

5. INFORMATION ON PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

5.1 PROMOTER

5.1.1 Particular and Shareholding of Promoter

The details of the Promoter of the Group and his shareholdings in Eonmetall after the IPO are as follows:-

Promoter	Designation	Nationality	No. of Shares Held ^(a)			
			Direct	%	Indirect	%
Goh Cheng Huat	Managing Director	Malaysian	50,000	0.05	^(b) 56,232,752	51.12

Notes:-

- (a) Including his entitlement for the Pink Form Shares allocation pursuant to the IPO.
- (b) Deemed interested by virtue of his shareholding of not less than 15% in ECSB pursuant to Section 6A of the Act and his spouse's shareholding in Eonmetall.

5.1.2 Profile of Promoter

The profile of the Promoter, Goh Cheng Huat who is a Director of Eonmetall is disclosed in Section 5.3.2 of this Prospectus.

5.1.3 Directorships and Substantial Shareholdings of Promoter in All Other Public Companies for the Past Two (2) Years Preceding the Date Hereof

The directorships and substantial shareholdings of the Promoter in all other public companies for the past two (2) years preceding the date of this Prospectus are as follows:-

Name	Company	Designation	Date of Appointment	No. of Shares as at 31 May 2005			
				Direct	%	Indirect	%
Goh Cheng Huat	LSHB	Deputy Chairman/ Non-Executive Director	^(a) 10.08.1995	^(b) 10,530,594	8.36	^(c) 54,035,874	42.91

Notes:-

- (a) Goh Cheng Huat was appointed as the Managing Director of LSHB on 10 August 1995 and he was re-designated as Deputy Chairman/Non-Executive Director on 29 April 2005.
- (b) As at 31 May 2005, Goh Cheng Huat has 450,000 ESOS options in LSHB that have yet to be exercised.
- (c) Deemed interested by virtue of his shareholding of not less than 15% in Bischart Sdn Bhd pursuant to Section 6A of the Act and his spouse's shareholding in LSHB.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.2 SUBSTANTIAL SHAREHOLDERS

5.2.1 Particulars and Shareholdings of Substantial Shareholders

The details of the substantial shareholders of Eonmetall and their shareholdings in Eonmetall after the IPO are as follows:-

Name	Nationality	No. of Shares Held ^(a)			
		Direct	%	Indirect	%
ECSB	Malaysia	56,032,752	50.94	-	-
VLSB	Malaysia	19,800,000	18.00	-	-
Goh Cheng Huat	Malaysian	50,000	0.05	^(b) 56,232,752	51.12
Tan Pak Say	Malaysian	200,000	0.18	^(c) 56,082,752	50.98
Tan Sri Dato' Mohd Desa bin Pachi	Malaysian	300,000	0.27	^(d) 19,800,000	18.00
Mohd Desman Annuar bin Md Desa	Malaysian	-	-	^(d) 19,800,000	18.00

Notes:-

- (a) Including their respective entitlements for the Pink Form Shares allocation pursuant to the IPO.
- (b) Deemed interested by virtue of his shareholding of not less than 15% in ECSB pursuant to Section 6A of the Act and his spouse's shareholding in Eonmetall.
- (c) Deemed interested by virtue of her spouse's shareholding of not less than 15% in ECSB pursuant to Section 6A of the Act and her spouse's shareholding in Eonmetall.
- (d) Deemed interested by virtue of their shareholdings of not less than 15% in VLSB pursuant to Section 6A of the Act.

5.2.2 Profiles of Substantial Shareholders

The profile of the substantial shareholders, Goh Cheng Huat and Tan Sri Dato' Mohd Desa bin Pachi who are also the Directors of Eonmetall are disclosed in Section 5.3.2 of this Prospectus. The profiles of ECSB, VLSB, Tan Pak Say and Mohd Desman Annuar bin Md Desa are set out below:-

(i) ECSB

(a) Background Information

ECSB is principally an investment holding company. It was incorporated in Malaysia under the Act on 2 January 1997 as a private limited company under the name of Eontarr Corporation Sdn Bhd. Subsequently, on 5 July 2000 it changed and assumed its present name.

The authorised and issued and paid-up share capital of ECSB as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus) are as follows:-

Type (Ordinary Shares)	No. of Shares	Par Value RM	Total RM
Authorised	2,500,000	1.00	2,500,000
Issued and fully paid-up	2,500,000	1.00	2,500,000

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(b) Directors and Substantial Shareholders

The particulars of the Directors, substantial shareholders and their shareholdings in ECSB as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus) are set out below:-

Name	Designation	No. of Ordinary Shares of RM1.00 Each Held			
		Direct	(%)	Indirect	(%)
Directors					
Goh Cheng Huat	Director	2,250,000	90.00	*250,000	10.00
Tan Pak Say	Director	250,000	10.00	*2,250,000	90.00
Tan Sri Dato' Soong Siew Hoong	Director	-	-	-	-
Goh Kee Seng	Director	-	-	-	-
Substantial Shareholders					
Goh Cheng Huat	Director	2,250,000	90.00	*250,000	10.00
Tan Pak Say	Director	250,000	10.00	*2,250,000	90.00

Note:-

* Deemed interested by virtue of his/her spouse's shareholding.

(ii) VLSB

(a) Background Information

VLSB is principally an investment holding company. It was incorporated in Malaysia under the Act on 4 November 2004 as a private limited company under its present name.

The authorised and issued and paid-up share capital of VLSB as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus) are as follows:-

Type (Ordinary Shares)	No. of Shares	Par Value RM	Total RM
Authorised	100,000	1.00	100,000
Issued and fully paid-up	2	1.00	2.00

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

(b) Directors and Substantial Shareholders

The particulars of the Directors, substantial shareholders and their shareholdings in VLSB as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus) are set out below:-

Name	Designation	No. of Ordinary Shares of RM1.00 Each Held			
		Direct	(%)	Indirect	(%)
Directors and Substantial Shareholders					
Tan Sri Dato' Mohd Desa bin Pachi	Director	1	50.00	-	-
Mohd Desman Annuar bin Md Desa	Director	1	50.00	-	-

(iii) **Tan Pak Say**, aged 44, is the Director of EMT, EMI and EMS. She has been actively involved in the steel industry since mid 1980's after completing her early years of education. Currently, she sits on the board of several private companies and the Managing Director of a public company, LSHB.

(iv) **Mohd Desman Annuar bin Md Desa**, aged 41, is the substantial shareholder and Director of VLSB. He graduated from California State University Fresno, USA with a Bachelor of Science in Business Administration majoring in Accounting in 1989. His career started in 1989 as a Finance Executive of Southern Steel Sdn Bhd. He left to join Danstil Sdn Bhd in 1994. In the same year, he joined Southern Pipe Industry (M) Sdn Bhd as a Purchasing/Shipping Assistant Manager. He was subsequently promoted to Marketing Assistant Manager in 1996, Purchasing/Shipping Manager & Marketing Manager in 1999 and to his current position as Marketing/Sales Manager in 2004. Currently, he sits on the board of several private companies.

5.2.3 Directorships and Substantial Shareholdings of Substantial Shareholders in All Other Public Companies for the Past Two (2) Years Preceding the Date Hereof

Save as disclosed below, none of the substantial shareholder has any directorship and substantial shareholding in other public companies for the past two (2) years preceding the date of this Prospectus.

