

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Metrod Holdings Berhad [Registration No. 201001032606 (916531-A)] (“Metrod” or the “Company”), you should at once forward this Circular to the purchaser or agent through whom the sale or transfer was contracted for onward transmission to the purchaser or transferee.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the contents of this Circular before its issuance as it is an Exempt Circular pursuant to Paragraph 2.1(gA) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



Metrod

METROD HOLDINGS BERHAD

Registration No. 201001032606 (916531-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to

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

The ordinary resolution in respect of the above proposal will be tabled at the Eleventh Annual General Meeting (“11th AGM”) of **Metrod Holdings Berhad** to be held on a virtual basis at the Broadcast Venue: **Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Monday, 30 May 2022 at 2.00p.m.** or any adjournment thereof. The Notice of the 11th AGM together with the Proxy Form is enclosed together with the Annual Report 2021 of Metrod for the financial year ended 31 December 2021.

The Proxy Form must be lodged at Tricor Investor and Issuing House Services Sdn. Bhd. (“Tricor”)’s office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or Tricor’s Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit your electronic Proxy Form via Tricor’s **TIIH Online** website at <https://tiih.online> not later than 48 hours before the time set for holding the meeting. Please refer to the Annexure of the Proxy Form in the Administrative Details for submission of the electronic Proxy Form.

Last day and time for lodging the Proxy Form	:	28 May 2022, Saturday at 2.00 p.m.
Date and time of the 11 th AGM	:	30 May 2022, Monday at 2.00 p.m.

DEFINITIONS

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

- “Act” : Companies Act 2016 and any amendments thereto
- “AGM” : Annual General Meeting
- “Bursa Securities” or “Exchange” : Bursa Malaysia Securities Berhad
- “Board” : Board of Directors of Metrod Holdings Berhad
- “CMSA” : Capital Markets and Services Act 2007 as amended from time to time and any re-enactment thereof
- “Circular” : Circular to Shareholders dated 28 April 2022 in relation to Proposed Renewal of the Existing Shareholders’ Mandate
- “Director(s)” : As defined in Section 2(1) of the CMSA and for the purposes of the Proposed Renewal of the Existing Shareholders’ Mandate, this includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of Metrod or any other company which is its subsidiaries or holding company or a chief executive of Metrod, its subsidiary or holding company
- “LPD” : 31 March 2022, being the latest practicable date prior to the printing of this Circular
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
- “Major Shareholder(s)” : A person who (which includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon) has an interest or interests in one or more voting shares in Metrod (or any other company which is its subsidiary or holding company) and the number or aggregate of the number of those shares, is:
- (a) 10% or more of the total number of all the voting shares in Metrod;
 - or
 - (b) 5% or more of the total number of all the voting shares in Metrod where such person is the largest shareholder of Metrod.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.

“Metrod” or “the Company”	: Metrod Holdings Berhad [Registration No. 201001032606 (916531-A)]
“Metrod Group” or “the Group”	: Metrod and/or its subsidiary companies, collectively
“MetTube”	: MetTube Sdn. Bhd., a Major Shareholder of Metrod
“MetTube Group”	: MetTube and/or its subsidiary companies, collectively
“Proposed Renewal of the Existing Shareholders’ Mandate”	: The proposal in relation to the Proposed Renewal of the Existing Shareholders’ Mandate for RRPTs as set out in Section 2.5 of this Circular
“Related Party(ies)”	: A Director, Major Shareholder or person connected (as defined under Paragraph 1.01 of the Listing Requirements) with such Director or Major Shareholder
“Related Party Transactions”	: Transactions entered into by Metrod Group, which involves the interests, direct or indirect, of the Related Parties
“RRPTs” or “Recurrent RPTs”	: Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Group’s day-to-day operations and are in the ordinary course of business of the Group
“RM” and “sen”	: Ringgit Malaysia and sen respectively

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METROD HOLDINGS BERHAD
Registration No. 201001032606 (916531-A)
(Incorporated in Malaysia)

Registered Office:

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

28 April 2022

Board of Directors:

Y. Bhg. Datuk Abu Hassan Bin Kendut (*Independent Non-Executive Director and Chairman*)
Encik Ash'ari Bin Ayub (*Independent Non-Executive Director*)
Ms Lydia Anne Abraham (*Independent Non-Executive Director*)
Mr Rajan Mittal (*President & Chief Executive Officer*)
Mr Raghvendra Mittal (*Non-Independent Executive Director*)

To: Shareholders of Metrod Holdings Berhad

Dear Sir/Madam,

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

1.0 INTRODUCTION

At the last AGM of the Company held on 28 June 2021, the Company obtained an approval from its shareholders with regard to the renewal of the Recurrent RPTs in the ordinary course of business based on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and which are necessary for the Metrod Group's day-to-day operations. The renewed general mandate for Recurrent RPTs shall, in accordance with the ordinary resolution passed at the Tenth AGM, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.

On 28 February 2022, the Board announced its intention to seek shareholders' approval for the Proposed Renewal of Existing Shareholders' Mandate.

The purpose of this Circular is to provide you with the relevant information on the Proposed Renewal of the Existing Shareholders' Mandate, the Board's recommendation thereon and to seek your approval for the Ordinary Resolution relating to the Proposed Renewal of the Existing Shareholders' Mandate to be tabled as a Special Business at the forthcoming AGM of the Company, to be held on 30 May 2022. The Notice of the 11th AGM containing the above ordinary resolution under Special Business, together with the Proxy Form is available at the Company's website at http://metrodd.com/ir_ar.htm.

Shareholders of Metrod are advised to read and consider the contents of this Circular carefully before voting on the ordinary resolution pertaining to the Proposed Renewal of Existing Shareholders' Mandate to be tabled at the forthcoming 11th AGM.

2.0 DETAILS OF THE PROPOSAL

2.1 Listing Requirements

Paragraph 10.08 of the Listing Requirements stipulates the obligation of a listed issuer or its subsidiaries to comply with the relevant requirements in relation to Related Party Transactions. However, under Paragraph 10.09(2) of the Listing Requirements, where there are related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations, the Company may seek a mandate from its shareholders ("Shareholders' Mandate") in respect of such RRPTs, subject to the following:

- the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- the Shareholders' Mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements as stated below:

"in relation to a listed issuer with a share capital of RM60 million and above -

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent RPTs is RM1 million or more; or*
- (ii) the percentage ratio of such Recurrent RPTs is 1% or more,*

whichever is the higher;"

- the listed issuer's circular to shareholders for the Shareholders' Mandate includes the information as may be prescribed by the Exchange;
- in a general meeting to obtain shareholders' mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements;
- the listed issuer immediately announces to the Exchange when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

2.2 Definitions

(a) Related Party Transaction

"Related party transaction" is defined in Paragraph 10.02(k) of the Listing Requirements as a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party.

"Transaction" within the meaning of Related Party Transactions, excludes transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.

(b) RRPTs of a Revenue or Trading Nature

“RRPTs of a revenue or trading nature” as spelt out in the Listing Requirements and Practice Note 12 of the Listing Requirements involves transactions that are:

- (i) recurrent;
- (ii) of a revenue or trading nature;
- (iii) necessary for its day-to-day operations; and
- (iv) transacted in the ordinary course of business.

“Recurrent transaction” as stated in Paragraph 3.1.1 of Practice Note 12 of the Listing Requirements, considers the frequency or regularity of the transaction. A transaction which has been made or will be made by the listed issuer at least once in three years in the course of its business will be considered recurrent.

“Revenue nature necessary for day-to-day operations” as stated in Paragraph 3.1.2 of Practice Note 12 of the Listing Requirements, in respect of a related party transaction means such transaction is a revenue nature which is necessary for day-to-day operations and must either contribute directly or indirectly to the generation of revenue for the listed issuer.

“In the ordinary course of business” as stated in Paragraph 3.1.3 of Practice Note 12 of the Listing Requirements, refers to transactions which would reasonably be expected to be carried out by the listed issuer given the type of business the listed issuer is involved in.

