

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

This Circular has been reviewed by UOB Kay Hian Securities (M) Sdn Bhd as the Sponsor to Edelteq and Adviser to Edelteq for the Proposals (as defined herein). Bursa Malaysia Securities Berhad ("**Bursa Securities**") has conducted a limited review of the Proposed ESOS pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

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**EDELTEQ HOLDINGS BERHAD**

(Registration No. 201901033362 (1342692-X))  
(Incorporated in Malaysia under the Companies Act 2016)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-**

- (I) **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF EDELTEQ HOLDINGS BERHAD ("EDELTEQ" OR THE "COMPANY") ("SHARES" OR "EDELTEQ SHARES") (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF ESOS ("PROPOSED ESOS"); AND**
- (II) **PROPOSED VARIATION FOR THE UTILISATION OF THE PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING ("IPO") OF EDELTEQ ("PROPOSED VARIATION")**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**UOB Kay Hian Securities (M) Sdn Bhd**

(Registration No.: 199001003423 (194990-K))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of Edelteq will be held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Wednesday, 25 June 2025 at 4:00 P.M., or at any adjournment thereof or immediately following the conclusion of the 2025 Annual General Meeting ("**AGM**") of Edelteq which will be held at 2:00 P.M. on the same day, whichever is earlier. The Notice of EGM together with the Proxy Form is enclosed in this Circular.

A member of Edelteq entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate and vote on his/ her behalf. In such event, the completed and signed Proxy Form should be deposited at the Company's Share Registrar office, Boardroom Share Registrars Sdn Bhd, situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Date and time of the EGM : Wednesday, 25 June 2025 at 4:00 P.M. or at any adjournment thereof

Last date and time for lodging the Proxy Form : Monday, 23 June 2025 at 4:00 P.M.

This Circular is dated 22 May 2025

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## DEFINITIONS

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

"Act"	:	The Companies Act 2016
"AGM"	:	Annual General Meeting of Edelteq
"ATE"	:	Automated test equipment
"Batu Kawan Factory"	:	A factory having the built-up area of approximately 41,126 sq. ft. constructed on Batu Kawan Land
"Batu Kawan Land"	:	A piece of leasehold land described as H.S.(D) 51229, PT 6139, Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang measuring approximately 63,745.70 sq. ft.
"Board"	:	The Board of Directors of Edelteq
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Bylaw(s)"	:	The bylaws governing the rules, terms and conditions of the Proposed ESOS as may be modified, varied and/ or amended from time to time, the draft of which is set out in <b>Appendix I</b> of this Circular
"C&T"	:	Supply and refurbishment of IC assembly and test consumables
"Circular"	:	This circular to the shareholders of Edelteq dated 22 May 2025 in relation to the Proposals
"Director(s)"	:	The director(s) of Edelteq and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
"Edelteq" or the "Company"	:	Edelteq Holdings Berhad (Registration No. 201901033362 (1342692-X))
"Edelteq Group" or the "Group"	:	Edelteq and its subsidiaries, collectively
"Edelteq Share(s)" or "Share(s)"	:	Ordinary Share(s) in Edelteq
"Effective Date"	:	The implementation date of the Proposed ESOS, which is also a date on or after all relevant requirements of Chapter 6 of the Listing Requirements are fully complied with, including the approval and/ or conditions referred to in the Bylaws having been obtained and/ or complied with
"EGM"	:	Extraordinary General Meeting of Edelteq
"Eligible Person(s)"	:	The eligible Directors (including non-executive Directors) and employees of Edelteq Group that are not dormant and who fulfil the criteria of eligibility for participation in the Proposed ESOS as set out in the Bylaws of the Proposed ESOS
"EPS"	:	Earnings per Share

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## DEFINITIONS (CONT'D)

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"ESOS Committee"	: The committee to be duly appointed from and authorised by the Board pursuant to the Bylaws to administer the ESOS in relation to the Proposed ESOS
"ESOS Option(s)"	: The right of an Eligible Person to subscribe or purchase Edelteq Shares at the Exercise Price pursuant to the contract constituted by the selected Eligible Person's acceptance of an offer under the Proposed ESOS in the manner and subject to the terms and conditions provided in the Bylaws
"ESOS"	: Employees' share option scheme
"Exercise Price"	: The price at which the Eligible Persons who has accepted the offer under the Proposed ESOS shall be entitled to subscribe or purchase for every new Edelteq Shares by exercising his/ her ESOS Options as determined in accordance with the provisions of the Bylaws
"FYE"	: Financial year ended/ ending
"IC"	: Integrated circuit
"IPO"	: Initial public offering
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 14 May 2025, being the latest practicable date prior to the printing and despatch of this Circular
"LTD"	: 24 April 2025, being the latest trading day of Edelteq Shares prior to the date of announcement of the Proposals
"MFRS 2"	: Malaysian Financial Reporting Standards 2
"NA"	: Net assets attributable to owners of Edelteq
"Offer"	: A letter of offer to Eligible Person(s) issued pursuant to an offer made by the ESOS Committee under the ByLaws
"Offer Date"	: The date on which an Offer is made by the ESOS Committee in writing to a selected Eligible Person to participate in the Proposed ESOS
"Option Period"	: The period during which an Option may be exercised as may be specified in the Offer, unless terminated in accordance with these Bylaws
"PCB"	: Printed circuit board
"Proposals"	: The Proposed ESOS and Proposed Variation, collectively
"Proposed ESOS"	: Proposed establishment of an ESOS of up to 20% of the total number of issued shares of Edelteq (excluding treasury shares, if any) at any point in time over the duration of the ESOS for Eligible Persons
"Proposed Variation"	: Proposed variation for the utilisation of the proceeds raised from the IPO of Edelteq
"R&D"	: Research and development

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**DEFINITIONS (CONT'D)**

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"RM" and "sen" : Ringgit Malaysia and sen, respectively

"UOBKH" or the : UOB Kay Hian Securities (M) Sdn Bhd (Registration No. "Adviser" 199001003423 (194990-K))

"VWAP" : Volume weighted average market price

All references to "**you**" or "**your(s)**" in this Circular are made to our shareholders, who are entitled to register, attend, speak (in the form of real time submission of typed texts) and vote at the EGM. Unless specifically referred to, words denoting the singular shall, where applicable include the plural and vice versa and words denoting the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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## EXECUTIVE SUMMARY

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*This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM of the Company.*

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Summary of the Proposals</b>	<p><b><u>Proposed ESOS</u></b></p> <p>The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe Edelteq Shares at specified prices to be determined in the manner as set out in <b>Section 2.6</b> of this Circular.</p> <p>The maximum number of Edelteq Shares, which may be made available pursuant to the Proposed ESOS shall not exceed in aggregate 20% of the total number of issued shares (excluding treasury shares, if any) of Edelteq at any point in time over the duration of the Proposed ESOS.</p>	<b>Section 2</b>
	<p><b><u>Proposed Variation</u></b></p> <p>The Group intends to vary the utilisation of proceeds raised from IPO exercise in conjunction with the listing of and the quotation of its entire share capital on the ACE Market of Bursa Securities on 7 June 2023. Edelteq has raised gross proceeds of RM24.00 million from the IPO.</p> <p>As at the LPD, the Company has utilised RM13.46 million of the IPO Proceeds, leaving a remaining unutilised balance IPO Proceeds of RM10.55 million. Pursuant to the Proposed Variation, the Board proposes to reallocate RM8.25 million originally earmarked for the repayment of bank borrowings (incurred for the construction of the Batu Kawan Factory) and RM2.30 million initially allocated for R&amp;D activities, to be channelled towards meeting the Group's working capital requirements.</p>	<b>Section 3</b>
<b>Rationale and justifications for the Proposals</b>	<p><b><u>Proposed ESOS</u></b></p> <ol style="list-style-type: none"><li>i. to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;</li><li>ii. to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Edelteq Shares upon disposal;</li><li>iii. to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans;</li><li>iv. to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive;</li><li>v. to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group; and</li><li>vi. to serve as an additional source of funding for the Company without further incurring finance cost.</li></ol>	<b>Section 4</b>

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## EXECUTIVE SUMMARY (CONT'D)

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Key information	Description	Reference to Circular
	<p><b><u>Proposed Variation</u></b></p> <p>The Board has decided to reallocate the remaining unutilised IPO Proceeds (in aggregate of RM10.55 million) to finance the Group's working capital requirements (i.e. purchase of input materials for the C&amp;T segment) as set out in <b>Section 3</b> of this Circular. This will allow the Group to preserve its cash flow which can be used in a more efficient manner, as and when needed, such as to meet its immediate obligations and/ or to free up sufficient capital for operational needs. It may also potentially reduce the risk of indebtedness (i.e. servicing of interest cost and/ or repayment obligation) as may otherwise arise in the event that the Group's operational needs are funded via bank borrowings.</p>	
<b>Approvals required/ obtained</b>	<p>The Proposals are subject to the following approvals being obtained:-</p> <ol style="list-style-type: none"><li>i. Bursa Securities, which was obtained on 14 May 2024;</li><li>ii. shareholders of the Company at the forthcoming EGM; and</li><li>iii. any other relevant authorities and/ or parties, if required.</li></ol>	<b>Section 7</b>
<b>Interests of Directors, major shareholders, chief executive and/ or persons connected</b>	<p><b><u>Proposed ESOS</u></b></p> <p>All Directors and chief executive are eligible to participate in the Proposed ESOS and are therefore deemed interested to the extent of their respective proposed allocation and the proposed allocations to persons connected to them under the Proposed ESOS.</p> <p>All Directors and chief executive have and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocation, and the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings. The Directors who are deemed persons connected to Eligible Person under the Proposed ESOS, have and will continue to abstain from all Board deliberations and voting in respect of the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings.</p> <p>All Directors and chief executive will abstain from voting in respect of their direct and/ or indirect shareholdings, at a general meeting of the Company to be convened in respect of the resolutions to be tabled for the Proposed ESOS and their respective proposed allocation as well as the proposed allocations to the persons connected to them, under the Proposed ESOS.</p> <p>All Directors and chief executive will undertake to ensure that persons connected to them, will abstain from voting in respect of their direct and/ or indirect shareholdings, on the resolutions pertaining to the Proposed ESOS and their respective proposed allocations, and the proposed allocations to the persons connected to them, under the Proposed ESOS, to be tabled at a general meeting of the Company to be convened.</p>	<b>Section 9.1</b>

