estimated fair value of EMI, ESL and ELSB, being the Steel RNAV Entities.

We have not adopted the relative valuation approach as relative valuation methodologies are generally more meaningful where the subject company is able to generate sustainable and positive earnings to support the application of earnings-based multiples. In this regard, the steel product and trading activity segment has recorded an LBT of RM28.6 million and RM0.7 million for the FYE 31 December 2025 and 3-month FPE 31 March 2026, respectively. As such, the relative valuation approach has not been adopted.

In view that the Steel RNAV Entities have substantial tangible assets, we view the RNAV methodology as the most appropriate method to derive a valuation of the steel product and trading activity segment.

This methodology takes into consideration any surplus and/or deficit (net of tax) attributable to the owners of the Company arising from the revaluation of material assets of the steel product and trading activity segment to reflect their market values based on the presumption that the assets are realisable on a willing-buyer willing-seller basis in the open market.

In applying the RNAV methodology, certain assumptions are made, including amongst others:

(i) the Steel RNAV Entities will continue to operate on a going concern basis;

(ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on the business activities of the Steel RNAV Entities;

(iii) there will not be any compulsory acquisition of the lands in the Steel RNAV Entities by the relevant authorities;

(iv) insurable risks relating to the Steel RNAV Entities' assets are and will continue to be appropriately covered by relevant insurance policies and the sums insured are adequate;

(v) the current accounting policies adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which may have a material adverse effect on the financial performance and financial position of the Steel RNAV Entities; and

(vi) there will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the industrial products industry in Malaysia subsequent to the LPD which may have a material adverse effect on the financial performance and financial position of the Steel RNAV Entities.

In assessing the RNAV of the Steel RNAV Entities, we have considered the valuation conducted by Savills. The management has represented there are none and neither have we noted any requirement or circumstances for impairment and/or any material appreciation in value of any non-real property assets of the Steel RNAV Entities which may have a material impact on the financial position of the Steel RNAV Entities.

Based on the valuation reports on the revalued property assets of the Steel RNAV Entities by Savills, we are of the view that the valuation methodology adopted is reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by Savills, and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by Savills as well as the reasonableness of the opinion of the market value expressed by Savills on the revalued property assets of the Steel RNAV Entities and we have considered such market value for the purpose of computing the RNAV of the Steel RNAV Entities.

In arriving at the market values, Savills has adopted the following valuation methodologies:

(i) Comparison approach

The comparison approach generally entails comparing the subject site with similar industrial lands which have been sold or are being offered for sale and making adjustments for factors which affect the value such as location and accessibility, market conditions, size, tenure and restriction, if any, availability of infrastructure, vacant possession and any other relevant characteristics.

(ii) Cost approach (Depreciated replacement cost method)

The depreciated replacement cost method is determined by taking the current replacement cost of the building as new and allowing for depreciation for physical, functional and economic obsolescence.

The details of the net revaluation surplus of the properties based on the valuation conducted by Savills are as set out below:

No.	Properties	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1]Estimated transaction costs RM'000	Revaluation surplus after transaction costs RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
1.	Title No.: GRN 163773 Lot No.: Lot 20109 Mukim 12, District of Seberang Perai Selatan, Pulau Pinang Location: Lot 387, Jln Perusahaan Valdor, Kaw Perindustrian Valdor, 14200 Sg Jawi A parcel of first grade land presently built-upon with the industrial premises of EMS with the improvements of 2 building structures namely: Structure A: 2-storey office building with an annexed single storey detached factory; and Structure B: A single storey detached factory[3]. Land area: 718,932 sq.ft.	Freehold	8 June 2026	Savills / Cost approach	129,000	101,617	27,383	3,870	23,513	2,351	21,162	100	21,162

No.	Properties	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1]Estimated transaction costs RM'000	Revaluation surplus after transaction costs RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
	Gross floor area: Approximately 408,200 sq.ft. (excluding other supporting structures) Category of land use: None Existing use: Factory Registered owner: ESL, a wholly-owned subsidiary of EGB												
2.	Title No.: Geran 455284 and 455285 (formerly under HSD 166442) Lot No.: Lot 119910 and 119911 (formerly under PT 85117) Mukim of Kapar, District of Klang, Selangor Darul Ehsan Location: Jalan Bukit Kapar Kuari, Kapar, Selangor Darul Ehsan A parcel of vacant industrial land (subject matter of the Proposed Land Disposal).	Freehold	6 March 2026	Savills / Comparison approach	273,000[4]	210,823	62,177	8,190	53,987	5,399	48,588	100	48,588

No.	Properties	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1]Estimated transaction costs RM'000	Revaluation surplus after transaction costs RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
	Provisional land area: 276,239 sq.m. (approximately 2,973,412 sq.ft.) Nett land area: 267,243 sq. m. (approximately 2,876,579 sq.ft. excluding 96,833 sq.ft. which have been compulsorily acquired by the relevant authority for the East Coast Rail Line project on 7 January 2025) Category of land use: Industry Registered owner: ELSB, a wholly-owned subsidiary of EGB												
3a.	Title No.: GRN 126924 Lot No.: Lot 1573 Mukim 13, District of Seberang Perai Selatan, Pulau Pinang Location: 35, Lorong Cempaka 28, Taman Intan Cempaka, 14110 Bandar Cassia	Freehold	9 June 2026	Savills / Comparison approach	340	316	24	10	14	2	12	100	12

No.	Properties	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1]Estimated transaction costs RM'000	Revaluation surplus after transaction costs RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
	Single storey intermediate terraced house Land area: 1,249 sq.ft. Gross floor area: 820 sq.ft. Category of land use: Building Existing use: Terraced house Registered owner: EMI, a wholly-owned subsidiary of EGB												
3b.	Title No.: GRN 126925 Lot No.: Lot 1574 Mukim 13, District of Seberang Perai Selatan, Pulau Pinang Location: 37, Lorong Cempaka 28, Taman Intan Cempaka, 14110 Bandar Cassia	Freehold	9 June 2026	Savills / Comparison approach	340	316	24	10	14	2	12	100	12

No.	Properties	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1]Estimated transaction costs RM'000	Revaluation surplus after transaction costs RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
	Single storey intermediate terraced house Land area: 1,249 sq.ft. Gross floor area: 820 sq.ft. Category of land use: Building Existing use: Terraced house Registered owner: EMI, a wholly-owned subsidiary of EGB												
Total					402,680	313,072	89,608	12,080	77,528	7,754	69,774		69,774

Notes:

(1) The estimated transaction costs such as agent commission fees and legal fees amount to 3% of the market value of the subject properties.

(2) Assuming the asset is sold at its market value, we have considered the applicable RPGT rate in accordance with the Real Property Gains Tax Act 1976. The RPGT will be imposed on a company when it disposes of its assets, to be calculated based on the net gain from the disposal and depending on its date of acquisition.

Property holding period	***RPGT rate (%)***
More than 5 years	*10*

(3) TNB electricity cables are observed to pass through the north-eastern section of the subject property. A formal confirmation has been obtained from TNB, indicating that the total affected area amounts to approximately 88,235 sq ft which is broadly consistent with the earlier estimation. Accordingly, the market value of the subject property has been determined based on the foregoing assumptions, including an estimated affected area of approximately 85 sq.m., for which a corresponding adjustment has been applied.

(4) The valuation has been conducted on a highest and best use basis, with consideration given to the potential for data centre and/or information technology infrastructure usage.

After considering the abovementioned assessment on the properties above, the estimated RNAV of the Steel RNAV Entities are as follows:

	Amount RM'000
Audited NA of the Steel RNAV Entities as at 31 December 2025	383,478
Add: Estimated net revaluation surplus of the revalued property assets	69,774
Estimated RNAV of the Steel RNAV Entities	**453,252**

(The remainder of this page is intentionally left blank)

5.2.2 Steel Product and Trading Activity – NA method

We have adopted the NA valuation method in arriving at the fair value of EMS after taking into consideration that the PPE and ROU of EMS of RM5.88 million constitute only 1.02% of the audited total assets of the steel product and trading activity segment of RM576.16 million as at 31 December 2025. The management has represented that there is no evidence of impairment for these assets as at the LPD, as the Group's accounting policy is to carry them at cost less accumulated depreciation and any accumulated impairment losses. Accordingly, no provision for impairment made and we are satisfied with the basis provided by the management.

Premised on this, we are of the view that any differences arising between the market value and carrying value of the PPE and ROU of the remaining entities are not expected to be material.

In view of the above and taking into consideration the elimination adjustments made on the investment in subsidiaries, we have adopted the latest aggregate audited NA of the remaining entities of RM13.42 million as the value of the said entities.

Our valuation on the overall steel product and trading activity segment is set out below:

	Estimated value RM'mil	NA RM'mil
Steel product and trading activity – RNAV method	453.25	383.48
Steel product and trading activity – NA method	13.42	13.42
Total value of steel product and trading activity segment	**466.67**	**396.90**

5.3 Property, Investment Holding and Others

The property, investment holding and others segment of the EGB Group is mainly contributed by the following subsidiaries and associate:

No.	Name of entities	Principal activities	Valuation Method
1.	ECB	Manufacture of palm oil related products	RNAV
2.	EINT	Design and trading of steel products focusing on furniture related products and office space management, currently dormant	NA
3.	CASIA	Trading and distribution of steel racking system and storage solutions	NA
4.	ECO	Operation of palm fibre oil extraction plants	NA
5.	ECH	Manufacture of industrial process machinery and equipment, currently dormant	NA
6.	EIL	Investment holding	NA
7.	ECR	Manufacturing and processing of copper, aluminium and other steel materials, currently dormant	NA
8.	WRP	Growing and wholesale of vegetables, wholesale of agriculture machinery, equipment and supplies, currently dormant	NA
9.	EIT	Provider of IT solutions including software development, currently dormant	NA
10.	EBC	Production of bio-coal and technical services	NA
11.	CSEA	Trading and distributing of steel racking systems	NA
12.	PTEI(1)	Palm oil plantation and related processing, currently dormant	NA
13.	EMSB(2)	Dormant	NA

Notes:

(1) PTEI is incorporated in Indonesia.

(2) EMSB is an associate of EGB.

In arriving at the fair value of the property, investment holding and others segment, we have adopted a combination of the RNAV and NA valuation methodologies. RNAV valuation methodology was adopted for ECB whereas the NA valuation methodology was adopted for the remaining entities, namely EIT, EINT, CASIA, ECO, ECH, EIL, ECR, WRP, EBC, CSEA, PTEI and EMSB.

We have considered various other valuation methodologies, including income approach (namely the DCF valuation method) to arrive at the estimated fair value of the property, investment holding and others segment.

We have not adopted the DCF valuation method as this methodology is generally more appropriate for businesses with reasonably predictable future cash flows that are supported by contractual visibility. At this point, the management of EGB Group is unable to reliably forecast the future cashflows of the property, investment holding and others segment, as the segment comprises dormant and inactive subsidiaries, primarily due to the lack of operational activities and absence of consistent revenue generation. The property, investment holding and others segment has been loss-making over four out of the past five years, recording a LBT of RM11.8 million in FYE 31 December 2021, RM23.1 million in FYE 31 December 2022, RM42.6 million in FYE 31 December 2023 and RM16.6 million in FYE 31 December 2025. Given the limited operating activities and lack of reliable financial projections attributable to these subsidiaries, there is insufficient basis to support a DCF analysis. As such, the DCF valuation method has not been adopted.

5.3.1 Property, Investment Holding and Others – RNAV method

We have considered various other valuation methodologies such as the relative valuation approach to arrive at the estimated fair value of the ECB.

We have not adopted the relative valuation approach such as PER and EV/EBITDA as such valuation methodologies are generally more meaningful where the subject company is able to generate sustainable and positive earnings to support the application of earnings-based multiples. In this regard, ECB has recorded a LBITDA of RM6.33 million for FYE 31 December 2024, LBT of RM7.50 million and RM0.22 million for the FYE 31 December 2024 and FYE 31 December 2025 respectively, as well as a LBT of RM0.18 million for the 3-month FPE 31 March 2026. These results are further influenced by the segment comprising dormant and inactive subsidiaries, which do not generate stable or recurring earnings. As such, the relative valuation approach has not been adopted.

In view that majority of the assets of ECB (which drive the revenue generation of ECB) are real properties, inventories and financial assets of which the carrying amounts are reasonably expected to approximate their fair values, we view the RNAV methodology (an asset-based valuation method) as the most appropriate method to derive a valuation of ECB.

This methodology takes into consideration any surplus and/or deficit (net of tax) attributable to the owners of the Company arising from the revaluation of material assets of ECB to reflect their market values based on the presumption that the assets are realisable on a willing-buyer willing-seller basis in the open market.

In applying the RNAV methodology, certain assumptions are made, including amongst others:

(i) ECB will continue to operate on a going concern basis;

(ii) there will not be any significant or material increase in costs which is expected to have a material adverse effect on the business activities of ECB;

(iii) there will not be any compulsory acquisition of the lands in ECB by the relevant authorities;

(iv) insurable risks relating to ECB's assets are and will continue to be appropriately covered by relevant insurance policies and the sums insured are adequate;

(v) the current accounting policies adopted by the Group will remain relevant and there will not be any significant changes in the accounting policies of the Group which may have a material adverse effect on the financial performance and financial position of ECB; and

(vi) there will not be any significant or material changes in political, social and economic conditions, monetary and fiscal policies, inflation and regulatory requirements of the industrial products industry in Malaysia subsequent to the LPD which may have a material adverse effect on the financial performance and financial position of ECB.

In assessing the RNAV of ECB, we have considered the valuation conducted by Savills. The management has represented there are none and neither have we noted any requirement or circumstances for impairment and/or any material appreciation in value of any non-real property assets of ECB which may have a material impact on the financial position of ECB.

Based on the valuation report on the revalued property asset of ECB by Savills, we are of the view that the valuation methodology adopted is reasonable, appropriate and consistent with generally applied valuation methodologies. We have reviewed the key bases and assumptions adopted by Savills and we are satisfied with the reasonableness of the key bases and assumptions. As such, we are satisfied with the valuation conducted by Savills as well as the reasonableness of the opinion of the market value expressed by Savills on the revalued property asset of ECB and we have considered such market value for the purpose of computing the RNAV of ECB.

In arriving at the market value, Savills has adopted the cost approach, namely the depreciated replacement cost method as the valuation methodology. The depreciated replacement cost method determined by taking the current replacement cost of the building as new and allowing for depreciation for physical, functional and economic obsolescence.

(The remainder of this page is intentionally left blank)

The details of the net revaluation surplus of ECB based on the valuation conducted by Savills are as set out below:

No.	Property	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1]Estimated transaction costs RM'000	Revaluation surplus RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
1.	Title Nos.: GM 717 and GM 718 Lot Nos.: Lot 20123 and Lot 20124 Mukim 12, Seberang Perai Selantan, Pulau Pinang Location: Lot 391, Jln Perusahaan Valdor, Kaw Perindustrian Valdor, 14200 Sg Jawi Two (2) contiguous parcels of first grade land presently built-upon with the industrial premises of ECB, with improvements of 5 building structures namely: Structure A – D: 4 single storey detached factory/warehouse; and Structure E: A single storey boiler house	Freehold	8 June 2026	Savills / Cost approach	60,000	46,930	13,070	1,800	11,270	1,127	10,143	100	10,143

No.	Property	Tenure	Valuation date	Valuer / Valuation method	Market value RM'000	Audited NBV as at 31 December 2025 RM'000	Revaluation surplus RM'000	[1]Estimated transaction costs RM'000	Revaluation surplus RM'000	[2]Taxation RM'000	Net revaluation surplus RM'000	Effective interest attributable to EGB %	Net revaluation surplus attributable to EGB RM'000
					(A)	(B)	(C) = (A) – (B)	(D)	(E) = (C) – (D)	(F)	(G) = (E) – (F)	(H)	(I) = (G) x (H)
	Land area: 330,237 sq.ft. Gross floor area: Approximately 175,900 sq.ft. (excluding other supporting structures) Category of land use: None Existing use: Factory Registered owner: ECB, a wholly-owned subsidiary of EGB												
Total					60,000	46,930	13,070	1,800	11,270	1,127	10,143		10,143

Notes:

(1) The estimated transaction costs such as agent commission fees and legal fees amount to 3% of the market value of the subject properties.

(2) Assuming the asset is sold at its market value, we have considered the applicable RPGT rate in accordance with the Real Property Gains Tax Act 1976. The RPGT will be imposed on a company when it disposes of its assets, to be calculated based on the net gain from the disposal and depending on its date of acquisition.

Property holding period	***RPGT rate (%)***
More than 5 years	*10*

After considering the abovementioned net revaluation surplus arising from the properties above, the estimated RNAV of the property, investment holding and others segment is as follows:

	Amount RM'000
Audited NA of the property, investment holding and others segment as at 31 December 2025	38,662
Add: Estimated net revaluation surplus of the revalued property asset	10,143
Estimated RNAV of the property, investment holding and others segment	**48,805**

(The remainder of this page is intentionally left blank)

5.3.2 **Property, Investment Holding and Others – NA method**

We have adopted the NA valuation method in arriving at the fair value of the other property, investment holding and others entities after taking into consideration that the PPE and ROU of the other property, investment holding and others entities of RM15.23 million constitute only 20.22% of the audited total assets of the property, investment holding and others segment of RM75.34 million as at 31 December 2025. The management has represented that there is no evidence of impairment for these assets as at the LPD, as the Group's accounting policy is to carry them at cost less accumulated depreciation and any accumulated impairment losses. Accordingly, no provision for impairment made and we are satisfied with the basis provided by the management.