2.3 Validity Period

The Proposed Renewal of the Existing Shareholders’ Mandate if approved by the shareholders of Metrod at the forthcoming AGM, will take effect from the date of the said AGM until:

- (i) the conclusion of the next AGM of Metrod following the forthcoming 11th AGM at which the Proposed Renewal of the Existing Shareholders’ Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority for the Proposed Renewal of the Existing Shareholders’ Mandate is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of Metrod in a general meeting before the next AGM;

whichever is earlier.

2.4 Principal Activities of Metrod and its Subsidiaries

The principal activity of Metrod is investment holding. The details of subsidiaries and their principal activities are as follows:

Name	Effective equity interest held	Principal activities
Direct subsidiaries		
Metrod (Malaysia) Sdn Bhd	100%	Investment holding and manufacturing of electrical conductivity grade copper rods, wires and strips.
Tuas Copper Pte Ltd	100%	Manufacturing and trading of copper products.
Metrod Holdings (Singapore) Pte Ltd	100%	Investment holding and trading of copper wires, rods, strips and related products.
Metrod (Mauritius) Pvt Ltd	100%	Investment holding.
Metrod (International) Pvt Ltd	100%	Investment holding.
Indirect subsidiaries		
Metrod (OFHC) Sdn Bhd <i>(Indirect interest through Metrod (Malaysia) Sdn Bhd)</i>	100%	Procurement of raw materials and marketing of electrical conductivity grade copper wires, rods and strips.
Metrod Copper Products Sdn Bhd <i>(Indirect interest through Metrod (Malaysia) Sdn Bhd)</i>	100%	Procurement of raw materials and marketing of electrical conductivity grade copper wires, rods and strips.
Metrod Metals Private Limited <i>(Indirect interest through Metrod Mauritius Pvt Ltd and Metrod International Pvt Ltd)</i>	100%	Manufacturing and trading in metal products.
Savli Copper Products Pvt Ltd <i>(Indirect interest through Metrod Mauritius Pvt Ltd and Metrod International Pvt Ltd)</i>	100%	Manufacturing and trading of copper products.
Ceres Hotels Pvt Ltd <i>(Indirect interest through Metrod Holdings (Singapore) Pte Ltd)</i>	51%	Hospitality Business.

Metrod Group has entered and is anticipated to enter into RRPTs, with certain Related Parties. It is likely that such transactions will occur with some degree of frequency and could arise at any time. Such RRPTs have been and will be made on commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Metrod.

The Board therefore proposes to seek your approval for Proposed Renewal of the Existing Shareholders' Mandate for Metrod Group to enter into the RRPTs as set out in Section 2.5 of this Circular.

2.5 Class of related party with whom transactions have been or will be carried out and contemplated

Details of the RRPTs covered under the Proposed Renewal of the Existing Shareholders' Mandate to be sought by the Company at its forthcoming 11th AGM are set out below:

Metrod/Company within the Metrod Group	Transaction party	Nature of relationship	Nature of transactions	Actual value transacted from 28/06/2021 To LPD# RM'000	Estimated transactions value as per last Mandate RM'000	Estimated Transaction Value from the forthcoming AGM to the next AGM RM'000@
Metrod (OFHC) Sdn Bhd Metrod Copper Products Sdn Bhd	MetTube International Sdn Bhd (subsidiary of MetTube Sdn Bhd)	Note (1)	Sale and purchase of copper goods * by Metrod Group to and from MetTube Group	2,079	157,000	71,000
			TOTAL	2,079	157,000	71,000

Explanatory notes:

the last practical date prior to issue of Circular

* Copper goods include copper strips, copper rods, copper scraps, copper cathodes and etc.

@ The estimated value of RRPTs from the forthcoming 11th AGM to the next AGM is based on the expected value of transactions estimated by the management of Metrod Group. The expected value is derived on the assumption that approximately half of the sales are to be made on tolling contract basis. Due to the nature of the transactions, the actual value of the transactions may vary and subject to change from the estimated values disclosed above.