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
	<p>The major shareholders (who are also the Directors) will abstain from voting in respect of their direct and/ or indirect shareholdings, at a general meeting of the Company to be convened in respect of the resolutions to be tabled for the Proposed ESOS and their respective proposed allocation as well as the proposed allocations to the person connected to them, under the Proposed ESOS. The major shareholders will also undertake to ensure that persons connected to them, will abstain from voting in respect of their direct and/ or indirect shareholdings, on the resolutions pertaining to the Proposed ESOS and their respective proposed allocations, and the proposed allocations to the persons connected to them, under the Proposed ESOS, to be tabled at a general meeting of the Company to be convened.</p> <p><b><u>Proposed Variation</u></b></p> <p>None of the Directors, major shareholders and/ or chief executive of Edeltec, and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Variation.</p>	<b>Section 9.2</b>
<b>Directors' recommendation</b>	<p>The Board, after having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and recommends that you <b>vote in favour</b> of the resolutions pertaining to the Proposals at the EGM.</p>	<b>Section 11</b>

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**Registered Office**

55A, Medan Ipoh 1A,  
Medan Ipoh Bistari,  
31400 Ipoh  
Perak, Malaysia

22 May 2025

**Board of Directors**

Datuk Johar Bin Che Mat (*Independent Non-Executive Chairman*)  
Chin Yong Keong (*Executive Director/ Group Chief Executive Officer*)  
Khong Chee Seong (*Executive Director/ Business Unit Director*)  
Kamaruddin Bin Kassim (*Independent Non-Executive Director*)  
Datin Soheir Binti Mohammad Khatib (*Independent Non-Executive Director*)  
Joyce Wong Ai May (*Independent Non-Executive Director*)  
Ngo Tong Seng (*Independent Non-Executive Director*)

**To: The shareholders of Edeltec**

Dear Sir/ Madam,

**(I) PROPOSED ESOS; AND**

**(II) PROPOSED VARIATION**

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**1. INTRODUCTION**

On 25 April 2025, UOBKH had, on behalf of the Board, announced that Edeltec proposes to undertake the following:-

- i. proposed establishment of an ESOS of up to 20% of the total number of issued shares of Edeltec (excluding treasury shares, if any) at any point in time over the duration of the ESOS to Eligible Persons; and
- ii. proposed variation for the utilisation of the proceeds raised from the IPO of Edeltec.

On 14 May 2025, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 14 May 2025, resolved to approve the listing of and quotation for such number of Edeltec Shares, representing up to 20% of the total number of issued shares (excluding treasury shares of Edeltec, if any) that may be issued pursuant to the Proposed ESOS on the ACE Market of Bursa Securities, subject to the conditions as set out in **Section 7** of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.**

## **2. PROPOSED ESOS**

The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe or purchase Edelteq Shares at specified prices to be determined in the manner as set out in **Section 2.6** of this Circular.

The Proposed ESOS will be administered by the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the Proposed ESOS in such manner it shall, in its discretion deem fit, in accordance with the provisions set out in the Bylaws. The decision as to whether or not to stagger the allocation of the ESOS Options over the duration of the Proposed ESOS as well as for the granting of ESOS Options, shall be determined by the ESOS Committee at a later date.

The ESOS Committee may at its absolute discretion decide that the ESOS Options be satisfied via the following methods:-

- i. issuance of new Edelteq Shares;
- ii. transfer of Edelteq's treasury shares (if any) or any other methods as may be permitted by the Act; or
- iii. a combination of any of the above.

In considering the mode of satisfaction as referred to in item (i) to (iii) above, the ESOS Committee will take into consideration amongst others, factors such as the prevailing market price of Edelteq Shares and the potential cost arising from granting of ESOS Options.

### **2.1 Maximum number of Edelteq Shares available under the Proposed ESOS**

The maximum number of Edelteq Shares, which may be made available pursuant to the Proposed ESOS shall not exceed in aggregate 20% of the total number of issued shares (excluding treasury shares, if any) of Edelteq at any point in time over the duration of the Proposed ESOS.

As at the LPD, the Company has an issued share capital of RM38,055,931 comprising 532,535,630 Edelteq Shares.

The Company does not have any outstanding convertible securities nor retain any treasury shares as at the LPD. Accordingly, a total of up to 106,507,126 Edelteq Shares representing 20% of the total number of issued shares of the Company as at the LPD may be allotted and issued under the Proposed ESOS.

### **2.2 Basis of allotment and maximum allowable allotment**

The maximum number of ESOS Options that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the provision of the Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the scheme relating to employees' and/ or directors' share issuance scheme, his/ her designation, role, function, performance, job class or grade, annual appraised performance, length of service, and/ or contribution of the Eligible Person and such other factors that the ESOS Committee may deem relevant in its discretion and shall be subject to the following:-

- i. the total number of new Edelteq Shares to be issued under the Proposed ESOS shall not exceed the amount stipulated in **Section 2.1** of this Circular;
- ii. the Directors and employees of the Edelteq Group deemed to be in a senior position as may be determined by the ESOS Committee from time to time ("**Senior Management**") of the Group (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their respective allocation of ESOS Options as well as allocation of ESOS Options to persons connected with them, if any;
- iii. the allocation to an Eligible Person, who either singly or collectively, through persons connected to the Eligible Person, holds 20% or more of the total number of issued Edelteq Shares, must not exceed 10% of the total number of Edelteq Shares to be made available under the Proposed ESOS; and
- iv. not more than 70% of the total number of Edelteq Shares to be made available under the Proposed ESOS shall be allocated, in aggregate, to the Directors and Senior Management of the Group (excluding dormant subsidiaries), on the basis that they are crucial to the performance of the Group as determined by the ESOS Committee at their sole and absolute discretion,

provided always that it is in accordance with any prevailing requirements issued by Bursa Securities, Listing Requirements or any other relevant authorities as amended from time to time.

In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person and persons connected with him/ her who are also members of the ESOS Committee shall not participate in the deliberation, discussion and/ or voting of such Eligible Person's own allocation of the ESOS Options or allocation to persons connected with them.

The ESOS Committee has the absolute discretion in determining whether the ESOS Options will be granted in a single tranche or on a staggered basis over the duration of the Proposed ESOS as well as whether the ESOS Options are subject to any vesting period or vesting conditions, including any performance target that must be achieved, the determination of which will be carried out at a later date after the establishment of the ESOS Committee.

The Company shall ensure that allocation of ESOS Options is verified by its Audit Committee at the end of each financial year as being in compliance with the criteria set out in the Bylaws.

### **2.3 Eligibility**

Subject to the discretion of the ESOS Committee, only Eligible Persons who meet the following conditions as at the Offer Date shall be eligible to participate in the Proposed ESOS:-

- i. in respect of an employee of the Group (which are not dormant), the employee must fulfil the following criteria as at the Offer Date to participate in the Proposed ESOS in the manner provided in the Bylaws:-
  - a. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

- b. is confirmed in writing as a full-time employee (not under any probationary period) and has been in the employment of the Company or any company in the Group (which are not dormant) for such period as may be determined by the ESOS Committee prior to and up to the Offer Date and has not served a notice to resign nor received a notice of termination;
  - c. if he/ she is serving in a specific designation under the employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the ESOS Committee; and/ or
  - d. fulfils any other criteria and/ or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion.
- ii. in respect of a Director of the Group (which are not dormant), the Director must fulfil the following criteria as at the Offer Date:-
- a. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - b. has been appointed as a Director of the Company or any company in the Group (which are not dormant) (including executive or non-executive and/ or independent or non-independent Directors of Edelteq Group but excluding alternate and/ or similar substitute directors) for such period as may be determined by the ESOS Committee prior to and up to the Offer Date and has not served a notice to resign nor received a notice of termination; and/ or
  - c. fulfils any other criteria and/ or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion,

provided always that the selection of any Director or employee for participation in the Proposed ESOS and the number of ESOS Option to be offered to an Eligible Person (subject to the Bylaws) under the Proposed ESOS shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

Notwithstanding the above, the ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above.

The specific allocation of ESOS Options granted by the Company to a director, major shareholder or chief executive of the Company or holding company of the Company ("**Interested Party(ies)**") or a person connected with any of the Interested Parties who is an Eligible Person must be approved by the shareholders of the Company at a general meeting.

In a general meeting to obtain shareholders' approval in respect of the above allocation and allotment:-

- i. the Interested Parties or a person connected with any of the Interested Parties; and
- ii. where the allocation and allotment is in favour of a person connected with any of the Interested Parties,

such Interested Parties must not vote on the resolutions approving the said allocation and allotment. An Interested Party must ensure that such persons connected with him/ her abstain from voting on the resolutions approving the said allocation and allotment.

## **2.4 Duration and termination**

The Proposed ESOS, when implemented, shall be in force for a period of 5 years from the Effective Date. The Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, extend the Proposed ESOS for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date.

Such extended Proposed ESOS shall be implemented in accordance with the terms of the Bylaws, save for any amendment and/ or change to the relevant statutes and/ or regulations then in force. Unless otherwise required by the relevant authorities or the Listing Requirements, no further approvals shall be required for the extension of the Proposed ESOS and the Company shall serve appropriate notices on the Eligible Person and/ or make any necessary announcements to any parties and/ or Bursa Securities (if required) within 30 days prior to the date of expiry of the Proposed ESOS or such other period as may be stipulated by Bursa Securities.

Subject to the compliance with the Listing Requirements, other requirements of Bursa Securities and any other relevant authorities, the Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, at any time during the duration of the Proposed ESOS and before the date of expiry of the Proposed ESOS, terminate the Proposed ESOS in accordance with the terms of the Bylaws provided that an announcement is released to Bursa Securities on the following:-

- i. the effective date of termination of the Proposed ESOS;
- ii. the number of ESOS Options exercised and Edelteq Shares vested pursuant to the Proposed ESOS; and
- iii. the reasons for termination.

Any unaccepted offer and unvested and/ or unexercised ESOS Options (whether fully or partially) shall lapse and be deemed cancelled and be null and void on the last day of the duration of the Proposed ESOS and/ or effective date of termination of the Proposed ESOS.

