EONMETALL GROUP BERHAD ("EGB" OR THE "COMPANY")

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE OF EGB PURSUANT TO SECTION 116 OF THE COMPANIES ACT 2016 ("PROPOSED SCR")

1. INTRODUCTION

On 22 May 2026, the board of directors of the Company ("**Directors**") ("**Board**") announced that the Company had on even date received a letter from its major shareholders, Eonmetall Corporation Sdn Bhd ("**ECSB**") and Dato' Goh Cheng Huat ("**Dato' Goh**") (collectively referred to as the "**Non-Entitled Shareholders**"), informing the Company of their intention to privatise the Company by way of a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act, 2016 ("**Act**") and requesting the Company to undertake the Proposed SCR for this purpose ("**Letter**"). The Non-Entitled Shareholders will hold the entire equity interest in the Company upon completion of the Proposed SCR ("**Completion**").

On 3 June 2026, the Board announced that it had on even date received a letter from the Non-Entitled Shareholders, notifying the Board that the cash repayment for each existing ordinary share in EGB ("**EGB Share**" or "**Share**") has been revised from RM0.40 to RM0.45 ("**SCR Offer Price**") ("**Supplemental Letter**"). 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 Letter remain the same.

On behalf of the Board, Berjaya Securities Sdn Bhd (formerly known as Inter-Pacific Securities Sdn Bhd) ("**Berjaya Securities**") wishes to announce that on 5 June 2026:-

(i) in accordance with paragraph 3.06 of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("**Rules**"), the Directors of EGB (save for Dato' Goh, Datin Tan Pak Say, Goh Hong Kent and Goh Kee Seng (collectively referred to as the "**Interested Directors**")) ("**Non-Interested Directors**") had appointed Kenanga Investment Bank Berhad ("**Kenanga IB**") to act as the Independent Adviser to provide comments, opinion, information and recommendation on the Proposed SCR to the Non-Interested Directors and the shareholders of EGB (other than the Non-Entitled Shareholders and the persons acting in concert with them ("**PACs**")) ("**Non-Interested Shareholders**");

(ii) the Non-Interested Directors had, at a meeting held on even date, deliberated on the contents of the Letter (including the Supplemental Letter) and had resolved to table the Proposed SCR to the Non-Interested Shareholders for their consideration and approval; and

(iii) the Non-Interested Directors had appointed Berjaya Securities as the Principal Adviser in relation to the Proposed SCR.

Further details pertaining to the Proposed SCR are set out below.

2. DETAILS OF THE PROPOSED SCR

2.1 Particulars of the Proposed SCR

The Proposed SCR involves the 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 shareholders of the Company (other than the Non-Entitled Shareholders) whose names appear on the Record of Depositors and/or register of members of EGB as at the close of business on an entitlement date to be determined and announced later by the Board ("**Entitlement Date**") ("**Entitled Shareholders**").

As at 2 June 2026, being the latest practicable date prior to this announcement ("**LPD**"):-

(i) the issued share capital of the Company is RM166,003,532[(1)] comprising 403,193,039 EGB Shares (including 3,096,600 treasury shares);

Note:-
(1) Based on the latest audited statements of financial position of the Company as at 31 December 2025 and after taking into account the exercise of 4,004,000 ESOS Options from 1 January 2026 up to the LPD.

(ii) there are 46,251,000 outstanding options granted to and held by the eligible directors and employees of the Company and its subsidiaries ("**EGB Group**" or "**Group**") ("**Eligible Persons**") pursuant to the Company's existing employees' share options scheme ("**ESOS**") ("**ESOS Options**"), which are exercisable into 46,251,000 new EGB Shares at an exercise price of RM0.2283 per ESOS Option;

(iii) the Entitled Shareholders (including the PACs) collectively hold 274,918,393 EGB Shares, representing 68.71% 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 31.38% 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	10.28	84,049,128	21.01[(2)]
ECSB[(3)]	84,049,128	21.01	-	-
PACs				
Tai Lew See[(4)]	70,000	0.02	-	-
Ang Suan[(4)]	13,500	-[(7)]	-	-
Tee Ka Hon[(4)]	91,000	0.02	-	-
Wong Yang Chong[(4)]	180,000	0.04	-	-
Tan Phaik Hoon[(5)]	10,000	-[(7)]	-	-
Tan Kheng Hwa[(6)]	50	-[(7)]	-	-
Total	**125,542,596**	**31.38**		

Notes:-
(1) Computed based on the total number of 400,096,439 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 PAC by virtue of being the spouse of a close relative of Dato' Goh, a director and 65.0% shareholder of ECSB.
(5) Presumed PAC by virtue of being a close relative of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB.
(6) Presumed PAC by virtue of being the spouse of a close relative of Datin Tan Pak Say, a director of ECSB, who is also a 10.0% shareholder of ECSB.
(7) Less than 0.01%.