Note (1)

The principal activities of MetTube Group are to carry out the business of manufacturing, marketing and sales of copper and copper alloys, mill products including billets, tubes, pipes, blanks and extrusion. MetTube Group is also engaged in the manufacturing and marketing of copper bus-bars.

MetTube is wholly-owned by MetTube Malaysia Holdings S.A., which is in turn wholly- owned by Metdist S.A. As at LPD, Metdist S.A. has substantial shareholding of 42.13% in Metrod. Besides, MetTube also has direct shareholding of 31.59% in Metrod.

Mr Raghvendra Mittal who is a Non-Independent Executive Director of Metrod is currently the President & CEO of MetTube. He is also a Director of MetTube Group. Mr Raghvendra Mittal does not have any interest, direct or indirect, in MetTube Group. He holds 5,000 ordinary shares which represent 0.004% in Metrod as at LPD.

Save as disclosed above, none of the other Directors and/or Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Renewal of the Existing Shareholders' Mandate.

The Actual Value transacted from the date on which the existing mandate was obtained (i.e. the date of the last AGM held on 28 June 2021) up to the LPD did not exceed the Estimated Value for the Proposed Renewal of the Existing Shareholders' Mandate by 10% or more.

2.6 Outstanding Receivables

As at LPD, the outstanding receivables from MetTube Group are trade in nature, arising in the ordinary course of business. There was no amount due and owing by MetTube Group under the RRPT which exceeded the credit term given arising from the RRPT as per Section 2.5 of this Circular as at the end of the financial year ended 31 December 2021. Therefore, no late payment charges were imposed on the Related Parties during the financial year.

2.7 Methods or Procedures on which the Transaction Prices will be determined for the RRPTs of a revenue or trading nature

The following review procedures for the RRPTs are established to ensure that the transactions are conducted on arm's length basis, on normal commercial terms consistent with the Group's usual business practices and on terms and transaction prices not more favourable to the Related Parties than those generally available to public and/or employees of the Group as well as are not to the detriment of the minority shareholders of the Company:

- (a) Standard procedures have been established to ensure that these RRPTs will only be entered into after taking into consideration, inter-alia, the pricing, quality of products and level of services provided;
- (b) Terms and conditions of transactions will be based on competitive prices of similar products or services in the open market having regard to the flexibility needed by the Group in terms of delivery and pricing options. At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar type of products or services, or if the product/service is a proprietary item), the transaction price will be determined by the Group based on market knowledge and on normal commercial terms in accordance with Metrod Group's procedures that transactions with Related Parties are undertaken on arm's length basis, are carried out on normal commercial terms and transaction prices that are not detrimental to the minority shareholders of the Company.

- (c) All RRPTs which are not covered under the Proposed Renewal of the Existing Shareholders' Mandate and have a value of the assets, capital outlay or costs equivalent to or more than RM1,000,000 or 1% or more of any percentage ratio (as defined under Paragraph 10.02(g) of the Listing Requirements) whichever is higher shall be reviewed by the Audit Committee before the transactions are entered into;
- (d) All RRPTs will be reviewed and approved by the President & Chief Executive Officer;
- (e) Records of all RRPTs will be maintained by the Company and submitted on a quarterly basis for review by the Audit Committee;
- (f) The Audit Committee shall review the procedures on annual basis to ascertain that the procedures established to monitor RRPTs have been complied with;
- (g) The internal audit plan shall incorporate a review of RRPTs to ensure that all the relevant approvals for the RRPTs have been obtained;
- (h) The Board and the Audit Committee shall have overall responsibility for the determination of review procedures with authority as delegated to individuals or committees within the Company as they deem appropriate;
- (i) If the Board and Audit Committee are of the view that the procedures are no longer sufficient to ensure that the RRPTs are made on arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders, they shall have the discretion to discharge, vary and/or modify or implement new and/or additional procedures and guidelines without the approval of the shareholders provided that such amended, varied, modified, new or additional procedures are no less stringent than the existing procedures and guidelines.
- (j) Interested Directors who are members of the Board shall declare their interest in the transaction and abstain from Board deliberation and voting on resolution pertaining to the RRPTs of a revenue or trading nature and will ensure that they and any person(s) connected to them will also abstain from voting on the resolution before them; and
- (k) Disclosure will be made in the Annual Report of the breakdown of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

