

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has conducted a limited review on this Circular pursuant to the provisions of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities prior to the issuance of this Circular.

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.



YX PRECIOUS METALS BHD

(Registration No. 202101001245 (1401543-M))
(Incorporated in Malaysia under the Companies Act, 2016)

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED SHAREHOLDERS’ RATIFICATION AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)

The above proposals will be tabled as Special Business at the 2nd Annual General Meeting (“**AGM**”) of YX Precious Metals Bhd (“**YXPM**” or “**Company**”) to be held at Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 10 May 2023 at 10.00 a.m. or at any adjournment thereof. The Notice of AGM together with the Proxy Form are enclosed in the Annual Report of the Company for the financial year ended 31 December 2022.

A member entitled to attend, participate, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Proxy Form must be lodged at the Registered Office of the Company at SO-26-02, Menara 1, No 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, on or before the time and date indicated below if you are unable to attend the AGM. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Monday, 8 May 2023 at 10.00 a.m.

Date and time of AGM : Wednesday, 10 May 2023 at 10.00 a.m.

This Circular is dated 7 April 2023

DEFINITIONS

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

“ACE Market”	: ACE Market of Bursa Securities
“Act”	: Companies Act, 2016 as may be amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting of YXPM
“ARMC”	: Audit and Risk Management Committee of YXPM
“Board”	: Board of Directors of YX Precious Metals Bhd
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“Circular”	: This circular to the shareholders of YXPM dated 7 April 2023
“Director(s)”	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the RRPTs were agreed upon, a Director or a chief executive of YXPM or any other company which is a subsidiary of YXPM or a holding company of YXPM
“DNYP”	: Datuk Ng Yih Pyng
“EASB”	: Emas Assayer Sdn Bhd (200001010661 (513267-X))
“EPS”	: Earnings per share
“GPM”	: Gemas Precious Metals Industries Sdn Bhd (199701010600 (426096-W))
“GRSB”	: GPM Refinery Sdn Bhd (202001025072 (1381392-H))
“Interested Directors”	: DNYP and NSC, collectively
“Listing Date”	: 23 June 2022, the date YXPM was admitted to the Official List of Bursa Securities
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
“LPD”	: 10 March 2023, being the latest practicable date prior to the printing of this Circular
“Mandate Period”	<p>The period during which the RRPTs are to be entered into for which the Proposed New Shareholders’ Mandate is being sought. This period shall commence immediately upon the passing of the ordinary resolution for the Proposed New Shareholders’ Mandate at the forthcoming AGM until:</p> <ul style="list-style-type: none">(a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM;(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or(c) revoked or varied by resolution passed by the shareholders in general meeting, <p>whichever is the earlier</p>

DEFINITIONS (Cont'd)

“Major Shareholder(s)”	: A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those share, is: (a) 10.00% or more of the total number of voting shares in the Company; or (b) 5.00% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,
	For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act and for the purpose of the Proposed Shareholders’ Mandate, a Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of YXPM or any other company which is its subsidiary or holding company, in accordance with the definition in Chapter 10 of the Listing Requirements
“NA”	: Net assets
“NSC”	: Ng Sheau Chyn
“Official List”	: The list specifying all securities which have been admitted for listing of ACE Market and not removed
“Person(s) Connected”	: In relation to a Director or Major Shareholder, means such person who falls under any one of the following categories: (a) a family member of the Director or Major Shareholder; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder, or a family member of the Director or Major Shareholder, is the sole beneficiary; (c) a partner of the Director or Major Shareholder; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the Director or Major Shareholder, or persons connected with the him are entitled to exercise, or control the exercise of, not less than 20.00% of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the Director or Major Shareholder
“Proposed New Shareholders’ Mandate”	: Proposed new shareholders’ mandate for YXPM Group to enter into RRPTs of a revenue or trading nature
“Proposed Shareholders’ Mandate” or “Proposals”	Proposed Shareholders’ Ratification and Proposed New Shareholders’ Mandate, collectively
“Proposed Shareholders’ Ratification”	Proposed shareholders’ ratification from the shareholders of the Company for the RRPTs entered into by the Group for the period commencing from Listing Date to the date of the 2 nd AGM