Premised on this, we are of the view that any differences arising between the market value and carrying value of the PPE and ROU of the remaining entities are not expected to be material.

In view of the above and taking into consideration the elimination adjustments made on the investment in subsidiaries, we have adopted the latest aggregate audited NL of the remaining entities of RM26.08 million as the value of the said entities.

Our valuation on the overall property, investment holding and others segment is set out below:

	Estimated value RM'mil	**NA RM'mil**
Property, investment holding and others – RNAV method	48.81	38.66
Property, investment holding and others – NA method	(26.08)	(26.08)
Total value of property, investment holding and others segment	**22.73**	**12.58**

(The remainder of this page is intentionally left blank)

Kenanga

5.4 SOPV of EGB Shares

Based on the SOPV method, the estimated value of the EGB Group is as follows:

Segments	Valuation methodologies	Section	Estimated value RM'mil	NA[3] RM'mil
Machinery and equipment	RNAV	**Section 5.1**	98.91	98.59
Steel product and trading activity	RNAV and NA	**Section 5.2**	466.67	396.90
Property, investment holding and others	RNAV and NA	**Section 5.3**	22.73	12.58
Total value			**588.31**	**508.07**
Add: EGB (company level) adjusted audited NA as at 31 December 2025[1]			2.06	2.06
Value of the EGB Group			**590.37**	**510.13**
Number of EGB Shares ('million) (excluding treasury shares)[2]			445.77	445.77
Estimated value per EGB Share (RM)			**1.32**	**1.14**[4]

Notes:

(1) *The adjustments made to derive EGB's company level adjusted audited NA as at 31 December 2025 are as follows:*

	Audited as at 31 December 2025 RM'mil
Net assets	111.56
Less: Investment in subsidiaries	(187.55)
Add: Exercise of ESOS (cash)[i]	8.28
Add: Adjustments arising from impairment loss on the amount owing by subsidiaries[ii]	69.77
Adjusted net assets	**2.06**

Notes:

(i) *We take note that all ESOS Options are in the money, with the highest exercise price of RM0.2283 falling below the SCR Offer Price of RM0.45. We also take note that 1,180,000, 1,409,000, 2,157,000 and 4,673,000 ESOS Options have been exercised on 4 June 2026, 15 June 2026, 22 June 2026 and 29 June 2026 which is after the LTD. As such, we have assumed that all outstanding ESOS Options will be exercised prior to the Entitlement Date.*

(ii) *Impairment loss on the amount owing by subsidiaries was recognised at holding company level without the corresponding set-off of amount owing to holding company at the subsidiaries' level.*

(2) *Comprises of 409,515,439 EGB Shares (excluding treasury shares) and 36,257,000 new EGB Shares that assumed to be exercised pursuant to the exercise of ESOS Options as described in Note (i) above.*

(3) *Represents the consolidated NA of the Group as at 31 December 2025.*

(4) For information purposes, the adjusted consolidated audited NA per EGB Share as at 31 December 2025 is RM1.14, which differs from the RM1.28 per EGB Share as disclosed in Section 7.3 of the Circular (based on the maximum scenario assuming the full exercise of all outstanding ESOS Options) due to the following adjustments pursuant to the Proposed Land Disposal:

(i) estimated gain on disposal of the Land amounting to RM62.45 million;
(ii) reclassification of RM103.54 million from revaluation reserve to retained earnings;
(iii) reversal of deferred tax liabilities of RM11.51 million previously recognised in relation to the Land;
(iv) deduction of estimated expenses associated with the Proposed Land Disposal, including real property gains tax, amounting to approximately RM18.48 million; and
(v) early repayment penalty of RM1.30 million incurred in connection with the redemption of charges over the Land.

We had not made any adjustments related to the Proposed Land Disposal as the conditions precedent for the Proposed Land Disposal have not been fulfilled as at the LPD.

Based on the above, the SCR Offer Price represents:

(a) a **significant discount of RM0.87 or approximately 65.91%** to the estimated value of RM1.32 per EGB Share (assuming full exercise of the outstanding ESOS Options);

(b) a **discount of RM0.69 or approximately 60.53%** to the adjusted consolidated audited and unaudited NA per EGB Share of RM1.14[(1)] as at 31 December 2025 and 31 March 2026 (assuming full exercise of the outstanding ESOS Options); and

(c) a **discount of RM0.93 or approximately 67.39%** to the proforma NA of RM1.38 per EGB Share assuming the Proposed Land Disposal had been effected on 31 December 2025, as set out in the Land Disposal Circular (after accounting for the issuance of 8,750,000 new Shares pursuant to the exercise of 8,750,000 ESOS Options as disclosed in the Land Disposal Circular).

Note:

*(1) For clarity, the adjusted consolidated audited NA per EGB Share of RM1.14 is different from RM1.28 (as set out in **Section 7.3** of the Circular (based on the maximum scenario assuming the full exercise of all outstanding ESOS Options)) as we had not made any adjustments related to the Proposed Land Disposal mainly because the conditions precedent for the Proposed Land Disposal have not been fulfilled as at the LPD.*

For information purposes, the adjusted consolidated audited NA per EGB Share is computed based on the company level net assets, after taking into account the cash proceeds from the exercise of all remaining outstanding ESOS Options as at the LPD and the adjustments arising from the impairment loss on the amount owing by subsidiaries amounting to RM69.77 million, divided by the number of EGB Shares in issue (inclusive of the exercised ESOS Options).

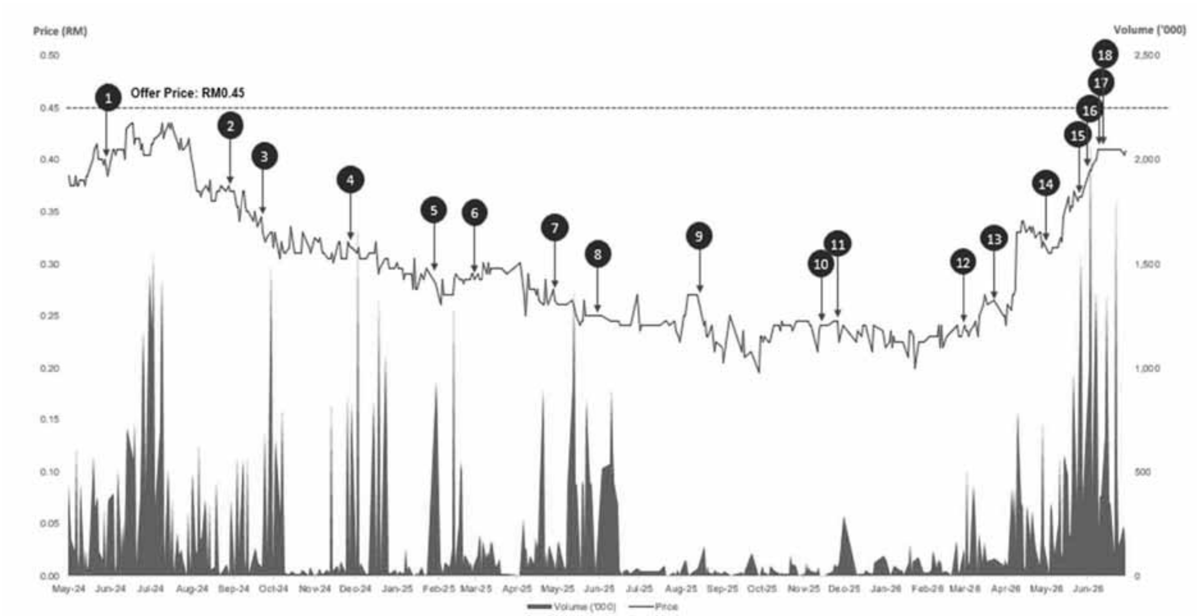
Based on our assessment, the SOPV reflects an indicative value based largely on the estimated value of the Group's properties. While these assets may have significant value on paper, they cannot be easily or quickly converted into cash. Realising such value depends on many factors, including property market conditions, regulatory approvals, funding availability and the presence of buyers willing to pay the assessed values. There is no certainty as to when, or at what price, such value can eventually be realised.

In addition, shareholders should note that EGB recorded a LAT of RM2.78 million for the first quarter ended 31 March 2026. In the event EGB continues to make losses in the subsequent financial periods, EGB's NA will correspondingly be eroded, resulting in a decline in NA per EGB Share over time. In the event EGB's financial performance improves, EGB's NA position could improve and support an increase in the value of EGB Shares. However, the timing and sustainability of such improvement remain uncertain and depend on the Group's operating performance and market conditions. Accordingly, shareholders who accept the Proposed SCR may forgo potential upside should EGB's financial performance improve.

Against this backdrop, the Proposed SCR offers shareholders the certainty of immediate cash consideration at a known price, without taking on the risks and uncertainty associated with holding the shares for an extended period in the hope that the SOPV value will eventually be realised. Although the SCR Offer Price is lower than the SOPV-derived value, the certainty of the Proposed SCR represents a practical and attractive exit option for the Entitled Shareholders.

5.5 Historical market price analysis of EGB Shares

In evaluating the Proposed SCR, we have taken into consideration the movement of the closing market prices of EGB Shares over the past 2 years up to the LTD and up to and including the LPD as depicted below:



(Source: Bloomberg L.P.)

During the same period, there have been no changes to the principal activities of EGB Group. Save for the table below and the announcements made in relation to the financial results and annual report of EGB Group for the last 2 years up to the LTD and up to and including the LPD, there were no significant events or announcements made by EGB which may have affected the movement of historical market prices of EGB Shares:

No.	Date of announcement	Announcement / Events
(1)	31 May 2024	EGB announced its consolidated results for the first quarter ended 31 March 2024, whereby EGB recorded an unaudited PBT of RM21.20 million for the 3-month FPE 31 March 2024 as compared to an unaudited PBT of RM7.67 million for the 3-month FPE 31 March 2023.

No.	Date of announcement	Announcement / Events
(2)	28 August 2024	(i) EGB announced its consolidated results for the second quarter ended 30 June 2024, whereby EGB recorded an unaudited PBT of RM1.12 million for the 3-month FPE 30 June 2024 as compared to an unaudited LBT of RM0.54 million for the 3-month FPE 30 June 2023. (ii) EGB announced that a revaluation exercise was undertaken on the land and buildings held by EGB Group. The valuation reports dated 28 August 2024 and the incorporation of the revaluation surplus arising from the revaluation exercise in the Company's unaudited financial results for the second quarter for the 3-month FPE 30 June 2024 was approved by the Board.
(3)	24 September 2024	EGB announced its proposal to undertake a private placement of up to 27,698,700 new EGB Shares, representing up to 10% of the existing total number of issued shares (excluding treasury shares), to independent third-party investor(s). The private placement was subsequently completed on 17 October 2024.
(4)	28 November 2024	EGB announced its consolidated results for the third quarter ended 30 September 2024, whereby EGB recorded an unaudited LBT of RM5.65 million for the 3-month FPE 30 September 2024 as compared to an unaudited PBT of RM1.72 million for the 3-month FPE 30 September 2023.
(5)	27 January 2025	EGB announced its proposal to undertake a private placement of up to 91,405,947 new EGB Shares, representing up to 30% of the existing total number of issued shares (excluding treasury shares), to independent third-party investor(s). The private placement was subsequently completed on 6 November 2025.
(6)	28 February 2025	EGB announced its consolidated results for the fourth quarter ended 31 December 2024, whereby EGB recorded an unaudited LBT of RM15.80 million for the 3-month FPE 31 December 2024 as compared to an unaudited LBT of RM12.52 million for the 3-month FPE 31 December 2023.
(7)	29 April 2025	EGB announced its integrated annual report for FYE 31 December 2024.
(8)	28 May 2025	EGB announced its consolidated results for the first quarter ended 31 March 2025, whereby EGB recorded an unaudited LBT of RM4.36 million for the 3-month FPE 31 March 2025 as compared to an unaudited PBT of RM21.20 million for the 3-month FPE 31 March 2024.
(9)	13 August 2025	EGB announced its consolidated results for the second quarter ended 30 June 2025, whereby EGB recorded an unaudited LBT of RM3.56 million for the 3-month FPE 30 June 2025 as compared to an unaudited PBT of RM1.12 million for the 3-month FPE 30 June 2024.

No.	Date of announcement	Announcement / Events
(10)	10 November 2025	(i) EGB announced its details of the ESOS Options offered to its eligible Directors and employees of EGB Group with an exercise price of RM0.2283 per ESOS Option. (ii) EGB announced that upon recommendation by the ESOS Committee pursuant to Clause 8.8 of the ESOS By-Laws, the Tranche 1 ESOS Options previously allocated with an exercise price of RM0.48 per ESOS Option and announced on 26 May 2023 have been cancelled, affecting a total of 41,000,000 ESOS Options, including 8,500,000 options allocated to Directors.
(11)	25 November 2025	EGB announced its consolidated results for the third quarter ended 30 September 2025, whereby EGB recorded an unaudited LBT of RM8.88 million for the 3-month FPE 30 September 2025 as compared to an unaudited LBT of RM5.65 million for the 3-month FPE 30 September 2024.
(12)	27 February 2026	EGB announced its consolidated results for the fourth quarter ended 31 December 2025, whereby EGB recorded an unaudited LBT of RM33.82 million for the 3-month FPE 31 December 2025 as compared to an unaudited LBT of RM15.53 million for the 3-month FPE 31 December 2024.
(13)	19 March 2026	EGB announced that its wholly-owned subsidiary, ELSB had on 19 March 2026 entered into a conditional sale and purchase agreement with WG Malaysia VIII Sdn Bhd to dispose a parcel of freehold land measuring approximately 2,876,579 square feet located in Mukim Kapar, Daerah Klang, Negeri Selangor for a cash consideration of approximately RM273.28 million. The said disposal is deemed as a related party transaction by virtue of the interest of certain Directors and major shareholders of EGB.
(14)	30 April 2026	EGB announced its integrated annual report for FYE 31 December 2025.
(15)	22 May 2026	EGB announced the Proposed SCR.
(16)	28 May 2026	EGB announced its consolidated results for the first quarter ended 31 March 2026, whereby EGB recorded an unaudited LBT of RM3.04 million for the 3-month FPE 31 March 2026 as compared to an unaudited LBT of RM4.37 million for the 3-month FPE 31 March 2025.
(17)	3 June 2026	EGB announced that it has received a letter from the Non-Entitled Shareholders to revise the SCR Offer Price from RM0.40 to RM0.45.
(18)	5 June 2026	EGB announced that the Non-Interested Directors had deliberated on the contents of the Proposal Letter (including the Supplemental Letter) and had resolved to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval.

Based on the chart above, we noted that the highest traded market price for EGB Shares was RM0.4350 (which was on 17 July 2024) and the lowest traded market price for EGB Shares was RM0.1950 (which was on 29 September 2025). Furthermore, the 2-year VWAP for EGB Shares was RM0.3274. The market prices of EGB Shares have been trading below the SCR Offer Price since 22 May 2024 and up to the LTD.

We note that the SCR Offer Price yielding the following premium over the following historical closing market price and VWAP of EGB Shares:

	Closing market price / VWAP	Premium of the SCR Offer Price over last traded market price / VWAP	
	RM	RM	%
Up to the LTD:			
Last traded market price	0.3550	0.0950	26.76
5-day VWAP	0.3502	0.0998	28.50
1-month VWAP	0.3302	0.1198	36.28
3-month VWAP	0.3020	0.1480	49.01
6-month VWAP	0.2909	0.1591	54.69
1-year VWAP	0.2747	0.1753	63.82
1-year high market price	0.3650	0.0850	36.50
1-year low market price	0.1950	0.2550	19.50
2-year VWAP	0.3274	0.1226	37.45
2-year high market price	0.4350	0.0150	43.50
2-year low market price	0.1950	0.2550	19.50
Up to the LPD:			
Last traded market price	0.4050	0.0450	11.11
5-day VWAP	0.4052	0.0448	11.06

(Source: Bloomberg L.P.)

Based on our evaluation above, the SCR Offer Price represents:

(i) a **premium of 26.76%** over the last transacted market price of EGB Shares as at the LTD and **premiums ranging between 28.50% and 63.82%** over the 5-day, 1-month, 3-month, 6-month, 1-year and 2-year VWAP of EGB Shares up to and including the LTD; and

(ii) a **premium of 11.11%** over the last transacted market price and a **premium of 11.06%** over the 5-day VWAP of EGB Shares up to the LPD.

It should also be noted that the market prices of the EGB Shares have been trending upwards after 31 March 2026 and trading closer to the SCR Offer Price up to the LPD. However, this recent price movement may not be indicative of the future market performance of the EGB Shares. Save for the announcement on the receipt of the Proposal Letter on 22 May 2026 and the Supplemental Letter on 3 June 2026 and the announcement on the Proposed Land Disposal dated 19 March 2026 (which did not materially affect the share price of EGB), there were no significant corporate events or announcements during the past 1 year prior to the date of the Proposal Letter and up to the LPD that would have materially affected the historical market price performance of the EGB Shares.

We are of the view that assessing the market price performance of the EGB Shares based on the 1-year period up to 31 March 2026 is more appropriate, as there were no material events during this period that would have influenced the share price.

In the event that the Proposed SCR is unsuccessful, there can be no assurance that the market price of EGB Shares will be maintained at or near the SCR Offer Price. Instead, the market price may reasonably be expected to revert towards levels more consistent with the prevailing fundamentals and historical trading patterns.