Name	Company	Designation	Date of Appointment	No. of Shares as at 31 May 2005			
				Direct	%	Indirect	%
Goh Cheng Huat	LSHB	Deputy Chairman/ Non-Executive Director	^(a) 10.08.1995	^(b) 10,530,594	8.36	^(c) 54,035,874	42.91
Tan Pak Say	LSHB	Managing Director	^(d) 25.05.2004	^(e) 6	^(f)	^(g) 64,566,462	51.27

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Company	Designation	Date of Appointment	No. of Shares as at 31 May 2005			
				Direct	%	Indirect	%
Tan Sri Dato' Mohd Desa bin Pachi	Amanah Saham Nasional Bhd	Director	13.07.1979/ -	-	-	-	-
	Commerce Asset-Holding Berhad	Chairman	03.09.1982/ -	-	-	-	-
	Lay Hong Berhad	Director	29.10.1993/ 28.09.2004	-	-	-	-
	Ya Horng Electronic (M) Berhad	Director	08.06.1994/ -	-	-	-	-
	Petaling Garden Berhad	Director	14.08.1995/ -	-	-	-	-
	LSHB	Chairman	10.08.1995/ -	(h)	-	-	-
	Landmarks Berhad	Director	01.03.1996/ 01.02.2005	-	-	-	-
	Saujana Consolidated Berhad	Director	17.03.1997/ -	-	-	-	-
	Xian Leng Holdings Berhad	Chairman	01.08.1999/ -	-	-	-	-
	South East Asia Bank Ltd	Chairman	26.11.1999/ -	-	-	-	-
	Perbadanan Nasional Berhad	Chairman	01.04.2000/ 31.12.2004	-	-	-	-
	Tracoma Holdings Berhad	Chairman	15.07.2000/ -	(i)50,000	0.10	-	-

Notes:-

- (a) Goh Cheng Huat was appointed as the Managing Director of LSHB on 10 August 1995 and he was re-designated as Deputy Chairman/Non-Executive Director on 29 April 2005.
- (b) As at 31 May 2005, Goh Cheng Huat has 450,000 ESOS options in LSHB that have yet to be exercised.
- (c) Deemed interested by virtue of his shareholding of not less than 15% in Bischart Sdn Bhd pursuant to Section 6A of the Act and his spouse's shareholding in LSHB.
- (d) Tan Pak Say was appointed as a Non-Independent and Non-Executive Director of LSHB on 25 May 2004 and she was re-designated as the Managing Director of LSHB on 29 April 2005.
- (e) As at 31 May 2005, Tan Pak Say has 800,000 ESOS options in LSHB that have yet to be exercised.
- (f) Immaterial.
- (g) Deemed interested by virtue of her spouse's shareholding of not less than 15% in Bischart Sdn Bhd pursuant to Section 6A of the Act and her spouse's shareholding in LSHB.
- (h) As at 31 May 2005, Tan Sri Dato' Mohd Desa bin Pachi has 450,000 ESOS options in LSHB that have yet to be exercised.
- (i) Ordinary shares of RM1.00 each.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.3 DIRECTORS

5.3.1 Particulars and Shareholdings of Directors

The details of the Directors of Eonmetall and their shareholdings in Eonmetall after the IPO are as follows:-

Name	Designation/ Functions	No. of Shares Held ^(a)			
		Direct	%	Indirect	%
Tan Sri Dato' Mohd Desa bin Pachi	Chairman/ Non- Executive Director	300,000	0.27	^(b) 19,800,000	18.00
Goh Cheng Huat	Managing Director	50,000	0.05	^(c) 56,232,752	51.12
Yeoh Cheng Chye	Executive Director	1,487,424	1.35	-	-
Goh Kee Seng	Non-Executive Director	1,604,224	1.46	-	-
Tan Sri Dato' Soong Siew Hoong	Non-Executive Director	300,000	0.27	-	-
Tang Yin Kham	Independent Non- Executive Director	100,000	0.09	-	-
Phee Boon Leng	Independent Non- Executive Director	100,000	0.09	-	-

Notes:-

- (a) Including their respective entitlements for the Pink Form Shares allocation pursuant to the IPO.
- (b) Deemed interested by virtue of his shareholding of not less than 15% in VLSB pursuant to Section 6A of the Act.
- (c) Deemed interested by virtue of his shareholding of not less than 15% in ECSB pursuant to Section 6A of the Act and his spouse's shareholding in Eonmetall.

5.3.2 Profiles of Directors

Tan Sri Dato' Mohd Desa bin Pachi, aged 71, is the Chairman/ Non-Executive Director of Eonmetall and was appointed to the Board on 3 March 2005. He is a Chartered Accountant by profession and is a Fellow of the Institute of Chartered Accountants in Australia. He joined Shell group of companies in year 1962 and served in various capacities in the Finance Administration. From 1970 to 1976, he was in public practice as a Chartered Accountant and was a partner of Mohd Desa, Yap & Co, Desa Megat & Co and KPMG Peat Marwick. In 1976, he was appointed as Director of Finance, Corporate Planning and Development of Fleet Group Sdn Bhd. Subsequently, he was appointed as the General Manager/ Chief Executive of Permodalan Nasional Berhad (PNB) and later served as Executive Chairman of Malaysia Mining Corporation Bhd, Chairman/ Group Chief Executive of Fleet Group Sdn Bhd, Chairman/ Chief Executive Officer of The New Straits Times Press (Malaysia) Berhad and Chairman of Sistem Televisyen Malaysia Berhad (TV3).

He sits on the board of several private companies and several public companies. Please refer to Section 5.3.3 of this Prospectus for details.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Goh Cheng Huat, aged 45, is the Managing Director of Eonmetall and was appointed to the Board on 3 March 2005. As the founder of the Group, he has extensive experience and knowledge in the processing of iron and steel products. With more than 20 years in the industry, he has accumulated invaluable skills, which includes amongst others, the invention and enhancement of steel making machine and its related processes. In recognition of his entrepreneur skills, he was conferred the 1990 Young Entrepreneur Award by the Ministry of Youth and Sports. His zeal and untiring efforts to improve steel products making processes did not go unnoticed, for in year 1999, he was awarded a patent for "Process For The Manufacturing Of Steel Products And Apparatus" and "4x2 High Cold Roll Angle Bar Machine". His visionary approach and keen business acumen certainly augur well for the Group especially in its business direction.

Currently, he sits on the board of several private companies and is the Deputy Chairman/ Non-Executive Director of a public company, LSHB.

Yeoh Cheng Chye, aged 37, is the Executive Director of Eonmetall and was appointed to the Board on 3 March 2005. He graduated from University Pertanian Malaysia with a Bachelor in Computer Science (Hons) in year 1993. In year 2004, he obtained his Master in Business Administration from the University of Southern Pacific, United States. His career started in year 1993 as a Systems Engineer I at Seagate Sdn Bhd (Penang), a manufacturer of hard disc drives. He was involved in IT and test engineering systems support. In year 1995, he was promoted to System Engineer II and Project Manager with the same company. He left the company in year 1996 and joined Southern Steel Bhd as a Senior Systems Analyst and headed the IT automation and manufacturing division of the company. In year 1997, he joined LSHB as Management Information System Manager and was involved in overseeing the group IT department. Subsequently, he was appointed Executive Director of EIT in year 1999 and Chief Operating Officer of EMT in year 2001. He is mainly responsible for overseeing the general management of the Group.

Goh Kee Seng, aged 50, is the Non-Executive Director of Eonmetall and was appointed to the Board on 3 March 2005. He graduated from National Taiwan University, Taiwan in year 1979 with a Bachelor of Science Degree in Agriculture Chemistry. His career started in 1980 when he joined Brion Research Institute in Taiwan. In 1981, he left to join Liang Hong Agriculture Development Co Pte Ltd, Brunei as Production Manager. In 1983, he left and taken the position as Production Manager with Teoh Huat Agriculture Sdn Bhd, Penang. In 1985, he left to join Agri Nutrition Asia Ltd in Singapore as Regional Technical Manager and subsequently in 1987, he was posted to hold the position as Regional Marketing Manager with the company until 1991.

In 1991, he ventured into his own business as a partner with Vietland Nutrition Specialties. In addition to that, he also sits on the board of several private companies since 1995.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Tan Sri Dato' Soong Siew Hoong, aged 80, is the Non-Executive Director of Eonmetall and was appointed to the Board on 3 March 2005. His career started in 1973 when he ventured into manufacturing rubber-processing machinery by establishing Kuan Cheong Engineering Sdn Bhd. The company ceased operation in 2002. He was conferred the Darjah Kebesaran Datuk Mahkota (DPMS) which carries the title of Dato' in year 1990 and Panglima Setia Mahkota (PSM) which carries the title of "Tan Sri" by the Yang DiPertuan Agong on 6 June 1998.

On experiences, he has previously served as a member on the Councils of Standard and Industrial Research Institute of Malaysia (SIRIM) and the Human Resource Development Council. He was also a Director in Telekom Malaysia Berhad from October 1988 to May 1996.

He is currently the Secretary General of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and holds various other honorary positions such as Chairmanship in the Malaysian Iron and Steel Industry Federation (MISIF) and a Director of South East Asia Iron and Steel Institute (SEASI). He is also the President of Asian Iron and Steel Industry Federation (AISIF) and a council member of Federation of Malaysian Manufacturers (FMM).