DEFINITIONS (Cont'd)

“Ratification Period”	Period during which the RRPTs were entered into for which the Proposed Shareholders’ Ratification is sought. This period shall commence from the Listing Date to the date of the 2 nd AGM
“Related Party(ies)”	: Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s) of YXPM, who are interested in the RRPTs as set out in Section 2.4 of this Circular
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“RRPT(s)”	: Recurrent related party transaction(s) of a revenue or trading nature which are necessary for the day-to-day operations and in the ordinary course of business of YXPM Group
“Share(s)”	: Ordinary share(s) in YXPM
“Shareholder(s)”	: Shareholder(s) of YXPM
“Subsidiaries”	: EASB, GPM, GRSB and YXG, collectively
“Tomei”	: Tomei Consolidated Berhad (200501015912 (692959-W))
“YXG”	: Yi Xing Goldsmith Sdn Bhd (198701006292 (164963-M))
“YXPM” or “Company”	: YX Precious Metals Bhd (202101001245 (1401543-M))
“YXPM Group” or “Group”	: YXPM and its Subsidiaries, collectively

All references to “our Company” in this Circular are to YXPM and reference to “our Group” are to our Company and Subsidiaries collectively. References to “we”, “us”, “our”, and “ourselves” are to our Group.

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

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

All references to “you” and “your” in this Circular are to the shareholders of the Company.

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YX PRECIOUS METALS BHD

(Registration No. 202101001245 (1401543-M))

(Incorporated in Malaysia under the Companies Act, 2016)

Registered Office:

SO-26-02, Menara 1,
No 3, Jalan Bangsar,
KL Eco City,
59200 Kuala Lumpur

7 April 2023

Directors:

Puan Sri Nonadiah Binti Abdullah (*Non-Independent Non-Executive Chairman*)

Ng Sheau Chyn (*Managing Director*)

Aw Ee Leng (*Independent Non-Executive Director*)

Tang Yow Sai (*Independent Non-Executive Director*)

Wong Phait Lee (*Independent Non-Executive Director*)

Datuk Ng Yih Pyng (*Non-Independent Non-Executive Director*)

To: The Shareholders of YXPM

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

Bursa Securities had vide its letter dated 12 December 2022 granted YXPM an extension of time to obtain shareholders' ratification and shareholders' mandate for the RRPTs entered or to be entered into by the Group from the Listing Date until the Company's forthcoming AGM or Extraordinary General Meeting (if any), whichever is earlier.

The Proposed Shareholders' Ratification is being sought instead of obtaining shareholders' prior approval, mainly due to YXPM is in its 1st year of listing on the ACE Market, ratification of RRPTs entered into from the Listing Date up to its AGM allows the Company to coincide the Proposed Shareholders' Ratification and Proposed New Shareholders Mandate with its AGM and eliminate the need for separate general meetings which reduces expenses for the Company.

On 3 March 2023, the Board announced that the Company proposed to seek its Shareholders' approval on the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate.

The purpose of this Circular is to provide the Shareholders with the information of the Proposed Shareholders' Mandate, to set out the Board's recommendation thereon and to seek Shareholders' approval for the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM. The Notice of the AGM together with the Proxy Form is enclosed in YXPM's Annual Report for the financial year ended 31 December 2022 and are available on the Company's website at <https://yxgroup.com.my/> or on Bursa Securities' website.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Rule 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the followings:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party(ies) 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 where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital of RM60.00 million and above:
 - (a) the consideration, value of the assets, capital outlay or cost of the RRPT is RM1.00 million or more; or
 - (b) the percentage ratio of such RRPT is 1.00% or more,
- whichever is the higher;
- (iii) the listed issuers' circular to shareholders for the shareholder' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities for perusal together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain a shareholder mandate, the interested director(s), interested major shareholder(s) or interested person(s) connected with the director(s) or major shareholder(s); and where it involves the interest of an interested person connected with a director or major shareholder, such director(s) or major shareholder(s), must not vote on the resolution to approve the RRPT(s). An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT(s); and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Principal Activities of YXPM Group