	Closing market price / VWAP	Premium of the SCR Offer Price over last traded market price / VWAP	
	RM	RM	%
Up to 31 March 2026:			
Last traded market price	0.2500	0.2000	80.00
5-day VWAP	0.2500	0.2000	80.00
1-month VWAP	0.2402	0.2098	87.34
3-month VWAP	0.2331	0.2169	93.05
6-month VWAP	0.2329	0.2171	93.22
1-year VWAP	0.2478	0.2022	81.60

(Source: Bloomberg L.P.)

Based on our evaluation above, the SCR Offer Price represents a **significant premium of 80.00%** over the last transacted market price of EGB Shares as at 31 March 2026 and **significant premiums ranging between 80.00% and 93.22%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including 31 March 2026.

Nonetheless, the Entitled Shareholders are reminded that the market prices of the EGB Shares shown above represent the historical trading prices of the EGB Shares, and are affected to a varying extent by changes in, including, but not limited to, the company-specific factors such as the performance and prospects of the EGB Group as well as prevailing market, political, industry and other general macroeconomic conditions. Accordingly, the historical market prices of the EGB Shares may not be a reliable indicator of the future trading performance of the EGB Shares and should not in any way be relied upon as an indication of the future trading pattern and performance of the EGB Shares. There can be no assurance that the market prices of the EGB Shares will continue to trade at the current price levels in the event the Proposed SCR is not successful.

Our view on the fairness of the Proposed SCR

We are of the view that the Proposed SCR is **NOT FAIR** as the SCR Offer Price of RM0.45 is lower than and represents:

(a) a **significant discount of RM0.87 or approximately 65.91%** to the estimated value per EGB Share of RM1.32 derived using the SOPV methodology (assuming full exercise of the outstanding ESOS Options);

(b) a **discount of RM0.69 or approximately 60.53%** to the adjusted consolidated audited and unaudited NA per EGB Share of RM1.14[(1)] as at 31 December 2025 and 31 March 2026 (assuming full exercise of the outstanding ESOS Options); and

(c) a **discount of RM0.93 or approximately 67.39%** to the proforma NA of RM1.38 per EGB Share assuming the Proposed Land Disposal had been effected on 31 December 2025, as set out in the Land Disposal Circular (after accounting for the issuance of 8,750,000 new Shares pursuant to the exercise of 8,750,000 ESOS Options as disclosed in the Land Disposal Circular).

Kenanga

Note:

*(1) For clarity, the adjusted consolidated audited NA per EGB Share of RM1.14 is different from RM1.28 (as set out in **Section 7.3** of the Circular (based on the maximum scenario assuming the full exercise of all outstanding ESOS Options)) as we had not made any adjustments related to the Proposed Land Disposal mainly because the conditions precedent for the Proposed Land Disposal have not been fulfilled as at the LPD.*

Notwithstanding the discount to the estimated value of EGB Shares, the Non-Interested Shareholders should also take note of the following:

(i) EGB Shares have not traded above the SCR Offer Price for the past 2 years prior to and including the LTD;

(ii) the SCR Offer Price represents a **premium of 26.76%** over the last transacted market price of EGB Shares on the LTD and **premiums ranging between 28.50% and 63.82%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including the LTD;

(iii) The SCR Offer Price represents a **significant premium of 80.00%** over the last transacted market price of EGB Shares as at 31 March 2026[(1)] and **significant premiums ranging between 80.00% and 93.22%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including 31 March 2026[(1)];

(iv) The SCR Offer Price represents a **premium of 11.06% and 11.11%** over the last transacted market price and the 5-day VWAP of EGB Shares up to the LPD; and

(v) Based on our assessment, the SOPV reflects an indicative value based largely on the estimated value of the Group's properties. While these assets may have significant value on paper, they cannot be easily or quickly converted into cash. Realising such value depends on many factors, including property market conditions, regulatory approvals, funding availability and the presence of buyers willing to pay the assessed values. There is no certainty as to when, or at what price, such value can eventually be realised.

Note:

(1) Save for the announcement on the receipt of the Proposal Letter on 22 May 2026 and the Supplemental Letter on 3 June 2026 and the announcement on the Proposed Land Disposal dated 19 March 2026 (which did not materially affect the share price of EGB), there were no significant corporate events or announcements during the past 1 year prior to the date of the Proposal Letter and up to the LPD that would have materially affected the historical market price performance of the EGB Shares. Subsequent to 31 March 2026 and up to the LTD, the market price of EGB Shares increased by 42.00%, reflecting abnormal volatility given that there were no material events during this period that would have influenced the share price.

As such, we are of the view that assessing the market price performance of the EGB Shares based on the 1-year period up to 31 March 2026 is more appropriate.

In the event that the Proposed SCR is unsuccessful, there can be no assurance that the market price of EGB Shares will be maintained at or near the SCR Offer Price. Instead, the market price may reasonably be expected to revert towards levels more consistent with the prevailing fundamentals and historical trading patterns.

The Non-Interested Shareholders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Proposed SCR and not to rely on the valuation of EGB Shares derived based on the SOPV methodology as the main criteria when assessing the Proposed SCR.

kenanga

6. REASONABLENESS OF THE PROPOSED SCR

6.1 Historical trading liquidity of EGB Shares

The historical trading volume of EGB Shares for the past 12 months up to April 2026 (being the last full trading month prior to the LTD), is as follows:

Month	**(1) Monthly volume traded**	**(2) Monthly volume traded over monthly free float (%)**
<u>2025</u>		
May	6,608,100	4.76
June	3,913,500	2.51
July	175,800	0.11
August	467,200	0.30
September	190,700	0.12
October	452,100	0.27
November	477,200	0.19
December	531,500	0.22
<u>2026</u>		
January	806,200	0.33
February	723,800	0.29
March	2,158,150	0.88
April	5,485,600	2.21
Simple average	**1,832,488**	**0.90**
Simple average (excluding May 2025, June 2025, March 2026 and April 2026(3))	**478,063**	**0.23**

(Source: Bloomberg L.P.)

Notes:

(1) Monthly volume traded excludes EGB Shares traded in the open market by the substantial shareholders of EGB.

(2) The monthly free float of EGB Shares excludes EGB Shares held by the substantial shareholders of EGB as at respective months.

(3) The trading volumes in May 2025, June 2025, March 2026 and April 2026 were significantly higher than the general trend observed for the periods under review and therefore, not reflective of the normal trading pattern of EGB Shares.

Based on the table above, the trading liquidity of EGB Shares based on the simple average for past 12 months up to April 2026 including and excluding outliers is approximately 1,832,488 shares and 478,063 shares, representing a liquidity turnover of 0.90% and 0.23%, respectively. Save for the Proposed Land Disposal, we noted no material announcements made by EGB which may have affected the movement of historical trading volume of EGB Shares for the past 12 months up to April 2026.

We have further compared the average trading liquidity turnover of EGB Shares against the [1]KLPRO based on the monthly trading volume of its shares traded on Bursa Securities, as follows:

Company/ Index	Average monthly volume traded over monthly free float (%)
EGB	0.23
KLPRO	[2]6.73

(Source: Bloomberg L.P.)

Notes:

(1) EGB is classified under "Industrial Products" pursuant to Bursa Securities' sector classification.

(2) Calculated by dividing the average monthly volume traded over the monthly free float of KLPRO as extracted from Bloomberg, excluding May 2025, June 2025, March 2026 and April 2026 as it is being regarded as outliers.

Based on the above, we note that EGB Shares are **relatively illiquid** when compared against the KLPRO, whereby its trading liquidity based on the average historical monthly volume trading for the past 12 months up to and including the LTD represented 0.90% of its issued shares (including outliers) and 0.23% of its issued shares (excluding outliers), equivalent to 1,832,488 shares and 478,063 shares, respectively. Both trading liquidities were significantly lower than the average monthly trading liquidity of KLPRO of 7.00% and 6.73% over the same period on an inclusive and exclusive-of-outlier basis, respectively.

The above evaluation is based on the historical trading volume of EGB Shares for the respective periods as well as the free float as at the respective dates, and should not be relied upon as an indication of the future trading liquidity of EGB Shares, which may be influenced by, amongst others, the performance and prospects of the EGB Group, prevailing economic conditions, economic outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company-specific factors.

As the trading volume of EGB Shares are relatively illiquid, Entitled Shareholders may have limited opportunity to realise his/her investment in EGB in the open market. The Proposed SCR represents an opportunity for the Entitled Shareholders to immediately realise their investments in EGB Shares in cash at the SCR Offer Price which represent a premium over the historical market prices as highlighted in **Section 5.5** of this IAL.

6.2 No alternative proposal and level of control of the Non-Entitled Shareholders and PACs

The aggregate shareholding of the Non-Entitled Shareholders and PACs decreased from 31.38% as at the date of the Proposal Letter to 30.66% as at the LPD, representing a dilution of 0.72% pursuant to the exercise of ESOS Options during that period. Assuming full exercise of the remaining outstanding ESOS Options as at the LPD, the aggregate shareholding of the Non-Entitled Shareholders and PACs would be further diluted to 28.16%.

As at the LPD, EGB has not received any alternative offer for EGB Shares or any offer to acquire the assets and liabilities of EGB. In addition, as part of the covenant in the Proposal Letter, EGB Group shall not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business save for the Proposed Land Disposal from the date of the Proposal Letter until the completion of Proposed SCR without the Non-Entitled Shareholders' prior written consent.

In the absence of an alternative proposal, the Proposed SCR represents an opportunity for the Entitled Shareholders to realise their investments in EGB Shares at:

(i) a **premium of 26.76%** over the last transacted market price of EGB Shares on the LTD and **premiums of between 28.50% and 63.82%** over the historical closing market prices and VWAP of EGB Shares in the past 1-year up to and including the LTD;

(ii) a **significant premium of 80.00**% over the last transacted market price of EGB Shares as at 31 March 2026 and **significant premiums ranging between 80.00% and 93.22%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including 31 March 2026; and

(iii) **premiums of between 9.68% and 9.76%** over the last transacted market price and VWAP of EGB Shares in the past 5-day up to and including the LPD.

Notwithstanding that the Non-Entitled Shareholders and PACs in EGB only have 30.66% as at the LPD, which is below the control threshold, unless the Non-Entitled Shareholders and PACs are required to abstain from voting on the resolutions sought at general meetings of EGB, the Non-Entitled Shareholders and PACs have:

(i) Influence over Ordinary Resolutions

The Non-Entitled Shareholders and PACs are able to influence the approval of any ordinary resolutions (which require a simple majority of more than 50% of the total votes cast). This allows the Non-Entitled Shareholders and PACs to influence the business and affairs of EGB, including the appointment of directors unless, the Non-Entitled Shareholders and PACs are required to abstain from voting on resolutions sought at the general meetings of EGB; and

(ii) Influence over Special Resolutions

The Non-Entitled Shareholders and PACs are able to influence the outcome of special resolutions (which require at least 75% of the total votes cast) unless the Non-Entitled Shareholders and PACs are required to abstain from voting on resolutions sought at the general meetings of EGB. While the Non-Entitled Shareholders and PACs cannot unilaterally pass a special resolution, the Non-Entitled Shareholders and PACs have absolute power to vote against and block any special resolution sought by other shareholders.

As set out in **Section 3, Appendix II, Part A** of the Circular, the substantial shareholders of EGB with direct equity interest comprise the Non-Entitled Shareholders (30.56%) and Dato' Sri Lee Hock Seng (6.10%). Dato' Sri Lee Hock Seng acquired the 25,000,000 SGB Shares at an issue price of RM0.2891 per EGB Share as part of the private placement exercise announced by EGB in 2024.

(The remainder of this page is intentionally left blank)

The voting results of the shareholders' general meeting of EGB from 2024 up to and including the LPD are as follows:

[(1)]General meeting	Total number of EGB shares held by the Non-Entitled Shareholders at the shareholders meeting	Total vote casted	Total number of EGB shares held by the Non-Entitled Shareholders against total vote casted %	Total vote casted against total number of EGB Shares (excluding treasury shares) %
<u>Held on 24 June 2026</u>				
Ordinary Resolution 1	125,178,046	255,149,124	49.06	62.55
Ordinary Resolution 2	125,178,046	255,149,124	49.06	62.55
Ordinary Resolution 3	125,178,046	255,149,124	49.06	62.55
Ordinary Resolution 4	125,178,046	255,149,124	49.06	62.55
Ordinary Resolution 5	125,178,046	255,149,124	49.06	62.55
Ordinary Resolution 6	125,178,046	255,149,124	49.06	62.55
Ordinary Resolution 7	125,178,046	255,149,124	49.06	62.55
Ordinary Resolution 8	125,178,046	255,149,124	49.06	62.55
<u>Held on 28 May 2025</u>				
Ordinary Resolution 1	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 2	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 3	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 4	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 5	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 6	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 7	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 8	125,178,046	214,536,052	58.35	69.70
Ordinary Resolution 9	125,178,046	214,536,052	58.35	69.70
<u>Held on 31 May 2024</u>				
Ordinary Resolution 1	120,178,046	151,308,418	79.43	54.02
Ordinary Resolution 2	120,178,046	151,308,418	79.43	54.02
Ordinary Resolution 3	120,178,046	151,128,518	79.52	53.96
Ordinary Resolution 4	120,178,046	151,308,408	79.43	54.02
Ordinary Resolution 5	120,178,046	151,300,408	79.43	54.02
Ordinary Resolution 6	120,178,046	151,300,407	79.43	54.02
Ordinary Resolution 7	120,178,046	182,315,746	65.92	65.09
Ordinary Resolution 8	120,178,046	155,902,006	77.09	55.66
Ordinary Resolution 9	120,178,046	152,539,006	78.79	54.46
Ordinary Resolution 11	120,178,046	151,308,506	79.43	54.02
Ordinary Resolution 12	120,178,046	151,300,405	79.43	54.02
Average		**202,608,490**		**61.97**

Note:

(1) The voting results above excludes resolutions where the Non-Entitled Shareholders have to abstain from voting.

Based on the historical rates of shareholders' participation in EGB's general meetings from 2024 up to and including the LPD, we observe that, on average, 202,608,490 shares (or approximately 61.97%) of the Company's issued shares were represented and voted at such meetings.

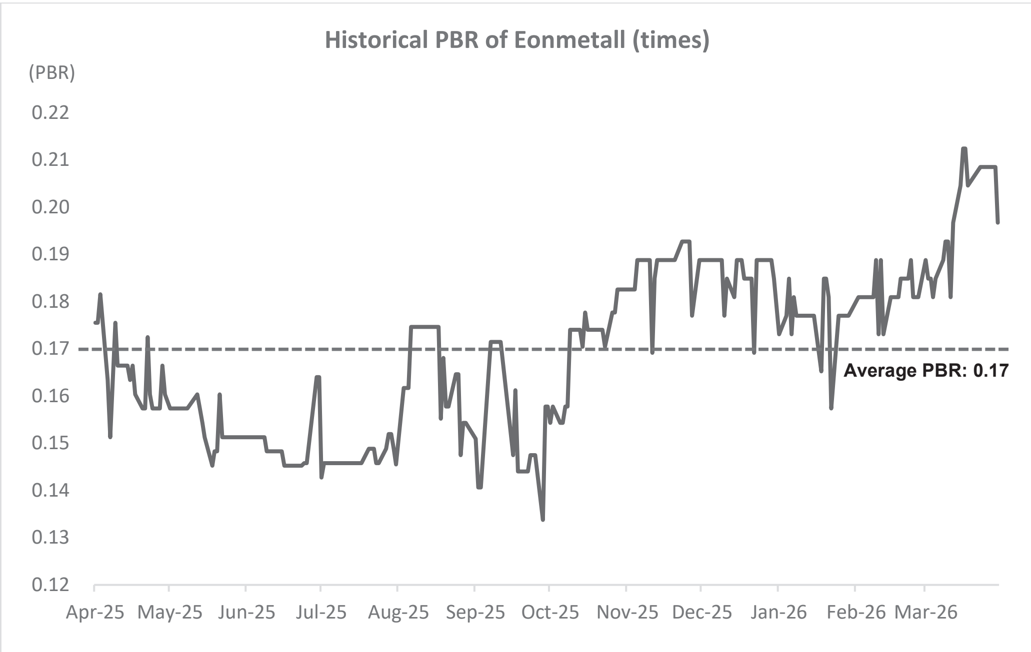
As at the LPD, the Offeror and its PACs hold, directly and indirectly, 125,542,596 EGB Shares or 30.66% equity stake of EGB Shares, representing approximately 61.96% of the average total vote casted in the general meetings above, indicating significant influence over the approval of any ordinary resolutions and special resolutions. The above analysis is based on historical voting data and is presented for illustrative purposes only. It may not be representative of turnout or voting outcomes at future general meetings.

6.3 Expected market price if the Proposed SCR is unsuccessful

Pursuant to subparagraph 5(d) of Schedule 2: Part III of the Rules, we have considered the expected market price of EGB Shares in the event that the Proposed SCR is not successful, as well as the implications for Non-Interested Shareholders in terms of certainty of value realisation.

In assessing the expected market prices in the event the Proposed SCR is not successful, we have considered the following:

(a) An average PBR for EGB Shares for the past 12 months up to 31 March 2026[(1)] of 0.17 times



Note:

(1) 31 March 2026 was adopted as the cut-off date for the purpose of this analysis as there were no material corporate proposals save for the Proposed Land Disposal (which did not materially affect the share price of EGB) during this period that would have affected the share price. Subsequent to 31 March 2026 and up to the LPD, the market price of EGB Shares increased by 62.00%, reflecting abnormal volatility with the average PBR up to the LPD being 0.28 times.