## **2.5 Exercise of Options**

Subject to the Bylaws, an ESOS Option can be exercised by any Eligible Person(s) who has accepted an offer to participate in the Proposed ESOS by the Company in accordance with the Bylaws ("**Grantee(s)**") by notice in the prescribed form to the Company in respect of all or any part of the Edelteq Shares comprised in the ESOS Option, such part being in multiples of 100 Shares. Any partial exercise of an ESOS Option shall not preclude the Grantee from exercising the ESOS Option in respect of the balance of the Edelteq Shares comprised in the ESOS Option. In the event that a Grantee's balance of ESOS Option(s) exercisable in accordance with the Bylaws shall be less than 100 Edelteq Shares, the said balance shall, if exercised, be exercised in a single tranche.

## **2.6 Basis of determining the exercise price**

Subject to any adjustments made under the Bylaws and pursuant to the Listing Requirements, the exercise price which will be payable by the Eligible Person upon the exercise of the ESOS Options shall be based on the 5-day VWAP of Edelteq Shares at the Offer Date, with a discount of not more than 10% during the tenure of the Proposed ESOS, as determined by the Board upon recommendation of the ESOS Committee.

## 2.7 Ranking of the Edelteq Shares pursuant to the exercise of ESOS Options

The Edelteq Shares to be issued upon the vesting and exercise of the ESOS Options, shall upon allotment and issuance, rank equally in all respects with the existing Edelteq Shares, save and except that such Edelteq Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of issuance and/ or transfer of such Edelteq Shares.

The ESOS Options shall not carry any right to vote at any general meeting of the Company. The new Edelteq Shares to be allotted and issued arising from the exercise of the ESOS Options and Edelteq's treasury shares transferred upon exercise of an ESOS Option will be subject to the provisions of the constitution of the Company.

## 2.8 Retention Period

The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer of Edelteq Shares to be issued and/ or transferred via treasury shares arising from the exercise of ESOS Options as it deems fit.

In addition to the above, pursuant to Rule 8.22 of the Listing Requirements, an eligible Director who is a non-executive Director of Edelteq and/ or any of its subsidiaries, which are not dormant, shall not sell, transfer or assign the Edelteq Shares obtained through the exercise of the ESOS Options offered to him/ her within 1 year from the Offer Date.

## 2.9 Proposed Allocation

Rule 6.07(1) of the Listing Requirements states that the Company must not issue any shares to its Directors, major shareholders or chief executive or a person connected with them unless its shareholders in a general meeting have approved the specific allotment to be made to them. Accordingly, the Company will seek its shareholders' approval at the forthcoming EGM for the proposed allocation of the ESOS Options to the following persons ("**Proposed Allocation**"):-

<b>Name</b>	<b>Designation</b>
<b><u>Directors and major shareholders</u></b>	
Chin Yong Keong	Major shareholder/ Executive Director/ Group Chief Executive Officer
Khong Chee Seong	Major shareholder/ Executive Director/ Business Unit Director
<b><u>Directors</u></b>	
Datuk Johar Bin Che Mat	Independent Non-Executive Chairman
Kamaruddin Bin Kassim	Independent Non-Executive Director
Datin Soheir Binti Mohammad Khatib	Independent Non-Executive Director
Joyce Wong Ai May	Independent Non-Executive Director
Ngo Tong Seng	Independent Non-Executive Director
<b><u>Person Connected to Director and major shareholder</u></b>	
Chin Yuen Fong <sup>*1</sup>	Operation and Facility Director

**Note:-**

<sup>\*1</sup> For avoidance of doubt, Chin Yuen Fong is the brother of Chin Yong Keong, as such a person connected to Chin Yong Keong.

## **2.10 Listing and quotation for the new Edelteq Shares to be issued arising from the exercise of ESOS Options**

Bursa Securities had vide its letter dated 14 May 2025, approved the listing of and quotation for such number of new Edelteq Shares, representing up to 20% of the total number of issued shares in the Company (excluding treasury shares, if any) to be issued pursuant to the Proposed ESOS on the ACE Market of Bursa Securities.

## **2.11 Alteration of capital**

In the event of any alteration in the capital structure of Edelteq prior to the last day of the duration of the Proposed ESOS, whether by way of a rights issue, bonus issue, or other capitalisation issue, consolidation or subdivision of Edelteq Shares or reduction of capital or any other variation of capital, the Company may in its discretion in good faith cause such adjustment to be made to the number of Edelteq Shares which shall be exercisable under an ESOS Option(s) or the Exercise Price.

## **2.12 Utilisation of proceeds from the Proposed ESOS**

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the exercise price payable upon the exercise of the ESOS Options, respectively.

The proceeds arising from the exercise of the ESOS Options as and when received will be utilised for the working capital requirements of the Group, which may include the purchase of input materials, utilities, general expenses such as but not limited to staff cost. The proceeds are expected to be utilised within 12 months from the receipt of such proceeds throughout the tenure of the Proposed ESOS. However, the proceeds to be utilised for each component of working capital requirements are subject to the operating and funding requirements of the Group at the point of utilisation and therefore cannot be determined at this juncture.

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund the Group's working capital requirement, which may include the purchase of input materials, utilities, general expenses such as but not limited to staff costs.

## **2.13 Fundraising in the past 12 months**

The Company has not undertaken any fundraising exercises in the past 12 months prior to the date of this Circular.

### 3.

#### PROPOSED VARIATION

The Group intends to vary the utilisation of proceeds raised from IPO exercise in conjunction with the listing of and the quotation of its entire share capital on the ACE Market of Bursa Securities on 7 June 2023 ("**Listing**"). Edeltec has raised gross proceeds of RM24.00 million from the IPO ("**IPO Proceeds**").

As at the LPD, the Company has utilised RM13.46 million of the IPO Proceeds, leaving a remaining unutilised balance IPO Proceeds of RM10.55 million. Pursuant to the Proposed Variation, the Board proposes to reallocate RM8.25 million originally earmarked for the repayment of bank borrowings (incurred for the construction of the Batu Kawan Factory) and RM2.30 million initially allocated for R&D activities, to be channelled towards meeting the Group's working capital requirements as follows:-

Details of utilisation of proceeds	-----Original utilisation----->		-----Proposed Variation----->	
	IPO Proceeds as disclosed in the Prospectus RM'000	Actual utilisation as at LPD RM'000	Balance IPO Proceeds as at LPD RM'000	Revised timeframe for utilisation of proceeds
Construction of the Batu Kawan Factory	3,679	3,679	-	Within 12 months from Listing
Repayment of bank borrowings (Batu Kawan Factory) <sup>1</sup>	10,250	2,000	8,250	Within 24 months from Listing
R&D <sup>2</sup>	3,097	802	2,295	Within 30 months from Listing
Working capital <sup>3</sup>	3,374	3,374	-	Within 24 months from Listing
Estimated listing expenses	3,600	3,600	-	Within 3 months from Listing
<b>Total</b>	<b>24,000</b>	<b>13,455</b>	<b>10,545</b>	
			<b>10,545</b>	

**Notes:-**

\*1 The Group had originally allocated RM10.25 million of the IPO Proceeds for repayment of bank borrowings secured for the acquisition of Batu Kawan Land and the construction of the Batu Kawan Factory.

For information purposes, the Group had secured RM11.23 million of bank borrowings to part finance (i) the acquisition of Batu Kawan Land and (ii) for the construction of Batu Kawan Factory, which comprises of 2 term loans as set out below:-

**Term Loan 1 (Hong Leong Islamic Bank Berhad)**

Purpose	Interest rate %	Maturity date	Amount drawdown RM'000	←--Repayment method--→		Balance as at the LPD RM'000
				IPO Proceeds RM'000	Internally generated funds RM'000	
Part finance the acquisition of Batu Kawan Land	ICOF + 1.00%	July 2037	2,980	2,000	980	#

**Term Loan 2 (Hong Leong Islamic Bank Berhad)^**

Purpose	Interest rate %	Maturity date	Amount to be drawdown RM'000	Proposed repayment through IPO Proceeds RM'000	Balance as at the LPD RM'000
Part finance the construction of the Batu Kawan Factory	ICOF + 1.00%	July 2037	8,250	8,250	8,250

# The Term Loan 1 amounting to RM2.98 million, which was drawn down to partially finance the acquisition of Batu Kawan Land, was fully repaid on 31 January 2024 through the repayment of RM2.00 million from IPO proceeds and RM0.98 million from internally generated funds.

^ The construction cost of the Batu Kawan Factory amounting to RM11.93 million was originally intended to be funded via Term Loan 2 of RM8.25 million and IPO Proceeds of RM3.68 million.

Notwithstanding the above, the Company had managed to finance the balance construction cost of RM8.25 million throughout the construction period using internally generated funds, without the need to drawdown and utilise the Term Loan 2. Such approach had allowed the Group to save on the interest expenses associated with Term Loan 2. The Batu Kawan Factory was subsequently completed on 2 August 2024, in which the total actual cost of construction was RM11.93 million, out of which RM3.68 million was financed through the IPO Proceeds and RM8.25 million through internally generated funds. As such, the Board proposes to vary RM8.25 million from the IPO Proceeds initially allocated for the repayment of bank borrowings to fund the working capital of the Group.

\*2 The Group had initially allocated RM3.10 million of IPO Proceeds for its R&D activities, specifically for the development of new ATE and refurbishment methods as well as enhancement of factory automation solutions.