(v) the Non-Entitled Shareholders and the PACs do not hold any ESOS Options or any other option to acquire the EGB Shares.

Pursuant to the Proposed SCR, the Entitled Shareholders (including the PACs) 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.

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 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 of Malaya ("**High Court**") for the reduction of the enlarged issued share capital of the 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 the Company and any new EGB Shares to be issued pursuant to the exercise of the 46,251,000 outstanding ESOS Options as at the LPD, will be cancelled, save and except for EGB Shares which are held by the Non-Entitled Shareholders.

Assuming none of the outstanding ESOS Options as at the LPD are exercised into new EGB Shares prior to the Entitlement Date ("**Minimum Scenario**"), the total number of EGB Shares held by the Entitled Shareholders (including the PACs) which are to be cancelled pursuant to the Proposed SCR is 274,918,393 EGB Shares.

Assuming all the outstanding ESOS Options as at the LPD are exercised into new EGB Shares prior to the Entitlement Date ("**Maximum Scenario**"), the total number of EGB Shares held by the Entitled Shareholders (including the PACs) which are to be cancelled pursuant to the Proposed SCR is 321,169,393 EGB Shares.

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	274,918,393	321,169,393
Total capital repayment (RM)	123,713,277	144,526,227

Upon Completion, the 125,178,046 EGB 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.

2.2 Proposed Land Disposal

On 19 March 2026, Eonmetall Land Sdn Bhd (wholly-owned subsidiary of the Company) had entered into a conditional sale and purchase agreement with WG Malaysia VIII Sdn Bhd for the proposed disposal of a parcel of freehold land measuring approximately 2,876,579 square feet held under H.S.(D) 166442, PT 85117 located in Mukim Kapar, Daerah Klang, Negeri Selangor ("**Land**") for a cash consideration of RM273,275,005 ("**Proposed Land Disposal**"). As at the LPD, the Proposed Land Disposal is pending completion.

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 the Company that they are aware of the Company's prior contractual obligation under the conditional sale and purchase agreement with WG Malaysia VIII Sdn Bhd for the Proposed Land Disposal and that this is acceptable to the Non-Entitled Shareholders. The Non-Entitled Shareholders confirmed that they will not withdraw the 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 Letter

From the date of the Non-Interested Directors' acceptance of the terms of the Letter until Completion, the 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, the Company 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, the 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) the Company 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) the Company shall not make any alteration to the provisions of the constitution of the Company or any of its subsidiaries unless it is in relation to the Proposed SCR; and

(v) the Company 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 the Company or any of its subsidiaries.

In addition, the Company also undertakes that, from 22 May 2026, being the date of the Letter until the date of Completion, the Company shall and shall procure (using all reasonable endeavours to cause) each of its 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 Letter so as to preserve their relationships with all relevant parties, and ensure that the goodwill and going concern of the 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 volume-weighted average market price ("**VWAP**") of the EGB Shares up to and including 21 May 2026, being the last trading day prior to the receipt of the Letter by the Board ("**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 price-to-earnings ratio ("**PER**") and price-to-book ratio ("**PBR**") based on the SCR Offer Price is illustrated below:-

(i) Earnings per EGB Share ("EPS") / losses per EGB Share ("LPS") 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) Net assets attributable to the owners of the Company ("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

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

2.5 Distribution

If the 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 Letter up to the Entitlement Date, the SCR Offer Price will not be reduced as a result of the Distribution. In this regard, all the shareholders of EGB (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 the Company on or after 22 May 2026, being the date of the Letter.

2.6 Funding

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

The Non-Entitled Shareholders and the Board confirm that the Proposed SCR will not fail by reason of insufficient financial capability of the 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 the 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 Letter that they **do not intend** to maintain the listing status of the Company on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") following the Completion. Accordingly, the Non-Entitled Shareholders will request that the Company makes an application to Bursa Securities pursuant to Paragraph 16.08 of the Main Market Listing Requirements of Bursa Securities to delist the Company and to withdraw its 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 5** of this announcement, the Company will remain listed on the Main Market of Bursa Securities.