The principal activity of the Company is investment holding, while its Subsidiaries are principally involved in wholesaling, design and manufacturing of gold jewellery. Our other related products and services include sales of scrap and pure gold bars, manufacture of silver chains, and provision of refining services for precious metals.

2.2 Principal Activities of YXPM Group (continued)

The details of our Subsidiaries as well as its principal activities as at the LPD are set out in the table below:

Name of company	Effective equity interest (%)	Principal activities
YXG	100.00	Wholesale of gold jewellery and other related products and services
GPM	100.00	Design and manufacture of gold jewellery and other related products and services
GRSB	100.00	Provision of precious metals refining services
EASB	100.00	Currently inactive but intends to provide assaying services for precious metals

It is envisaged that in the normal course of the Group's business, transaction of revenue or trading nature between companies in the Group and the Related Parties are likely to occur, of which are necessary for the day-to-day operations of the Group.

In this respect, the Board proposes to seek approval from the Shareholders for the Proposed Shareholders' Ratification on those RRPTs entered into by YXPM Group during the Ratification Period and Proposed New Shareholders' Mandate for YXPM Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 below during the Mandate Period, provided such transactions are entered into at arm's length and on transaction prices and normal commercial terms 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. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its Shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.6 below.

2.3 Validity Period of the Proposed New Shareholders' Mandate

The aforementioned shareholders' mandate for RRPTs, if approved at the forthcoming AGM, will continue to be in force until:

- (i) the conclusion of the next AGM at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall 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 in general meeting,

whichever is the earlier.

Thereafter, approval from Shareholders for a renewal of the mandate in relation to RRPTs will be sought at each subsequent AGM.

2.4 Classes of Related Parties and nature of RRPTs

The nature of the RRPTs entered and/or to be entered into by YXPM Group and the class of Related Parties under the Proposals are as follows:

Companies within the YXPM Group	Transacting parties	Nature of relationship	Nature of transaction	Proposed Shareholders' Ratification			Proposed New Shareholders' Mandate
				Estimated value from the Listing Date up to the forthcoming AGM ⁽ⁱ⁾⁽ⁱⁱ⁾	Actual value transacted from the Listing Date up to the LPD	Estimated value of transaction from the LPD up to the forthcoming AGM ⁽ⁱ⁾	
YXG	Ong Tiong Yee & Sons Sdn Bhd (“OTY”)	• NSC, being our Major Shareholder and Managing Director, is the spouse of Ong Kee Liang. Ong Kee Liang is a director and shareholder of OTY.	Sales of gold jewellery Purchase of scrap gold bars	YXG OTY	OTY	412	142 270
GPM	Gexcel Asia Sdn Bhd (“GASB”)	• NSC, being our Major Shareholder and Managing Director, is a director of GASB and also deemed shareholder of GASB through her shareholdings in Ng Teck Fong Holdings Sdn Bhd, the shareholder of GASB.	Sales of corporate gold coins Purchase of manufacturing tools for jewellery manufacturing machines	GPM GASB	GPM GASB	45 194	15 99 30 95

2.4 Classes of Related Parties and nature of RRPTs (continued)

The nature of the RRPTs entered and/or to be entered into by YXPM Group and the class of Related Parties under the Proposals are as follows (continued):