In the event that the Proposed SCR is unsuccessful, there can be no assurance that the market price of EGB Shares will be maintained at or near the SCR Offer Price. Instead, the market price may reasonably be expected to revert towards levels more consistent with the prevailing fundamentals and historical trading patterns.

We have adopted the PBR as the valuation metric in our assessment, as relative valuation methodologies such as PER and EV/EBITDA are generally more meaningful where the subject company is able to generate sustainable and positive earnings. In this regard, EGB Group recorded LAT of RM51.41 million and LBITDA of RM40.00 million for the FYE 31 December 2025.

Based on the average historical PBR of 0.17 times, the illustrative market price based on this scenario will be RM0.22. The SCR Offer Price represents a premium of 104.55% to this illustrative market price.

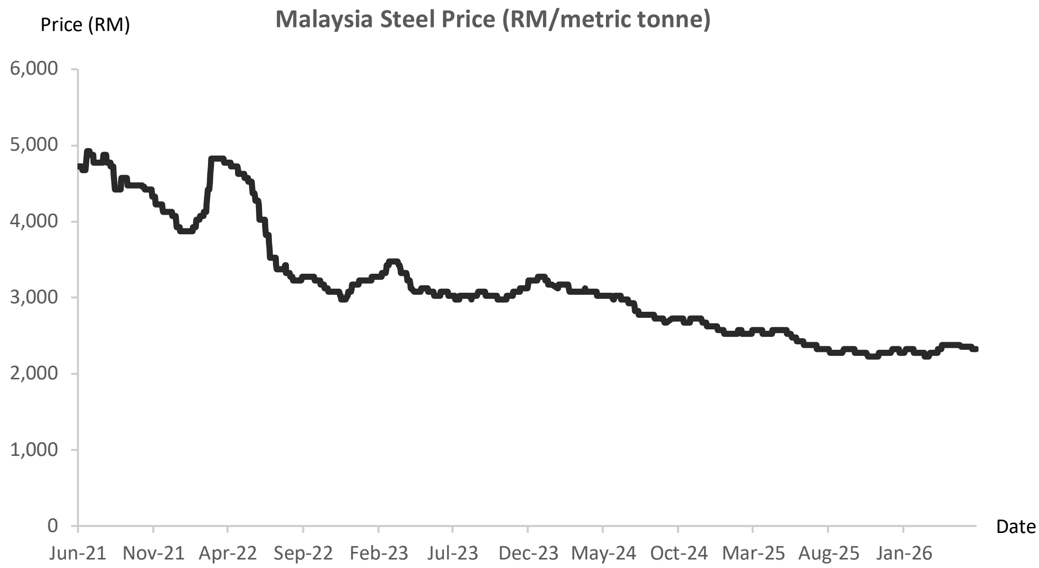
(b) Price performance of EGB Shares

In addition, prior to the announcement of the Proposed SCR on 22 May 2026, EGB Shares had, for an extended period, traded at prices below the SCR Offer Price. During this period, the share price generally moved within a relatively stable range, without a sustained upward trend. For information, the last transacted price was RM0.2500 as at 31 March 2026, where the SCR Offer Price currently represents a significant premium of 80.00% over the last transacted price.

This period is relevant as it reflects trading activity when there was no expectation of a privatisation involving the Company. The market prices observed during this time therefore represent how EGB Shares were priced under normal trading circumstances, based on prevailing market conditions and publicly available information.

Following the announcement of the Proposed SCR, the market price of EGB Shares moved closer to the SCR Offer Price. This suggests that the recent trading levels were influenced primarily by transaction-related expectations, rather than by changes in the Company's operations, listing status or trading profile in the ordinary course.

(c) Uncertainty in the challenging operating environment and prospects of the Malaysia steel sector



(Source: Bloomberg L.P.)

According to Department of Statistics Malaysia's Building Materials Cost Index for February 2026, steel and metal prices increased by between 0.3% and 1.6% month-on-month, while the average price of steel decreased by 1.4% to approximately RM 3,404.40 per metric tonne as compared to the previous month January 2026, when it was RM 3,454.00 per metric tonne.

In addition, the decline in steel prices reduces bargaining power in EGB's trading activities, limiting its ability to pass through higher operating and compliance costs to customers, thereby affecting profitability. The Group may face heightened earnings volatility and weaker cash flow generation, particularly given the cyclical nature of the steel sector and dependence on construction and industrial demand.

(Source: Department of Statistics Malaysia - Special Release 2 - For Building and Structural Works (February 2026))

Malaysia's Apparent Steel Consumption sits at approximately 8.2 to 8.6 million metric tonnes indicating a relatively stable demand base supported by construction activities, industrial development, data center investments, and semiconductor-related expansion. However, while these sectors provide underlying demand support, the pace of demand growth remains insufficient to absorb the industry's excess capacity, thereby reinforcing the structural oversupply condition.

(Source: Data centre boom, chip industry expansion expected to boost local steel demand – MIDA (July 2024))

According to the World Steel Association, Chinese steel demand is still contracting, although the rate of decline is slowing as the housing market correction nears its bottom, while steel demand from manufacturing sectors is supported by expanding exports. This suggests that domestic demand remains relatively weak compared to supply, indicating a potential imbalance in the market. As a result, excess steel may be exported to international markets, contributing to downward pressure on global steel prices, which can negatively affect steel producers in countries such as Malaysia through increased competition from lower-priced imports.

(Source: World Steel Association AISBL – Short Range Outlook April 2026 (April 2026))

In view of the above, the Group is operating in a challenging environment driven by persistent price pressure and market imbalances. Although underlying demand remains supported by construction and industrial activity, it is insufficient to absorb excess supply, while weaker demand in major markets has led to increased exports and intensified competition in the region.

As a result, the Group faces reduced pricing power in its trading activities, limiting its ability to pass through higher costs and leading to margin compression, earnings volatility and pressure on cash flow. In view of the above, the Group may continue to experience margin compression, earnings volatility and weaker cash flow generation as it navigates higher cost structures alongside a competitive and price-sensitive operating environment, which may in turn affect its financial performance and growth prospects in the near to medium term.

(d) Impact of pricing pressure and capacity utilisation on the Group

EGB's financial performance is directly influenced by prevailing demand-supply conditions within the steel industry. EGB's steel product and trading activity segment was materially affected by the loss of a major export market, namely the United States of America market in FYE 31 December 2023, which previously contributed approximately 40% of the Group's revenue, following anti-dumping and countervailing duty-related proceedings in the United States of America. The loss of this major export market significantly affected the Group's sales base, production planning and capacity utilisation and this is reflected by the Group's revenue decline from RM197.4 million in FYE 31 December 2024 to RM140.7 million in FYE 31 December 2025 and PAT from RM3.09 million in FYE 31 December 2024 to LAT of RM51.41 million in FYE 31 December 2025.

The impact was further compounded by the oversupply situation in the global steel industry, which continues to exert downward pressure on selling prices. In particular, lower-priced steel imports from China, driven by excess capacity in international markets, have intensified competitive pressure, as Chinese steel producers are generally able to offer more competitively priced products and demonstrate greater flexibility in meeting varying product specifications.

In addition, ongoing conflicts and geopolitical tensions in the Middle East have contributed to uncertainty in global trade flows, logistics costs and customer demand, which may further affect export-oriented manufacturers and price-sensitive steel-related products.

Against this backdrop, EGB's ability to maintain its selling prices in this operating environment is constrained. Declining steel prices and competition from lower-cost imports reduce the Group's pricing power across both its manufacturing and trading segments, thereby affecting its margins. In addition, EGB may face challenges in achieving optimal capacity utilisation, as demand may not be sufficient to absorb its production output. As a result, EGB's revenue growth, if any, is expected to remain modest, particularly in view of potential underutilisation of production capacity and continued downward pressure on selling prices.

(The remainder of this page is intentionally left blank)

We have also assessed precedent cases of price performance of companies listed on Bursa Malaysia with the following criteria:

(i) companies that had undertaken a privatisation exercise from 1 January 2021 up to the LPD; and

(ii) companies that had expressed an intention to delist but remained listed due to an unsuccessful delisting exercise.

The precedent cases based on the above criteria are as follows:

Offeree	Non-Entitled Shareholder(s)	Offer price	Closing date of the offer	Mode of take -over	Intention to delist	Share price 1 day after the closing date of the offer RM	Variance of the share price and the offer price %	Share price 1 month after the closing date of the offer RM	Variance of the share price and the offer price %
FGV Holdings Berhad	Felda Land Development Authority	1.300	15-Mar-21	Unconditional Mandatory	Yes	1.570	20.77	1.360	4.62
Daibochi Berhad	Scientex Berhad	2.700	25-Oct-21	Unconditional Voluntary	Yes	2.710	0.37	2.600	(3.70)
Grand Central Enterprises Berhad	Tan Chee Hoe & Sons Sdn Bhd and Hotel Grand Central Limited	0.460	11-Oct-24	Conditional Voluntary	Yes	0.465	1.09	0.460	0.00
Kim Hin Industry Berhad	Kim Hin (Malaysia) Sdn Bhd & Chua Seng Huat	0.850	22-Aug-25	Unconditional Voluntary	Yes	0.825	(2.94)	0.760	(10.59)
FACB Industries Corporated Berhad	Magni Vantage Limited	1.600	10-Oct-25	Conditional Voluntary	Yes	1.600	0.00	1.600	0.00
Genting Malaysia Berhad	Genting Berhad	2.350	1-Dec-25	Conditional Mandatory	Yes	2.250	(4.26)	2.050	(12.77)
DKSH Holdings (Malaysia) Berhad	DKSH Resources (Malaysia) Sdn Bhd	6.150	2-Apr-26	Selective capital reduction	Yes	5.600	(8.94)	5.600	(8.94)
IJM Corporation Berhad	Sunway Berhad	3.150	6-Apr-26	Conditional Voluntary	Yes	2.280	(27.62)	2.390	(24.13)

Kenanga

Based on the precedents set out in the table above, it is observed that share prices of offeree companies with an intention to delist typically do not sustain above the offer price following an unsuccessful takeover offer or selective capital reduction exercise being undertaken. In the immediate post-closing period, most offeree companies saw their share prices either declined or remain flat, rather than rise. Empirically, 4 out of 8 companies recorded a decline in their share prices within one day after the offer closing date, including IJM Corporation Berhad (-27.62%), DKSH Holdings Berhad (-8.94%), Genting Malaysia Berhad (-4.26%) and Kim Hin Industry Berhad (-2.94%). This suggests that, upon the failure of a privatisation exercise, the transaction-driven price support is generally removed.

A similar pattern is observed over a longer timeframe where 1-month post-closing share price data is available. Empirically, 5 out of 8 companies recorded a decline in their share prices within 1 month after the offer closing date, including IJM Corporation Berhad (-24.13%), DKSH Holdings Berhad (-8.94%), Genting Malaysia Berhad (-12.77%), Kim Hin Industry Berhad (-10.59%) and Daibochi Berhad (-3.70%).

Accordingly, in the event that the Proposed SCR is unsuccessful, there can be no assurance that the market price of EGB Shares will be maintained at or near the SCR Offer Price, and the share price may reasonably be expected to revert towards levels more consistent with the prevailing fundamentals and historical trading patterns.

In such circumstances, the market price of EGB Shares would be subjected to reassessment by investors, and the share price would depend on broader market sentiment, the outlook for steel-related businesses and expectations regarding the Group's future performance. In addition, based on our understanding and confirmations provided by the Company, there are currently no strategic transactions that are expected to act as a catalyst for a share price re-rating.

As such, in the absence of such catalysts, the Proposed SCR provides Entitled Shareholders with the opportunity to realise their investment at a known cash price without the exposure to uncertainties relating to the future market pricing or reliance on longer-term developments for value realisation.

The expected market price set out above is derived based on historical trading multiples and prevailing assumptions and is presented for illustrative purposes only. The actual market price of the EGB Shares following the Proposed SCR may vary, potentially materially, due to a range of factors including, but not limited to, prevailing market conditions, investor sentiment, the future financial performance and prospects of the Group, as well as broader economic and regulatory developments.

Our view on the reasonableness of the Proposed SCR

Based on our analysis as set out in **Sections 6.1** to **6.3** of this IAL, we are of the view that the Proposed SCR is **REASONABLE** as it provides an exit opportunity to the Entitled Shareholders, especially for those holding a significant number of EGB Shares, to realise their investment in EGB for cash at the SCR Offer Price expeditiously in view that:

(i) the trading volume of EGB Shares has been relatively illiquid whereby its trading liquidity based on the average historical monthly volume traded for the past 12 months up to the LTD represented 0.90% of its issued shares (including outliers) and 0.23% of its issued shares (excluding outliers), equivalent to 1,832,488 shares and 478,063 shares, respectively. Both trading liquidities were significantly lower than the average monthly volume traded over free float of KLPRO of 7.00% and 6.73% over the same period on an inclusive and exclusive-of-outlier basis, respectively;

(ii) EGB has not received any alternative offer for EGB Shares or any offer to acquire the assets and liabilities of the EGB Group. In addition, as part of the covenant in the Proposal Letter, EGB Group shall not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business save for the Proposed Land Disposal from the date of the Proposal Letter until the completion of the Proposed SCR without the Non-Entitled Shareholders' prior written consent;

(iii) the Non-Entitled Shareholders and the PACs, who collectively hold an equity stake of approximately 30.66% in EGB, are able to influence the outcome of any ordinary resolutions and special resolutions tabled at the general meetings of EGB unless, the Non-Entitled Shareholders and PACs are required to abstain from voting on such resolutions;

(iv) in the event the Proposed SCR is unsuccessful, the market price of EGB Shares would continue to be determined by prevailing market conditions and investor perceptions of the Group in the ordinary course of trading. In these circumstances, there can be no assurance that the EGB Shares will continue to trade at or near the SCR Offer Price. Instead, the market price may reasonably be expected to revert towards levels that are more consistent with historical trading prices prior to the announcement of the Proposed SCR; and

(v) EGB's financial performance remains constrained by the challenging demand-supply conditions in the steel industry, following the loss of a major export market in FYE 31 December 2023 which had previously contributed approximately 40% of the Group's revenue. This affected the Group's sales base, production planning and capacity utilisation, as reflected in the decline in revenue from RM197.4 million in FYE 31 December 2024 to RM140.7 million in FYE 31 December 2025 and PAT from RM3.09 million in FYE 31 December 2024 to LAT of RM51.41 million in FYE 31 December 2025. The impact was further compounded by global steel oversupply, lower-priced imports from China, and uncertainties arising from Middle East geopolitical tensions, which have intensified pricing pressure, logistics cost volatility and demand uncertainty. As a result, EGB's pricing power, margins and capacity utilisation are expected to remain under pressure, with revenue growth likely to be modest in the near to medium term.

(The remainder of this page is intentionally left blank)

7. RATIONALE FOR THE PROPOSED SCR AND FUTURE PLANS FOR THE EGB GROUP AND ITS EMPLOYEES

The rationale for the Proposed SCR and the intention of the Non-Entitled Shareholders in relation to the future plans for EGB Group and its employees as set out in **Sections 4 and 5** of the Circular are as follows:

7.1 Rationale for the Proposed SCR

As presented by the Non-Entitled Shareholders, the rationale for the Proposed SCR is as follows:

(i) Greater flexibility in managing the business of the EGB Group

The Proposed SCR would provide the Non-Entitled Shareholders greater flexibility in managing and developing the existing businesses of EGB Group. As a private company, the Company will be subject to less public scrutiny, including from shareholders and potential analysts. Given the Group's loss-making position in recent financial years, the Non-Entitled Shareholders believe that operating outside the constraints of short-term market expectations would provide the management with greater flexibility to focus on its core growth initiatives for long-term value creation such as developing new products and services and pursuing suitable business and investment opportunities with the aim of improving our Group's financial performance over the longer term. Such business and investment opportunities may include, amongst others, mergers and acquisitions as well as ventures into new segments and/or markets which may require significant capital commitments or involve long gestation periods before generating returns.

In this context, as a private company, the Company would be able to undertake corporate exercises in relation to such initiatives in an expedient manner which may otherwise require extensive public disclosures and approvals from shareholders and/or capital market regulators should the Company remain listed on the Main Market of Bursa Securities. This also enables the Company to operate more effectively in the longer term and make decisions without being subjected to the interests and demands of a diverse group of shareholders who may have conflicting views.

(ii) Low trading liquidity of EGB Shares

The trading liquidity of EGB Shares has been very low, with an average daily trading volume of 932,864 EGB Shares for the past 3 years up to the LTD. This average daily trading volume merely represents 0.37% of the free float of EGB Shares as at the LTD. The low trading liquidity of EGB Shares has, to a certain extent, curtailed the ease of the ordinary shareholders of the Company to trade EGB Shares on Bursa Securities.

As such, the Proposed SCR provides an opportunity for the Entitled Shareholders to immediately exit and realise their investments in the Company as well as free up their cash flows for other investment opportunities, which they may otherwise have not been able to do so due to the low trading liquidity of EGB Shares.

(iii) Opportunity for the Entitled Shareholders to realise their holdings at a premium to the market price of EGB Shares

The Proposed SCR provides an opportunity for the Entitled Shareholders to exit and realise their investments in the Company at a premium over the prevailing market price of EGB Shares. As set out in **Section 2.4, Part A** of the Circular, the SCR Offer Price represents premiums ranging from 26.76% to 64.11% based on the closing price of the Shares as at the LTD as well as the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of the EGB Shares up to and including the LTD. In addition, EGB Shares have not traded at or above the SCR Offer Price for the past 1 year up to the LTD.