If the actual value of the RRPTs entered into by the Group exceeds the estimated value of the RRPTs disclosed in the circular to the shareholders on the Proposed Renewal of the Existing Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

2.8 Threshold of Authority

The Group has in place a level of authority policy to facilitate the orderly and efficient operations of the Group. Please see Sections 2.7(c) and (d) above.

2.9 Statement by Audit Committee

The Audit Committee of the Company has seen, reviewed and approved the procedures and processes mentioned in Section 2.7 above and is of the view that the said procedures and processes are sufficient to ensure that the RRPTs entered into are monitored, tracked and identified in a timely and orderly manner, will be carried out on normal commercial terms and transaction prices not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The processes and procedures in connection thereto are reviewed annually.

2.10 Rationale for the Proposed Renewal of the Existing Shareholders' Mandate and Benefit to the Group

The RRPTs taking place between the Group and Related Parties are to ensure the efficiency of the Group's day-to-day ordinary course of its manufacturing operations. They are Related Party Transactions which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and they may be impractical to seek shareholders' approval on a case by case basis before entering into such RRPTs.

By obtaining the Proposed Renewal of the Existing Shareholders' Mandate together with the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPTs occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

The following mandate from shareholders on RRPTs is to be sought:

- (a) The Group seeks Shareholders' Mandate in respect of the RRPTs between the Group and MetTube Group, as these have been of benefit and expected to continue to be of benefit to the Group.
- (b) The details of major benefits to be derived from the transactions are as follows:
 - (i) The Group has sufficient capacity to supply bare copper rod and strip to MetTube Group who require certain sizes/sections which can be produced by Metrod. This helps Metrod in increasing the capacity utilisation for its machines and supplying the product at a competitive price without any significant credit risk.
 - (ii) Metrod generates certain types of scrap, which cannot be fully charged in Metrod's electric induction furnaces due to their sensitivity and the impact on quality. MetTube Group has a shaft furnace capable of charging such scrap though after certain cleaning processes. Consequently, Metrod proposes to enter into an agreement with MetTube Group to sell scrap at market prices without taking any risk of physical storage or pricing or the risk of disposal of such scrap in the local market itself.
 - (iii) Metrod and MetTube are consuming the same raw material i.e. viz. copper cathode in their furnaces for manufacturing of finished products. Entire raw material being imported, at times, the availability of copper cathode may be subject to uncertainty due to vessel delays, suppliers' plant failure etc. Under this premise, it will benefit Metrod to enter into agreement to purchase some quantity of copper cathode from MetTube to ensure no disruption in production.

2.11 Disclosure of RRPTs

In accordance with Paragraph 3.1.5 of Practice Note 18 of the Listing Requirements, the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the breakdown of the aggregate value of the RRPTs conducted during the financial year pursuant to the mandate given by the shareholders based on the following information:

- (a) type of RRPT made; and
- (b) names of the related parties involved in each type of the RRPT made and their relationship with the Company.

In addition, Paragraph 10.09(2)(e) of the Listing Requirements states that if the actual value of the RRPTs entered into by the Group exceeds the estimated value of the RRPTs disclosed in the circular to the shareholders on the Proposed Renewal of the Existing Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

3.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

3.1 Proposed Renewal of the Existing Shareholders' Mandate

MetTube who is the Major Shareholder (31.59%) and Metdist S.A. being the Major Shareholder (42.13%) of Metrod will accordingly abstain from voting on the resolution pertaining to the Proposed Renewal of the Existing Shareholders' Mandate at the forthcoming AGM to be convened.