In addition, he is also the Director of the Small and Medium Industries Development Corporation (SMIDEC), a council member of the Malaysian Business Council, a member of the Industrial Co-ordinating Council under the Second Industrial Master Plan and a member of the National Economic Action Council (NEAC).

Currently, he sits on the board of several public companies. Please refer to Section 5.3.3 of this Prospectus for details.

Tang Yin Kham, aged 54, is the Independent and Non-Executive Director of Eonmetall and was appointed to the Board on 3 March 2005. She is a partner of a Chartered Accountant Firm in Malaysia and has more than 20 years of exposure in public accounting sector. She is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, a member of the Malaysian Institute of Accountants, Malaysian Institute of Taxation and Financial Planning Association of Malaysia. She was appointed as a Senior Independent Non-Executive Director of Wong Engineering Corporation Berhad and Independent Non-Executive Director of Rex Industry Berhad since 2001 and 1996 respectively. She also sits on the board of several private limited companies.

Phee Boon Leng, aged 34, is the Independent and Non-Executive Director of Eonmetall and was appointed to the Board on 3 March 2005. In 1995, he obtained his Bachelor of Laws (LLB) from the University of Waikato, New Zealand. He practised law in Hamilton, New Zealand from September 1995 to February 1999. He then returned to his hometown, Penang, chambered and subsequently practised law there. In May 2002, he set up his own practice where he presently practises as the Managing Partner of Messrs Phee & Company. He is an accredited mediator with Malaysian Mediation Centre.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)
5.3.3 Directorships and Substantial Shareholdings of Directors in All Other Public Companies for the Past Two (2) Years Preceding the Date Hereof

Save as disclosed below, none of the Director of Eonmetall has any directorship and substantial shareholding in all other public companies for the past two (2) years preceding the date of this Prospectus.

Name	Company	Designation	Date of Appointment/ Date of Resignation	No. of Shares as at 31 May 2005			
				Direct	%	Indirect	%
Tan Sri Dato' Mohd Desa bin Pachi	Amanah Saham Nasional Bhd	Director	13.07.1979/ -	-	-	-	-
	Commerce Asset-Holding Berhad	Chairman	03.09.1982/ -	-	-	-	-
	Lay Hong Berhad	Director	29.10.1993/ 28.09.2004	-	-	-	-
	Ya Hong Electronic (M) Berhad	Director	08.06.1994/ -	-	-	-	-
	Petaling Garden Berhad	Director	14.08.1995/ -	-	-	-	-
	LSHB	Chairman	10.08.1995/ -	(a)	-	-	-
	Landmarks Berhad	Director	01.03.1996/ 01.02.2005	-	-	-	-
	Saujana Consolidated Berhad	Director	17.03.1997/ -	-	-	-	-
	Xian Leng Holdings Berhad	Chairman	01.08.1999/ -	-	-	-	-
	South East Asia Bank Ltd	Chairman	26.11.1999/ -	-	-	-	-
	Perbadanan Nasional Berhad	Chairman	01.04.2000/ 31.12.2004	-	-	-	-
Tracoma Holdings Berhad	Chairman	15.07.2000/ -	(b)50,000	0.10	-	-	
Goh Cheng Huat	LSHB	Deputy Chairman/ Non-Executive Director	(c)10.08.1995	(d)10,530,594	8.36	(e)54,035,874	42.91
Goh Kee Seng	LSHB	Director	10.07.1996/ 25.10.2002	-	-	-	-
	LSHB	Alternate Director Tan Pak Say	25.10.2002/ 26.12.2002, 14.03.2003/ 02.01.2004	-	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Name	Company	Designation	Date of Appointment/ Date of Resignation	No. of Shares as at 31 May 2005			
				Direct	%	Indirect	%
Tan Sri Dato' Soong Siew Hoong	Kwan Cheong Holdings Berhad	Director	27.01.1969/ -	^(b) 2,600	0.03	^(b) 318,000	3.67
	Unico Holdings Berhad	Director	10.08.1982/ -	^(b) 50,000	0.06	^(b) 10,000	^(f)
	Pacific & Orient Insurance Co Berhad	Director/ Chairman	12.07.1991/ 13.02.2004	^(b) 50,000	^(f)	-	-
	Unico-Desa Plantations Berhad	Director	07.07.1994/ -	^(b) 100,000	^(f)	-	-
	LSHB	Director	25.07.1994/ -	^(g) 50,000	0.12	-	-
Tang Yin Kham	Wong Engineering Corporation Berhad	Senior Independent Non-Executive Director	28.12.2001/ -	^(b) 87,000	0.19	-	-
	Rex Industry Berhad	Independent Non-Executive Director	11.03.1996/ -	-	-	-	-

Notes:-

- (a) As at 31 May 2005, Tan Sri Dato' Mohd Desa bin Pachi has 450,000 ESOS options in LSHB that have yet to be exercised.
- (b) Ordinary shares of RM1.00 each.
- (c) Goh Cheng Huat was appointed as the Managing Director of LSHB on 10 August 1995 and he was re-designated as Deputy Chairman/Non-Executive Director on 29 April 2005.
- (d) As at 31 May 2005, Goh Cheng Huat has 450,000 ESOS options in LSHB that have yet to be exercised.
- (e) Deemed interested by virtue of his shareholding of not less than 15% in Bischart Sdn Bhd pursuant to Section 6A of the Act and his spouse's shareholding in LSHB.
- (f) Immaterial.
- (g) As at 31 May 2005, Tan Sri Dato' Soong Siew Hoong has 350,000 ESOS options in LSHB that have yet to be exercised.

5.3.4 Directors' Remuneration and Benefits

The aggregate remuneration and benefits paid to the Directors of Eonmetall for services rendered in all capacities to the Group for the financial year ended 31 December 2004 and the current financial year ending 31 December 2005 are as follows:-

Remuneration Band (RM'000)	Financial Year Ended 2004		Financial Year Ending 2005	
	Aggregate Remuneration (RM'000)	Number of Directors	Aggregate Remuneration (RM'000)	Number of Directors
Up to 50,000	-	-	120	5
50,001 – 100,000	-	-	-	-
100,001 – 200,000	290	2	-	-
200,001 – 300,000	-	-	240	1
300,001 – 500,000	-	-	-	-
500,000 – 600,000	-	-	550	1
Total	290	2	910	7

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.4 AUDIT COMMITTEE

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with the Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and income statement, and nomination of the auditors. The Audit Committee comprises the following individuals:-

Name	Designation	Directorship
Tang Yin Kham	Chairman of Audit Committee	Independent Non-Executive Director
Phee Boon Leng	Member of Audit Committee	Independent Non-Executive Director
Goh Cheng Huat	Member of Audit Committee	Managing Director

5.5 KEY MANAGEMENT

5.5.1 Particulars and Shareholdings of Key Management

The details of the key management of the Group and their shareholdings in Eonmetall after the IPO are as follows -

Name	Designation / Functions	No. of Shares Held*			
		Direct	%	Indirect	%
Leong Koi Seong	Factory Manager of EMI, EMS and EMT	220,000	0.20	-	-
Goh Khang Leng	Sales and Marketing Manager of EMI, EMT and EMS	110,000	0.10	-	-
Cheong Ah Seng	R&D Manager of EMT	132,000	0.12	-	-
Ng Kok Beng	Production Manager of EMT	132,000	0.12	-	-
Taran Tej Singh	Chief Operating Officer and Director of ECH	308,400	0.28	-	-
Low Yoon Choy	Special Project Manager of EMT	55,000	0.05	-	-
Yong Sam Ching	IT Manager of EIT	110,000	0.10	-	-
Hooy Lih Ling	Accounting Manager of the Group	55,000	0.05	-	-

Note:-

* Based on their respective entitlements pursuant to the Pink Form Shares allocation pursuant to the IPO.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.5.2 Profiles of Key Management

Leong Koi Seong, aged 36, is the Factory Manager of EMI. He is also the Factory Manager responsible for overseeing EMS and EMT. His career started in 1990 as a Machine Operator of EMI. He was promoted to Supervisor in 1991 and was responsible for the coordination of the process flow in production areas. In 1997, he became the Senior Production Executive and was in charge of the supervision of the production operations in allocated areas within the manufacturing plant and production lines. He was promoted to Assistant Production Manager in 1999 and to Production Manager in 2001. His main responsibilities were to ensure the production schedules and quality standards are met and that the timely production of products is in accordance with the production schedule and are within a specific quality. In 2002, he was appointed Factory Manager responsible for the management of the overall daily production floor operations of EMI, EMS and EMT.