As part of the development of new ATE and refurbishment methods, the Group identified the following new products and services, which will be commercialised following the completion of the relevant R&D activities:-

- (a) Strip level automated optical inspection machine
- (b) Wafer level automated optical inspection machine
- (c) Cantilever probe card
- (d) Smart burn-in board sorter and loader
- (e) Intelligent burn-in system

The IPO proceeds were initially allocated to purchase R&D tools, which support the development of these new products and the enhancement of factory automation solutions through prototype development. The intended and actual utilisation of the IPO proceeds for the purchase of R&D tools are detailed below:-

<b>Type of R&amp;D tools</b>	<b>Description</b>	<b>Intended utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance as at the LPD RM'000</b>
<b><u>Development of new ATE and refurbishment methods</u></b>				
Shortwave infrared (SWIR) camera, 3D Image Process System and accessories	Includes high resolution camera with shortwave infrared technology for image capturing, 3D image processing system for visualising, processing, and analysing 3D image data, and motorised infrared lenses	647	122	525
Multi axis wafer handling robot & Rotary chuck	Includes wafer robot with dual-arm, mapping sensors, wafer pre-aligner and multi-axis translation stage	480	326	154
Base structure with vision gantry, X-Y robot, and actuation control module	Includes metal structure, circulation module software, robot slider, controller, programming pad, regenerative unit, controlling software, measurement unit, electric power supply, movable cable, adjuster kit, module connection kit and linear conveyor	293	173	120
Ultra-high-speed camera	Includes high speed camera with wide spectral range, high global shutter and pixel clock speed to capture clear images of fast-moving objects	185	-	185
IT hardware and software	Includes laptop, industrial grade computers, mechanical design software, vision image processes software, motion control software and equipment communication interface protocol	154	87	67
		<b>1,759</b>	<b>708</b>	<b>1,051</b>
<b><u>Enhancement of factory automation solutions</u></b>				
Smart factory mock-up and facility setup and autonomous mobile robot	A mock-up smart factory which is equipped with collaborative robot technology, horizontal and vertical lidar scanners, camera, sensors, charging station, and racking systems to test the performance of the in-house developed smart factory functions	1,236	94	1,142
IT hardware and software	Includes computers, mechanical design software, vision image processing software and motion control software	102	-	102
		<b>1,338</b>	<b>94</b>	<b>1,244</b>
<b>Total</b>		<b>3,097</b>	<b>802</b>	<b>2,295</b>

As at the LPD, the status of the Company's R&D initiatives relating to the development of new ATE and refurbishment methods as well as the enhancement of factory automation solutions, is as follows:-

**i. Development of new ATE and refurbishment methods**

The Company has successfully developed and commercialised the strip level automated inspection machine. The R&D for the development of wafer level automated optical inspection machine which was initially targeted for completion by fourth quarter of 2023, is still ongoing as at the LPD. The target completion date for the R&D and the commercialisation of the machine has been extended to second quarter of 2026, primarily due to the unforeseen complexity encountered during the R&D process, which necessitates additional time to ensure successful completion and commercialisation of the machine. As at the LPD, out of the total actual utilisation of RM0.71 million for the development of new ATE and refurbishment methods, RM0.22 million has been utilised for the R&D of the strip level automated inspection machine and RM0.49 million has been utilised for the R&D of the wafer level automated optical inspection machine. For information purposes, the total estimated cost for the development and commercialisation of the wafer level automated optical inspection machine is RM1.18 million with the breakdown of funding sources detailed below:-

Cost	<-----Source of funding----->		Total RM'000
	IPO Proceeds RM'000	Internally generated funds RM'000	
Development cost	491	538	1,029 <sup>@</sup>
Commercialisation cost	-	149	149
	<b>491</b>	<b>687</b>	<b>1,178</b>

<sup>@</sup> The estimated development cost for wafer level automated optical inspection machine has decreased compared to the estimation stated in the Prospectus (i.e. RM1.30 million), mainly due to the Company has successfully obtained demonstration packages and sample R&D tool sets from its suppliers.

As for the development of the cantilever probe card, smart burn-in board sorter, loader, and intelligent burn-in system, the Company has decided not to proceed with such products. This decision was made after taking into consideration the decline in market demand for these products and the challenges in securing suitable collaboration partners with the necessary technological expertise to support such developments.

As a result, the proceeds originally allocated for the purchase of R&D tools to support these developments remain substantially unutilised as at the LPD. Additionally, the Company has successfully negotiated with its suppliers to obtain demonstration packages and sample R&D tool sets which supported the development of both the strip-level and wafer-level inspection machines, thereby further reducing the need for the new purchase of most of the R&D tools initially identified.

## ii. Enhancement of factory automation solutions

The Company has incurred approximately RM0.09 million as initial costs for the preliminary assessment of the smart factory mock up, facility setup and autonomous mobile robot. For the avoidance of doubt, save for the initial costs of RM0.09 million which was financed entirely via IPO proceeds, no other expenditure has been incurred in relation to the enhancement of factory automation solutions. However, the Company decided to reprioritized its R&D efforts to focus on the development of wafer level automated optical inspection machine and rechannelled its resources towards the C&T segment.

The decision was made after taking into consideration the increasing demand from the customers on value-added assembly and testing services (offered under the existing C&T segment), which has demonstrated stronger market potential compared to factory automation solutions that would have required an estimated development cost of RM2.22 million for the Company to venture into such new solutions. The shift in focus is also supported by the substantial growth in revenue contribution from the C&T segment, which recorded total revenue of RM28.77 million for the FYE 31 December 2024, representing an increase in revenue of RM22.94 million or approximately 393.13% as compared to the preceding FYE 31 December 2023.

Given the change in market demand for certain initially identified products that the Company intended to development (i.e. cantilever probe card, smart burn-in board sorter, loader, and intelligent burn-in system), coupled with the Company's strategic shift in focus towards its core C&T segment, the need for the previously planned acquisition of the R&D tool was significantly reduced. As a result, a total of RM2.30 million in IPO proceeds originally earmarked for R&D activities remains unutilised as at the LPD.

In view of the above, the Board proposes to reallocate RM2.30 million of the IPO proceeds initially identified for R&D activities towards the Group's working capital requirements. This reallocation will enable the Company to enhance operational efficiency, support its ongoing business expansion, and meet its short-term funding requirements more effectively. The Board believes this reallocation of IPO proceeds represents a prudent use of the Company's resources, in line with the Company's evolving business priorities and market opportunities.

<sup>3</sup> As at the LPD, the Company has fully utilised the IPO Proceeds initially earmarked for the Group's working capital requirements of RM3.37 million. Pursuant to the Proposed Variation, the Board proposed to reallocate the balance unutilised IPO Proceeds amounting to RM10.55 million for the following working capital requirements of the Group as follows:-

Details	RM'000
<b>Purchase of input materials for the C&amp;T segment</b>	
(a) PCB substrate (the foundational material for electronic circuit boards) and PCB assembly (a fully operational PCB that can be integrated into products)	5,288
(b) Metal parts – precision fabricated metal components (i.e. brackets or holders) which mechanically locks other parts used in the assembly or production of test instruments	4,135
(c) Amplifier IC – electronic components that amplify, or increase the strength of a signal, commonly used in electronics circuit designs and typically mounted onto a PCB	1,122
<b>Total</b>	<b>10,545</b>

The unutilised IPO Proceeds of RM10.55 million represents 43.96% of the total IPO Proceeds. In accordance with Rule 8.24(2)(a) of the Listing Requirements, the Proposed Variation is deemed a material change to the use of the IPO Proceeds. Accordingly, the approval of the shareholders of Edelteq for the Proposed Variation is required to be obtained.

#### **4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS**

##### **4.1 Proposed ESOS**

The Proposed ESOS is expected to achieve the following objectives:-

- i. to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;
- ii. to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Edelteq Shares upon disposal;
- iii. to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans;
- iv. to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive;
- v. to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group; and
- vi. to serve as an additional source of funding for the Company without further incurring finance cost.

The Proposed ESOS is also extended to non-executive Directors of Edelteq and its subsidiaries which are not dormant, in recognition of their contributions towards the growth and performance of the Group. Specifically, the non-executive Directors (who have a diverse professional background and experience) have been able to advise the Board in the aspects of corporate governance, risk management, business management and finance-related matters. Further, the non-executive Directors have been working closely with the executive Directors of Edelteq as well as contributing to the decision-making process of the Board.

##### **4.2 Proposed Variation**

###### **(a) Repayment of bank borrowings (Batu Kawan Factory)**

The Board had initially earmarked a total of RM8.25 million from the IPO proceeds for the repayment of the Company's bank borrowings (i.e. Term Loan 2), which was secured (but not draw down) for the construction of the Batu Kawan Factory. However, during the construction period, the Company had successfully managed its cash flow in such a way that it was able to fund the remaining construction costs of RM8.25 million using internally generated funds.

As a result, the Company did not need to draw down Term Loan 2. This prudent financial management not only preserved the IPO proceeds but also enabled the Company to avoid incurring additional interest expenses associated with Term Loan 2, which is projected to achieve an annual interest savings of approximately RM2.28 million. In view of the foregoing, the Board has decided to reallocate the unutilised IPO Proceeds of RM8.25 million for working capital to better support the Group's operations.

**(b) R&D**

The Board had initially earmarked a total of RM3.10 million from the IPO proceeds for the purchase of R&D tools to support the development of new ATE, refurbishment methods, and enhancement of factory automation solutions. However, given the change in market demand for certain initially identified products that the Company intended to develop (i.e. cantilever probe card, smart burn-in board sorter, loader, and intelligent burn-in system), coupled with the Company's strategic shift in focus towards its core C&T segment, the need for the previously planned acquisition of the R&D tool was significantly reduced. Additionally, the Company has successfully negotiated with its suppliers to obtain demonstration packages and sample R&D tool sets which supported the development of both the strip-level and wafer-level inspection machines, thereby further reducing the need for the new purchase of most of the R&D tools initially identified.

As a result, a total of RM2.30 million in IPO proceeds originally earmarked for R&D activities remains unutilised as at the LPD. In view of the foregoing, the Board has decided to reallocate the unutilised IPO Proceeds of RM2.30 million for working capital to better support the Group's operations.

In view of **Section 4.2(a) and (b)** above, the Board has decided to reallocate the remaining unutilised IPO Proceeds (in aggregate of RM10.55 million) to finance the Group's working capital requirements (i.e. purchase of input materials for the C&T segment) as set out in **Section 3** of this Circular. This will allow the Group to preserve its cash flow which can be used in a more efficient manner, as and when needed, such as to meet its immediate obligations and/ or to free up sufficient capital for operational needs. It may also potentially reduce the risk of indebtedness (i.e. servicing of interest cost and/ or repayment obligation) as may otherwise arise in the event that the Group's operational needs are funded via bank borrowings. Premised on the above, the Board is of the view that it is in the best interest of the Group to undertake the Proposed Variation.

**5. EFFECTS OF THE PROPOSALS**

The Proposed Variation will not have any effect on the issued share capital, substantial shareholders' shareholdings, NA per share, gearing and EPS of the Group.

The effects of the Proposed ESOS on the issued share capital, substantial shareholders' shareholdings, NA per share, gearing and EPS of the Group is as follows:-

**5.1 Issued share capital**

The Proposed ESOS will not have an immediate effect on the issued share capital of Edeltec until such time when new Edeltec Shares are issued pursuant to the exercise of the ESOS Options. The issued share capital of Edeltec will increase progressively depending on the number of new Edeltec Shares that are issued pursuant to the exercise of the ESOS Options.