3. 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 Group

The Proposed SCR would provide the Non-Entitled Shareholders greater flexibility in managing and developing the existing businesses of the Group. As a private company, the Company will be subject to less public scrutiny, including from shareholders and potential analysts. In this respect, the Company can focus on its core growth initiatives and long-term value creation without the need for frequent market updates that emphasize short-term results.

In addition, as a private company, the Company would be able to undertake corporate exercises 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.

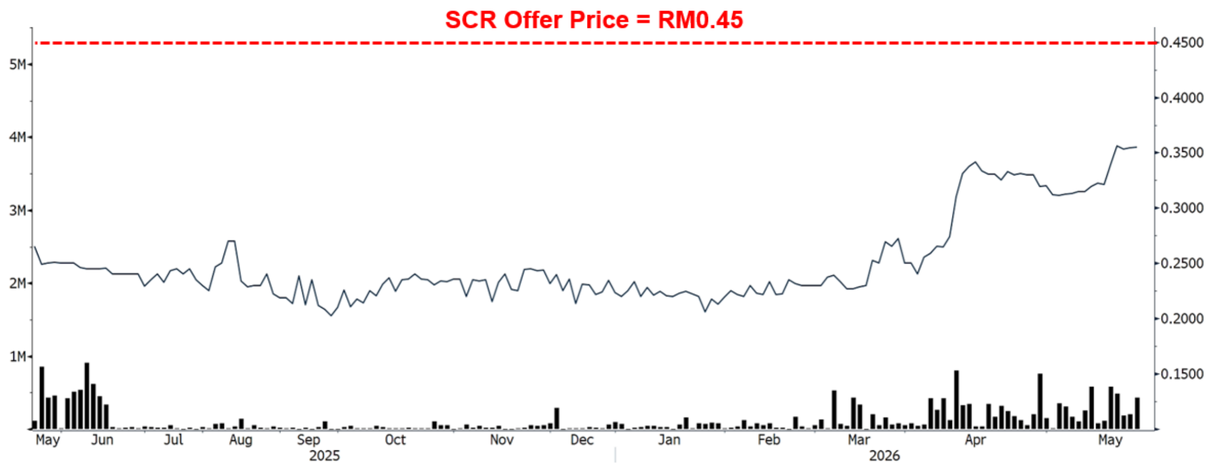
(ii) Low trading liquidity of EGB Shares

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** of this announcement, 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)

4. EFFECTS OF THE PROPOSED SCR

4.1 Share capital

The pro forma effects of the Proposed SCR on the share capital of the 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)]	403,193,039	166,004	403,193,039	166,004
Add: New Shares to be issued upon full exercise of all outstanding ESOS Options	-	-	46,251,000	[(2)]13,368
Enlarged issued share capital	**403,193,039**	**166,004**	**449,444,039**	**179,372**
Less: Shares to be cancelled pursuant to the Proposed SCR	(274,918,393)	[(3)](123,713)	(321,169,393)	[(3)](144,526)
Less: Cancellation of treasury shares, at cost	(3,096,600)	(1,761)	(3,096,600)	(1,761)
Resultant share capital of the Company after the Proposed SCR	**125,178,046**	**40,529**	**125,178,046**	**33,085**

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.

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4.2 Substantial Shareholders' shareholdings

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

Minimum Scenario

Substantial Shareholders	As at the LPD				(I) After the Proposed Land Disposal			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Dato' Goh	41,128,918	10.28	84,049,128	21.01(2)	41,128,918	10.28	84,049,128	21.01(2)
ECSB	84,049,128	21.01	-	-	84,049,128	21.01	-	-
Dato' Sri Lee Hock Seng	25,000,000	6.25	-	-	25,000,000	6.25	-	-
Datin Tan Pak Say	-	-	125,178,046	31.29(3)	-	-	125,178,046	31.29(3)

Substantial Shareholders	(II) After (I) and the Proposed SCR			
	Direct		Indirect	
	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 400,096,439 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 the Company after the Proposed SCR and after taking into consideration the cancellation of all the 3,096,600 treasury shares held by the Company as at the LPD.