Goh Khang Leng, aged 29, is the Sales and Marketing Manager of EMI, EMT and EMS. He has more than 10 years sales and marketing experience in building materials and steel industry. He graduated from the Informatics Penang, with an International Diploma in Computer Study in 1996. His career started when he joined a steel product trading company as a Sales Executive in 1996. He left in 1999 to join EMI as Marketing Supervisor and was promoted to Marketing Executive in 2000. He was then mainly responsible for sales in the domestic market. He was promoted to Assistant Manager (Sales and Marketing) in 2001 and was responsible for heading the sales and marketing department. In 2002, he was promoted to his current position as Sales and Marketing Manager. He is currently involved and responsible for the marketing activities of the company, including business development, business strategy and planning.

Currently, he is a member of the Association Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), Malaysian Iron and Steel Industry Federation (MISIF) and International Trade and Industry Committee.

Cheong Ah Seng, aged 39, is the R&D Manager of EMT. He graduated in 1987 with a Certificate in Mechanical Engineering from Politeknik Sultan Muazam Shah, Kedah. His career started in 1987 as a Draughtsman at A.I Industry Sdn Bhd. He left in 1988 and joined Flexible Automation Sdn Bhd as Assistant Engineer working on automation mechanical designs for the company. He joined EMT in 1994 as Senior Design Engineer and was promoted to Assistant Manager (R&D) in 1999. He was involved in research and design, and mechanical design of new product developments. He was later promoted to R&D Manager of EMT in 2003 and is responsible for the continuous innovation and technology improvements in mechanical engineering activities of the Group.

Ng Kok Beng, aged 45, is the Production Manager of EMT. His career started in 1980 as a Metal Welder at Hock Huat Sdn Bhd, a company involved in steel works. He joined EMT as Production Supervisor in 1994. He was responsible for supervising and coordinating the process flow in production area. In 1997, he became Assistant Manager (Production) of EMT and was later promoted to Production Manager in 2003. His main responsibilities include organising of fabrication and workshop activities to meet production schedule and quality.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Taran Tej Singh, aged 55, is the Chief Operating Officer and Director of ECH. He is a graduate from Punjab University, India with a Bachelor of Science Degree in Chemical Engineering, which he obtained in 1971. His career started in 1987 as Chief Engineer at Twenty First Century Oils Sdn Bhd, Johor Bahru, providing technical advice to the company. He was later promoted to General Manager at Twenty First Century Oleochemicals Sdn Bhd. He left in 1994 and joined Pan Century Edible Oil Sdn Bhd as General Manager of the company. In 1997, he left to join Aseania Industries Sdn Bhd as a General Manager. In 1999, he left and was appointed as a General Manager at Iffco (M) Sdn Bhd in Pasir Gudang before he joined Eonlipids Sdn Bhd, a company in the processing of food products as the Technical Advisor in 2002. In 2003, he was hired by ECH to assume his current position as Chief Operating Officer. He is mainly responsible for the technical aspect of ECH.

Low Yoon Choy, aged 37, is the Special Project Manager of EMT. He graduated in 1992 with a Diploma in Technology, Mechanical and Manufacturing Engineering from TAR College, Kuala Lumpur. He also obtained a Master of Science in 1994 from the University of Warwick, United Kingdom, majoring in Manufacturing Systems Engineering. His career started in 1993 as a Senior Engineer at Southern Steel Berhad in Prai, Penang. Subsequently he left in 2000 and joined EMT as Special Project Manager. He is mainly in charge of project planning and engineering of the company.

Yong Sam Ching, aged 34, is the IT Manager of EIT. She graduated in 1995 from Curtin University of Technology, Australia with a Bachelor of Commence (Information System) Degree. She was awarded the Microsoft Certified Professional (Implement & Support NT 4) in 1999. Her career started in 1996 as Analyst Programmer at Yamaha Electronic Sdn Bhd, a manufacturer of home theatre and audio equipment. She left in 2000 as System Analyst and joined EIT as a Consultant. She was promoted to Assistant Manager (IT) in 2001 and to IT Manager in 2003.

Hooy Lih Ling, aged 32, is the Accounting Manager of the Group responsible for overseeing the Group's overall finance and accounting aspects. She graduated in 1997 with a Diploma in Financial Accounting from TAR College, Kuala Lumpur. She is a member of the Association of Chartered Certified Accountants and Malaysian Institute of Accountants. Her career started in 1997 as an Audit Assistant at KPMG in Penang. Subsequently in 1999, she joined Southern Steel as an Accountant before leaving in 2001 to join Mailboxes & Co (US), a logistics and postal service company, as an Administrative Accountant. Subsequently in 2003, she left to join EMT as Accountant and subsequently promoted in 2004 to her current position.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.6 INVOLVEMENT OF EXECUTIVE DIRECTORS/ KEY MANAGEMENT IN OTHER BUSINESSES/ CORPORATIONS

Save and except for Goh Cheng Huat, the Managing Director of Eonmetall and Goh Khang Leng, the key management of Eonmetall Group, none of the Executive Directors/ key management is involved in other businesses or corporations.

Goh Cheng Huat is a Director and substantial shareholder of several private limited companies. He is also the Deputy Chairman/ Non-Executive Director and a substantial shareholder of a public company, LSHB. However, he is a full-time Executive Director of the Eonmetall Group.

Goh Khang Leng is a Director of a private limited company. However, he is a full-time key management of the Eonmetall Group.

5.7 DECLARATION OF DIRECTORS AND KEY MANAGEMENT

No Director, key management or person nominated to become a Director or key management is or has been involved in any of the following events (whether in or outside Malaysia):-

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iii) the subject of any order, judgement or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

5.8 FAMILY RELATIONSHIPS

Tan Pak Say is the spouse of Goh Cheng Huat. Goh Cheng Huat and Goh Kee Seng are brothers.

Mohd Desman Annuar bin Md Desa is the son of Tan Sri Dato' Mohd Desa bin Pachi.

Save as disclose above, there is no family relationship (as defined in Section 122A of the Act) or association between the substantial shareholders, Promoter, Directors, key management or key technical personnel.

5.9 EXISTING OR PROPOSED SERVICE AGREEMENTS

There is no existing or proposed service agreement between the Group and its Directors and key management or key technical personnel.

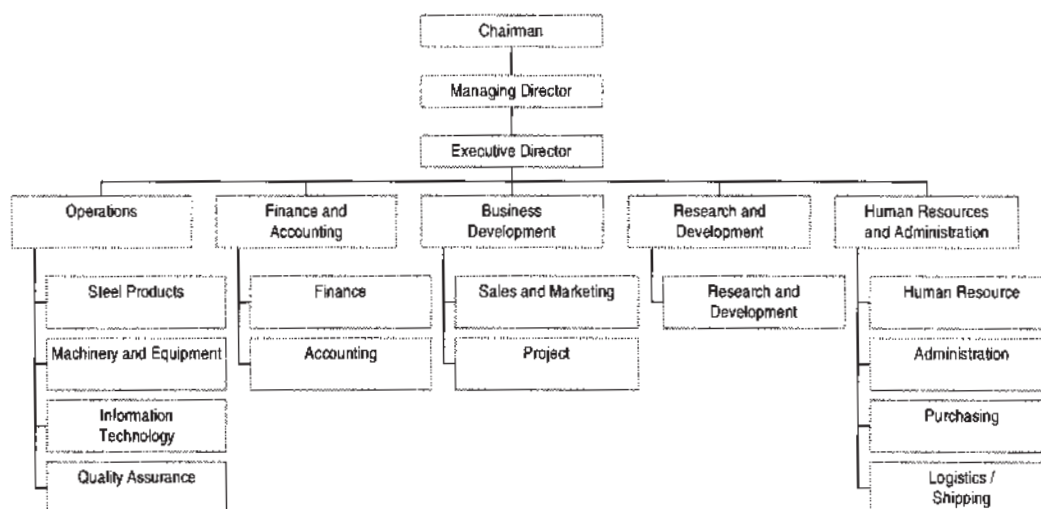
5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

5.10 CONTINUITY IN MANAGEMENT

As in any other business, the Board believes that the continued success of Eonmetall Group will depend on the ability and dedication of its Directors and key management. The loss of any key members of the Group could adversely affect the Group's continued ability to compete. However, the Group has made efforts to train its staff and has the support of long-term management staff. The Group's future success will also depend on its ability to attract and retain skilled personnel.