Companies within the YXPM Group	Transacting parties	Nature of relationship	Nature of transaction	Proposed Shareholders' Ratification			Proposed New Shareholders' Mandate	
				Vendor	Purchaser	Estimated value from the Listing Date up to the forthcoming AGM ⁽ⁱ⁾⁽ⁱⁱ⁾ (RM'000)	Actual value transacted from the Listing Date up to the LPD	
GPM, GRSB and YXG	Tomei Gold & Jewellery Holdings (M) Sdn Bhd (“TGJH”)	• Tomei, being our Major Shareholder, is the holding company of TGJH.	Sales of gold jewellery, provision of gold jewellery manufacturing services and provision of refinery services	TGJH	GPM, GRSB and YXG	51,832	39,732	12,100
EASB	TGJH	• Tomei, being our Major Shareholder, is the holding company of TGJH.	Purchase of scrap gold bars and silver bars	TGJH	GPM, GRSB and YXG	32,656	25,151	7,505
EASB			Provision of assay services	EASB	TGJH	50	-	50
								300

2.4 Classes of Related Parties and nature of RRPTs (continued)

The nature of the RRPTs entered and/or to be entered into by YXPM Group and the class of Related Parties under the Proposals are as follows (continued):

Companies within the YXPM Group	Transacting parties	Nature of relationship	Nature of transaction	Proposed Shareholders' Ratification			Proposed New Shareholders' Mandate
				Estimated value from the Listing Date up to the forthcoming AGM ⁽ⁱ⁾⁽ⁱⁱ⁾ (RM'000)	Actual value transacted from the Listing Date up to the LPD (RM'000)	Estimated value of transaction from the LPD up to the forthcoming AGM ⁽ⁱ⁾ (RM'000)	
GPM and YXG	TXG Financial Solutions Sdn Bhd (“TXGF”)	• Tomei, being our Major Shareholder, is the holding company of TXGF.	Fee for hedging on gold price fluctuations	TXGF	GPM and YXG	219	137
GPM and YXG	Oasis Properties Sdn Bhd (“OPSB”)	• DNYP, being our Major Shareholder and Non-Independent Non-Executive Director, is a director and shareholder of OPSB.	Rental of premises from OPSB ⁽ⁱ⁾	OPSB	GPM and YXG	217	168
		• NSC, being our Major Shareholder and Managing Director, is a director and shareholder of OPSB.				49	49
						360	82
						272	272

2.4 Classes of Related Parties and nature of RRPTs (continued)

The nature of the RRPTs entered and/or to be entered into by YXPM Group and the class of Related Parties under the Proposals are as follows (continued):

Companies within the YXPM Group	Transacting parties	Nature of relationship	Nature of transaction	Proposed Shareholders' Ratification			Proposed New Shareholders' Mandate
				Estimated value from the Listing Date up to the forthcoming AGM ⁽ⁱ⁾⁽ⁱⁱ⁾ (RM'000)	Actual value transacted from the Listing Date up to the LPD (RM'000)	Estimated value of transaction from the LPD up to the forthcoming AGM ⁽ⁱ⁾ (RM'000)	
GPM and YXG (cont'd)	Oasis Properties Sdn Bhd (“OPSB”) (cont'd)	• Ng Sheau Yuen, being our Shareholder, is a director and shareholder of OPSB.	• Ng Yih Chen, being our Major Shareholder, is the spouse and father of Wee Ching Yun and Ng Yi Li, respectively. Wee Ching Yun and Ng Yi Li are directors and shareholders of NYC Resources Sdn Bhd. NYC Resources Sdn Bhd is a shareholder of OPSB.				

Notes:

(i) The estimated value of transactions is based on information available at the point of estimation. The actual value of transactions may vary from the estimated values as disclosed above. The estimated value of transactions are based on past historical transactions as well as tenancy agreements entered and expected to be entered with the Related Parties. Summary of rental agreement used in the estimated value of transactions are as follows:

<u>Lessor</u>	<u>Lessee</u>	<u>Premises type</u>	<u>Address</u>	<u>Tenancy period</u>	<u>Area (square feet)</u>	<u>Monthly Rental</u>
(a) OPSB	YXG	Office and factory space	No. 23-LG, 23-G, Jalan 2/131A, Project Jaya Industrial Estate, Jalan Kelang Lama, 58200 Kuala Lumpur.	1 January 2023 to 31 December 2024	3,294	RM4,250
(b) OPSB	GPM	Office and factory space	No. 23-1, 23-2, 23-3, 27-LG, 27-G, 27-1, 27-2, 27-3 Jalan 2/131A, Project Jaya Industrial Estate, Jalan Kelang Lama, 58200 Kuala Lumpur.	1 January 2023 to 31 December 2024	13,176	RM15,130

(ii) The estimated value from the Listing Date up to the forthcoming AGM is expected to exceed the percentage ratio of 5.00% pursuant to Rule 10.02 of the Listing Requirements. Bursa Securities had vide its letter dated 12 December 2022 granted YXPM an extension of time to obtain shareholders' ratification and shareholders' mandate for the RRPTs entered or to be entered into by the Group from the Listing Date until the Company's forthcoming AGM or Extraordinary General Meeting (if any), whichever is earlier.

2.5 Amount due from and owing by the Related Parties

As at 31 December 2022 and as at the LPD, there is no amount owing from any of the related parties to the Group of which exceeded the normal credit terms of the Group.

2.6 Review procedures for the RRPT

YXPM Group has established the following procedures to ensure that the RRPTs are undertaken at arm's length basis and on transaction prices and normal commercial terms consistent with the Group's usual business practices and policies, which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority Shareholders:

- (i) a list of Related Parties has been circulated within the YXPM Group. All subsidiaries have been notified that all RRPTs are required to be undertaken at arm's length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) where applicable, the terms of the pricing of the RRPTs will be consistent with the Group's usual business practices and policies and will take into consideration the terms and conditions, level of service and expertise required, quality, reliability and consistency of products and services as compared with the prevailing market rate of prices and general practices by other service providers of similar capacity and capability;
- (iii) all RRPTs will be reviewed by the ARMC on a quarterly basis. Any member of the ARMC may as he/she deems fit, request for additional information pertaining to RRPTs from independent sources or advisers;
- (iv) the ARMC will report its findings to the Board for further action if during the quarterly review, the ARMC is of the view that the guidelines and procedures are not sufficient to ensure that the RRPTs are carried on normal commercial terms and/or the RRPTs are deemed detrimental to the minority shareholders of YXPM;
- (v) the ARMC shall review procedures, and shall continue to review the procedures, as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate; and
- (vi) if a member of the Board or the ARMC has an interest in the transaction, he/she will abstain from any decision making by the Board or the ARMC in respect of the transaction.

At least 2 other contemporaneous transactions with unrelated 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 comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by market force, in accordance with applicable industry norms, similar commercial terms, prevailing commercial rates and at rates not more favourable to the related parties than those generally available to the public to ensure that the RRPTs are not detrimental to the YXPM Group.

There are no specific thresholds for approval of RRPTs within our Group. All RRPTs are subject to the review and approval by the ARMC. All RRPTs contemplated under the Proposals will be carried out at arm's length basis, on transaction prices and on terms not more favorable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

2.7 Disclosure in Annual Report

Disclosure will be made in the Annual Report of the Company in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (i) the type of the RRPTs made; and
- (ii) the names of the Related Parties involved in each type of the RRPTs made and their relationships with YXPM Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate had been obtained.

2.8 Statement by ARMC

The ARMC has reviewed the procedures mentioned in Section 2.6 of this Circular and is of the view that:

- (i) the procedures are sufficient to ensure that the RRPTs are 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; and
- (ii) that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner and to ensure that the RRPTs are carried out.

The ARMC shall review the RRPTs on a quarterly basis and also review the established guidelines and procedures to ascertain their compliance on an annual basis.