Notwithstanding the above, the SCR Offer Price represents a discount to the Group's NA per Share, as set out in **Section 2.4**, **Part A** of the Circular. In this regard, the Entitled Shareholders should note that the market price of EGB Shares has traded below the Group's NA per Share for a prolonged period. As such, there can be no assurance that the market price of EGB Shares will reflect the Group's NA per Share in the foreseeable future.

7.2 Future plans for the EGB Group and its employees

The Non-Interested Directors have taken note of the intentions of the Non-Entitled Shareholders with respect to the Group's business and employees after the Completion which are as follows:

(i) Continuation of EGB Group's businesses

The Non-Entitled Shareholders intend to continue with the existing core businesses of the Group and currently have no plans to liquidate any of their key subsidiaries. The Proposed SCR is not intended to nor expected to result in any disruption of their operations, ongoing projects and commitments to their customers and partners.

Nevertheless, after Completion, the Non-Entitled Shareholders may from time to time, undertake a review of the businesses and operations within the Group to determine the strategic plans to optimise the value of their diverse business operations and make such arrangements, rationalisation and reorganisation as the Non-Entitled Shareholders consider suitable and/or in the best interests of the Group.

(ii) Major changes to EGB Group's businesses

Save for the Proposed Land Disposal, the Non-Entitled Shareholders do not have any plans and/or intention to introduce or effect material changes to the existing businesses, liquidate any of the companies within the Group (save for dormant or inactive companies), dispose of any major assets or undertake any major redeployment of the fixed assets of the Group, except where such change, disposal and/or redeployment is necessary as to rationalise the business activities and/or direction of the Group to improve the prospects and future growth of the Group.

(iii) Employees

The Non-Entitled Shareholders do not have any plan to dismiss or make redundant any of the employees of the Group by way of a retrenchment exercise.

However, it should be noted that some changes in staff employment and redeployment of staff may take place as a result of subsequent reviews (if any) by the Non-Entitled Shareholders of the Group's employment structure, role of individual employees, rationalisation of business activities and/or direction to further improve productivity and efficiency of the operations of the Group. Nevertheless, any such action taken involving employees will be carried out in accordance with the relevant legislation and the terms of employment of the affected employees

Premised on the above, we are of the view that the business and management of EGB Group will remain the same in all material aspects and that the EGB Group is expected to continue as a going concern given the Non-Entitled Shareholders' intention to continue with EGB Group's existing businesses and operations and there is no plan and/or intention to dispose of any major assets of EGB Group or to liquidate any company in EGB Group. We further note that the Non-Entitled Shareholders has not entered into any negotiation, arrangement or understanding with any third party with regard to any significant changes in the business, assets or shareholding structure of EGB Group, as at the LPD.

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

The interests of Interested Directors, major shareholders and/or persons connected with them (together with their course of action in relation to the Proposed SCR) are set out in **Section 10** of the Circular.

9. DIRECTORS' SHAREHOLDING AND INTENTION TO VOTE

Save as disclosed in **Section 10** of the Circular and **Section 2** of Appendix III of this Document, the Directors do not have any interest, whether direct or indirect, in EGB as at the LPD.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings pertaining to the Proposed SCR, and the Interested Directors and the Interested Major Shareholders will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the Special Resolution to be tabled at the forthcoming EGM.

Furthermore, the Interested Directors and the Interested Major Shareholders will also ensure that persons connected with them (including the PACs) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the Special Resolution to be tabled at the forthcoming EGM.

As at the LPD, Chan Theng Sung, being the Independent Non-Executive Director, holds 180,000 EGB Shares, representing approximately 0.04% of the total number of EGB Shares in issue. He intends to **vote in favour** of the Special Resolution in respect of his direct shareholding in the Company.

10. FURTHER INFORMATION

The Entitled Shareholders are advised to refer to the views and recommendation of the Board (save for the Interested Directors) as set out in **Section 14** of the Circular as well as the accompanying appendices and other relevant information in the Circular for further details in relation to the Proposed SCR.

11. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendation in respect of the Proposed SCR, we have assessed the fairness and reasonableness of the Proposed SCR in accordance with paragraphs 1 to 7 of Schedule 2: Part III of the Rules, whereby:

(i) the term "**fair and reasonable**" should generally be analysed as 2 distinct criteria i.e. whether the Proposed SCR is "**fair**" and whether the Proposed SCR is "**reasonable**", rather than as a composite term;

(ii) the Proposed SCR is considered as "**fair**", if the SCR Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the EGB Shares. However, if the SCR Offer Price is equal to or higher than the market price, but is lower than the value of the EGB Shares, the Proposed SCR is considered as "**not fair**". In making the assessment, the value of the EGB Shares is determined based on the assumption that 100% of the issued share capital of EGB is being acquired;

(iii) in considering whether a Proposed SCR is "**reasonable**", we have taken into consideration matters other than the valuation of the EGB Shares. Generally, the Proposed SCR would be considered "**reasonable**" if it is "**fair**". Nevertheless, the Independent Adviser may also recommend for Entitled Shareholders to vote in favour of the Special Resolution despite it being "**not fair**", if the Independent Adviser is of the view that there are sufficiently strong reasons to vote in favour of the Special Resolution in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as 'not reasonable' and thus, the recommendation would be to reject the offer; and

(iv) in the event the Independent Adviser concludes that the Proposed SCR is "**not fair but reasonable**", the Independent Adviser must clearly explain the following:

(a) what is meant by "**not fair but reasonable**"

(b) how has the Independent Adviser reached this conclusion; and

(c) the course of action that the Entitled Shareholders are recommended to take pursuant to the conclusion.

We have assessed and evaluated the terms of the Proposed SCR and have set out our evaluation in **Sections 5 and 6** of this IAL. Entitled Shareholders should carefully consider the merits and demerits of the Proposed SCR based on all relevant and pertinent factors including those set out below and other considerations as set out in this IAL and the Circular.

In arriving at our opinion, we have taken into consideration various applicable factors as set out below:

Fairness of the SCR Offer Price
Valuation of EGB Shares Based on our evaluation as per **Section 5** of this IAL, we are of the view that the Proposed SCR is **NOT FAIR** as the SCR Offer Price represents: (i) **lower than** and represents a **significant discount of RM0.87 (65.91%)** to the estimated value per EGB Share derived using the SOPV method of RM1.32 (assuming full exercise of the outstanding ESOS Options); (ii) a **discount of RM0.69 (60.53%)** to the adjusted consolidated audited and unaudited consolidated NA of RM1.14[(1)] per EGB Share as at 31 December 2025 and 31 March 2026 (assuming full exercise of the outstanding ESOS Options); and (iii) a **discount of RM0.93 (67.39%)** to the proforma NA of RM1.38 per EGB Share assuming the Proposed Land Disposal had been effected on 31 December 2025, as set out in the Land Disposal Circular (after accounting for the issuance of 8,750,000 new Shares pursuant to the exercise of 8,750,000 ESOS Options as disclosed in the Land Disposal Circular). ***Note:*** *(1) For clarity, the adjusted consolidated audited NA per EGB Share of RM1.14 is different from RM1.28 (as set out in* ***Section 7.3*** *of the Circular (based on the maximum scenario assuming the full exercise of all outstanding ESOS Options)) as we had not made any adjustments related to the Proposed Land Disposal mainly because the conditions precedent for the Proposed Land Disposal have not been fulfilled as at the LPD.*

The Entitled Shareholders should also note that majority of the value derived from the SOPV method of EGB, amounting to RM591.93 million is attributable to the market value of vacant lands and buildings, which amounts to RM600.97 million.

The revalued vacant lands and buildings collectively account for 100% of the Group's total properties as at the LPD, indicating that the Group's valuation is predominantly asset-backed and any sale of the lands and buildings held by the Group will be subject to the property market condition at the time and the existence of ready and committed buyer(s) who is willing to pay the market value of each property. Notwithstanding the market value of the properties, the monetisation may prove challenging due to the illiquid nature of real estate assets.

In the event of liquidation, the realisation of the properties' value is expected to be undertaken in an orderly manner and may not be immediate.

Based on our assessment, the SOPV reflects an indicative value based largely on the estimated value of the Group's properties. While these assets may have significant value on paper, they cannot be easily or quickly converted into cash. Realising such value depends on many factors, including property market conditions, regulatory approvals, funding availability and the presence of buyers willing to pay the assessed values. There is no certainty as to when, or at what price, such value can eventually be realised.

In addition, shareholders should note that EGB recorded a LAT of RM2.78 million for the first quarter ended 31 March 2026. In the event EGB continues to make losses in the subsequent financial periods, EGB's NA will correspondingly be eroded, resulting in a decline in NA per EGB Share over time. In the event EGB's financial performance improves, EGB's NA position could improve and support an increase in the value of EGB Shares. However, the timing and sustainability of such improvement remain uncertain and depend on the Group's operating performance and market conditions. Accordingly, shareholders who accept the Proposed SCR may forgo potential upside should EGB's financial performance improve.

Against this backdrop, the Proposed SCR offers shareholders the certainty of immediate cash consideration at a known price, without taking on the risks and uncertainty associated with holding the shares for an extended period in the hope that the SOPV value will eventually be realised. Accordingly, although the SCR Offer Price is lower than the SOPV-derived value, the certainty of the Proposed SCR represents a practical and attractive exit option for Entitled Shareholders.

Historical market prices of EGB Shares

(i) EGB Shares have not traded above the SCR Offer Price for the past 2 years prior to and including the LTD;

(ii) SCR Offer Price represents a **premium of 26.76%** over the last transacted market price of EGB Shares on the LTD and **premiums ranging between 28.50% and 63.82%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including the LTD;

(iii) SCR Offer Price represents a **significant premium of 80.00%** over the last transacted market price of EGB Shares as at 31 March 2026[(1)] and **significant premiums ranging between 80.00% and 93.22%** over the 5-day, 1-month, 3-month, 6-month and 1-year VWAP of EGB Shares up to and including 31 March 2026[(1)]; and

(iv) SCR Offer Price represents a **premium of 11.11%** over the last transacted market price and a **premium of 11.06%** over the 5-day VWAP of EGB Shares up to the LPD.

kenanga

Note:

(1) Save for the announcement on the receipt of the Proposal Letter on 22 May 2026 and the Supplemental Letter on 3 June 2026 and the announcement on the Proposed Land Disposal dated 19 March 2026 (which did not materially affect the share price of EGB), there were no significant corporate events or announcements during the past 1 year prior to the date of the Proposal Letter and up to the LPD that would have materially affected the historical market price performance of the EGB Shares. Subsequent to 31 March 2026 and up to the LTD, the market price of EGB Shares increased by 42.00%, reflecting abnormal volatility given that there were no material events during this period that would have influenced the share price.

As such, we are of the view that assessing the market price performance of the EGB Shares based on the 1-year period up to 31 March 2026 is more appropriate.

In the event that the Proposed SCR is unsuccessful, there can be no assurance that the market price of EGB Shares will be maintained at or near the SCR Offer Price. Instead, the market price may reasonably be expected to revert towards levels more consistent with the prevailing fundamentals and historical trading patterns.

Reasonableness of the Proposed SCR

We are of the view that the Proposed SCR is **REASONABLE** as it provides an exit opportunity to the Entitled Shareholders, especially for those holding a significant number of EGB Shares, to realise their investment in EGB for cash at the SCR Offer Price expeditiously in view that:

Historical trading liquidity of EGB Shares

The trading volume of EGB Shares was relatively illiquid whereby its trading liquidity based on the average historical monthly volume traded for the past 12 months up to LTD o represented 0.90% of its issued shares (including outliers) and 0.23% of its issued shares (excluding outliers), equivalent to 1,832,488 shares and 478,063 shares, respectively. Both trading liquidities were significantly lower than the average monthly volume traded over free float of KLPRO of 7.00% and 6.73% over the same period on an inclusive and exclusive-of-outlier basis, respectively.

No alternative proposal and level of control by the Non-Entitled Shareholders and the PACs

The aggregate shareholding of the Non-Entitled Shareholders and PACs decreased from 31.38% as at the date of the Proposal Letter to 30.66% as at the LPD, representing a dilution of 0.72% pursuant to the exercise of ESOS Options during the said period. Assuming full exercise of the remaining outstanding ESOS Options as at the LPD, the aggregate shareholding of the Non-Entitled Shareholders and PACs would be further diluted to 28.16%.

As at the LPD, EGB has not received any alternative offer for EGB Shares or any offer to acquire the assets and liabilities of EGB. In addition, as part of the covenant in the Proposal Letter, EGB Group shall not enter into any material commitment or material contract or undertake any obligation to acquire or dispose of any of its assets or create a security interest over any of its assets outside the ordinary course of business save for the Proposed Land Disposal from the date of the Proposal Letter until the completion of the Proposed SCR without Non-Entitled Shareholders' prior written consent.

As at the LPD, the Non-Entitled Shareholders and the PACs holds approximately 30.66% of the equity stake/voting rights of EGB.

As such, Non-Entitled Shareholders and the PACs would still be in a position to influence over ordinary resolutions and special resolutions sought at a general meeting of the Company through casting of their votes (unless the Non-Entitled Shareholders and the PACs are required to abstain from voting).

kenanga

Expected market price if the Proposed SCR is unsuccessful

In assessing the expected market prices in the event the Proposed SCR is not successful, we have considered the following:

(i) the illustrative market price based on the average historical PBR of 0.17 times will be RM0.22 with the SCR Offer Price representing a premium of 104.55% to the illustrative market price;

(ii) based on the precedents, the share prices of offeree companies typically do not sustain above the offer price following the unsuccessful delisting exercise being undertaken. In the immediate post-closing and 1-month post-closing period, most offeree companies saw their share prices either declined or remain flat, rather than rise;

(iii) the Group operates in a challenging environment characterised by persistent pricing pressure, excess supply and intensified regional competition. These conditions have constrained its pricing power and ability to pass through higher costs, resulting in pressure on margins, earnings and cash flow generation, which may adversely affect its financial performance and growth prospects in the near to medium term; and

(iv) EGB's financial performance is affected by prevailing demand and supply conditions in the steel industry. Following the loss of a major export market in FYE 31 December 2023 due to anti-dumping and countervailing duty-related proceedings in the United States of America, coupled with persistent oversupply in the global steel market, the Group experienced a decline in revenue and profitability in FYE 31 December 2025. Competitive pressure from lower-priced imports, particularly from China, and ongoing geopolitical uncertainties have further constrained the Group's pricing power and margins. Accordingly, the Group may continue to face challenges in improving capacity utilisation, maintaining selling prices and achieving sustainable revenue growth, which may adversely affect its financial performance and prospects.

Premised on the foregoing and our evaluation of the Proposed SCR, we are of the opinion that the Proposed SCR is **NOT FAIR BUT REASONABLE**.

Accordingly, we would recommend that the Non-Interested Shareholders **VOTE IN FAVOUR** of the Special Resolution. However, the decision to be made will depend entirely on the Non-Interested Shareholders' risk appetite and specific preference as well as the Non-Interested Shareholders' expectation of the future performance of EGB. Non-Interested Shareholders should be mindful that continuous fluctuations in the market prices of EGB Shares might happen prior to and after EGM in relation to the Proposed SCR. Hence, the Non-Interested Shareholders are advised to closely monitor the market price and information/announcements in relation to the Proposed SCR before deciding whether to vote in favour of or against the Special Resolution.

If the Non-Interested Shareholders wish, Non-Interested Shareholders may also consider to dispose of the EGB Shares in the open market to realise the investment in EGB Shares in the event the net proceeds from the sale of the shareholding in EGB after the associated transaction costs involved is higher than the SCR Offer Price, and assuming that there will not be any revision to the SCR Offer Price.

In the event the Non-Interested Shareholders are to consider disposing the holding of the EGB Shares in the open market, Non-Interested Shareholders should take note of **Section 11** of the Circular in relation to the estimated timeframe for the completion of the Proposed SCR, as well as the relevant announcements thereto.

Kenanga

Our evaluation as set out in this IAL is rendered solely for the benefit of the Non-Interested Directors and Non-Interested Shareholders as a whole and not for any specific group of Non-Interested Directors and Non-Interested Shareholders. Hence, in carrying out our evaluation, we have not taken into consideration any specific investment objectives, risk profiles, financial situations or particular needs of any individual Non-Interested Shareholder or any specific group of Non-Interested Shareholders.

We recommend that any Non-Interested Shareholder who is in doubt as to the action to be taken or requires specific advice in relation to the Proposed SCR in the context of his or her investment objectives, risk profiles, financial and tax situations or particular needs should consult his or her stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

YOU ARE ADVISED TO READ BOTH THIS IAL AND THE CIRCULAR TOGETHER WITH THE ACCOMPANYING ANNEXURE AND APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS.

Yours faithfully
for and on behalf of
KENANGA INVESTMENT BANK BERHAD

DATUK ROSLAN HJ TIK
Executive Director, Head
Group Investment Banking & Islamic Banking

ALVIN OOI YET MING
Head, Corporate Finance

1. ECSB

1.1 History and principal activities

ECSB was incorporated in Malaysia on 2 January 1997 under the Companies Act, 1965 as a private limited company under the name of Eontarr Corporation Sdn Bhd and is deemed registered under the Act. ECSB assumed its current name on 5 July 2000.

ECSB is principally involved in investment holding whilst the principal activities of its subsidiaries and associate companies are set out in Section 1.4 of this Appendix I.