5.11 MANAGEMENT SUCCESSION PLAN

The organisation structure of Eonmetall Group is as follows:-



The Executive Directors and key management of the Group are in the age group of 29 - 55 and are well entrenched in the industry. The key management of the Group comprise of personnel who possess relevant experience who are employed to head various departments. The management understands the importance of having the experienced personnel in the Group who will be responsible of their respective departments to ensure smooth running of its business operations as well as to ensure that the business decisions of the Eonmetall Group are implemented efficiently and effectively.

The clear and well defined job responsibilities as well as proper reporting structure also enables smooth running of Eonmetall Group's day-to-day operations with minimum intervention from the Directors. Thus, in the absence of the Directors, the active participation of the respective heads of department/ manager of the Eonmetall Group will ensure the smooth running of the Group's operations and management.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**5.12 CHANGES IN SHAREHOLDINGS IN THE COMPANY FOR THE PAST THREE (3) YEARS**

Eonmetall was only incorporated on 16 October 2003. The significant changes of the Promoter's and substantial shareholders' shareholdings in the Company since 16 October 2003 to the date of the Prospectus is as follows:-

Shareholders	No. of Shares held as at 16 October 2003		No. of Shares held as at 31 December 2004		Accumulated No. of Shares Held After IPO ^(d)		%
	Direct	Indirect	Direct	Indirect	Direct	Indirect	
Hooy Lih Ling	2	50.00	2	50.00	55,000	-	0.05
Lee Wai Fang	2	50.00	2	50.00	10,000	-	0.01
ECSB	-	-	-	-	56,032,752	-	50.94
VLSB	-	-	-	-	19,800,000	-	18.00
Goh Cheng Huat	-	-	-	-	50,000	(b)56,232,752	0.05
Tan Pak Say	-	-	-	-	200,000	(c)56,082,752	0.18
Tan Sri Dato' Mohd Desa bin Pachi	-	-	-	-	300,000	(d)19,800,000	0.27
Mohd Desman Annuar bin Md Desa	-	-	-	-	-	(d)19,800,000	18.00

Notes:-

- (a) Including their respective entitlements for the Pink Form Shares allocation pursuant to the IPO.
 (b) Deemed interested by virtue of his shareholding of not less than 15% in ECSB pursuant to Section 6A of the Act and his spouse's shareholding in Eonmetall.
 (c) Deemed interested by virtue of her spouse's shareholding of not less than 15% in ECSB pursuant to Section 6A of the Act and her spouse's shareholding in Eonmetall.
 (d) Deemed interested by virtue of their shareholdings of not less than 15% in VLSB pursuant to Section 6A of the Act.

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6. APPROVAL AND CONDITIONS**6.1 APPROVALS AND CONDITIONS**

The Acquisitions, Rights Issue, Public Issue, Offer For Sale and Listing were approved by the following authorities:-

Authorities	Date
MITI	23 October 2004
SC*	27 January 2005

* *The approval was also obtained under the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests.*

In addition, the Bursa Securities had via its letter dated 7 October 2004 granted its approval-in-principle for the following:-

- (i) The Listing on a "Ready" basis pursuant to the Rules of Bursa Securities or such variations to the enlarged issued and paid-up share capital as may be imposed by the SC; and
- (ii) The additional listing of such number of new Shares representing up to 15% of the issued and paid-up share capital of the Company to be issued pursuant to the exercises of Options under the ESOS.

Conditions Imposed by the Bursa Securities	Status of Compliance
<u>Bursa Securities's letter dated 7 October 2004</u>	
(i) Subject to the approval from the SC being obtained and where there are conditions and/or variations imposed by the SC, compliance of the said conditions and/or variations in relation to the issuance and listing of the securities of the Company ("SC Approval"); and	SC Approval was obtained via SC's letter dated 27 January 2005
(ii) In the event that the SC Approval affects or vary the issued and paid-up capital of the Proposed Listing (collectively to be referred to as "Variations"), compliance of the Variations with the Listing Requirements.	No Variations noted as per SC Approval via SC's letter dated 27 January 2005

Conditions Imposed by the MITI	Status of Compliance
<u>MITI's letter dated 23 October 2004</u>	
(i) The allocation of 33,000,000 Shares or 30% of the enlarged share capital are subject to the MITI's special shares allocation which will be decided separately after Eonmetall has obtained the approval for its Listing from the SC; and	Complied
(ii) To obtain the SC's approval for the Listing Scheme and to comply with the guideline on the acquisitions of interests, mergers and take-overs by local and foreign interests.	Complied

6. APPROVAL AND CONDITIONS (Cont'd)

Conditions Imposed by the SC	Status of Compliance
<u>SC's letter dated 27 January 2005</u>	
(i) Imposition of moratorium on the disposal of Eonmetall shares held by the substantial shareholder/promoter of Eonmetall.	Complied, as detailed in Section 6.2 of this Prospectus
<p>In this regard, ECSB will not be allowed to sell, transfer or assign its shareholdings amounting to 45% of the issued and paid-up capital for one (1) year from the date of listing of the Company on the Second Board of the Bursa Securities. Every shareholder of ECSB (if an individual) or ultimate individual shareholder of ECSB (if the shareholder of ECSB is another unlisted company) must give an undertaking that he/she will not sell, transfer or assign his/her shareholding in ECSB during the moratorium period;</p>	
(ii) With regard to the trade debtors and creditors, Eonmetall should:-	
(a) Fully disclose in the Prospectus, the trade debtors' and creditors' positions, ageing analysis and comments by its Directors on the recoverability of the debts and treatment of its creditors, which have exceeded the credit period;	Complied, as detailed in Sections 9.2.7 and 9.2.8 of this Prospectus
(b) Make full provision for all overdue trade debtors (if any), which are in dispute or under legal action, or for which the amount have been outstanding for more than six (6) months (if any). The Directors of Eonmetall should confirm to the SC that this condition has been complied with prior to the issuance of the Prospectus; and	Complied via Eonmetall's letter dated 6 June 2005 furnished to the SC
(c) Submit a declaration by its Directors to the SC that trade debtors exceeding the credit period which have not been provided for as doubtful debts, excluding those under paragraph (b) above, are recoverable;	Complied via Eonmetall's letter dated 6 June 2005 furnished to the SC
(iii) The Directors and substantial shareholders of Eonmetall Group who are involved on a full time basis in the operations and management of the Eonmetall Group, are not allowed to be involved on a full time basis in the operational and management functions of any of their other personal businesses;	The Directors and substantial shareholders of the Eonmetall Group who are involved on a full time basis in the operations and management of the Eonmetall Group have furnished the letters of undertaking dated 6 June 2005 and 20 June 2005 to the SC that they shall not involve on a full time basis in the operational and management functions of any of their other personal businesses

6. APPROVAL AND CONDITIONS (Cont'd)

Conditions Imposed by the SC	Status of Compliance
(iv) Goh Cheng Huat should be involved on a fulltime basis in the Eonmetall Group for a period of at least two (2) years from the date of the listing and within that period, he should not hold any executive position in other entities;	Complied via Goh Cheng Huat's letter dated 6 June 2005 furnished to the SC Goh Cheng Huat was re-designated as Deputy Chairman/Non-Executive Director of LSHB on 29 April 2005
(v) Full disclosure should be made in the Prospectus with regard to the conflict of interest with LSHB and steps taken/to be taken to address the conflict;	Complied, as detailed in Section 7.4 of this Prospectus
(vi) The Directors and substantial shareholders of the Eonmetall Group should not, in the future, carry out any new businesses which will compete directly or indirectly and in conflict with the business of the Eonmetall Group;	The Directors and substantial shareholders of the Eonmetall Group have furnished the letters of undertaking dated 6 June 2005 and 20 June 2005 to the SC that they shall not, in the future, carry out any new businesses which will compete directly or indirectly and in conflict with the business of the Eonmetall Group
(vii) Eonmetall should ensure that any future transactions between the Eonmetall Group and the Directors/ substantial shareholders or companies related to the Directors/ substantial shareholders will be on arms-length basis, and on terms and conditions that are not unfavourable to the Eonmetall Group. In this regard, the audit committee of Eonmetall should report on the position of such transactions in the annual report of Eonmetall;	The Directors and substantial shareholders of the Eonmetall Group have furnished the letters of undertaking dated 10 June 2005 and 20 June 2005 to the SC that all the future transactions between the Eonmetall Group, and themselves or their related companies, if any, shall be on arms-length basis, and on terms and conditions that are not unfavorable to the Eonmetall Group
(viii) Eonmetall should disclose the status of utilisation of proceeds from the listing proposal in its quarterly and annual reports until the proceeds are fully utilised;	To be complied
(ix) AmMerchant Bank/ Eonmetall should comply with the following requirements in relation to the public issue/offer for sale shares which will be offered vide placement to selected public investors:-	
(a) At least 30% of the securities should, to the extent possible, be allocated to Bumiputera investors;	To be complied
(b) Placement of the securities must be done through an independent placement agent; and	To be complied