3. RATIONALE AND BENEFITS FOR THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Ratification serves to ratify the RRPTs entered into by the Group since its Listing Date to the date of its forthcoming AGM. Given that YXPM is in its 1st year of listing, ratification of RRPTs entered from the Listing Date up to its AGM allows the Company to coincide the Proposed Shareholders' Ratification and Proposed New Shareholders Mandate with its AGM and eliminate the need for separate general meetings therefore reduces the expenses for the Company.

The RRPTs entered and to be entered into by the Group with the Related Parties are in the ordinary course of business of the Group. They are recurring transactions of revenue or trading nature, which are likely to occur with some degree of frequency and arise at any time and from time to time. As these transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, it may be impractical to seek Shareholders' approval on a case-by-case basis before entering into such RRPTs. As such, the Company is seeking Shareholders' mandate pursuant to Rule 10.09(2) and Guidance Note 8 of the Listing Requirements for the RRPTs described in Section 2.4 of this Circular to allow the Group to enter into such RRPTs which are made on an arm's length basis and on normal commercial terms and which are not to the detriment of the minority Shareholders.

The RRPTs are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.

The Proposed Shareholders' Mandate, if approved by the Shareholders, will eliminate the need to make announcement to Bursa Securities or to convene separate general meetings from time to time to seek shareholder's approval as and when the RRPT(s) with specified classes of Related Parties arise. This will substantially reduce administrative time, inconvenience and avoid expenses associated with the convening of such general meetings on an ad hoc basis without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholder' Mandate will not have any material effect on the share capital, consolidated NA, EPS, gearing and the shareholdings of Major Shareholders.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval being obtained from the Shareholders at the forthcoming AGM to be convened.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save as disclosed below, none of the Directors and/or Major Shareholders and/or Persons Connected to them have any interest, directly or indirectly, in the Proposed Shareholders' Mandate as at the LPD:

	As at the LPD			
	Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)
Interested Directors				
DNYP	100,000	0.03	271,603,000 ⁽ⁱ⁾	72.98
NSC	71,800	0.02	271,603,000 ⁽ⁱ⁾	72.98
Interested Major Shareholders				
Tomei	260,502,000	70.00	-	-
Teck Fong Corporation Sdn Bhd	8,476,000	2.28	260,502,000 ⁽ⁱⁱ⁾	70.00
Tropical Bliss Sdn Bhd	2,625,000	0.71	260,502,000 ⁽ⁱⁱ⁾	70.00
DNYP	100,000	0.03	271,603,000 ⁽ⁱ⁾	72.98
NSC	71,800	0.02	271,603,000 ⁽ⁱ⁾	72.98
Ng Yih Chen	-	-	271,828,000 ⁽ⁱⁱⁱ⁾	73.04
Ng Sheau Yuen	47,600	0.01	271,603,000 ⁽ⁱ⁾	72.98
Persons Connected				
Puan Sri Datin Gan Sao Wah @ Gan Sao Eng	248,000	0.07	-	-
Datin Choong Chow Mooi	236,400	0.06	-	-
Ng Yi Jie	75,000	0.02	-	-
Ng Yi Li	75,000	0.02	-	-
Ng Yi Min	75,000	0.02	-	-
Ong Kee Liang ^(iv)	-	-	71,800	0.02
Wee Ching Yun ^(v)	-	-	225,000	0.06

Notes:

- (i) *Deemed interested by virtue of his/her shareholdings in Teck Fong Corporation Sdn Bhd and Tropical Bliss Sdn Bhd pursuant to Section 8 of the Act.*
- (ii) *Deemed interested by virtue of its shareholdings in Tomei pursuant to Section 8 of the Act.*
- (iii) *Deemed interested by virtue of his shareholdings in Teck Fong Corporation Sdn Bhd, Tropical Bliss Sdn Bhd and the shares held by his daughters, Ng Yi Jie, Ng Yi Li and Ng Yi Min in the Company pursuant to Section 8 of the Act.*
- (iv) *Deemed interested in the shares held by his spouse, NSC in the Company pursuant to Section 8 of the Act.*
- (v) *Wee Ching Yun is the spouse of Ng Yih Chen. She is deemed interested in the shares held by her daughters, Ng Yi Jie, Ng Yi Li and Ng Yi Min in the Company pursuant to Section 8 of the Act.*

The Interested Directors have and will continue to abstain from all Board deliberations and voting in respect of the RRPTs in which they have an interest as detailed in Section 2.4 of this Circular. The Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in YXPM at the forthcoming AGM to be convened by YXPM on the ordinary resolution approving the Proposed Shareholders' Mandate.