1.2 Share capital

As at the LPD, the issued share capital of ECSB is RM3,500,000 comprising 3,500,000 ordinary shares.

1.3 Shareholders and directors

As at the LPD, the shareholders and directors of ECSB and their respective shareholdings in ECSB are as follows:-

		Direct		Indirect	
Name	**Designation**	**No. of ECSB Shares**	**%**	**No. of ECSB Shares**	**%**
Dato' Goh	Director	2,275,000	65.00	350,000	10.00[(1)]
Goh Hong Kent[(2)]	Director	525,000	15.00	-	-
Goh Wan Jing[(2)]	Director	350,000	10.00	-	-
Datin Tan Pak Say	Director	350,000	10.00	2,275,000	65.00[(3)]
Total		**3,500,000**	**100.00**	**-**	**-**

Notes:-

(1) Deemed interested by virtue of the shareholdings of his spouse pursuant to section 8 of the Act.

(2) Goh Hong Kent and Goh Wan Jing are the children of Dato' Goh and Datin Tan Pak Say.

(3) Deemed interested by virtue of the shareholdings of her spouse pursuant to section 8 of the Act.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1.4 Subsidiaries, associate companies and joint ventures

As at the LPD, the subsidiaries, associated companies and joint ventures of ECSB are as follows:-

(i) Subsidiaries

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
Subsidiaries of ECSB			
Eonlipids Sdn Bhd	Malaysia	59.11	Manufacture and trading of edible fat products
Eonlipids Nutrition Specialties Sdn Bhd	Malaysia	59.11	Manufacture and trading of edible fat products, food stuffs and beverages
Subsidiaries of Eonlipids Sdn Bhd			
De Bio Channel (M) Sdn Bhd	Malaysia	59.11	Dormant
Eonlipids Technology Sdn Bhd	Malaysia	59.11	Dormant
Milk Nutrition Specialties Sdn Bhd	Malaysia	59.11	Dormant
Prominent Platform Sdn Bhd	Malaysia	30.74	Dormant
Natural Specialty Fats Sdn Bhd	Malaysia	59.11	Dormant
Subsidiary of Eonlipids Nutrition Specialties Sdn Bhd			
Eonlipids Holdings Sdn Bhd	Malaysia	59.11	Dormant

(ii) Associate company

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
EGB	Malaysia	21.01	Investment holding

(iii) Joint venture

As at the LPD, ECSB does not have any joint venture.

1.5 Profit and dividend record

A summary of the profit and dividend record of ECSB based on its audited consolidated financial statements for the past 2 financial years, i.e., FYE 31 December 2023 and FYE 31 December 2024 as well as its latest unaudited consolidated financial statements for the last financial year, i.e. FYE 31 December 2025 are set out below:-

	Audited		Unaudited[1]
	FYE 31 December 2023 (RM'000)	**FYE 31 December 2024 (RM'000)**	**FYE 31 December 2025 (RM'000)**
Revenue	57,382	52,176	37,572
Profit/(loss) before taxation	1,332	3,239	(10,301)
Profit/(loss) after taxation	615	2,692	(9,647)
Profit/(loss) attributable to:-			
- owners of ECSB	(493)	1,920	(10,217)
- non-controlling interest	1,108	771	570
No. of shares in issue ('000)	2,500	3,500	3,500
Net earnings/(loss) per share (RM)	(0.20)	0.55	(2.92)
Net dividend per share (RM)	0.32	-	-

Note:-

(1) The audited consolidated financial statements of ECSB for the FYE 31 December 2025 is currently not available yet as ECSB requires more time to finalize it. For information, ECSB has applied for an extension of time from Companies Commission of Malaysia for the lodgement of its audited financial statements until 30 September 2026.

Save for the loss on disposal of plant and equipment of RM4.56 million for the FYE 31 December 2025, there are no material exceptional items in the audited financial statements of ECSB for the past 2 financial years, i.e., FYE 31 December 2023 and FYE 31 December 2024 as well as its latest unaudited consolidated financial statements for the last financial year, i.e. FYE 31 December 2025.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1.6 Statement of assets and liabilities

The statement of assets and liabilities of the ECSB Group based on its latest audited consolidated financial statements for the FYE 31 December 2023 and FYE 31 December 2024 as well as its latest unaudited consolidated financial statements for the last financial year, i.e. FYE 31 December 2025 are set out below:-

	Audited as at 31 December		Unaudited as at 31 December
	2023 (RM'000)	**2024 (RM'000)**	**2025 (RM'000)**
ASSETS			
Non-current assets			
Property, plant and equipment	58,632	50,443	42,794
Assets held for sale	-	5,947	-
Goodwill	61	41	22
Investment in associates	95,312	96,156	85,150
	154,005	152,587	127,965
Current assets			
Inventories	5,291	6,859	3,551
Trade receivables	10,240	6,933	4,992
Other receivables, deposits and prepayments	2,632	3,794	6,579
Amount due from related parties	1,688	1,987	2,121
Fixed deposits	3,768	2,830	3,200
Current tax assets	-	-	193
Cash and cash equivalents	322	1,280	192
	23,941	23,683	20,829
Total assets	**177,946**	**176,270**	**148,794**
EQUITY AND LIABILITIES			
Share capital	2,500	3,500	3,500
Retained earnings	70,148	72,069	61,851
Other reserves	15,564	15,564	15,564
Shareholders' equity	**88,212**	**91,133**	**80,916**
Non-controlling interests	(1,709)	(938)	(368)
Total equity	**86,503**	**90,195**	**80,548**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	526	858	858
Finance lease payables	201	68	-
Other bank borrowings (secured)	14,995	12,616	3,065
	15,722	13,542	3,923
Current liabilities			
Trade payables	4,850	5,263	1,958
Other payables and accruals	6,089	3,922	3,342
Amount due to directors	42,688	32,120	39,511
Amount due to related parties	2,886	12,688	4,636
Finance lease payables	94	112	56
Bank overdrafts (secured)	3,817	2,876	2,446
Other bank borrowings (secured)	14,851	15,229	12,255
Current tax liabilities	445	323	119
	75,721	72,533	64,322
Total liabilities	**91,443**	**86,075**	**68,246**
Total equity and liabilities	**177,946**	**176,270**	**148,794**

1.7 Material changes in the financial position

As at the LPD, there are no known material changes in the financial position of ECSB subsequent to its latest audited financial statements for the FYE 31 December 2024.

1.8 Accounting policies

The audited financial statements of ECSB for the past 2 FYEs, i.e., FYE 31 December 2023 and FYE 31 December 2024 have been prepared in accordance with the Malaysian Private Entities Reporting Standards and the requirements of the Act.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities. However, as at 31 December 2024, ECSB's current liabilities exceeded its total current assets by RM3,219,532, thereby indicating the existence of a material uncertainty which may cast significant doubt about ECSB's ability to continue as a going concern. The ability of ECSB to continue as a going concern is dependent upon receiving continuous financial support from its directors and its continuous ability to operate profitably in the foreseeable future. At the time of this report, there is no reason for the directors of ECSB to believe that there is any significant uncertainty that the directors will not continue to provide their financial support.

Accordingly, the financial statements do not include any adjustments relating to recoverability and classification of liabilities that may be necessary if ECSB is unable to continue as a going concern. The assumption is premised on the future events, the outcome of which is inherently uncertain.

Save for the above, there was no audit qualification for ECSB's audited consolidated financial statements for the past 2 FYEs, i.e., FYE 31 December 2023 and FYE 31 December 2024.

Furthermore, there is no significant change in the accounting policies adopted by ECSB which would result in a material variation to the comparable figures for the audited financial statements of ECSB for the past 2 FYEs, i.e., FYE 31 December 2023 and FYE 31 December 2024.

2. DATO' GOH

2.1 Profile

Dato' Goh, a Malaysian aged 66, is the founder of our Group. In year 2013, he graduated from the National University of Singapore with a Master of Business Administration. He was appointed to the Board on 3 March 2005 and re-designated as Executive Director on 1 January 2013. He is also acting as director of some of our subsidiaries.

Dato' Goh is also the founder of Leader Steel Holdings Berhad and has extensive experience in the manufacturing of steel products. In recognition of his entrepreneur skills, he was conferred the 1990 Young Entrepreneur Award by the Ministry of Youth and Sports. With more than 40 years of experience in the steel industry, he contributed his creative ideas to improve the manufacturing process of steel products, where he was awarded a patent in 1999. He is also the key inventor for Recovery Oil from Palm Mesocarp Fibre where a patent was granted in 2009. Dato' Goh also ventured into property development since 1995.

2.2 Directorships and/or substantial shareholdings in public listed companies in Malaysia

As at the LPD, apart from being an Executive Director and a Major Shareholder of our Company, Dato' Goh is also:-

(i) the Group Managing Director and a major shareholder of Maybulk Berhad[(1)]; and

(ii) the Deputy Chairman / Executive Director and a major shareholder of Leader Steel Holdings Berhad[(2)].

Notes:-

(1) As at the LPD, Maybulk Berhad and its subsidiaries are principally involved in the following business segments:-

(a) **Shipping bulkers** – ownership and operation of vessels as well as ship management;
(b) **Shelving and storage solution** – end-to-end racking system, logistics storage and retail display solutions provider;
(c) **Warehousing** – development, ownership and leasing of warehouse facilities; and
(d) **Investment holdings and others** – investment holding.

(2) As at the LPD, Leader Steel Holdings Berhad and its subsidiaries are principally involved in the following business segments:-

(a) **Steel** – manufacturing and trading activities of various steel products such as steel pipes and tubes, hollow sections, angle bars, flat bars, square bars, steel plates, u-channels, and trolley tracks; and
(b) **Mineral** – processing and exporting steel-related mineral products like manganese ore.

As at the LPD, Dato' Goh's shareholdings in Maybulk Berhad and Leader Steel Holdings Berhad are as follows:-

Maybulk Berhad

	Direct		Indirect	
	No. of shares	%[(1)]	No. of shares	%[(1)]
Dato' Goh	320,000,000	37.86	150,000	0.02[(2)]

Notes:-

(1) Computed based on the total number of 845,297,400 issued shares in Maybulk Berhad (after excluding 54,702,600 treasury shares) as at the LPD.
(2) Deemed interested by virtue of his spouse's direct shareholdings in Maybulk Berhad pursuant to section 8 of the Act.

Leader Steel Holdings Berhad

	Direct		Indirect	
	No. of shares	%[(1)]	No. of shares	%[(1)]
Dato' Goh	14,998,494	9.69	56,622,974	36.59[(2)]

Notes:-

(1) Computed based on the total number of 154,732,460 issued shares in Leader Steel Holdings Berhad (after excluding 6,195,400 treasury shares) as at the LPD.
(2) Deemed interested by virtue of his shareholdings in Bischart Sdn Bhd pursuant to subsection 8(4) of the Act and his spouse's and children's direct and indirect shareholdings in Leader Steel Holdings Berhad pursuant to section 8 and subsection 59(11)(c) of the Act.

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 16 October 2003 under the Companies Act, 1965 as a private limited company under the name of Eoncap Corporation Sdn Bhd and is deemed registered under the Act. Our Company was converted into a public limited company on 1 April 2004 and assumed the name of Eoncap Corporation Berhad. Our Company subsequently assumed our present name on 15 April 2005. Our Company was listed on the Second Board of Bursa Securities on 3 August 2005, and was subsequently transferred to the Main Board of Bursa Securities (presently known as Main Market of Bursa Securities) on 2 March 2007.

Our Company is principally engaged as an investment holding company whilst the principal activities of our subsidiaries and associate companies are set out in **Section 5 of this Appendix II**.

2. SHARE CAPITAL

2.1 Issued share capital

As at the LPD, the issued share capital of our Company is RM168,726,022[1] comprising 412,612,039 EGB Shares (including 3,096,600 treasury shares).

Note:-

(1) Based on the latest audited statement of financial position of the Company as at 31 December 2025 and after taking into account the exercise of 13,423,000 ESOS Options into 13,423,000 EGB Shares from 1 January 2026 up to the LPD.

There is only one class of shares in our Company which has voting rights. The holders of the EGB Shares are entitled to any dividends, rights, allotments and/or distributions which may be declared, made or paid to our Shareholders.

2.2 Changes in the share capital

Details of the changes in our Company's issued share capital since the end of the FYE 31 December 2025 up to the LPD are as follows:-

Date of allotment	No. of Shares allotted	Consideration	Cumulative	
			No. of Shares	Issued share capital (RM'000)
17 April 2026	727,000	Cash pursuant to exercise of the ESOS Options	399,916,039	165,056
27 April 2026	1,453,000		401,369,039	165,476
4 May 2026	1,052,000		402,421,039	165,780
15 May 2026	772,000		403,193,039	166,004
3 June 2026	1,180,000		404,373,039	166,345
12 June 2026	1,409,000		405,782,039	166,752
19 June 2026	2,157,000		407,939,039	167,375
29 June 2026	4,673,000		412,612,039	168,726

2.3 Convertible securities

As at the LPD, save for 36,257,000 outstanding ESOS Options held by the Eligible Persons, which are exercisable into 36,257,000 new EGB Shares at an exercise price of RM0.2283 per ESOS Option, our Company does not have any other options, warrants and conversion rights affecting our Shares.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, our substantial Shareholders and their shareholdings in our Company are as follows:-

	Direct		Indirect	
Substantial Shareholders	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Dato' Goh	41,128,918	10.04	84,049,128	20.52[2]
ECSB	84,049,128	20.52	-	-
Dato' Sri Lee Hock Seng	25,000,000	6.10	-	-
Datin Tan Pak Say	-	-	125,178,046	30.57[3]

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.

(3) Deemed interested by virtue of her spouse's direct and indirect interest pursuant to section 8 and subsection 59(11)(c) of the Act.

For information, none of the substantial shareholders of our Company hold any ESOS Options as well as any other option to acquire the EGB Shares as at the LPD.

4. DIRECTORS

As at the LPD, the details of the directors of our Company and their shareholdings in our Company are as follows:-

		Direct		Indirect	
Name	**Correspondence address**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Dato' Mohammad Radhi Bin Abdul Razak *(Independent Non-Executive Chairman)*	354, Jalan Pulai Impian 7, Taman Pulai Impian, 70400 Seremban, Negeri Sembilan, Malaysia	-	-	-	-
Datin Tan Pak Say *(Managing Director & Chief Executive Officer)*	B-29-05, Pavilion Residences 2, No. 77, Jalan Raja Chulan, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	-	-	125,178,046	30.57[2]
Dato' Goh *(Executive Director)*	B-29-05, Pavilion Residences 2, No. 77, Jalan Raja Chulan, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	41,128,918	10.04	84,049,128	20.52[3]

		Direct		Indirect	
Name	Correspondence address	No. of Shares	%(1)	No. of Shares	%(1)
Goh Hong Kent *(Executive Director & Chief Operating Officer)*	1-23-1, Menara Bangkok Bank, Laman Sentral Berjaya, No. 105, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	-	-	-	-
Chan Theng Sung *(Independent Non-Executive Director)*	19, Lintang Selat, Taman Selat, 12000 Butterworth, Pulau Pinang, Malaysia	180,000	0.04	-	-
Datuk Yogeesvaran A/L Kumaraguru *(Independent Non-Executive Director)*	168-7-2, Kiara Park Condominium, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	-	-	-	-
Goh Kee Seng *(Non-Independent Non-Executive Director)*	4, Jalan Layang 10, Taman Perling, 81200 Johor Bahru, Johor, Malaysia	-	-	-	-

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Deemed interested by virtue of her spouse's direct and indirect interest pursuant to section 8 and subsection 59(11)(c) of the Act.

(3) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.

For information, none of the Directors of our Company hold any ESOS Options as well as any other option to acquire the EGB Shares as at the LPD.