6. APPROVAL AND CONDITIONS (Cont'd)

Conditions Imposed by the SC	Status of Compliance
(c) Upon implementation of the placement exercise, the corporate adviser or the independent placement agent (where applicable), must submit to the SC, for its notification, a final list of the placees, and a confirmation that the placement complies with the SC Guidelines;	To be complied
(x) 33,000,000 shares held by Bumiputera investors upon listing, to comply with the National Development Policy ("NDP") requirement, should be approved by the MITI;	To be complied
(xi) AmMerchant Bank/ Eonmetall should inform the SC of the status of compliance with NDP requirement upon completion of the listing exercise;	To be complied
(xii) Eonmetall should comply with the other relevant requirements with regard to the listing proposal, as stipulated in the SC Guidelines; and	To be complied
(xiii) Upon completion of the listing exercise, AmMerchant Bank/ Eonmetall should confirm to the SC that Eonmetall has complied with the relevant requirements as stipulated in the SC Guidelines.	To be complied

The SC via its letter dated 27 January 2005 takes note and has no objection to the equity structure of Bumiputera, non-Bumiputera and foreign parties that will be changed following the implementation of the IPO as follows:-

	Before Acquisitions, Rights Issue and IPO (%)	After Acquisitions, Rights Issue and IPO (%)
Bumiputera	-	30.00
Non-Bumiputera	100.00	69.72
Foreign Parties	-	0.28
Total	100.00	100.00

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6. APPROVAL AND CONDITIONS (Cont'd)**6.2 MORATORIUM ON SHARES**

In accordance with the SC Guidelines, certain shareholder of Eonmetall will not be allowed to sell, transfer or assign its shareholding amounting to 45% of the enlarged issued and paid-up capital of Eonmetall for one (1) year from the date of admission of Eonmetall to the Official List of the Second Board of the Bursa Securities.

The existing shareholder of Eonmetall whose Shares are subjected to the moratorium as imposed by the SC are as follows:-

Name of Shareholder	No. of Shares Held After IPO	% of Enlarged Issued and Paid-up Capital# (%)	No. of Shares Held Under Moratorium	% of Enlarged Issued and Paid-up Capital# (%)
ECSB	56,032,752	50.94	49,500,000	45.00

Note:-

Computed based on enlarged issued and paid-up share capital of 110,000,000 Shares.

The restriction, which is fully accepted by the shareholder, is specifically endorsed on the share certificates representing the shareholding of the shareholder which is under moratorium to ensure that Eonmetall's registrars do not register any transfer not in compliance with the restriction imposed by the SC. The shareholder has provided an undertaking that it shall not sell, transfer or assign its shareholding under moratorium in accordance with the SC Guidelines.

The endorsement affixed on the share certificates is as follows:-

"The Shares comprised herein are not capable of being sold, transferred or assigned for the period as determined by the SC ("moratorium period"). The Shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the moratorium period. No share certificates will be issued to replace this certificate during the moratorium period unless the same shall be endorsed with this restriction".

ECSB has provided an undertaking that it shall comply with the abovementioned terms relating to the sale of its Shares under moratorium as outlined above. The shareholders of ECSB, namely Goh Cheng Huat and Tan Pak Say, have also provided an undertaking that they shall not sell, transfer or assign their shareholding in ECSB during the moratorium period.

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7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST

7.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS

The Group has ongoing trade transactions with companies, which the Promoter, substantial shareholders, Directors and/or key management of Eonmetall Group are substantial shareholders and/or Directors. Details of the related-party transactions are as follows:-

Related Party	Interested Promoter/ Director/ Substantial Shareholder/ Key Management	Interest in Eonmetall Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 Actual RM'000	Financial Year Ending 31 December 2005 Forecast RM'000
Universal Bedframe US	Tan Pak Say	Substantial shareholder and Director of EMT, EMI and EMS	Substantial shareholder	Agent of bed frames product	Sales of bed frames product and Expanded Metal	2,040	1,000
	Goh Cheng Huat	Promoter, substantial shareholder and Director	Substantial shareholder				
	Goh Kee Seng	Director	Person connected to Goh Cheng Huat				
Profina Teknik Sdn Bhd	Tan Tiam Aik	Director of ECH	Substantial shareholder and Director	Mechanical & civil engineering works	Purchases of construction material and engineering services for SEP project	217	100
					Sales of C-purlin and Roofing Sheets	267	-

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7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

Related Party	Interested Promoter/ Director/ Substantial Shareholder/ Key Management	Interest in Eonmetall Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 Actual RM'000	Financial Year Ending 31 December 2005 Forecast RM'000
V&M Mixtec Asia Sdn Bhd	Ma Eng Yau	Director of ECH	Substantial shareholder and Director	Industrial mixer importer	Purchases of mechanical and hardware materials for SEP project	65	100
Lee Tat Engineering & Construction	Lee Liang	Director of ECH	Sole proprietor	Engineering works	Purchases of construction materials and engineering services	29	100
Eonchip Biotechnology Sdn Bhd	Goh Cheng Huat Tan Pak Say	Promoter, Director and substantial shareholder Substantial shareholder and Director of EMT, EMI and EMS	Substantial shareholder and Director Substantial shareholder	Manufacturing of diagnostic reagent, biochip and home care products	Sales of computer hardware	16	20
Yongli Engineering works	Goh Kee Seng Lee Liang	Director Director of ECH	Person connected to Goh Cheng Huat Sole proprietor	Engineering works	Purchases of engineering services	3	100

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

Related Party	Interested Promoter/ Director/ Substantial Shareholder/ Key Management	Interest in Eonmetall Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 Actual RM'000	Financial Year Ending 31 December 2005 Forecast RM'000
Eonitarr Resources Sdn Bhd	ECSB	Substantial shareholder	Substantial shareholder ^(a)	Investment holding company	Sales of machinery	2,562	-
	Goh Cheng Huat	Promoter, substantial shareholder and Director	Substantial shareholder and Director ^{(a)/(b)}				
	Tan Pak Say	Substantial shareholder and Director of EMT, EMI and EMS	Substantial shareholder ^(a)				
	Goh Kee Seng	Director	Director ^(b)				
Eonlipids Sdn Bhd	ECSB	Substantial shareholder	Substantial shareholder	Manufacturer of all kinds of edible oils and fats products as well as foodstuffs and beverages	Sales of fats products	285	-
	Goh Cheng Huat	Promoter, substantial shareholder and Director	Substantial shareholder				
	Tan Pak Say	Substantial shareholder and Director of EMT, EMI and EMS	Substantial shareholder				
	Goh Kee Seng	Director	Substantial shareholder and Director				
	Lee Liang	Director of ECH	Substantial shareholder and Director				
	Ng Chee Heong	Director of ECH	Substantial shareholder and Director				
	Ma Eng Yau	Director of ECH	Substantial shareholder and Director				

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

Related Party	Interested Promoter/ Director/ Substantial Shareholder/ Key Management	Interest in Eonmetall Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 Actual RM'000	Financial Year Ending 31 December 2005 Forecast RM'000
Foremost Score Sdn Bhd	Goh Cheng Huat	Promoter, Director and substantial shareholder	Substantial shareholder ^(c)	Manufacturer of brickmesh	Sales of cold-rolled plate and roof panel	54	-
	Goh Kee Seng	Director	Substantial shareholder ^(c)		Purchases of Expanded Metal product	30	-
	Goh Khang Leng	Key management	Substantial shareholder and Director ^{(c)(d)}				
	Tan Pak Say	Substantial shareholder and Director of EMT, EMI and EMS	Substantial shareholder ^(c)				
GP Jaya Sdn Bhd	Goh Cheng Huat	Promoter, substantial shareholder and Director	Substantial shareholder ^(c)	Dealers in electrical appliances, kitchen tools & hardware	Sales of Roofing Sheets, Expanded Metal, Slotted Angles and Racking system	37	-
	Goh Kee Seng	Director	Substantial shareholder ^(c)		Purchases of consumables item	8	-
	Tan Pak Say	Substantial shareholder and Director of EMT, EMI and EMS	Substantial shareholder ^(c)				
Micro Nutrition Specialities Sdn Bhd	Goh Kee Seng	Director	Substantial shareholder and Director	Manufacturing of premixes and additives	Sales of computer hardware	1	-
	Goh Cheng Huat	Promoter, Director and substantial shareholder	Person connected to Goh Kee Seng				