Maximum Scenario

Substantial Shareholders	As at the LPD				(I) After the Proposed Land Disposal			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Dato' Goh	41,128,918	10.28	84,049,128	21.01(2)	41,128,918	10.28	84,049,128	21.01(2)
ECSB	84,049,128	21.01	-	-	84,049,128	21.01	-	-
Dato' Sri Lee Hock Seng	25,000,000	6.25	-	-	25,000,000	6.25	-	-
Datin Tan Pak Say	-	-	125,178,046	31.29(3)	-	-	125,178,046	31.29(3)

Substantial Shareholders	(II) After (I) and after assuming full exercise of all outstanding ESOS Options				(III) After (II) and the Proposed SCR			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(4)	No. of Shares	%(4)	No. of Shares	%(5)	No. of Shares	%(5)
Dato' Goh	41,128,918	9.21	84,049,128	18.83(2)	41,128,918	32.86	84,049,128	67.14(2)
ECSB	84,049,128	18.83	-	-	84,049,128	67.14	-	-
Dato' Sri Lee Hock Seng	25,000,000	5.60	-	-	-	-	-	-
Datin Tan Pak Say	-	-	125,178,046	28.04(3)	-	-	125,178,046	100.00(3)

Notes:-

(1) Computed based on the total number of 400,096,439 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 446,347,439 issued EGB Shares (after excluding 3,096,600 treasury shares) after assuming full exercise of all 46,251,000 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 the Company after the Proposed SCR and after taking into consideration the cancellation of all the 3,096,600 treasury shares held by the Company as at the LPD.

4.3 NA per Share and gearing

For illustration purposes, based on the latest audited consolidated statement of financial position of the 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 the 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	166,004	166,004	40,529
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	2,809	2,809	2,809
Retained earnings	93,718	94,028	251,749	249,752
Shareholders' equity / NA	**503,431**	**504,345**	**558,522**	**432,812**
Non-controlling interests	173	173	173	173
Total equity	**503,603**	**504,518**	**558,695**	**432,984**
No. of Shares, excluding treasury shares ('000)	396,092	400,096	400,096	125,178
NA per Share (RM)	1.27	1.26	1.40	3.46
Total borrowings, including lease liabilities (RM'000)	138,060	138,060	20,195	20,195
Gearing (times)	0.27	0.27	0.04	0.05

Notes:-

(1) After accounting for the following:-
   (i) issuance of 4,004,000 new Shares pursuant to the exercise of 4,004,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and
   (ii) lapse of 5,095,000 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 RM117.87 million; 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 274,918,393 EGB Shares held by the Entitled Shareholders (including the PACs) and the corresponding capital repayment amounting to approximately RM123.71 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.

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	166,004	166,004	179,372	33,085
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	2,809	2,809	-	-
Retained earnings	93,718	94,028	251,749	251,749	249,752
Shareholders' equity / NA	**503,431**	**504,345**	**558,522**	**569,081**	**422,558**
Non-controlling interests	173	173	173	173	173
Total equity	**503,603**	**504,518**	**558,695**	**569,254**	**422,730**
No. of Shares, excluding treasury shares ('000)	396,092	400,096	400,096	446,347	125,178
NA per Share (RM)	1.27	1.26	1.40	1.27	3.38
Total borrowings, including lease liabilities (RM'000)	138,060	138,060	20,195	20,195	20,195
Gearing (times)	0.27	0.27	0.04	0.04	0.05

Notes:-

(1) After accounting for the following:-
(i) issuance of 4,004,000 new Shares pursuant to the exercise of 4,004,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and

(ii) lapse of 5,095,000 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 RM117.87 million; 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 46,251,000 new EGB Shares arising from the exercise of all the outstanding 46,251,000 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 321,169,393 EGB Shares held by the Entitled Shareholders (including the PACs) and the corresponding capital repayment amounting to approximately RM144.53 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.

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4.4 Earnings and EPS

The Proposed SCR is not expected to have any material effect on the consolidated earnings of the 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 of the Company will increase accordingly.

For illustration purposes, based on the latest audited consolidated financial statements of the 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 of the 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 the Company (RM'000)	(51,376)	(51,067)	(4,150)	(6,147)[(3)]
Weighted average number of Shares in issue (excluding treasury shares) ('000)	330,551	334,555	334,555	125,178[(4)]
EPS / (LPS) (sen)	(15.54)	(15.26)	(1.24)	(4.91)

Notes:-

(1) After accounting for the following:-

(i) issuance of 4,004,000 new Shares pursuant to the exercise of 4,004,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and

(ii) lapse of 5,095,000 ESOS Options.