The pro forma effects of the Proposed ESOS on the issued share capital of Edeltec are set out as follows:-

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at the LPD <sup>*1</sup>	532,535,630	38,055,931
Shares to be issued pursuant to the Proposed ESOS	106,507,126	19,139,331 <sup>*2</sup>
<b>Enlarged issued share capital</b>	<b>639,042,756</b>	<b>57,195,262</b>

**Notes:-**

\*1 The Company has no treasury shares as at the LPD.

\*2 Computed based on the illustrative exercise price of RM0.1797 per ESOS Option, representing approximately 9.97% discount to the 5-day VWAP of Edelteq Shares up to and including the LPD of RM0.1996 per Edelteq Share.

## 5.2 NA per Share and gearing level

Based on the latest audited consolidated statements of financial position of the Group as at 31 December 2024, the pro forma effects of the Proposed ESOS on the NA per Share and gearing of the Group are set out as follows:-

	Audited as at 31 December 2024 RM	Assuming all ESOS Options are granted and exercised RM
Share capital	38,055,931	57,195,262 <sup>*1</sup>
Reserve	11,885,131	11,725,131 <sup>*2</sup>
<b>Shareholder's fund/ NA</b>	<b>49,941,062</b>	<b>68,920,393</b>
Number of Shares in issue	532,535,630	639,042,756
NA per Share (RM)	0.09	0.11
Total borrowings (RM)	5,810,671	5,810,671
Gearing level (times)	0.12	0.08

**Notes:-**

\*1 Assuming 106,507,126 ESOS Options are issued at the illustrative issue price of RM0.1797 per ESOS Option.

\*2 After deducting estimated expenses of RM160,000 in relation to the Proposals which will be funded via internally generated funds. The details of the estimated expenses are as set out below:-

<b>Details</b>	<b>RM'000</b>
Professional fees	130
Regulatory fees	18
Other incidental expenses in relation to the Proposals	12
<b>Total</b>	<b>160</b>

The Proposed ESOS is not expected to have an immediate effect on the NA per Share and gearing level of the Group until such time when the ESOS Options are exercised. The effects on the NA per Edelteq Share and gearing of the Group will depend on, among others, the exercise price of the ESOS Options, the number of new Edelteq Shares to be issued arising from the exercise of the ESOS Options and the potential impact arising from the adoption of MFRS 2.

Upon vesting of the ESOS Options and/ or exercise of the ESOS Options pursuant to the Proposed ESOS, the NA per Share of the Group is expected to:-

- i. increase if the exercise price of the ESOS Options is higher than the NA per Share of the Group; or
- ii. decrease if the exercise price of the ESOS Options is lower than the NA per Share of the Group,

at such point of exercise.

## 5.3 Earnings and EPS

The Proposed ESOS is not expected to have any material effect on the Group's earnings until such time when the ESOS Options are granted and exercised.

Any potential effect on the EPS in the future will depend on the number of ESOS Options granted and exercised, the exercise price, and the non-cash expenses arising from the granting of the ESOS Options under MFRS 2.

The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting the ESOS Options based on, amongst others, the share price volatility, risk-free interest rate and pricing model. The fair value of the ESOS Options will be recognised as an expense in the profit or loss accounts of the Group over the vesting period of such ESOS Options. However, it should be noted that the estimated cost does not represent a cash outflow by the Group as it is merely an accounting treatment.

The Board takes note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in the allocation and granting of ESOS Options to Eligible Persons.

#### **5.4 Convertible securities**

As at the LPD, the Company does not have any outstanding convertible securities.

#### **5.5 Substantial shareholders' shareholding structure**

The Proposed ESOS will not have an immediate effect on the substantial shareholding structure of Edelteq until such time when new Edelteq Shares are issued pursuant to the exercise of the ESOS Options. The effects on the shareholdings of the Company's substantial shareholders will depend on the number of new Edelteq Shares to be issued upon the exercise of the ESOS Options.

### **6. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of Edelteq Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:-

	<b>High RM</b>	<b>Low RM</b>
<b>2024</b>		
May	0.521	0.307
June	0.550	0.407
July	0.481	0.377
August	0.402	0.293
September	0.382	0.322
October	0.342	0.283
November	0.307	0.243
December	0.342	0.263
<b>2025</b>		
January	0.367	0.283
February	0.312	0.243
March	0.307	0.223
April	0.245	0.170
Last transacted market price as at the LTD		0.215
Last transacted market price as at the LPD		0.205

(Source:- Bloomberg)

## 7. APPROVALS REQUIRED/ OBTAINED

The Proposals are subject to the following approvals being obtained:-

- i. Bursa Securities for the listing of and quotation for such number of new Edelteq Shares, representing up to 20% of Edelteq's total number of issued shares (excluding treasury shares, if any), which may be issued pursuant to the Proposed ESOS on the ACE Market of Bursa Securities. The approval of which has been obtained vide Bursa Securities' letter dated 14 May 2025 subject to the following conditions:-

No.	Condition(s)	Status of compliance
1.	UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation, together with a certified true copy of the resolution passed by the shareholders in general meeting;	To be complied
2.	Edelteq is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS, as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
3.	The new shares to be issued pursuant to the Proposed ESOS to any person whose Shares are subject to moratorium pursuant to Rule 3.19(1) of the Listing Requirements shall be subject to the same moratorium.	To be complied

- ii. the shareholders of Edelteq at the forthcoming EGM of the Company to be convened for the Proposals and the Proposed Allocation, as well as the waiver of their Section 85 pre-emptive rights<sup>\*1</sup> based on Section 85(1) of the Act and Clause 5.11<sup>\*2</sup> of the Constitution of Edelteq;

**Notes:-**

<sup>\*1</sup> Section 85 of the Act states that: "Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

<sup>\*2</sup> Clause 5.11 of the Constitution of Edelteq states that: "Subject to the Listing Requirements and any direction to the contrary that may be given by the Company in a General Meeting, all new Shares or other convertible Securities shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new Shares or Securities which by reason of the ratio which the new Shares or Securities bear the Shares or Securities held by persons entitled to an offer of new Shares or Securities in the opinion of the Directors, cannot be conveniently offered under this Constitution."

By approving the issuance and allotment of the Edelteq Shares pursuant to the Proposed ESOS which will rank equally with the existing issued Edelteq Shares, the shareholders are waiving their pre-emptive rights pursuant to Section 85(1) of the Act and Clause 5.11 of the Constitution of Edelteq to be first offered the Edelteq Shares which will result in a dilution to their shareholding percentage in the Company; and

- iii. any other relevant authority and/ or party, if required.

The Proposed Variation and Proposed ESOS are not conditional upon each other. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

## **8. PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals (which is the subject matter of this Circular), there is no outstanding proposals which have been announced but not yet completed prior to the date of this Circular.

## **9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED TO THEM**

### **9.1 Proposed ESOS**

All Directors and chief executive are eligible to participate in the Proposed ESOS and are therefore deemed interested to the extent of their respective proposed allocation and the proposed allocations to persons connected to them under the Proposed ESOS. Notwithstanding that, all Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to shareholders for their consideration and approval.

All Directors and chief executive have and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocation, and the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings. The Directors who are deemed persons connected to Eligible Person under the Proposed ESOS, have and will continue to abstain from all Board deliberations and voting in respect of the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings.

All Directors and chief executive will abstain from voting in respect of their direct and/ or indirect shareholdings, at a general meeting of the Company to be convened in respect of the resolutions to be tabled for the Proposed ESOS and their respective proposed allocation as well as the proposed allocations to the persons connected to them, under the Proposed ESOS.

All Directors and chief executive will undertake to ensure that persons connected to them, will abstain from voting in respect of their direct and/ or indirect shareholdings, on the resolutions pertaining to the Proposed ESOS and their respective proposed allocations, and the proposed allocations to the persons connected to them, under the Proposed ESOS, to be tabled at a general meeting of the Company to be convened.

The major shareholders (who are also the Directors) will abstain from voting in respect of their direct and/ or indirect shareholdings, at a general meeting of the Company to be convened in respect of the resolutions to be tabled for the Proposed ESOS and their respective proposed allocation as well as the proposed allocations to the person connected to them, under the Proposed ESOS. The major shareholders will also undertake to ensure that persons connected to them, will abstain from voting in respect of their direct and/ or indirect shareholdings, on the resolutions pertaining to the Proposed ESOS and their respective proposed allocations, and the proposed allocations to the persons connected to them, under the Proposed ESOS, to be tabled at a general meeting of the Company to be convened.

The direct and indirect shareholdings of the Directors, major shareholders, chief executive and person connected to them as at the LPD are as follows:-

	Shareholdings as at the LPD			
	<-----Direct----->		<-----Indirect----->	
	No. of Edelteq Shares	%	No. of Edelteq Shares	%
<b><u>Directors and major shareholders</u></b>				
Chin Yong Keong	234,579,172	44.05	-	-
Khong Chee Seong	106,907,590	20.08	-	-
<b><u>Directors</u></b>				
Datuk Johar Bin Che Mat	-	-	-	-
Kamaruddin Bin Kassim	-	-	-	-
Datin Soheir Binti Mohammad Khatib	-	-	-	-
Joyce Wong Ai May	-	-	-	-
Ngo Tong Seng	-	-	-	-
<b><u>Person connected to Director and major shareholder</u></b>				
Chin Yuen Fong <sup>*1</sup>	46,464,103	8.73	-	-

**Note:-**

<sup>\*1</sup> For avoidance of doubt, Chin Yuen Fong is the brother of Chin Yong Keong, as such a person connected to Chin Yong Keong.

Save as disclosed above, none of the directors, major shareholders, chief executives and persons connected with them have any interest, direct or indirect, in the Proposals.

## 9.2 Proposed Variation

None of the Directors, major shareholders and/ or chief executive of Edelteq, and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Variation.

## 10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be completed by the third quarter of 2025.

The tentative timetable in relation to the Proposals are set out below:-

Month	Events
25 June 2025	<ul style="list-style-type: none"> <li>• Convening of EGM to obtain the approval of shareholders of Edelteq</li> </ul>
July 2025	<ul style="list-style-type: none"> <li>• Implementation of the Proposed ESOS</li> </ul>

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered on all aspects of the Proposals, including but are not limited to, the basis, the rationale of the and the pro forma effects of the Proposals, is of the opinion that the Proposals are in the best interests of the Company.