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

Related Party	Interested Promoter/ Director/ Substantial Shareholder/ Key Management	Interest in Eonmetall Group	Nature of Interest in Related Party	Principal Activities	Nature of Transaction	Financial Year Ended 31 December 2004 Actual RM'000	Financial Year Ending 31 December 2005 Forecast RM'000
LSHB	Goh Cheng Huat	Promoter, substantial shareholder and Director	Substantial shareholder and Director	Investment holding, manufacturing, trading and sales of metal pipes and tubes made from secondary flat steel coils	Provision of IT solutions	-	500
	Tan Pak Say	Substantial shareholder and Director of EMT, EMI and EMS	Substantial shareholder and Director				
	Tan Sri Dato' Mohd' Desa Bin Pachi	Substantial shareholder and Director	Director				
	Tan Sri Dato' Siew Soong Hoong	Director	Director				

Notes:-

- (a) ECSB disposed of 100% of its equity interest in Eontarr Resources Sdn Bhd on 31 May 2004.
- (b) Resigned as Director of Eontarr Resources Sdn Bhd on 31 May 2004.
- (c) The shareholders disposed of their interest in the companies on 30 July 2004.
- (d) Resigned as Director of the companies on 30 July 2004.

The related-party transactions mentioned above are of revenue in nature, which are required for the Group's day-to-day operations. The transactions with related parties are entered into at arm's length basis and on commercial terms not more favourable to the related parties than those generally available to the public. The Audit Committee of Eonmetall will monitor all related-party transactions and the Directors will report on such transactions in the Annual Report of Eonmetall.

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)**7.2 TRANSACTIONS OF UNUSUAL NATURE OR CONDITIONS**

There is no transaction that is unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which the Company or any of its parent or subsidiaries was a party in respect of the past one (1) financial year and the subsequent financial period thereof immediately preceding the date of this Prospectus.

7.3 OUTSTANDING LOANS MADE BY THE COMPANY OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed below, as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus), there is no outstanding loan (including guarantees of any kind) made by the Company or any of its parent or subsidiaries to or for the benefit of the related party(ies).

As at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus), ECSB has given advances amounting to approximately RM2.59 million to its subsidiaries which are not within the Eonmetall Group. The details are as follows:-

Name of Company	Term of Repayment/ Interest Charged	Advances Granted by ECSB as at 31 May 2005 RM'000	Principal Activities
Astral Dragon Sdn Bhd	Short term/ Not applicable	1,764	Investment holding
Efficient Heritage Sdn Bhd	Short term/ Not applicable	10	Dormant
Eonlipis Sdn Bhd	Short term/ Not applicable	676	Manufacturer of all kinds of edible oils and fats products as well as foodstuffs and beverages
Eonmetall Technology Management Sdn Bhd	Short term/ Not applicable	54	Provision of management services
GCH Metal Service Centre Sdn Bhd	Short term/ Not applicable	84	Dormant
		2,588	

As at 31 May 2005, ECSB has given corporate guarantee amounting to approximately RM18.2 million to certain local financial institutions in respect of credit facilities extended to its subsidiary, Eonlipis Sdn Bhd which is not within the Eonmetall Group.

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)**7.4 INTEREST IN SIMILAR BUSINESS**

Save as disclosed below and to the best knowledge and belief of the Promoter, Directors and/or substantial shareholders of Eonmetall, none of the Directors and/or substantial shareholders and/or key management of Eonmetall and its subsidiaries are interested, directly or indirectly in any business carrying on a similar trade as the Company and/or its subsidiaries:-

Name of Company	Place of Incorporation	Principal Activities	Name of Interested Promoter/ Director/ Substantial Shareholder	Nature of Interest	% Equity Holding as at 31 May 2005	
					Direct	Indirect
LSHB	Malaysia	Investment holding, manufacturing, trading and sales of metal pipes and tubes made from secondary flat steel coils	Goh Cheng Huat	Common substantial shareholder and common Director ^(a)	^(b) 8.36	^(c) 42.91
			Tan Pak Say	Common substantial shareholder and common Director ^(a)	^(e)	^(f) 51.27
			Tan Sri Dato' Mohd Desa bin Pachi	Common Director	^(g)	-
			Tan Sri Dato' Soong Siew Hoong	Common Director	^(h) 0.12	-

Notes:-

- (a) Goh Cheng Huat was appointed as the Managing Director of LSHB on 10 August 1995 and he was re-designated as Deputy Chairman/Non-Executive Director on 29 April 2005.
- (b) As at 31 May 2005, Goh Cheng Huat has 450,000 ESOS options in LSHB that have yet to be exercised.
- (c) Deemed interested by virtue of his shareholding of not less than 15% in Bischart Sdn Bhd pursuant to Section 6A of the Act and his spouse's shareholding in LSHB.
- (d) Tan Pak Say was appointed as a Non-Independent and Non-Executive Director of LSHB on 25 May 2004 and she was re-designated as the Managing Director on 29 April 2005.
- (e) Immaterial.
- (f) Deemed interested by virtue of her spouse's shareholding of not less than 15% in Bischart Sdn Bhd pursuant to Section 6A of the Act and her spouse's shareholding in LSHB.
- (g) As at 31 May 2005, Tan Sri Dato' Mohd Desa bin Pachi has 450,000 ESOS options in LSHB that have yet to be exercised.
- (h) As at 31 May 2005, Tan Sri Dato' Soong Siew Hoong has 350,000 ESOS options in LSHB that have yet to be exercised.

LSHB is a public limited company listed on the Main Board of the Bursa Securities. LSHB and its subsidiaries ("LSHB Group") are principally engaged in the manufacturing, trading and sales of metal pipes and tubes made from secondary flat steel coils. The Board does not foresee any potential conflict of interest as LSHB Group and Eonmetall Group produce different types of steel products. A subsidiary of LSHB is involved in the steel product making machinery. However, to the best knowledge of the Promoter, Directors and substantial shareholders, steel product making machinery is not the core business activity of LSHB and does not contribute significantly to the revenue of LSHB.

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

Furthermore, as at 31 May 2005 (being the latest practicable date prior to the printing of this Prospectus), there is a clear segregation in terms of the independence in the Board of Directors of LSHB and Eonmetall to avoid any conflict of interest. Goh Cheng Huat who is the Managing Director of Eonmetall has been re-designated as the Deputy Chairman/Non-Executive Director of LSHB on 29 April 2005. Tan Pay Say who is not a Director of Eonmetall, has been appointed as the Managing Director of LSHB on 29 April 2005. Although Tan Sri Dato' Mohd Desa bin Pachi and Tan Sri Dato' Soong Siew Hoong are on the Board of Directors of both Eonmetall and LSHB, they are on the Board of Directors of both companies in non-executive capacities.

7.5 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Save as disclosed below, none of the Directors and/or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiaries within the two (2) years preceding the date of this Prospectus:-

- (i) On 30 August 2004, Eonmetall entered into a conditional share sale agreement with ECSB to acquire the entire issued and paid-up share capital of EMI comprising 2,500,000 ordinary shares of RM1.00 each for a purchase consideration of RM9,835,960 satisfied by the issuance of 19,671,920 new Shares in Eonmetall at an issue price of RM0.50 per Share. The purchase consideration of EMI was based on the audited NTA as at 31 December 2003 of RM9,835,960.