5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

As at the LPD, the subsidiaries, associated companies and joint ventures of our Company are as follows:-

(i) Subsidiaries

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
Subsidiaries of EGB			
Eonmetall Technology Sdn Bhd	Malaysia	100	Manufacturer of metalwork and industrial process machinery and equipment
Eonmetall Industries Sdn Bhd	Malaysia	100	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
Eonmetall Systems Sdn Bhd	Malaysia	100	Manufacture of steel products, focusing on steel storage systems
Eonsteel Sdn Bhd	Malaysia	100	Property holding company, manufacture and trading of steel products
Eonchem Biomass Sdn Bhd	Malaysia	100	Manufacture of palm oil related products
Eontarr IT Solutions Sdn Bhd	Malaysia	100	Provider of information technology solutions including software development, currently dormant
Eonmetall Integration Sdn Bhd	Malaysia	100	Design and trading of steel products focusing on furniture related products and office space management, currently dormant
Constructor Asia Sdn Bhd	Malaysia	100	Trading and distribution of steel racking system and storage solutions
Eonmetall Carotene Oil Sdn Bhd	Malaysia	100	Operation of Palm Fibre Oil Extraction (PFOE) plants
Eonchem Technology Sdn Bhd	Malaysia	100	Manufacture of industrial process machinery and equipment, currently dormant
Eonmetall International Limited	Federal Territory of Labuan, Malaysia	100	Investment holding
Eonmetall Copper Sdn Bhd	Malaysia	100	Manufacturing and processing of copper, aluminium and other steel materials, currently dormant
Eonmetall Land Sdn Bhd	Malaysia	100	Manufacture and distribution of steel products, focusing on cold rolled coils, galvanised coils and flat steel products
White Rack Projects Sdn Bhd	Malaysia	100	Growing and wholesale of vegetables, wholesale of agriculture machinery, equipment and supplies
Subsidiary of Eonchem Biomass Sdn Bhd			
Eonmetall Bio-Coal Sdn Bhd	Malaysia	100	Production of bio-coal and technical services

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
<u>Subsidiary of Eonmetall International Limited</u>			
PT Eonmetall Investment	Indonesia	88	Palm oil plantation and related processing, currently dormant
<u>Subsidiary of Constructor Asia Sdn Bhd</u>			
Constructor SEA Sdn Bhd	Malaysia	100	Trading and distributing of steel racking systems

(ii) Associate company

Name of company	Place of incorporation	Effective equity interest (%)	Principal activities
<u>Associate of Eonmetall International Limited</u>			
Emeida Metal Sdn Bhd	Malaysia	40	Dormant

(iii) Joint venture

As at the LPD, our Company does not have any joint venture.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6. PROFIT AND DIVIDEND RECORD

A summary of the profit and dividend record of our Company based on our audited consolidated financial statements for the past 3 financial years, i.e., FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 as well as the unaudited consolidated financial statements for the 3-month FPE 31 March 2026 are set out below:-

	Audited			Unaudited
	FYE 31 December 2023 (RM'000)	FYE 31 December 2024 (RM'000)	FYE 31 December 2025 (RM'000)	3-month FPE 31 March 2026 (RM'000)
From continuing operations				
Revenue	173,190	197,425	140,706	26,226
Profit/(loss) before tax	(5,437)	1,137	(59,278)	(3,043)
Profit/(loss) after tax	(5,756)	3,093	(51,408)	(2,791)
Profit/(loss) attributable to:-				
- owners of EGB	(5,845)	3,078	(51,376)	(2,778)
- non-controlling interest	89	14	(32)	(13)
From discontinued operations				
Revenue	2,429	-	-	-
Profit/(loss) before tax	(1,758)	-	-	-
Profit/(loss) after tax	(1,758)	-	-	-
Profit/(loss) attributable to:-				
- owners of EGB	(896)	-	-	-
- non-controlling interest	(862)	-	-	-
Basic and diluted earnings/(loss) per Share (sen)				
- Continuing operations	(2.11)	1.08	(15.54)	(0.70)
- Discontinued operations	(0.32)	-	-	-
Dividend (sen)	-	-	-	-

Save as disclosed below, there is no other material exceptional item in our audited consolidated financial statements for the past three 3 FYEs 31 December 2023 to 31 December 2025:-

(i) FYE 31 December 2023 vs FYE 31 December 2022

The Group's revenue from continuing operations decreased by RM83.74 million or 32.59% from RM256.93 million in the previous financial year to RM173.19 million in the FYE 31 December 2023. This was primarily attributable to a RM84.89 million or 35.84% decrease in revenue contribution from the steel product and trading activity segment mainly driven by reduced exports to the United States of America.

The Group recorded loss before tax from continuing operations of RM5.44 million in the FYE 31 December 2023 as compared to a profit before tax from continuing operations of RM27.00 million in the FYE 31 December 2022, mainly due to the decrease in revenue, higher cost of production and increase in non-operating expenses which included the impairment loss on trade receivables of RM4.51 million and ESOS related expenses of RM4.36 million.

(ii) FYE 31 December 2024 vs FYE 31 December 2023

The Group's revenue increased by RM24.24 million or 13.99% from RM173.19 million in the previous financial year to RM197.43 million in the FYE 31 December 2024, mainly attributable to the growth in revenue of the steel product and trading activity segment.

The Group recorded a profit before tax of RM1.14 million in the FYE 31 December 2024 as compared to the loss before tax of RM5.44 million. The profit before tax was mainly attributable to a one-off gain of approximately RM28.00 million from the compulsory disposal of a portion of land in Kapar, Selangor held by the Group to the state government which was completed on 26 March 2024.

(iii) FYE 31 December 2025 vs FYE 31 December 2024

The Group's revenue decreased by RM56.72 million or 28.73% from RM197.43 million in the previous financial year to RM140.71 million in the FYE 31 December 2025, mainly attributable to lower sales from the steel product and trading activity segment.

The Group recorded a loss before tax of RM59.28 million in the FYE 31 December 2025 as compared to a profit before tax of RM1.14 million in FYE 31 December 2024. The loss was mainly due to the following:-

(a) absence of a one-off gain on disposal of a portion of land in Kapar, Selangor amounting to RM28.00 million recorded in the previous financial year;

(b) increase in impairment loss on property, plant and equipment by RM13.90 million;

(c) increase in inventories written-down / written-off by RM6.71 million, and

(d) increase in impairment loss on trade and other receivables by RM1.23 million.

(iv) 3-month FPE 31 March 2026 vs 3-month FPE 31 March 2025

The Group's revenue decreased by RM7.69 million or 22.67% from RM33.91 million in the 3-month FPE 31 March 2025 to RM26.23 million in the 3-month FPE 31 March 2026, mainly attributable to lower sales from the steel product and trading activity segment as well as the machinery and equipment segment.

The Group recorded a loss before tax of RM3.04 million in the 3-month FPE 31 March 2026 compared to loss before tax of RM4.36 million in the 3-month FPE 31 March 2025. The lower loss before tax was mainly attributable to absence of one-off exhibition expenses of RM0.30 million recorded in the preceding 3-month FPE 31 March 2025, lower ESOS related expenses of RM0.42 million as well as lower operating costs. However, this was partly offset by the absence of a one-off reversal of impairment losses recognised in the preceding 3-month FPE 31 March 2025 of RM1.84 million.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of our Group based on our latest audited consolidated financial statements as at 31 December 2024 and 31 December 2025 and latest unaudited consolidated financial statements as at 31 March 2026 are set out below:-

	Audited as at 31 December		Unaudited as at 31 March
	2024 (RM'000)	**2025 (RM'000)**	**2026 (RM'000)**
ASSETS			
Non-current assets			
Property, plant and equipment	472,306	469,826	467,441
Right-of-use assets	1,918	1,919	1,754
Deferred tax assets	59	2,664	2,664
Trade and other receivables	6,048	2,434	-
	480,331	476,843	471,859
Current assets			
Inventories	171,228	164,877	164,287
Trade and other receivables	60,931	37,088	33,213
Contract assets	10,563	2,837	2,837
Current tax assets	819	2,763	2,763
Cash and bank balances	7,520	16,616	36,456
	251,060	224,182	239,556
Total assets	**731,391**	**701,025**	**711,415**
EQUITY AND LIABILITIES			
Share capital	145,748	164,846	164,846
Treasury shares	(1,761)	(1,761)	(1,761)
Reserves	387,218	340,346	337,521
Shareholders' equity	**531,205**	**503,431**	**500,606**
Non-controlling interests	234	172	164
Total equity	**531,439**	**503,603**	**500,770**
LIABILITIES			
Non-current liabilities			
Borrowings	17,025	8,762	6,617
Lease liabilities	977	574	425
Deferred tax liabilities	35,350	30,472	30,472
	53,352	39,808	37,514
Current liabilities			
Borrowings	119,236	127,280	121,239
Lease liabilities	996	1,444	1,323
Derivative liabilities	17	1	-
Trade and other payables	26,148	25,221	46,901
Contract liabilities	-	3,571	3,571
Current tax liabilities	203	97	97
	146,600	157,614	173,131
Total liabilities	**199,952**	**197,422**	**210,645**
Total equity and liabilities	**731,391**	**701,025**	**711,415**

8. MATERIAL CHANGES IN THE FINANCIAL POSITION

As at the LPD, there are no known material changes within the knowledge of our Board and the Non-Entitled Shareholders, in the financial position or prospects of our Group since the last audited financial statements laid before the Shareholders at our annual general meeting on 24 June 2026 other than as disclosed in announcements made by us on Bursa Securities, which include quarterly financial results, from time to time.

9. ACCOUNTING POLICIES

The audited financial statements of our Group for the FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 have been prepared based on approved Malaysian accounting standards and there was no audit qualification on our Group's financial statements for the respective years under review.

There is no significant change in the accounting policies which would result in a material variation to the comparable figures for the audited financial statements of our Group for the FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025.

10. MATERIAL CONTRACTS

As at the LPD, save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of the Proposal Letter and up to the LPD:-

(i) On 19 March 2026, ELSB has entered into a conditional sale and purchase agreement dated 19 March 2026 with WG Malaysia VIII in relation to the Proposed Land Disposal. As at the LPD, the sale and purchase transaction is pending completion.

For information, on the even date, the following companies had also entered into a conditional sale and purchase agreement with WG Malaysia VIII:-

(a) MBC Logistic Hub Sdn Bhd (a 60%-owned subsidiary of Maybulk Berhad) in relation to the proposed disposal of parcels of freehold land measuring approximately 23.4863 hectares held under Geran 455286, Lot 119907 and Geran 455287, Lot 119908 (formerly under H.S.(D) 166441, Lot No PT 85116), Mukim of Kapar, District of Klang, State of Selangor for a cash consideration of approximately RM278.05 million ("**Maybulk Disposal**"); and

(b) FerroNet Asia Sdn Bhd (a wholly-owned subsidiary of Leader Steel Holdings Berhad) in relation to the proposed disposal of a parcel of freehold land measuring approximately 13.3546 hectares held under H.S.(D) 166443, Lot No PT 85118, Mukim of Kapar, District of Klang, State of Selangor for a cash consideration of approximately RM136.56 million ("**Leadersteel Disposal**").

The abovementioned two parcels of land are contiguous with the land in relation to the Proposed Land Disposal.

The Proposed Land Disposal, together with Maybulk Disposal and Leadersteel Disposal, involve the WG Malaysia VIII. In addition, EGB, Maybulk Berhad and Leader Steel Holdings Berhad have certain directors and major shareholders in common (including Dato' Goh). Accordingly, the Proposed Land Disposal is deemed as a related party transaction under paragraph 10.08 of the Listing Requirements by virtue of the interests of certain Directors and Major Shareholders of our Company.

11. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of our Group and our Board confirms that there is no proceeding, pending or threatened, against our Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Group.

12. BORROWINGS

As at 31 May 2026, which is not more than 3 months preceding the LPD, our Group has total outstanding borrowings of approximately RM108.31 million, all of which are interest bearing, as follows:-

	RM'000
Current borrowings	
Secured:	
Term loans	8,351
	8,351
Unsecured:	
Bank overdrafts	5,940
Bankers' acceptances	59,574
Revolving credits	10,471
Trust receipts	17,098
Hire purchase	69
Lease liabilities	1,323
	94,475
Total short term borrowings	**102,826**
Non-current borrowings	
Secured:	
Terms loans	5,192
	5,192
Unsecured:	
Hire purchase	24
Lease liabilities	268
	292
Total long term borrowings	**5,484**
Total borrowings	**108,310**

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

13. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

13.1 Material commitments

Our Board confirms that save as disclosed below, as at 31 May 2026, being not more than 3 months preceding the LPD, there is no material commitment incurred or known to be incurred by our Group, that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results and/or position of our Group:-

	Amount (RM'000)
Contracted but not provided for:- - Purchase of property, plant and equipment	7,699

13.2 Contingent liabilities

Our Board confirms that save as disclosed below, as at 31 May 2026, being not more than 3 months preceding the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	Amount (RM'000)
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	324,808

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. DISCLOSURE OF INTERESTS IN EGB SHARES

As at the LPD, there is only one class of shares in our Company, being ordinary shares.

As at the LPD, save for 36,257,000 outstanding ESOS Options held by the Eligible Persons, which are exercisable into 36,257,000 new EGB Shares at an exercise price of RM0.2283 per ESOS Option, our Company does not have any other options, warrants and conversion rights affecting our Shares.

1.1 By the Non-Entitled Shareholders

Save as disclosed below, as at the LPD, the Non-Entitled Shareholders do not have any other interest, whether direct or indirect, in our Company:-

	Direct		Indirect	
Non-Entitled Shareholders	**No. of Shares**	**%[(1)]**	**No. of Shares**	**%[(1)]**
Dato' Goh	41,128,918	10.04	84,049,128	20.52[(2)]
ECSB[(3)]	84,049,128	20.52	-	-

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.

(3) Dato' Goh is a director of ECSB and owns 65.0% equity interest in ECSB.

For information, none of the Non-Entitled Shareholders hold any ESOS Options as well as any other option to acquire the EGB Shares as at the LPD.

1.2 By the directors of ECSB

Save as disclosed below, as at the LPD, none of the directors of ECSB have any interest, whether direct or indirect, in our Company:-

	Direct		Indirect	
Directors of ECSB	**No. of Shares**	**%[(1)]**	**No. of Shares**	**%[(1)]**
Dato' Goh	41,128,918	10.04	84,049,128	20.52[(2)]
Datin Tan Pak Say	-	-	125,178,046	30.57[(3)]

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Deemed interested by virtue of his shareholdings in ECSB pursuant to subsection 8(4) of the Act.

(3) Deemed interested by virtue of her spouse's direct and indirect interest pursuant to section 8 and subsection 59(11)(c) of the Act.

For information, none of the directors of ECSB hold any ESOS Options as well as any other option to acquire the EGB Shares as at the LPD.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1.3 By the persons acting in concert with the Non-Entitled Shareholders

Save as disclosed below, as at the LPD, none of the persons acting in concert with the Non-Entitled Shareholders have any interest, whether direct or indirect, in our Company:-

	Direct		Indirect	
PACs	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Tai Lew See[2]	70,000	0.02	-	-
Ang Suan[2]	13,500	-[6]	-	-
Tee Ka Hon[3]	91,000	0.02	-	-
Wong Yang Chong[2]	180,000	0.04	-	-
Tan Phaik Hoon[4]	10,000	-[6]	-	-
Tan Kheng Hwa[5]	50	-[6]	-	-

Notes:-

(1) Computed based on the total number of 409,515,439 issued EGB Shares (after excluding 3,096,600 treasury shares) as at the LPD.

(2) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of a sibling of Dato' Goh, a director and 65.0% shareholder of ECSB, pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA.

(3) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of Goh Kee Seng, our Non-Independent Non-Executive Director, who is the sibling of Dato' Goh, a director and 65.0% shareholder of ECSB, pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA.

(4) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being a sibling of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB, pursuant to paragraph 216(3)(b) of the CMSA. For information, Datin Tak Pak Say is the spouse of Dato' Goh.

(5) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being the spouse of a sibling of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB, pursuant to paragraph 216(3)(b) of the CMSA. For information, Datin Tak Pak Say is the spouse of Dato' Goh.

(6) Less than 0.01%.

For information purposes, none of the persons acting in concert with the Non-Entitled Shareholders hold any ESOS Option as well as any other option to acquire the EGB Shares as at the LPD.

1.4 By our Company and our Directors

As at the LPD, our Company holds 3,096,600 EGB Shares as treasury shares.

Our Directors' shareholdings in our Company as at the LPD are set out in **Section 4, Appendix II** of this Document.

1.5 By a person who has irrevocably committed to vote in favour of or against the Proposed SCR

As at the LPD, the Non-Entitled Shareholders and persons acting in concert with them have not received any irrevocable undertaking from any Entitled Shareholders to vote in favour of or against the Special Resolution to be tabled at the forthcoming EGM.

1.6 By a person with whom the Non-Entitled Shareholders and persons acting in concert with them have any arrangement, agreement or understanding

As at the LPD, the Non-Entitled Shareholders and persons acting in concert with them have not entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the EGB Shares which may be an inducement to deal or to refrain from dealing.

1.7 By a person with whom the Non-Entitled Shareholders and the persons acting in concert with them have borrowed or lent EGB Shares

As at the LPD, none of the EGB Shares are being borrowed by the Non-Entitled Shareholders and persons acting in concert with them from another person or lent by the Non-Entitled Shareholders and persons acting in concert with them to another person.

1.8 By persons with whom our Company and any persons acting in concert with our Company have any arrangement, agreement or understanding

As at the LPD, our Company or any persons acting in concert with our Company has not entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to the EGB Shares which may be an inducement to deal or to refrain from dealing, in relation to the Proposed SCR.

1.9 By persons with whom our Company and any persons acting in concert with our Company have borrowed or lent EGB Shares

As at the LPD, none of the EGB Shares are being borrowed by our Company or any persons acting in concert with our Company from another person or lent by our Company or any persons acting in concert with our Company to another person.

1.10 By Kenanga IB

As at the LPD, Kenanga IB and funds whose investments are managed by Kenanga IB on a discretionary basis ("**Discretionary Funds**") do not have any interest, whether direct or indirect, in any voting shares and/or convertible securities of EGB.

2. DEALINGS IN EGB SHARES

2.1 By our Company and our Directors

Our Company and our Directors have not dealt, directly or indirectly, in EGB Shares during the period commencing 6 months prior to 22 May 2026, being the date of the Proposal Letter and up to the LPD.

2.2 By the Non-Entitled Shareholders and the directors of ECSB

The Non-Entitled Shareholders and the directors of ECSB have not dealt, directly or indirectly, in EGB Shares during the period commencing 6 months prior to 22 May 2026, being the date of the Proposal Letter and up to the LPD.

2.3 By the persons acting in concert with the Non-Entitled Shareholders

Save as disclosed below, the persons acting in concert with the Non-Entitled Shareholders have not dealt, directly or indirectly, in EGB Shares during the period commencing 6 months prior to 22 May 2026, being the date of the Proposal Letter and up to the LPD:-

Name	Date of transaction	Description of transaction (Acquisition / Disposal)	No. of securities of EGB acquired / disposed	Transacted price per securities of EGB	Total consideration
Goh Ah Ba[(1)]	22 January 2026	Disposal	68,900	RM0.22	RM15,158.00

Note:-

(1) Presumed to be a person acting in concert with the Non-Entitled Shareholders by virtue of being a sibling of Dato' Goh, a director and 65.0% shareholder of ECSB, pursuant to paragraphs 216(3)(b) and 216(3)(f) of the CMSA.

