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CHOO BEE METAL INDUSTRIES BERHAD

[Registration No. 197101000234 (10587-A)]

(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY
("PROPOSED SHARE BUY-BACK")**

The Resolution in respect of the above proposal will be tabled at the 2024 Annual General Meeting (“AGM”) of Choo Bee Metal Industries Berhad (“CBMI”) to be conducted through live streaming and online remote using Lumi Remote Participation and Voting Facilities (“RPV”) meeting platform at <https://meeting.boardroomlimited.my> as a fully virtual general meeting. Notice of the AGM together with the Form of Proxy are enclosed in the Annual Report 2023 of CBMI dispatched together with this Statement.

Form of Proxy should be lodged at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not later than 48 hours before the time set for the meeting or at any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging of the Form of Proxy : Tuesday, 18 June 2024, 10.00 a.m.

Date and time of the AGM : Thursday, 20 June 2024, 10.00 a.m.

This Circular is dated 30 April 2024

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following terms and expressions shall have the following meanings:

- | | | |
|-----------------------------|---|---|
| “Act” | - | Companies Act 2016, and any amendment thereto |
| “ARMC” | - | Audit and Risk Management Committee |
| “AGM” | - | Annual General Meeting |
| “Bursa Securities” | - | Bursa Malaysia Securities Berhad [200301033577 (635998-W)] |
| “CBH” | - | Choo Bee Hardwares Sdn. Bhd. [196701000512 (7453-T)], a wholly owned subsidiary of CBMI |
| “CBHS” | - | Choo Bee Hardware (Sabah) Sdn. Bhd. [199701018084 (433581-X)], a wholly owned subsidiary of CBH |
| “CBMI” or “the Company” | - | Choo Bee Metal Industries Berhad [197101000234 (10587-A)] |
| “CBMI Group” or “the Group” | - | CBMI and its subsidiary companies collectively |
| “CBMI Shares” | - | Ordinary shares in CBMI |
| “Director(s)” | - | Shall have the same meaning given in Section 2(1) of the Capital Market and Services Act, 2007. It includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a Director or a Chief Executive Officer of CBMI, its subsidiary or holding company |
| “FYE” | - | Financial year ended/ending |
| “LPD” | - | 1 April 2024 being the latest practicable date prior to the printing of this Circular |
| “Listing Requirements” | - | Main Market Listing Requirements of Bursa Securities including any amendments made from time to time |
| “Major Shareholder(s)” | - | Any person who has an interest or interests in one or more voting shares in CBMI and the number or aggregate number of those shares, is:-

i. 10% or more of the total number of the voting shares in CBMI; or
ii. 5% or more of the total number of the voting shares in CBMI where such person is the largest shareholder of CBMI. |

For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act and a major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a major shareholder of CBMI as defined under Paragraph 1.01 of the Listing Requirements or any other company which is its subsidiary or holding company

DEFINITIONS

“NA”	-	Net Assets
“Person(s) Connected”	-	Shall have the same meaning given in Paragraph 1.01 of the Bursa Securities Listing Requirement
“Proposed Share Buy-Back”	-	Proposed purchase by the Company of its own Shares up to 6,000,000 Shares representing 3.037% of its total number of issued shares
“Substantial Shareholder”	-	A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of those shares, is not less than five percent (5%) of the total number of all the voting shares of the Company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act
“RM”	-	Ringgit Malaysia and sen respectively
“TBH”	-	Taik Bee Hardware Sdn. Bhd. [197801000481 (37513-V)], a wholly owned subsidiary of CBMI
“Treasury Shares”	-	CBMI Shares which have been bought back by the Company in accordance with the Act as authorised by the Constitution and retained in treasury

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any references to “the Company” and “CBMI” in this Circular are made to CBMI, and all references to “the Group” and “CBMI Group” are made to the Company and its subsidiary companies. All references to “we”, “us” and “our” are made to the Company, save and where the context otherwise requires, shall include its subsidiaries.

All references to “you” in this Circular are to the shareholders of CBMI.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, the actual figures and the totals thereof are due to rounding.