However, in view that all Directors are eligible to participate in the Proposed ESOS, the Directors have abstained and will continue to abstain from deliberating and forming any opinion on, and making any recommendations on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/ or indirect interests in Edelteq, on the resolutions pertaining to the Proposed ESOS and their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS at a general meeting of the Company to be convened. Where the resolutions are not related to their respective allocations or to the persons connected to them, if any, the Directors, after having considered all aspects of the Proposed ESOS, are of the opinion that the Proposed ESOS is in the best interest of the Group.

Accordingly, the Board (saved for the Interested Directors) recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

## 12. EGM

The EGM will be held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Wednesday, 25 June 2025 at 4:00 P.M., or at any adjournment thereof or immediately following the conclusion of the 2025 AGM of Edelteq which will be held at 2:00 P.M. on the same day, whichever is earlier, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals. You are advised to refer to the Notice of EGM and Proxy Form which are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Proxy Form must be lodged at the Company's Share Registrar office, Boardroom Share Registrars Sdn Bhd, situated at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

## 13. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**EDELTEQ HOLDINGS BERHAD**

**CHIN YONG KEONG**  
Executive Director/ Group Chief Executive Officer

**BYLAWS OF EDELTEQ HOLDINGS BERHAD'S  
EMPLOYEE SHARE OPTION SCHEME 2025**

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 Except where the context otherwise requires, the following expression in these Bylaws shall have the following meanings:

ACE Market Listing Requirements	: The ACE Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time;
Act	: The Companies Act, 2016, as amended from time to time and all regulations made thereunder and any re-enactment thereof;
Adviser	: A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007, which includes a Principal Adviser as defined in the Securities Commission Malaysia's Licensing Handbook (Chapter 7A);
Authorised Nominee	: A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository;
Available Balance	: The unissued Edelteq Shares which are available for Offer of Options subject to the maximum limit as set out in Bylaw 3.1 and after deducting all Edelteq Shares under Options which have been granted;
Board	: Board of Directors of Edelteq, as may be constituted from time to time;
Bursa Depository	: Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W));
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W));
Bylaws	: The terms and conditions of the Scheme as set out herein, and shall include any amendments or variations made thereto from time to time;
CDS	: Central Depository System governed under the Central Depositories Act;
CDS Account	: The account established by Bursa Depository for a Depositor for the recording of deposits of securities and dealings in such securities by the Depositors;
Central Depositories Act	: The Securities Industry (Central Depositories) Act 1991 including any amendments made thereto from time to time and all regulations made thereunder and any re-enactment thereof;

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**APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)**

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Constitution	:	the constitution of the Company or by such other names so called, as amended from time to time;
Date of Expiry	:	The last day of the duration of this Scheme pursuant to Bylaw 4.1 hereof unless earlier terminated pursuant to Bylaw 4.3. If such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day, but excluding those days during that period on which the Record of Depositors is closed;
Depositor	:	A holder of a CDS Account;
Director	:	A natural person who holds a directorship in an executive or non-executive capacity in any corporation in the Edelteq Group, and shall have the meaning given in Section 2(1) of the Capital Markets & Services Act 2007;
Edelteq or Company	:	<b>EDELTEQ HOLDINGS BERHAD</b> (Registration No. 201901033362 (1342692-X));
Edelteq Group or Group	:	Edelteq and its Subsidiaries, collectively, except for dormant Subsidiaries;
Edelteq Shares	:	Ordinary shares in Edelteq;
Effective Date	:	The date for the implementation of the Scheme being the date of full compliance with all relevant requirements of Chapter 6 of the ACE Market Listing Requirements including the approvals and/or conditions referred to in Bylaw 4.1 hereof have been obtained and/or complied with;
Eligible Person(s)	:	Employee(s), officer(s) and/or Director(s) of the Edelteq Group, who meets the criteria of eligibility for participation in the Scheme as set out in Bylaw 6 hereof;
Employee(s)	:	A natural person who is employed by and on the payroll of any corporation in the Edelteq Group, including Director(s) (holding directorship in an executive capacity) and person(s) recruited under contracts of employment within the Edelteq Group;
Entitlement Date	:	The date as at the close of business on which the names of the shareholders of Edelteq must appear on Edelteq's record of depositors maintained at Bursa Depository in order to participate in any dividends, rights, allotments or other distributions;
ESOS	:	Employee share option scheme;
ESOS Committee	:	The committee, from time to time, duly appointed and authorised by the Board pursuant to Bylaw 17 to administer the Scheme in accordance with these Bylaws;
ESOS Participant(s)	:	Eligible Person(s) who has accepted an offer of Option(s) in accordance with the terms of the Scheme

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**APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)**

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Exercise Period	:	The specific period or periods within an Option Period during which Options may be exercised by Grantees, as determined by the ESOS Committee subject to Bylaw 11 hereof;
Exercise Price	:	The price at which the Grantee shall be entitled to subscribe for every Edelteq Share by exercising his/her Option as determined in accordance with Bylaw 9 hereof;
Government	:	The Government of Malaysia;
Grantee	:	Any Eligible Person who has accepted the Offer by the Company in accordance with the terms and conditions of the Scheme and “Grantees” or “Grantee(s)” refers to any one or more of them;
Market Day(s)	:	Any day(s) from Mondays to Fridays (inclusive of both days) excluding a public holiday or surprise holiday* and on which Bursa Securities is open for trading in securities;  *A “surprise holiday” refers to a public holiday declared in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday as at the start of the calendar year.
Maximum Allowable Allotment	:	The maximum number of Edelteq Shares that can be offered to an Eligible Person falling within a particular category of Eligible Person as stipulated in Bylaw 7 hereof;
Offer(s)	:	An offer made in writing of such number of Option(s) by the ESOS Committee to a selected Eligible Person to subscribe for Edelteq Shares at the Exercise Price in the manner indicated in Bylaw 5 hereof;
Offer Date	:	The date of the Offer letter from the ESOS Committee, on which an Offer is made to a selected Eligible Person to participate in the Scheme;
Option	:	The right of a Grantee to subscribe for Edelteq Share(s) (whether by way of issuance of new Edelteq Shares and/or transfer of treasury shares by Edelteq) pursuant to the contract constituted by the selected Eligible Person’s acceptance of an Offer in the manner indicated in Bylaw 8 hereof and “Options” or “Option(s)” refer to any one or more of such right;
Option Period	:	A period commencing from the date an Offer is accepted in accordance with Bylaw 8 and expiring on the Date of Expiry or such other date which the ESOS Committee may in its discretion decide, provided that no Option Period shall extend beyond the Date of Expiry;
Person Connected	:	Has the meaning given to “person connected” in Rule 1.01 of the ACE Market Listing Requirements;
Record of Depositors	:	Means a record provided by Bursa Depository to a listed issuer under Chapter 24.0 of the Rules of Bursa Malaysia Securities Berhad, including any amendment that may be made from time to time;

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**APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)**

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Registered Office	:	The registered office of Edelteq pursuant to Section 46 of the Act;
RM and sen	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia;
Rules of Bursa Depository	:	The Rules of Bursa Depository as issued pursuant to the Central Depositories Act;
Scheme	:	The ESOS for the grant of Options to selected Eligible Persons to subscribe for Edelteq Shares (whether by way of issuance of new Edelteq Shares and/or transfer of treasury shares by Edelteq) on the terms and conditions as set out herein;
Senior Management	:	An Employee of the Edelteq Group deemed to be in a senior position as may be determined by the ESOS Committee from time to time;
Sponsor	:	Has the meaning given to “sponsor” in Rule 1.01 of the ACE Market Listing Requirements;
Subsidiaries	:	Subsidiary corporations of Edelteq within the meaning of Section 4 of the Act which are not dormant and shall include subsidiary corporations which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiary corporations which have been divested in the manner provided for in Bylaw 26.2 and which is determined by the ESOS Committee at its absolute discretion from time to time to be a corporation participating under the Scheme in accordance with Bylaw 6.
Vesting Conditions	:	The conditions which are required to be fulfilled by a Grantee before the Option(s) is capable of being vested onto the Grantee pursuant to the terms of these Bylaws.

1.2 In these Bylaws:

- (i) Any reference to a statutory provision shall include any subordinate legislation made from time to time under the provision and any listing requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or any other relevant regulatory authority);
- (ii) Any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these Bylaws so far as such modification or re-enactment applies or is capable of applying to any Option offered and accepted prior to the expiry of the Scheme and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;

- (iii) Words denoting the singular shall include the plural and references to gender shall include both genders and the neuter;
- (iv) Any liberty or power which may be exercised or any determination which may be made hereunder by the ESOS Committee or the Board may be exercised at the ESOS Committee's or the Board's unfettered discretion;
- (v) The heading in these Bylaws are for convenience only and shall not be taken into account in the interpretation of these Bylaws;
- (vi) Unless expressly stated herein, if an event occurs on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day provided always that if such date shall fall beyond the duration of the Scheme, then the stipulated day shall be taken to be the preceding Market Day; and
- (vii) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this Bylaws is RM and sen, being the lawful currency of Malaysia.

## **2. NAME OF SCHEME**

This ESOS will be called the "EHB Employees' Share Option Scheme 2025".

## **2A. THE OBJECTIVES OF THE SCHEME**

The establishment of this ESOS is to align the interests of the Eligible Persons to the corporate goals of Edelteq Group and provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:

- (i) to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Company and its subsidiaries;
- (ii) to retain, motivate and reward the Eligible Persons by allowing them to participate in the Company and its subsidiaries' profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Edelteq Shares, upon exercising of the ESOS Options;
- (iii) to align the interests of Eligible Persons with that of the shareholders of the Company through the achievement of the objectives and plans of the Company and its subsidiaries;
- (iv) to attract prospective employees with relevant skills and experience to the Company and its subsidiaries by making compensation packages offered more competitive;
- (v) to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Company and its subsidiaries by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Company and its subsidiaries; and
- (vi) to serve as an additional source of funding for the Company without further incurring finance cost.

This ESOS is also extended to non-executive directors in Edelteq Group in recognition of their contributions towards the growth and performance of Edelteq Group.