2.4 Confirmation by our Company, our Directors, the Non-Entitled Shareholders, Berjaya Securities and Kenanga IB

(i) Our Company and each of our Directors respectively confirm on behalf of itself/himself/herself that, for the period from the date of the Proposal Letter up to the LPD, there have been no dealings in EGB Shares made by them, and in each case they have complied with the disclosure of dealings requirements set out in paragraph 19.05 of the Rules. They will also ensure that, for the period from the LPD up to the Effective Date, they will disclose all dealings in accordance with paragraph 19.05 of the Rules.

(ii) The Non-Entitled Shareholders also confirm on behalf of itself and persons acting in concert with them that, for the period from the date of the Proposal Letter up to the LPD, there have been no dealings in EGB Shares made by them, and in each case they have complied with the disclosure of dealings requirements set out in paragraph 19.05 of the Rules. The Non-Entitled Shareholders will also ensure that, for the period from the LPD up to the Effective Date, they and persons acting in concert with them will disclose all dealings in accordance with paragraph 19.05 of the Rules.

(iii) Further, Berjaya Securities, being the Principal Adviser to our Company in relation to the Proposed SCR, confirms that, it has complied and will continue to comply with the disclosure of dealings requirements for the period from the date of the Proposal Letter up to the Effective Date in accordance with paragraphs 19.04 and 19.05 of the Rules.

(iv) Kenanga IB, being the Independent Adviser in respect of the Proposed SCR, confirms that, it has complied and will continue to comply with the disclosure of dealings requirements for the period from the date of its appointment and up to the Effective Date in accordance with paragraphs 19.04 and 19.05 of the Rules.

Save as disclosed below, Kenanga IB and its Discretionary Funds have not dealt, directly or indirectly, in any voting shares or convertible securities of EGB during the period commencing 6 months prior to 22 May 2026, being the date of the Proposal Letter, and up to the LPD:-

Date of transaction	Description of transaction (Acquisition / Disposal)	No. of securities of EGB acquired / disposed	%[1]	Transacted price per securities of EGB (RM)
16 March 2026	Acquisition	200	-[2]	0.26000
24 March 2026	Acquisition	200	-[2]	0.28500
31 March 2026	Disposal	200	-[2]	0.24000
6 April 2026	Disposal	200	-[2]	0.26000
10 April 2026	Acquisition	400	-[2]	0.32500
13 April 2026	Disposal	300	-[2]	0.32833
14 April 2026	Acquisition	200	-[2]	0.34500
27 April 2026	Disposal	300	-[2]	0.33000
15 May 2026	Acquisition	200	-[2]	0.35000
22 May 2026	Acquisition	400	-[2]	0.38250

Date of transaction	Description of transaction (Acquisition / Disposal)	No. of securities of EGB acquired / disposed	%(1)	Transacted price per securities of EGB (RM)
25 May 2026	Acquisition	400	-(2)	0.37250
25 May 2026	Disposal	800	-(2)	0.36500
3 June 2026	Disposal	200	-(2)	0.36500

Notes:-
(1) Computed based on the total number of EGB Shares (excluding treasury shares) as at the transaction date.
(2) Less than 0.01%.

3. DISCLOSURE OF INTERESTS IN ECSB BY OUR COMPANY AND OUR DIRECTORS

As at the LPD, save as disclosed below, our Company and our Directors do not have any interest, whether direct or indirect, in ECSB Shares:-

Name	Direct		Indirect	
	No. of ECSB Shares	%(1)	No. of ECSB Shares	%(1)
Dato' Goh	2,275,000	65.00	350,000	10.00(2)
Goh Hong Kent(3)	525,000	15.00	-	-
Datin Tan Pak Say	350,000	10.00	2,275,000	65.00(4)

Notes:-
(1) Computed based on the total number of 3,500,000 issued ECSB Shares as at the LPD.
(2) Deemed interested by virtue of the shareholdings of his spouse pursuant to section 8 of the Act.
(3) Goh Hong Kent is the son of Dato' Goh and Datin Tan Pak Say.
(4) Deemed interested by virtue of the shareholdings of her spouse pursuant to section 8 of the Act.

ECSB does not have any convertible securities in issue as at the LPD.

4. DEALINGS IN THE ECSB SHARES BY OUR COMPANY AND OUR DIRECTORS

Our Company and our Directors have not dealt, directly or indirectly, in ECSB Shares during the period commencing 6 months prior to 22 May 2026, being the date of the Proposal Letter, and up to the LPD.

5. DIRECTORS SERVICE CONTRACTS

As at the LPD, none of the Directors or proposed directors has any existing and/or proposed service agreement with our Company which has been entered into or amended within 6 months prior to 22 May 2026, being the date of the Proposal Letter, or which is fixed term contracts with more than 12 months to run from the date of this Document, or which is not expiring or determinable by the employing company without payment of compensation within 12 months from the date of this Document.

6. GENERAL DISCLOSURES

6.1 As at the LPD, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any of our Directors as compensation for loss of office or otherwise in connection with the Proposed SCR.

6.2 As at the LPD, save for the Proposed SCR in which the Interested Directors are interested, there is no agreement, arrangement or understanding existing between the Non-Entitled Shareholders or persons acting in concert with them and any of our Directors (being such person who was, during the period of 6 months prior to 22 May 2026, being the date of the Proposal Letter, a director of our Company), or any existing shareholders or recent shareholders of our Company (being such person who was, during the period of 6 months prior to 22 May 2026, being the date of the Proposal Letter, a shareholder of our Company) having any connection with or dependence upon the Proposed SCR.

6.3 As at the LPD, save for the Proposed SCR in which the Interested Directors are interested, there is no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Proposed SCR or otherwise connected with the outcome of the Proposed SCR.

6.4 As at the LPD, there is no agreement, arrangement or understanding which is entered into by the Non-Entitled Shareholders or persons acting in concert with them whereby any EGB Shares held by the Non-Entitled Shareholders or persons acting in concert with them upon the Completion will be transferred to any other person.

6.5 As at the LPD, save for employment contracts, there are no material contracts entered into by the Non-Entitled Shareholders or persons acting in concert with them in which any Director has any material personal interest.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Document has been seen and approved by our Board, who have collectively and individually taken reasonable care to ensure the facts stated and opinions expressed by them in this Document are fair and accurate and that no material facts have been omitted and that our Board accepts full responsibility accordingly.

Our Board jointly and severally accepts full responsibility for the accuracy of the information contained in this Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by our Board in this Document have been arrived at after due and careful consideration and there are no other facts not contained in this Document, the omission of which would make any statement in this Document false or misleading.

Information on the Non-Entitled Shareholders and persons acting in concert with them in this Document were provided by them and/or obtained from publicly available sources. Any statement or information in relation to the Non-Entitled Shareholders and persons acting in concert with them as disclosed in this Document are confirmed by them respectively. The responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Document.

In respect of the IAL, the responsibility of our Board is limited to ensuring that all relevant information relating to our Group that is provided to Kenanga IB for its evaluation of the Proposed SCR is accurate and that no material facts have been omitted, the omission of which would make any information provided to Kenanga IB false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

2.1 Berjaya Securities

Berjaya Securities, being the Principal Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion of its name in this Document and all references thereto in the form and context in which they appear in this Document.

Berjaya Securities has also been appointed as the principal adviser to the Non-Entitled Shareholders for the Proposed SCR and the principal adviser to our Company for the Proposed Land Disposal. Our Board is fully informed of and is aware of Berjaya Securities' capacity as the Principal Adviser to our Company for the Proposed SCR, the principal adviser to the Non-Entitled Shareholders for the Proposed SCR and the principal adviser to our Company for the Proposed Land Disposal. Nevertheless, in accordance with paragraph 3.06 of the Rules, our Company has appointed Kenanga IB as the Independent Adviser to provide comments, opinions, information, recommendation and to advise our Non-Interested Directors and Non-Interested Shareholders on the Proposed SCR.

Apart from Berjaya Securities' appointment as Principal Adviser to our Company for the Proposed SCR, principal adviser to the Non-Entitled Shareholders for the Proposed SCR and principal adviser to our Company for the Proposed Land Disposal, our Board is also fully informed of and is aware that Berjaya Securities has also been appointed as the principal adviser to Maybulk Berhad and Leader Steel Holdings Berhad in relation to the respective proposed land disposals, as detailed in **Section 10(i), Appendix II** of this Document.

Notwithstanding the above, Berjaya Securities is of the view that the aforementioned does not result in a conflict of interest situation in respect of its capacity to act as the Principal Adviser for the Proposed SCR and any potential conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser for the Proposed SCR is mitigated by the following:-

(i) Berjaya Securities has fully informed the Non-Entitled Shareholders and our Board of its capacity as the Principal Adviser to both the Non-Entitled Shareholders and our Company in relation to the Proposed SCR;

(ii) Berjaya Securities is a recognised principal adviser as defined under paragraph 7A.02 of the SC's Licensing Handbook and is permitted to submit proposals to the SC under the Rules and the Malaysian Code on Take-overs and Mergers 2016. Berjaya Securities' appointment as the Principal Adviser to the Non-Entitled Shareholders and our Company in relation to the Proposed SCR is in the ordinary course of its business;

(iii) Berjaya Securities does not have, nor will it receive or derive, any financial interest or benefits from the Proposed SCR, save for the professional fees to be received in relation to its appointment as the Principal Adviser to the Non-Entitled Shareholders and our Company in relation to the Proposed SCR;

(iv) There are no outstanding credit facilities granted by Berjaya Securities to the Non-Entitled Shareholders and our Company as at the LPD;

(v) The Independent Adviser has been appointed in accordance with paragraph 3.06 of the Rules to provide comments, opinion, information, recommendation and to advise our Non-Interested Directors and Non-Interested Shareholders on the Proposed SCR; and

(vi) Berjaya Securities' respective roles will be clearly delineated and that appropriate safeguards will be in place to manage any potential conflict of interest.

In addition, a Senior Advisor of Berjaya Securities ("**Senior Advisor**"), in his personal capacity and not on behalf of Berjaya Securities, is a director and shareholder in several companies in which Dato' Goh is also a director and shareholder ("**Common Companies**").

Notwithstanding the above, Berjaya Securities is of the view that the aforementioned does not result in a conflict of interest situation in respect of its capacity to act as the Principal Adviser for the Proposed SCR in view of the following:-

(a) the Senior Advisor's involvement across Berjaya Securities is limited to business development while his involvement in the Common Companies is purely in his personal capacity as a passive investor, is limited to non-executive investment-related activities at a general level and is strictly segregated from any involvement in the Proposed SCR. Accordingly, there is no participation, influence, or decision-making role in the Proposed SCR, and appropriate governance safeguards are in place to manage and mitigate any potential perception of conflict of interest;

(b) the Senior Advisor makes his own investment decisions in respect of the investments in the Common Companies. He is not a person connected to the Non-Entitled Shareholders and our Company;

(c) the Senior Advisor is not involved in ECSB and our Company in any capacity. He does not hold any directorship and shareholding in ECSB and our Company. In addition, he does not receive or derive any financial interest or benefits from the Proposed SCR;

(d) the Senior Adviser has no involvement whatsoever in the Proposed SCR exercise, and is not a member of the due diligence working group for the purposes of the Proposed SCR; and

(e) the Common Companies do not have any business transactions with our Company; and

(f) the Independent Adviser has been appointed to advise our Non-Interested Directors and Non-Interested Shareholders on the fairness and reasonableness of the Proposed SCR and to provide a recommendation in relation to the Proposed SCR.

Accordingly, Berjaya Securities confirms that there is no conflict of interest which exists or is likely to exist in its capacity to act as the Principal Adviser for the Proposed SCR.

2.2 Kenanga IB

Kenanga, being the Independent Adviser for the Proposed SCR, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IAL as set out in **Part B** of this Document and all references thereto in the form and context in which they appear in this Document.

Kenanga IB confirmed that there are no circumstances that exist or is likely to give rise to a possible conflict of interest situation by virtue of its appointment as the Independent Adviser in relation to the Proposed SCR.

2.3 Savills

Savills, being the independent property valuer for the selected properties as set out in **Sections 5.1, 5.2.1 and 5.3.1, Part B** of this Document, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Document.

Savills confirmed that there are no circumstances that exist or is likely to give rise to a possible conflict of interest situation by virtue of its appointment as the independent property valuer for the selected properties.

3. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of our Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Document up to and including the date of the forthcoming EGM:-

(i) our Constitution;

(ii) the audited consolidated financial statements of our Company for the past 3 FYEs, i.e., FYE 31 December 2023, FYE 31 December 2024 and FYE 31 December 2025 as well as the latest unaudited consolidated financial statements of our Company for the 3-month FPE 31 March 2026;

(iii) the Proposal Letter and the Supplemental Letter;

(iv) valuation reports for the selected properties referred to in **Sections 5.1, 5.2.1 and 5.3.1, Part B** of this Document;

(v) the letters of consent referred to in **Section 2 of Appendix IV** of this Document; and

(vi) the material contract referred to in **Section 10 of Appendix II** of this Document.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting ("**EGM**") of Eonmetall Group Berhad ("**EGB**" or the "**Company**") will be held at Meeting Room, 2nd Floor, Lot 1258, Mk 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Pulau Pinang, Malaysia on Monday, 3 August 2026 at 2.30 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following special resolution, with or without modifications:-

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF EGB PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("ACT") ("PROPOSED SCR")

"**THAT** subject to the approvals being obtained from all relevant authorities and parties as well as the order granted by the High Court of Malaya ("**High Court**") for the reduction of the share capital of the Company pursuant to section 116 of the Act, approval be and is hereby given to the Company to undertake and effect the Proposed SCR in the following manner:-

(i) to undertake a selective capital reduction and a corresponding capital repayment pursuant to section 116 of the Act in respect of the ordinary shares of EGB ("**EGB Shares**" or "**Shares**") held by all shareholders of EGB (save for Dato' Goh Cheng Huat and Eonmetall Corporation Sdn Bhd (collectively, "**Non-Entitled Shareholders**")), whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later by the board of directors of EGB ("**Board**") ("**Entitlement Date**") ("**Entitled Shareholders**");

(ii) to cancel all of the EGB Shares held by the Entitled Shareholders and all the treasury shares held by EGB; and

(iii) thereafter, to effect the capital repayment of RM0.45 in cash for each existing EGB Share held by the Entitled Shareholders on the Entitlement Date which have been cancelled.

THAT pursuant to the Proposed SCR, the Board be and is hereby authorised to take all such steps as they may deem necessary in connection with the Proposed SCR including:-

(i) to determine the Entitlement Date and date of settlement of the capital repayment;

(ii) to file an application to seek the confirmation from the High Court for the reduction of share capital under section 116 of the Act;

(iii) to lodge a copy of the order of the High Court granted pursuant to section 116 of the Act confirming the reduction of share capital with the Registrar of Companies pursuant to section 116(6) of the Act on such date as the Board may determine;

(iv) subject to the order of the High Court being granted pursuant to section 116 of the Act with regard to the Proposed SCR, to effect the capital repayment of RM0.45 in cash for each EGB Share held by the Entitled Shareholders on the Entitlement Date;

(v) to assent to any terms, conditions, stipulations, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the best interests of EGB or as a consequence of any requirements imposed by the relevant authorities, the High Court and/or by the Registrar of Companies and/or as may be required to comply with any applicable laws, in relation to the Proposed SCR; and

(vi) to do all such acts, deeds and/or things as the Board may consider fit, necessary and/or expedient in the best interest of EGB in order to implement, finalise, complete and to give full effect to the Proposed SCR, including to execute any documents, to enter into any arrangements and/or agreements with any party and to give any undertakings."

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
10 July 2026

Notes:-

Appointment of Proxy

1. *A proxy may but need not be a member.*
2. *The instrument appointing a proxy must be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn Bhd at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time set for holding the EGM or at any adjournment thereof.*
3. *A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
4. *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.*
5. *If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 27 July 2026 (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.*

eonmetall

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

PROXY FORM

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 (the "**Company**"), hereby appoint

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

* and/or (*delete if not applicable)

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

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 at Meeting Room, 2nd Floor, Lot 1258, Mk 12, Jalan Seruling, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Pulau Pinang, Malaysia on Monday, 3 August 2026 at 2.30 p.m. 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.

SPECIAL RESOLUTION	FOR	AGAINST
Proposed Selective Capital Reduction and Repayment Exercise of EGB pursuant to section 116 of the Companies Act 2016		

Signed this day of 2026

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

* Strike out whichever is not desired.

Notes:
Appointment of Proxy
1. A proxy may but need not be a member.
2. The instrument appointing a proxy must be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn Bhd at Suite 18.05, MWE Plaza, No. 8, Lebuh Farquhar, 10200 George Town, Pulau Pinang, Malaysia, not less than forty-eight (48) hours before the time set for holding the EGM or at any adjournment thereof.
3. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his holdings to be represented by each proxy.
4. 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.
5. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 27 July 2026 (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.

Personal Data Privacy
By submitting the duly executed proxy form, 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

Then fold here

AFFIX
STAMP

The Share Registrar of
EONMETALL GROUP BERHAD
(Registration No. 200301029197 (631617-D))
Suite 18.05, MWE Plaza
No. 8 Lebuh Farquhar
10200 George Town
Penang, Malaysia

1st fold here