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CHOO BEE METAL INDUSTRIES BERHAD

[Registration No. 197101000234 (10587-A)]
(Incorporated in Malaysia)

Registered Office
55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan
Malaysia

30 April 2024

Board of Directors:

Soon Cheng Hai	(Group Executive Chairman/Chief Executive Officer)
Soon Cheng Boon	(Executive Director/Deputy Chief Executive Officer)
Tan Han Leong	(Executive Director Cum Chief Financial Officer)
Puan Sri Shahrizan Binti Abdullah	(Senior Independent Non-Executive Director)
Ng Poh Tat	(Non-Independent Non-Executive Director)
Ng Leong Teck	(Independent Non-Executive Director)

To: The Shareholders of CBMI

Dear Sir/Madam,

SHARE BUY-BACK STATEMENT IN RELATION TO PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the 2023 Annual General Meeting held on 21 June 2023, the shareholders of the Company approved, inter alia, the authorisation for the Company to purchase its own Shares up to a limit of 6,000,000 Shares of the total number of issued shares of the Company. The said authorisation shall, in accordance with the Listing Requirements of Bursa Securities, expire at the conclusion of the forthcoming AGM which will be held on Thursday, 20 June 2024, unless a new Authorisation is received.

Consequently, on 21 March 2024, the Company announced that your Board proposed to seek shareholders' approval for a new Authorisation to undertake to seek a renewal of the Share Buy-Back Authority.

The purpose of this Share Buy-Back Statement is to provide you with details of the Proposed Share Buy-Back, to set out the recommendation of the Board thereon and to seek your approval for the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

Your Directors propose that the shareholders give authority for the Company to purchase such amounts of its own Shares as may be determined by the Directors from time to time through Bursa Securities so that the net amount of Shares bought back or held as Treasury Shares do not exceed 6,000,000 Shares representing 3.037% of the Company's total number of issued shares at any point of time.

The authority for the Proposed Share Buy-Back shall commence upon passing of the Ordinary Resolution and shall expire at the conclusion of the next AGM of the Company unless renewed by Ordinary Resolution passed at that meeting or earlier revoked or varied by Ordinary Resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next AGM after that date is required by law to be held, whichever occurs first.

3. MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE PURCHASED

The limit of 6,000,000 Shares under the Proposed Share Buy-Back is the limit up to which the Company may buy-back its own Shares without triggering a mandatory general offer by any of the Directors and Substantial Shareholders (please refer Section 6) under the Malaysian Code on Take-Overs and Mergers 2010 ("Code") and is within the limit of 10% of the total number of issued shares of the Company at any point in time. This limit is the total number of Shares which may be purchased or held as Treasury Shares under the Proposed Share Buy-Back.

As at LPD, the total Shares purchased and retained in treasury is 1,442,887 Shares and the amount of Shares that may be purchased under the current Proposed Share Buy-Back would be Shares, being the limit of 6,000,000 Shares less the total Treasury Shares.

4. PURCHASE PRICE

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares at a price which is not more than fifteen percent (15%) above its weighted average market price on Bursa Securities for the past five (5) market days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell or transfer Treasury Shares on Bursa Securities pursuant to Section 127(7) of the Act, at:

- (a) a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately before the date of the re-sale or transfer; or
- (b) a discounted price of not more than five percent (5%) to the weighted average market price for the shares for the five (5) market days immediately before the date of the re-sale or transfer provided that:
 - (i) the re-sale or transfer takes place no earlier than thirty (30) days from the date of purchase; and
 - (ii) the re-sale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

5. MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND THE SOURCE OF FUNDS

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy-Back must be made wholly out of the retained profits of the Company.

Your Directors propose to allocate an amount of RM6,500,000 for the Proposed Share Buy-Back so that the total consideration for Shares purchased and held as Treasury Shares or cancelled at any time do not exceed RM6,500,000. The funding for the Proposed Share Buy-Back will be internally generated funds of the Group and/or external borrowings. The funding will not have a significant negative bearing on the cash flow position of the CBMI Group as the allocation of RM6,500,000 is not substantial compared to the net current assets of the Group of RM346,982,000 based on its audited financial statements for the year ended 31 December 2023.

If the proposed funding is fully utilised for the Proposed Share Buy-Back, the amount of RM6,500,000 will reduce the retained earnings of the Company up to the limit of RM6,500,000. The limit of RM6,500,000 is a reasonable amount based on the current market price of the share bearing in mind that the main purpose of the exercise is to support the fundamental value of the share. The retained earnings of the Company based on its audited financial statements for the year ended 31 December 2023 is RM258,335,000.