The interested Major Shareholders as mentioned above will also abstain from voting in respect to their direct and/or indirect shareholdings in YXPM at the forthcoming AGM to be convened by YXPM on the ordinary resolution approving the Proposed Shareholders' Mandate.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM (continued)

The Interested Directors and interested Major Shareholders have also undertaken to ensure that the Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

7. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors for the Proposed Shareholders' Mandate, who have abstained and will continue to abstain from the Board deliberations and voting in respect of the Proposals) after having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is fair and reasonable and is in the best interest of the Company.

Accordingly, the Board (save for the Interested Directors) recommends that the Shareholders vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

8. AGM

The ordinary resolution to vote on the Proposed Shareholders' Mandate is set out in the Notice of 2nd AGM contained in the Annual Report of the Company for the financial year ended 31 December 2022, which is made available on the Company's website at <https://yxgroup.com.my/> and on Bursa Securities' website, will be held at Dewan Berjaya, Bukit Kiara Resort Berhad, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 10 May 2023 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the AGM, please complete, sign and send the enclosed Proxy Form in accordance with the instructions therein as soon as possible in any event so as to arrive at the Registered Office of the Company at SO-26-02, Menara 1, No 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than 48 hours before the time fixed for the AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, participating and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders of YXPM are requested to refer to the attached **Appendix I** for additional information.

Yours faithfully
For and on behalf of the Board of Directors of
YX PRECIOUS METALS BHD

TANG YOW SAI
Independent Non-Executive Director

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no facts, the omission of which would make any information herein false and misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and there is no material claim against the Group, or material arbitration proceedings, which have a material effect on the business or financial position of the Group, and the Board confirmed that there are no proceedings pending or threatened or any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Group.

3. MATERIAL CONTRACTS

Saved as disclosed below, the Group has not entered into any other material contract (not being contracts entered into in the ordinary course of business) within the 2 years preceding the date of this Circular:

- (i) Share sales and purchase agreement dated 18 August 2021 between YXPM and Tomei to acquire the entire issued share capital of EASB, GPM, GRSB and YXG, respectively from Tomei for a total purchase consideration of RM52,100,398, satisfied via the issuance of 260,501,990 Shares to Tomei at RM0.20 per Share. The acquisitions of EASB, GPM, GRSB and YXG were completed on 12 April 2022;
- (ii) Underwriting agreement dated 21 April 2022 between YXPM and Public Investment Bank Berhad, being the sole underwriter for the underwriting of 48,378,000 Shares pursuant to the initial public offering (“IPO”) of the Company for an underwriting commission at the rate of 2.00% of the total value of the Shares underwritten at the IPO price of RM0.28; and
- (iii) Placement agreement dated 21 April 2022 between YXPM and Public Investment Bank Berhad, being the sole placement agent for 63,270,000 Shares made available under the placement to selected investors as well as selected Bumiputera Investors approved by the Ministry of International Trade and Industry, Malaysia at the IPO of RM0.28.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours from Mondays to Fridays (except public holidays) at the Registered Office of the Company at SO-26-02, Menara 1, No 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur from the date of this Circular/Statement up to and including the date of the forthcoming AGM:

- (i) constitution of YXPM;
- (ii) material contracts referred to in Section 3 of this Appendix I; and
- (iii) audited financial statements of YXPM for the financial period from 11 January 2021 (date of incorporation) to 31 December 2021 and financial year ended 31 December 2022.