**3. MAXIMUM NUMBER OF EDELTEQ SHARES AVAILABLE UNDER THE SCHEME**

- 3.1 The maximum number of Edelteq Shares which may be made available under the Scheme shall not be more than twenty per centum (20%) of the total number of issued Edelteq Shares (excluding treasury shares) at any one time as referred to in Bylaw 5 hereof. The ESOS Committee has the discretion in determining whether the total number of Edelteq Shares which may be made available under the Scheme and/or allocation thereof shall be in one single Offer or multiple tranches, staggered over the duration of the Scheme or in a single grant and/or whether the Options will be subject to any vesting period or vesting conditions.
- 3.2 Notwithstanding the provision of Bylaw 3.1 above or any other provisions contained herein, in the event the maximum number of Edelteq Shares comprised in the Option granted under the Scheme exceeds the aggregate of twenty per centum (20%) of the total number of issued Edelteq Shares (excluding treasury shares) as a result of Edelteq purchasing its own shares or Edelteq undertaking any other corporate proposal which results in the reduction of the number of Edelteq Shares (excluding treasury shares) of the Company, no further Options shall be offered until the total number of Edelteq Shares to be issued under the Scheme falls below twenty per centum (20%) of the Company's total number of issued Edelteq Shares (excluding treasury shares). Any Option granted prior to the adjustment of the issued Edelteq Shares shall remain valid and exercisable in accordance with these Bylaws.
- 3.3 Notwithstanding the above, Edelteq may implement more than one (1) ESOS during the duration of this Scheme provided that the aggregate Edelteq Shares available under all the share issuance schemes implemented by Edelteq is not more than thirty per centum (30%) of the total number of issued Edelteq Shares (excluding treasury shares) at any one time or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 3.4 Edelteq Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options made by the ESOS Committee under the Scheme.

**4. DURATION AND TERMINATION OF THE SCHEME**

- 4.1 The Effective Date for the implementation of the Scheme shall be the date of full compliance with all relevant requirements of Chapter 6 of the ACE Market Listing Requirements including the following approvals and/or conditions having been fully obtained and/or complied with:
- (a) the submission to Bursa Securities of the final copy of the Bylaws together with a letter of compliance pursuant to Rules 2.12 and 6.43 of the ACE Market Listing Requirements and a checklist showing compliance with Appendix 6E of the ACE Market Listing Requirements;
  - (b) the receipt of approval-in-principle from Bursa Securities for the listing of and quotation for the new Edelteq Shares to be issued pursuant to the exercise of the Options granted under the Scheme;
  - (c) the receipt of shareholders' approval for the Scheme at an extraordinary general meeting;
  - (d) the receipt of approval of any other relevant authorities for the Scheme (where applicable); and
  - (e) the fulfilment or waiver (as the case may be) of all conditions attached to the above approvals, if any.

Unless otherwise terminated in accordance with Bylaw 4.3 herein and subject to the compliance of the terms and conditions herein contained, the Scheme shall come in force on the Effective Date for a period of five (5) years commencing from the Effective Date **PROVIDED ALWAYS THAT** on or before the expiry thereof, the Board shall have the absolute discretion, upon the recommendation of the ESOS Committee, whether or not, to extend in writing the duration of the Scheme for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years commencing from the Effective Date **PROVIDED FURTHER THAT** the total duration of the Scheme shall not in aggregate be more than ten (10) years from the Effective Date or such longer period as may be allowed by the relevant authorities. In the event that the Scheme is extended in accordance with the terms and conditions herein, the ESOS Committee shall inform the extended duration of the Scheme to the relevant Grantees in such manner of communication as the ESOS Committee deems fit, save for any amendment and/or change to the relevant statutes and/or regulations then in force. Unless otherwise required by the relevant authorities or the Listing Requirements, no further sanctions, approvals and/or authorisations shall be required for the extension of the Scheme provided that the Company shall serve appropriate notices to Grantees and make any announcements to Bursa Securities (if required) within thirty (30) days prior to the expiry of the original Scheme or such other period as may be stipulated by Bursa Securities.

- 4.2 Offers can only be made during the duration of the Scheme and before 5.00p.m. on the Date of Expiry.
- 4.3 Subject to Bylaw 4.6, the Company may if the Board deems fit and upon the recommendation of the ESOS Committee at any time during the duration of the Scheme through a resolution by the Board terminate the Scheme without further sanction, approvals and/or authorisations (unless otherwise required by the relevant law, authorities or Listing Requirements) and, upon expiry of the notice period stipulated in Bylaw 4.6, shall immediately announce to Bursa Securities the:
- (i) effective date of termination of the Scheme ("**Termination Date**");
  - (ii) number of Options exercised and Edeltec Shares vested pursuant to the Scheme; and
  - (iii) reasons for termination of the Scheme.
- 4.4 Notwithstanding anything to the contrary, all unaccepted offer and unvested and/or unexercised Options (whether fully or partially) shall lapse on the Date of Expiry or earlier termination of the Scheme pursuant to Bylaw 4.3 and shall be deemed cancelled and be null and void.
- 4.5 The Company shall through its Sponsor or Adviser submit no later than five (5) Market Days after the Effective Date of the implementation of these Bylaws, a confirmation to Bursa Securities of the full compliance of Bylaw 4.1(a) above stating the effective date of implementation of the Scheme, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the Scheme.
- 4.6 Prior to the termination of the Scheme pursuant to Bylaw 4.3, the Company shall provide thirty (30) days' notice to all Grantees and allow the Grantees to exercise any vested but unexercised Options prior to the Termination Date.
- 4.7 In the event of termination as stipulated in Bylaw 4.3 above, the following provisions shall apply:
- (a) no further Offer(s) shall be granted by the ESOS Committee from the Termination Date;
  - (b) all Offer(s) which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date; and

- (c) any Option(s) which have yet to be vested or exercised (as the case may be and whether fully or partially) granted under the Scheme shall be deemed cancelled and be null and void.
- 4.8 Without derogating the generality of Clause 4.3 and subject to the ACE Market Listing Requirements, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of ESOS Participant(s) in relation to unvested and/or unexercised Offer(s) are not required to effect a termination of the Scheme.

**5. OFFER**

- 5.1 The ESOS Committee may, at any time during the duration of the Scheme as defined in Bylaw 4 hereof, make Offer(s) in writing by way of an Offer Letter(s) to any Eligible Person (based on the criteria of allocation as set out in Bylaw 7 herein) selected by the ESOS Committee which selection shall be at the absolute discretion of the ESOS Committee and the Company shall make the requisite announcements in respect thereof to Bursa Securities.

Without limiting the generality of the aforesaid, the ESOS Committee shall ensure that when an Offer is made pursuant to these Bylaws, the Company makes an immediate announcement to Bursa Securities on the date of Offer in accordance with the ACE Market Listing Requirements.

- 5.2 The actual number of Edelteq Shares (to be subscribed upon exercise of the entire Option) which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and, subject to any adjustments that may be made under Bylaw 15 hereof, shall not be less than one hundred (100) Edelteq Shares but not more than the Maximum Allowable Allotment and shall always be in multiples of one hundred (100) Edelteq Shares.

- 5.3 The ESOS Committee shall state the following particulars in the letter of Offer:

- (a) The Offer Date;
- (b) The total number of Edelteq Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the entire Option being offered;
- (c) the number of Options that are being offered to the Eligible Person;
- (d) The Option Period;
- (e) The Exercise Period (if any);
- (f) The Exercise Price;
- (g) The Acceptance Period as defined in Bylaw 8.1;
- (h) whether the Offer is conditional, any Vesting Condition, the vesting period, vesting date(s) and performance target(s) (if any) by in any event such period(s) and date(s) shall not be later than the Date of Expiry; and
- (i) Any other condition or information deemed necessary by the ESOS Committee.

- 5.4 Without prejudice to Bylaw 19, in the event of an error on the part of the Company in stating any of the particulars referred to in Bylaw 5.3, the following provisions shall apply:

- (a) Within one (1) month after discovery of the error, the Company shall issue a supplemental letter of Offer, stating the correct particulars referred to in Bylaw 5.3;

- (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of Offer shall remain as the Exercise Price as per the original letter of Offer; and
  - (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of Offer shall be the Exercise Price applicable as at the date of the original letter of Offer, save and except with respect to any Option which have already been exercised as at the date of issue of the supplemental letter of Offer.
- 5.5 Subject to Bylaw 3 hereof, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate number of Edelteq Shares which may be offered to any Eligible Person (inclusive of Edelteq Shares previously offered under the Scheme, if any) shall not exceed the Maximum Allowable Allotment of that Eligible Person as set out in Bylaw 7 hereof. Subject to the aforesaid limit, each Offer made to any Eligible Person by the ESOS Committee shall be separate and independent from any previous or later Offers made by the ESOS Committee to that Eligible Person.
- 5.6 The ESOS Committee has the discretion not to make further additional Offers.
- 5.7 The Offer shall automatically lapse and be null and void in the event of the death of the Eligible Person or the Eligible Person or ceasing to be employed by the Edelteq Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in the manner set out in Bylaw 8 hereof.
- 5.8 An Offer may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable. The ESOS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any vesting condition, performance targets, vesting period, service period or other conditions.
- 5.9 After each adjustment following an alteration of the Company's share capital as stipulated in Bylaws 15.1 and 15.2 and the Company informing the Grantee of such adjustment pursuant to Bylaw 15.6, upon the return by a Grantee of the original letter of Offer to the Company, that letter of Offer shall be amended or a new letter of Offer shall be issued within one (1) month from the date of return of the original letter, to reflect the adjustment made to the number of Edelteq Shares available for subscription under the Option granted to the Grantee and/or the Exercise Price.
- 5.10 The ESOS Committee may, by giving notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, vesting period or other conditions.
- 5.11 The Company shall keep and maintain at its own expense a register of Grantees and shall enter the name, address(es) and the number of the identity card issued under the National Registration Act 1959, or the passport number or other identification number, and the nationality of each Grantee, the Maximum Allowable Allotment, the number of Edelteq Shares under the Option(s) offered to each Grantee, the number of Edelteq Shares under the Option(s) exercised by each Grantee, the Date of Offer and the Exercise Price and other particulars as may be prescribed under Section 129 of the Act.
- 5.12 For the avoidance of doubt, there shall be no legal, equitable or other obligation whatsoever on the part of the ESOS Committee to consider making, or to make, any Offer to any or all of the Eligible Persons.
- 5.13 Each vested Option shall be exercisable into one (1) Edelteq Share, fully issued and paid-up, in accordance with the provisions of these Bylaws.