Should the Proposed Share Buy-Back be financed through bank borrowings, the Board will ensure that there are sufficient funds to repay such borrowings and that the Proposed Share Buy-Back is not expected to have material effect on the working capital and cash flow of the CBMI Group.

6. IMPLICATIONS OF THE CODE

In the event that the Company purchases the full amount of the CBMI Shares authorised under the Proposed Share Buy-Back and all the CBMI Shares so purchased are held as treasury shares, the equity interest of the Substantial Shareholders and their respective parties acting in concert triggering the obligation to undertake a mandatory offer under Paragraph 15(2) of the General Principle 12 of the Code and Paragraph 4.01 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, an exemption will be sought from the SC under Paragraph 4.15 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, before the purchase is made.

For illustration, if the equity interest of any one of the Substantial Shareholders and their respective parties acting in concert increases to more than 33% but less than 50% of the voting shares of CBMI and such that their shareholdings of CBMI increases in a period of six (6) months from the dates of purchase by more than 2%, the affected Substantial Shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remaining CBMI Shares not held by the said affected Substantial Shareholder and parties acting in concert.

SC may grant a waiver to undertake a mandatory offer under Practice Note 9 of the Code, subject to the affected Substantial Shareholder and parties acting in concert complying with certain conditions, if obligation is triggered as a result of any action outside its direct participation. The Substantial Shareholders of CBMI as disclosed in Section 12 herein have indicated that they intend to apply for the proposed exemption under Paragraph 4.15 of Rule 4 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions, if the obligation is expected to be triggered as a result of the Proposed Share Buy-Back. The effects of the Proposed Share Buy-Back on their shareholdings are set out in Section 12 herein.

7. TREATMENT OF SHARES BOUGHT BACK

In accordance with Section 127(4) of the Act, the Board is able to deal with any Purchased Shares in the following manner:

- (a) to cancel the Purchased Shares;
- (b) to retain the Purchased Shares as treasury shares; or
- (c) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

The rationale for the decision to retain and/or re-sell the treasury shares will be based on the performance of the Shares on the stock market. Should the price of the Shares reach a level which will result in a gain to the Company, a decision to sell and/or distribute the Shares as share dividends will be considered. A decision to cancel any of the Treasury Shares would be taken if circumstance requires that the share capital of the Company should be reduced.

An announcement will be made to Bursa Securities in respect of the intention of the Directors on the proposed treatment of Shares bought back and the rationale of the alternatives chosen and if available, information as to the percentage or number of Shares purchased which are to be retained and/or cancelled.

Where the Directors resolve to cancel the Shares so purchased, the Company's total number of issued shares shall be diminished by the Shares so cancelled. We wish to highlight that the cancellation of Shares made pursuant to Section 127(15) of the Act, shall not be deemed to be a reduction of share capital.

Where the Directors resolve to retain the Shares so purchased as Treasury Shares, the Directors may:

- (a) distribute the Treasury Shares to shareholders as share dividends;
- (b) resell the Treasury Shares in accordance with the relevant rules of the Bursa Securities;
- (c) transfer the Treasury Shares for the purposes of or under an employees' share scheme;
- (d) transfer the Treasury Shares as purchase consideration;
- (e) cancel the Treasury Shares; or
- (f) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe.

Pursuant to Section 127(8) of the Act, the rights attached to the Treasury Shares in relation to voting, dividends and participation in any other distribution and otherwise are suspended. In accordance with Section 127(9) of the Act, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at meetings.

The Company will make an immediate announcement to Bursa Securities of any purchase or resale of the CBMI Shares and whether the Purchased Shares will be cancelled, sold, transferred or retained as Treasury Shares or a combination.

8. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 35.54% based on the total number of issued shares of 196,093,413 Shares which exclude the Treasury Shares amounting to 1,442,887 Shares. Assuming that the Proposed Share Buy-Back is fully implemented, the public shareholding spread of the Company would reduce to approximately 33.51%.

The Board is mindful of the requirement that any purchase of CBMI Shares by the Company must not result in the public shareholdings spread of CBMI falling below 25% of its issued share capital.

9. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

- (i) The Proposed Share Buy-Back will enable CBMI to have an additional option to utilise its surplus financial resources.
- (ii) In addition, the Purchased Shares may be held as Treasury Shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.
- (iii) With the mandate, the Company will also be able to stabilise the supply and demand of CBMI Shares traded on the Bursa Securities and thereby supports its fundamental value, if required.

10. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

Advantages

- (a) The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby support its fundamental value.

The stability of the Share price is important in order to maintain investors' confidence to facilitate the Company's future fund raising exercises via issues of Equity Shares or other instruments, should there be any such exercise in future.

- (b) If the Shares bought back are kept as Treasury Shares, it will give the Directors an option to re-sell the Shares so purchased at a higher price when market conditions improve and therefore make an exceptional gain for the Company. Alternatively, the Shares so purchased can be distributed as share dividends to shareholders. The Directors may also transfer the shares for the purpose of an Employees' Share Scheme or as purchase consideration.
- (c) The earnings per share of CBMI Group would be enhanced (all things being equal).

Disadvantages

- (a) The Proposed Share Buy-Back, if executed, will however temporarily reduce the financial resources of CBMI Group and should there be any good investment opportunity arising in the future, the Company may have to resell the Shares for cash in the market not at an opportune time.
- (b) The working capital of the Group will also be affected, as any purchase of CBMI Shares will reduce the Group cash flow depending on the actual number of shares purchased and their purchase price.

The Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Share Buy-Back.

11. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back are as follows:

(i) Share Capital

In the event the Company acquires the full amount of CBMI Shares authorised under the Proposed Share Buy-Back and all the CBMI Shares so acquired are cancelled, the total issued shares of the Company will be as follows:

	<u>No. of Ordinary Shares</u>
Total Number of Issued Shares as at LPD#	197,536,300
Less: No. of shares if to be cancelled pursuant to the Proposed Share Buy-Back	(6,000,000)

Total Number of Issued Shares upon completion of the Proposed Share Buy-Back	191,536,300 =====

Total Issued Shares includes 1,442,887 Treasury Shares

In the event the Shares purchased pursuant to the Proposed Share Buy-Back are retained as Treasury Shares, the issued capital of the Company will not be reduced but the rights attaching to the Treasury Shares as to voting, dividends and participation in other distribution or otherwise will be suspended. While these Shares remain as Treasury Shares, the Act prohibits the taking into account of such Shares in calculating the number or percentage of Shares in the Company for any purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

If the Shares so purchased pursuant to the Proposed Share Buy-Back are resold in the open market, the Proposed Share Buy-Back will have no effect on the Share Capital.

(ii) Net Assets

- (a) The effect of the share repurchase on the net assets per share of the CBMI Group is dependent on the number of CBMI Shares which the Company will buy-back, purchase price of the CBMI Shares at the time of buy-back, the treatment of the shares so purchased and the funding cost, if any.
- (b) If the maximum number of CBMI Shares purchased is cancelled, the share repurchase would reduce the net assets per share of the Group if the purchase price exceeds the net assets per share at the relevant point in time. Conversely, the net assets per share of the Group would increase if the purchase price is less than the net assets per share at the relevant point in time.
- (c) If the CBMI Shares are retained as treasury shares, the net assets per share would increase/decrease depending on the purchase price of the CBMI Shares. The net assets per share of the Group would reduce if the purchase price exceeds the net assets per share and vice versa.
- (d) If the treasury shares are resold on the Bursa Securities, the net assets per share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed to shareholders as share dividends, the net assets per share will decrease by the cost of the treasury shares.

(iii) Earnings

- (a) The effects of the Proposed Share Buy-Back on the earnings of the Group are dependent on the purchase prices of CBMI Shares and the effective funding cost to finance such purchases and/or loss in interest income to the Group, if internally generated funds are utilised.
- (b) For instance, the share repurchase will increase the EPS of the CBMI Group if the effective funding cost and/or loss in income to the Company which is attributable to every repurchased share is lower than the EPS of the CBMI Group and vice versa.
- (c) If the CBMI Shares so purchased are cancelled, the consolidated EPS of the Group will increase provided the income foregone and interest expense incurred on these shares is less than the consolidated EPS prior to such purchase.

(iv) Working Capital

The working capital of CBMI Group will be reduced to the extent of the amount of funds utilised for the purchases of the Shares but is not expected to have a material adverse effect on the working capital of CBMI Group.