Acquisition of EMI by Eonmetall		
Name	Nature of Interest in Eonmetall After the Acquisition of EMI	Nature of Interest in EMI Prior to the Acquisition of EMI
Goh Cheng Huat	Director and substantial shareholder	Director and substantial shareholder
Tan Pak Say	Substantial shareholder	Director and substantial shareholder

- (ii) On 30 August 2004, Eonmetall entered into a conditional share sale agreement with ECSB to acquire the entire issued and paid-up share capital of EMT comprising 2,500,000 ordinary shares of RM1.00 each for a purchase consideration of RM25,180,650 satisfied by the issuance of 50,361,300 new Shares in Eonmetall at an issue price of RM0.50 per Share. The purchase consideration of EMT was based on the adjusted NTA as at 31 December 2003 after taking into account of the revaluation surplus on EMT's properties of RM7,069,499 (net of deferred tax) based on the market value as valued by the Independent Registered Valuers.

Acquisition of EMT by Eonmetall		
Name	Nature of Interest in Eonmetall After the Acquisition of EMT	Nature of Interest in EMT Prior to the Acquisition of EMT
Goh Cheng Huat	Director and substantial shareholder	Director and substantial shareholder
Tan Pak Say	Substantial shareholder	Director and Substantial shareholder

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

- (iii) On 30 August 2004, Eonmetall entered into a conditional share sale agreement with ECSB to acquire the entire issued and paid-up share capital of EMS comprising 2,500,000 ordinary shares of RM1.00 each for a purchase consideration of RM5,038,030 satisfied by the issuance of 10,076,060 new Shares in Eonmetall at an issue price of RM0.50 per Share. The purchase consideration of EMS was based on the audited NTA as at 31 December 2003 of RM5,038,030.

Acquisition of EMS by Eonmetall		
Name	Nature of Interest in Eonmetall After the Acquisition of EMS	Nature of Interest in EMS Prior to the Acquisition of EMS
Goh Cheng Huat	Director and substantial shareholder	Director and substantial shareholder
Tan Pak Say	Substantial shareholder	Director and substantial shareholder

- (iv) On 30 August 2004, Eonmetall entered into a conditional share sale agreement with ECSB, Goh Kee Seng and Yeoh Cheng Chye to acquire the entire issued and paid-up share capital of EIT comprising 100,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,718,561 satisfied by the issuance of 5,437,122 new Shares in Eonmetall at an issue price of RM0.50 per Share. The purchase consideration of EIT was based on the audited NTA as at 31 December 2003 of RM2,718,561.

Acquisition of EIT by Eonmetall		
Name	Nature of Interest in Eonmetall After the Acquisition of EIT	Nature of Interest in EIT Prior to the Acquisition of EIT
Goh Cheng Huat	Director and substantial shareholder	Substantial shareholder
Tan Pak Say	Substantial shareholder	Substantial shareholder
Goh Kee Seng	Director and shareholder	Director and substantial shareholder
Yeoh Cheng Chye	Director and shareholder	Director and substantial shareholder

- (v) On 30 August 2004, Eonmetall entered into a conditional share sale agreement with ECSB, Goh Kee Seng, Ng Chee Heong, Lee Liang, V&M Mixtec Asia Sdn Bhd, Profina Teknik Sdn Bhd and Taran Tej Singh to acquire the entire issued and paid-up share capital of ECH comprising 1,000,000 ordinary shares of RM1.00 each for a purchase consideration of RM1,204,438 satisfied by the issuance of 2,408,876 new Shares in Eonmetall at an issue price of RM0.50 per Share. The purchase consideration of ECH was based on the audited NTA as at 31 December 2003 of RM1,204,438.

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

Acquisition of ECH by Eonmetall		
Name	Nature of Interest in Eonmetall After the Acquisition of ECH	Nature of Interest in ECH Prior to the Acquisition of ECH
Goh Cheng Huat	Director and substantial shareholder	Director and substantial shareholder
Tan Pak Say	Substantial shareholder	Substantial shareholder
Goh Kee Seng	Director and shareholder	Director and substantial shareholder
Lee Liang	Shareholder	Director and substantial shareholder
Ng Chee Heong	Shareholder	Director and substantial shareholder
Taran Tej Singh	Shareholder	Director and shareholder
Ma Eng Yau	Shareholder	Director and substantial shareholder
Tan Tiam Aik	Shareholder	Director and substantial shareholder

- (vi) A deed of assignment dated 31 December 2003 made between EMI ("the Assignor") and ECSB ("the Assignee") wherein the Assignor has assigned and the Assignee has accepted the assignment of all that book debts of the Assignor for a cash consideration of RM3,703,726.32 to be paid by the Assignee to the Assignor within one year from the date of the Agreement. As at the date of this Prospectus, the amount has been fully settled.
- (vii) A deed of assignment dated 31 December 2003 made between EMT ("the Assignor") and ECSB ("the Assignee") wherein the Assignor has assigned and the Assignee has accepted all that book debts of the Assignor for a cash consideration of RM9,605,762.84 to be paid by the Assignee to the Assignor within one year from the date of the Agreement. As at the date of this Prospectus, the amount has been fully settled.
- (viii) A deed of assignment dated 31 December 2003 made between EIT ("the Assignor") and ECSB ("the Assignee") wherein the Assignor has assigned and the Assignee has accepted the assignment of all that book debts of the Assignor for a cash consideration of RM304,000.00 to be paid by the Assignee to the Assignor within one year from the date of the Agreement. As at the date of this Prospectus, the amount has been fully settled.

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7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)**7.6 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF THE GROUP**

Save as disclosed below, none of the Directors and/or substantial shareholders and/or key management of Eonmetall and its subsidiaries, and/or persons connected to them have material interest, directly and indirectly in any contract or arrangement, which are significant in relation to the business of the Group and subsisting at the date of this Prospectus.

- (i) A deed of conferment dated 1 January 2004 made between Goh Cheng Huat ("the Patent-holder") and EMT where the Patent-holder has conferred and EMT has accepted the right under the registered patent (No.: MY-111179-A) to use the process to manufacture steel products and apparatus therefor in consideration that EMT shall bear the cost of maintenance of the registered patent during the conferment period commencing 1 January 2004 and expiring on 31 December 2013.
- (ii) A licensing agreement dated 1 January 2004 made between Goh Cheng Huat ("the Licensor") and EMT ("the Licensee") where the Licensor has agreed to grant and the Licensee has agreed to accept an exclusive licence to use the licensed subject matter, i.e. intellectual property in the invention known as "4 x 2 High CR Angle Bar Machine" in the form stipulated from time to time by the Licensor at a licence fee of RM1,000.00 per year for a duration of ten (10) years, payable by the Licensee within sixty (60) days commencing on the 7th day of each year during the term. This agreement may be renewed on the expiry of the term subject to such terms and conditions imposed by the Licensor.

7.7 RECURRENT RELATED-PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

Pursuant to Paragraph 10.09 of the Listing requirements, a listed issuer may seek the shareholders' mandate in respect of related-party transactions involving recurrent transactions of revenue or trading in nature subject to the following:-

- (i) 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;
- (ii) 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; and
- (iii) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

The Company would, in the ordinary course of its business, enter into transactions, including but not limited to the transactions described in Related-Party Transactions set out in Section 7.1 of this Prospectus, with persons which are considered "related party" as defined in Chapter 10 of the Listing Requirements. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

7. RELATED-PARTY TRANSACTIONS/ CONFLICT OF INTEREST (Cont'd)

Under Chapter 10 of the Listing Requirements, a listed company may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day to day operations such as supplies and materials, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

Due to the time-sensitive nature of commercial transactions, the shareholders' mandate will enable the Group, in its normal course of business, to enter into the categories of Related-Party Transactions, provided such interested person transactions are made at arm's length and on normal commercial terms.

Transactions, which do not fall within the ambit of the shareholders' mandate, shall be subject to the relevant provisions of the Listing Requirements.

7.8 DECLARATION BY THE ADVISERS

- (i) AmMerchant Bank hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Managing Underwriter, Underwriter and Sole Placement Agent to Eonmetall Group for the IPO.
- (ii) Messrs Zaid Ibrahim & Co hereby confirm that as at the date of this Prospectus, there is no existing or potential conflict of interest in their capacity as Solicitors to Eonmetall Group for the IPO.
- (iii) Messrs KPMG hereby confirm that as at the date of this Prospectus, there is no existing or potential conflict of interest in their capacity as Reporting Accountants to Eonmetall Group for the IPO.
- (iv) Vital Factor Consulting Sdn Bhd hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Independent Business and Market Research Consultants to Eonmetall Group for the IPO.
- (v) C H Williams Talhar & Wong Sdn Bhd hereby confirms that as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Independent Registered Valuers to Eonmetall Group for the IPO.

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