According to Metrod's Register of Substantial Shareholders as at LPD, the shareholding information of MetTube, Metdist S.A. and MetTube Malaysia Holdings S.A. in Metrod are as follows:

Substantial Shareholders	No. of Shares (Units)		Percentage (%)	
	Direct	Indirect	Direct	Indirect
MetTube	37,909,920	-	31.59	-
Metdist S.A.	50,562,000	37,909,920*	42.13	31.59*
MetTube Malaysia Holding S.A.	-	37,909,920*	-	31.59*

* Deemed interest under Section 8 of the Act through MetTube.

Mr Raghvendra Mittal who is the Non-Independent Executive Director of Metrod and also the President & CEO of MetTube and a Director of MetTube Group has abstained and shall continue to abstain from all deliberations and voting at meetings of the Board in respect of transactions between Metrod Group and MetTube Group.

Mr Raghvendra Mittal does not have any interest, direct or indirect, in MetTube Group. He holds 5,000 ordinary shares which represent 0.004% in Metrod as at LPD.

- 3.2 The interested Director, interested Major Shareholders and/or persons connected with them will abstain from voting via their direct and/or indirect shareholdings, on the resolution deliberating or approving the Proposed Renewal of the Existing Shareholders' Mandate at the forthcoming AGM to be convened.
- 3.3 The interested Director and/or interested Major Shareholders have undertaken that they shall ensure that the persons connected to them will abstain from voting via their direct and/or indirect shareholdings, on the resolution relating to the Proposed Renewal of the Existing Shareholders' Mandate at the forthcoming AGM to be convened.
- 3.4 Save as disclosed above, none of the Directors, Major Shareholders and/or persons connected to them have any direct and/or indirect interest in the Proposed Renewal of the Existing Shareholders' Mandate.

4.0 DIRECTORS' RECOMMENDATION

The Board (save and except for Mr Raghvendra Mittal who is deemed interested in the Proposed Renewal of Existing Shareholders' Mandate) having considered all aspects of the Proposed Renewal of Existing Shareholders' Mandate, is of the opinion that the Proposed Renewal of the Existing Shareholders' Mandate is in the best interest of the Company and its shareholders.

Accordingly, the Board (save and except for Mr Raghvendra Mittal who is deemed interested in the Proposed Renewal of Existing Shareholders' Mandate) recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of the Existing Shareholders' Mandate to be tabled at the forthcoming AGM of the Company.

5.0 APPROVAL REQUIRED

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

6.0 11th AGM

The ordinary resolution to approve the Proposed Renewal of the Existing Shareholders' Mandate is set as Special Business in the Notice of 11th AGM, which is sent to you together with this Circular. The 11th AGM will be held on a virtual basis at the Broadcast Venue: **Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Monday, 30 May 2022 at 2.00 p.m.**

The Proxy Form must be lodged at the Share Registrar of the Company, **Tricor Investor & Issuing House Services Sdn. Bhd.** at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not later than **forty-eight (48) hours** before the time set for holding the 11th AGM. The instrument appointing a proxy can also be electronically submitted to the Share Registrar via **Tricor's TIIH Online website** at <https://tiih.online> before the cut-off time as mentioned above. Kindly refer to Administrative Details section for the 11th AGM for further information.

The completion and lodgement of the proxy form does not preclude you from attending and voting in person at the forthcoming 11th AGM should you subsequently wish to do so and in such an event, your proxy form shall be deemed to have been revoked.

7.0 FURTHER INFORMATION

Shareholders are advised to refer to Appendix I attached for further information.

Yours faithfully,

for and on behalf of the Board of

METROD HOLDINGS BERHAD

Y. BHG. DATUK ABU HASSAN KENDUT

INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIRMAN

APPENDIX I

1.0 DIRECTORS' RESPONSIBILITY STATEMENT

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

2.0 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As of LPD, the Metrod Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Metrod Group.

3.0 MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business), entered into by Metrod and its subsidiaries within the past two years preceding the date of this Circular.

4.0 DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection at the Registered Office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, during normal office hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (a) Constitution of the Company.
- (b) Audited Financial Statements of Metrod for the past two financial years ended 31 December 2020 and 31 December 2021.