(v) Dividends

- (a) Assuming the Proposed Share Buy-Back is implemented in full, the share repurchase will have the effect of increasing the dividend rate per ordinary share of CBMI as a result of a decrease in the number of shares in CBMI which are entitled to participate in the dividends.
- (b) The Proposed Share Buy-Back may have an impact on the Company's dividend policy, if any as it would reduce the cash available for dividend payment, which may otherwise be used for dividend payment. Nonetheless, the Purchased Shares which retained as Treasury Shares may be distributed as dividends to shareholders of the Company, if the Directors so decide.

(vi) Cash Flow

The Proposed Share Buy-Back is not expected to adversely affect the cash requirements of the Company as the cash outflow is not substantial.

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12. SHAREHOLDINGS OF DIRECTORS AND MAJOR/SUBSTANTIAL SHAREHOLDERS

The table below shows the direct and deemed equity interests held by the Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders as at LPD and their pro-forma percentage shareholdings in the Company upon completion of the Proposed Share Buy-Back, assuming that the Proposed Share Buy-Back was carried out in full on LPD.

Directors	Based on Issued Capital as at LPD of 196,093,413 Shares (after excluding 1,442,887 Treasury Shares)				Based on Pro-forma Issued Capital as at LPD of 191,536,300 (after excluding 6,000,000 Shares being purchased) upon completion of Proposed Share Buy-Back			
	Direct		Deemed		Direct		Deemed	
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Soon Cheng Hai	2,400,000	1.22	106,506,087 ²	54.31	2,400,000	1.25	106,506,087 ²	55.61
Soon Cheng Boon	2,316,600	1.18	106,564,167 ³	54.34	2,316,600	1.21	106,564,167 ³	55.64
Tan Han Leong ⁴	-	-	1,404,000 ⁵	0.72	-	-	1,404,000 ⁵	0.73
Puan Sri Shahrizan Binti Abdullah	86,112	0.04	-	-	86,112	0.04	-	-
Ng Poh Tat	-	-	-	-	-	-	-	-
Ng Leong Teck	-	-	-	-	-	-	-	-
Substantial Shareholders								
Soon Lian Huat Holdings Sdn. Berhad	25,609,587	13.06	80,896,500 ¹	41.25	25,609,587	13.37	80,896,500 ¹	42.24
Choo Bee Holdings Sdn. Bhd.	80,896,500	41.25	-	-	80,896,500	42.24	-	-
Soon Cheng Hai	2,400,000	1.22	106,506,087 ²	54.31	2,400,000	1.25	106,506,087 ²	55.61
Soon Cheng Boon	2,316,600	1.18	106,564,167 ³	54.34	2,316,600	1.21	106,564,167 ³	55.64
Estate of Soon Hean Hooi, Deceased	-	-	106,506,087 ²	54.31	-	-	106,506,087 ²	55.61
Lim Mee Hwa	1,237,500	0.63	10,450,000 ⁶	5.33	1,237,500	0.65	10,450,000 ⁶	5.46
Yeo Seng Chong	-	-	11,687,500 ⁷	5.96	-	-	11,687,500 ⁷	6.10
Yeoman 3-Rights Value Asia Fund VCC	10,225,000	5.21	-	-	10,225,000	5.34	-	-
Yeoman Capital Management Pte Ltd	225,000	0.11	10,225,000 ⁸	5.21	225,000	0.12	10,225,000 ⁸	5.34
Persons Connected to the Directors and Substantial Shareholders								
Soon Siew Hoon ⁹	1,044,360	0.53	-	-	1,044,360	0.55	-	-
Soon Siew Leh ¹⁰	1,404,000	0.72	-	-	1,404,000	0.73	-	-
Lim Siew Fon ¹¹	58,080	0.03	-	-	58,080	0.03	-	-
Lee Sieng Tzi @ Vincent Lee ¹²	603,000	0.31	-	-	603,000	0.31	-	-