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

	Amount (RM'000)	Amount (RM'000)
Loss after taxation attributable to the owners of the Company based on the audited consolidated financial statements of the Company for the FYE 31 December 2025		(51,376)
Add: Lapse of ESOS Options		309
		(51,067)
Add: Gain on disposal of the Land	62,452	
Add: Post-tax interest savings on repayment of borrowings	4,245	
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	46,917	46,917
Pro forma loss after taxation attributable to the owners of the Company		**(4,150)**

(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 274,918,393 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 the Company (RM'000)	(51,376)	(51,067)	(4,150)	(4,150)	(6,147)[(4)]
Weighted average number of Shares in issue (excluding treasury shares) ('000)	330,551	334,555	334,555	380,806[(3)]	125,178[(5)]
EPS / (loss per share) (sen)	(15.54)	(15.26)	(1.24)	(1.09)	(4.91)

Notes:-

(1) After accounting for the following:-

(i) issuance of 4,004,000 new Shares pursuant to the exercise of 4,004,000 ESOS Options at RM0.2283 each and reversal of share options reserve; and

(ii) lapse of 5,095,000 ESOS Options.

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

	Amount (RM'000)	Amount (RM'000)
Loss after taxation attributable to the owners of the Company based on the audited consolidated financial statements of the Company for the FYE 31 December 2025		(51,376)
Add: Lapse of ESOS Options		309
		(51,067)
Add: Gain on disposal of the Land	62,452	
Add: Post-tax interest savings on repayment of borrowings	4,245	
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	46,917	46,917
Pro forma loss after taxation attributable to the owners of the Company		**(4,150)**

(3) After taking into consideration the issuance of 46,251,000 new EGB Shares arising from the exercise of all the outstanding 46,251,000 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 321,169,393 EGB Shares held by the Entitled Shareholders (including the PACs) pursuant to the Proposed SCR.

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5. CONDITIONALITY AND APPROVALS REQUIRED FOR 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 a special resolution to be tabled at an extraordinary general meeting ("**EGM**") to be convened ("**Special Resolution**") which, pursuant to subparagraph 2(f) of Schedule 3 of the Rules:-

  (a) is required to be approved by at least a majority in number of the Non-Interested Shareholders and at least 75% in value to the votes attached to the EGB Shares held by the Non-Interested Shareholders that are cast either in person or by proxy at the forthcoming EGM; and

  (b) must not be voted against by more than 10% in value of the votes attaching to all voting shares of the Company held by the Non-Interested Shareholders;

(ii) grant of 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 ("**High Court Order**"); and

(iii) approval and/or consent of the existing financiers and/or creditors of the Group, if required.

As at the LPD, the Company confirms that there is no approval or consent required from any relevant government or regulatory authorities for the Proposed SCR.

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 the Company.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/OR PERSONS CONNECTED WITH THEM

The following Directors and major shareholders of the Company ("**Major Shareholder**") are deemed interested in the Proposed SCR:-

(i) Dato' Goh, being one of the Non-Entitled Shareholders, is also the Executive Director and a 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, the Managing Director & Chief Executive Officer and a Major Shareholder. She is a director of ECSB and owns 10.0% equity interest in ECSB. She is also the spouse of Dato' Goh Cheng Huat and mother of Goh Hong Kent;

(iii) Goh Hong Kent, the 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, the Non-Independent Non-Executive Director, is the brother of Dato' Goh; and

(v) ECSB, being one of the Non-Entitled Shareholders, is also a 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 interested Major Shareholders will also abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the Special Resolution to be tabled at the EGM to be convened.

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 the Company, if any, on the Special Resolution to be tabled at the forthcoming EGM.

Save as disclosed above, none of the Directors, major shareholders and/or chief executives of the Company 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.

7. ADVISERS

The Non-Interested Directors have appointed Berjaya Securities as the Principal Adviser for the Proposed SCR.

In accordance with paragraph 3.06 of the Rules, the Non-Interested Directors have appointed Kenanga IB as the Independent Adviser to advise the Non-Interested Directors and the Non-Interested Shareholders on the fairness and reasonableness of the Proposed SCR and the voting action to be taken at an EGM to be convened.

8. DIRECTORS' STATEMENT

The Non-Interested Directors had on a meeting held on 5 June 2026 deliberated on the Letter (including the Supplemental Letter) and had resolved to table the Proposed SCR to the Non-Interested Shareholders for consideration at an EGM to be convened.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, and subject to obtaining the necessary approvals and/or consents from the relevant authorities and/or parties as set out in **Section 5** of this announcement, the Proposed SCR is expected to be completed in the fourth quarter of 2026.

This Announcement is dated 5 June 2026.