- Notes:
- (1) Deemed interested by virtue of its interest in Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Act.
 - (2) Deemed interested by virtue of his interest in Soon Lian Huat Holdings Sdn. Berhad and Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Act.
 - (3) Deemed interested by virtue of his interest in Soon Lian Huat Holdings Sdn. Berhad, Choo Bee Holdings Sdn. Bhd. pursuant to Section 8 of the Act and the shareholdings of his spouse in Choo Bee Metal Industries Berhad pursuant to Section 59(11)(c) of the Act.
 - (4) Tan Han Leong is the brother-in-law of Soon Cheng Hai and Soon Cheng Boon.
 - (5) Deemed interested by virtue of the shareholding of his spouse pursuant to Section 59(11)(c) of the Act.
 - (6) Deemed interested by virtue of her interest in Yeoman Capital Management Pte Ltd pursuant to Section 8 of the Act.
 - (7) Deemed interested by virtue of his interest in Yeoman Capital Management Pte Ltd as well as the shareholding of his spouse pursuant to Section 8 of the Act.
 - (8) Deemed interested by virtue of its interest as investment manager for its clients under Yeoman 3-Rights Value Asia Fund and its voting control over the Shares held under Yeoman 3-Rights Value Asia Fund.
 - (9) Soon Siew Hoon is the spouse of Lee Sieng Tzi @ Vincent Lee and the sister of Soon Cheng Hai and Soon Cheng Boon.
 - (10) Soon Siew Leh is the spouse of Tan Han Leong and the sister of Soon Cheng Hai and Soon Cheng Boon.
 - (11) Lim Siew Fon is the spouse of Soon Cheng Boon.
 - (12) Lee Sieng Tzi @ Vincent Lee is spouse to Soon Siew Hoon, who is the sister of Soon Cheng Hai and Soon Cheng Boon.

13. PURCHASE, CANCELLATION OF SHARES AND RE-SALES/TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

The total number of shares as at LPD held as Treasury Shares is 1,442,887 Shares. In the preceding twelve (12) months preceding the LPD, CBMI has not purchased/cancelled/resale any of its own Shares.

14. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the Shares traded on Bursa Securities for the preceding twelve (12) months preceding the date of this Statement (being the last full trading month period to the LPD) are as follows:

2023	<u>High (RM)</u>	<u>Low (RM)</u>
April	0.980	0.910
May	0.935	0.905
June	0.970	0.890
July	1.000	0.905
August	0.990	0.930
September	0.950	0.905
October	0.955	0.905
November	0.950	0.875
December	0.940	0.885
2024		
January	0.945	0.865
February	0.895	0.865
March	0.870	0.860

(Source: Yahoo Finance)

The last transacted price of CBMI Shares on LPD being the last market day prior to the printing of this Statement was RM0.865.

15. CONDITIONS OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is subject to the approval of the shareholders of the Company.

16. INTEREST OF THE DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, Substantial Shareholders and persons connected to the Directors and/or Major Shareholders (as defined in the Listing Requirements of Bursa Securities) have any direct or deemed interest in the Proposed Share Buy-Back and re-sale of Treasury Shares.

17. DIRECTORS' STATEMENT AND RECOMMENDATION

Your Directors, having considered all aspects of the Proposed Share Buy-Back, are of the opinion that the Proposed Share Buy-Back is in the best interests of CBMI Group. Accordingly, they recommend that you vote in favour of the Proposed Share Buy-Back at the forthcoming AGM.

18. AGM

The Ordinary Resolution pertaining to the Share Buy-Back Authority is set out as Special Business in the Notice of the 2024 AGM of the Company, which is being sent to you together with this Circular.

The AGM will be conducted through live streaming and online remote voting using the Lumi Remote Participation and Voting Facilities ("RPV") meeting platform at <https://meeting.boardroomlimited.my> as a fully virtual general meeting on Thursday, 20 June 2024 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions, with or without any modifications, to give effect to the Proposals.

If you are unable to attend and vote at the AGM, you may complete the Form of Proxy and deposit at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the holding of the meeting or any adjournment thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above. Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically, also forty-eight (48) hours before the meeting. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting at the AGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

19. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix for further information.

Yours faithfully
For and on behalf of the Board of
CHOO BEE METAL INDUSTRIES BERHAD

NG LEONG TECK
Chairman of Audit and Risk Committee
Independent Non-Executive Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by Board of Directors of CBMI and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts or omission of which would make any statement in this Circular false or misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Neither CBMI nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant as at the date of this Circular and the Directors of CBMI do not have any knowledge of any proceedings pending or threatened against CBMI or its subsidiaries, or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the Group.

3. MATERIAL CONTRACTS

There are no material contracts (not being contracts into the ordinary course of business), which has been entered into by CBMI Group within the past 2 years immediately preceding the date of this Statement.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, during office hours and on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming AGM:

- (i) The Constitution of CBMI; and
- (ii) The Audited Financial Statements of CBMI Group for the past (2) financial years ended 31 December 2022 and 31 December 2023.