**6. ELIGIBILITY**

- 6.1 Subject to Bylaws 6.2, 6.4 and 6.5 below, any Director or Employee of the Edelteq Group shall be eligible to be considered for the offer of Option(s) under the Scheme.
- 6.2 In the case of an Eligible Person, he/ she will be eligible if at the date of the Offer, the following eligibility criteria is fulfilled:
- (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Offer Date:
    - (i) he/ she has attained the age of at least eighteen (18) years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
    - (ii) he/ she is confirmed in writing as a full-time employee (not under any probationary period) and has been in the employment of the Company or any company in the Edelteq Group for such period as may be determined by the ESOS Committee prior to and up to the Offer Date and has not served a notice to resign nor received a notice of termination;
    - (iii) if he/ she is serving in a specific designation under the employment contract for a fixed duration excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the ESOS Committee; and/or
    - (iv) fulfils any other criteria and/or is under such categories and criteria that the ESOS Committee may from time to time decide at its absolute discretion,
  - (b) in respect of a Director, the Director must fulfil the following criteria as at the Offer Date:
    - (i) if he/she has attained the age of at least eighteen (18 years) and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
    - (ii) if has been appointed as a Director of the Company or any corporation in the Edelteq Group (including executive or non-executive and/or independent or non-independent Directors of Edelteq Group but shall not include alternate and/or substitute Directors or any Director of any other company within Edelteq Group which is dormant) for such period as may be determined by the ESOS Committee prior and up to the Offer Date and has not served a notice to resign nor received a notice of termination; and/or
    - (iii) fulfils any other criteria and/or is under such categories and criteria that the ESOS Committee may from time to time decide at its absolute discretion.

**PROVIDED ALWAYS THAT** the selection of any Director or Employee for participation in the Scheme and the number of Options to be offered to an Eligible Person (subject to Bylaw 7) shall be at the discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the ESOS, the ESOS Committee may take into account amongst other factors, the provisions of the ACE Market Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Scheme relating to employees' and/or directors' share issuance scheme, his/her designation, role, function, performance, contribution, job class or grading, annual appraised performance, seniority, length of service and/or contribution to the relevant corporation within the Edelteq Group, and/or such other factors that the ESOS Committee may in its sole and absolute discretion deem fit. The ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above.

6.3 No Offers, allocation of Options under the Scheme and the related allotment of Edelteq Shares shall be made to the following persons unless the shareholders of Edelteq in a general meeting shall have approved the specific allocation and allotment to such persons:

- (a) any person who is a director, major shareholder or chief executive of Edelteq or holding company of Edelteq ("**Interested Director**", "**Interested Major Shareholder**" and "**Interested Chief Executive**"); or
- (b) a person connected with an Interested Director, Interested Major Shareholder or Interested Chief Executive ("**Interested Person Connected with a Director, Major shareholder or Chief Executive**").

In a meeting to obtain shareholders' approval in respect of the above allocation and allotment:

- (a) the Interested Director, Interested Major Shareholder, Interested Chief Executive or Interested Person Connected with a Director, Major Shareholder or Chief Executive; and
- (b) where the allocation and allotment is in favour of an Interested Person Connected with a Director, Major Shareholder or Chief Executive, such Interested Director, Interested Major Shareholder or Interested Chief Executive,

must not vote on the resolution approving the said allocation and allotment. An Interested Director, Interested Major Shareholder or Interested Chief Executive must ensure that such persons connected with him/her abstain from voting on the resolution approving the said allocation and allotment.

6.4 For the avoidance of doubt, the following persons are not Eligible Persons and do not qualify for participation in the Scheme:

- (a) subject to Bylaw 26 below, employees of a corporation which has ceased to be a Subsidiary of Edelteq;
- (b) a director or employee of a corporation within the Group which is dormant; and
- (c) employees that are on probation.

6.5 A Grantee under the Scheme shall not be entitled to participate in any other share issuance scheme for employees which may be implemented by any other corporation in the Edelteq Group during the duration of the Scheme unless otherwise approved by the Board and in accordance with the relevant laws and the ACE Market Listing Requirements.

- 6.6 Eligibility under the Scheme does not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Options or the Edelteq Shares comprised herein unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms and conditions of the Offer and the Scheme.
- 6.7 Subject to Bylaws 3.1 and 7.1, in the event that the ESOS Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance and/or treasury shares held by Edelteq is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the ESOS Committee may determine.
- 6.8 The ESOS Committee has the discretion not to make further Offers regardless of the amount of Available Balance.
- 6.9 Where an Offer to an Eligible Person who is a member of the ESOS Committee, such grant of Option shall be decided and carried out by the ESOS Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the ESOS Committee shall abstain from all deliberations and voting in respect of the Offer proposed Option(s) to be granted to him/ her and/or to persons connected to him/her at the relevant ESOS Committee meetings.

## **7. MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOCATION**

- 7.1 Subject to any adjustments which may be made under these Bylaws and the maximum allowable allocation limit on the total number of Edelteq Shares (including Edelteq Shares already issued under the Scheme) under Options pursuant to Bylaw 3, the aggregate number of Edelteq Shares that may be offered and allotted to any of the Eligible Persons of the Edelteq Group who are entitled to participate in the Scheme shall be on the basis set out in Bylaw 7.2 subject always to the following main parameters:
- (i) the Directors and Senior Management of Edelteq Group do not participate in the deliberation or discussion of their own allocation as well as allocation of Options to persons connected with them, if any;
  - (ii) the number of Edelteq Shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more of the total number of issued Edelteq Shares (excluding treasury shares, if any), shall not exceed ten per centum (10%) of the total number of Edelteq Shares to be issued under the Scheme; and
  - (iii) not more than seventy per centum (70%) of the Edelteq Shares available under the Scheme shall be allocated in aggregate to the Directors and senior management of Edelteq Group on the basis that they are crucial to the performance of Edelteq Group as determined by the ESOS Committee at their sole and absolute discretion,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the ACE Market Listing Requirements or any other relevant authorities as amended from time to time.

- 7.2 The basis for determining the aggregate number of Edelteq Shares that may be offered under the Scheme and/or to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, inter alia, the provisions of the ACE Market Listing Requirements or other applicable regulatory requirements prevailing during the tenure of the Scheme relating to employees' and/or directors' share issuance scheme, his/her designation, role, function, performance, job class or grading, annual appraised performance, seniority, length of

- service and/or contribution to the relevant corporation within the Edelteq Group by the Eligible Person and/or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit and the maximum allowable allocation limit on the total number of Edelteq Shares (including Edelteq Shares already issued under the Scheme) under Option(s) to be offered to an Eligible Person shall be based on the category and/or group of Employees as decided by the ESOS Committee.
- 7.3 Subject to Bylaw 19, the ESOS Committee may at its sole and absolute discretion and pursuant to Bylaw 18, amend or vary and/or include or preclude any basis or criteria which is applied in considering Offers to Eligible Persons including details of the category of Employees and/or thresholds of Maximum Allowable Allotment for which it shall deem necessary to introduce during the duration of the Scheme provided that these additional categories and/or basis are in compliance with the relevant ACE Market Listing Requirements and applicable laws.
- 7.4 Any Eligible Person who holds more than one (1) position within the Edelteq Group (including a Director who is an Employee of the Edelteq Group and who sits on the board(s) of directors of any one (1) or more corporations within the Edelteq Group), and is therefore an Eligible Person in more than one category or capacity, shall be entitled to the Maximum Allowable Allotment of only one (1) category to be determined by the ESOS Committee at its sole and absolute discretion.
- 7.5 In the event that an Eligible Person is promoted to a higher category, he/she shall be entitled to continue to hold and to exercise all unexercised Option(s) held by him/her as at the effective date of promotion and his/her Maximum Allowable Allotment shall be increased in accordance with his/her new category as provided in Bylaw 7.2 effective from such date, subject to the maximum number of Edelteq Shares available under the Scheme as stipulated in Bylaw 3.1.
- 7.6 In the event that an Eligible Person is demoted to a lower category, he/she shall be entitled to continue to hold and to exercise all unexercised Option(s) held by him/her as at the effective date of demotion and his/her Maximum Allowable Allotment shall be reduced in accordance with his/her new category as provided in Bylaw 7.2 effective from such date, unless otherwise determined by the ESOS Committee. In the event the total number of Edelteq Shares in respect of Option(s) which have been accepted by such demoted Eligible Person up to the effective date of his/her demotion is higher than the Maximum Allowable Allotment for his/her new category pursuant to such demotion, he/she shall not be entitled to be offered any further Option(s) unless and until he/she is subsequently promoted to a higher category or in such event where the Maximum Allowable Allotment is amended as provided in Bylaw 7.3 or revised by the ESOS Committee resulting in his/her Maximum Allowable Allotment being increased to an amount greater than the total number of Edelteq Shares in respect of Option(s) which have already been accepted by him/her.
- 7.7 The ESOS Committee shall not be obliged in any way to offer to an Eligible Person all of the specified Maximum Allowable Allotment. The decision of the ESOS Committee shall be final and binding.
- 7.8 The allocation of Options pursuant to the Scheme shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these Bylaws (where relevant) at the end of each financial year of the Company.
- 7.9 The ESOS Committee may at its sole and absolute discretion determine whether granting of the Option(s) to the Eligible Person will be staggered over the duration of the Scheme or in one (1) single grant and/or whether the Option(s) are subject to any vesting period and if so, to determine the Vesting Conditions including whether such Vesting Conditions are subject to performance target.
- 7.10 If any Eligible Person is a member of the ESOS Committee, such Eligible Person (subject to Bylaw 7.1) shall not participate in the deliberation or discussion of his/her allocations as well as persons connected with them, if any.

- 7.11 Subject to Bylaw 5, the ESOS Committee shall be entitled to determine the maximum number of Offer(s) that will be made available to an Eligible Person. At the time the Offer(s) is offered in accordance with these Bylaws, the ESOS Committee shall set out the particulars of the Offer, all of which may be amended and varied by the ESOS Committee from time to time at its discretion in accordance with applicable laws and the ACE Market Listing Requirements, and the decision of the ESOS Committee shall be final and binding.

## **8. ACCEPTANCE OF THE OFFER**

- 8.1 An Offer shall be valid for a period of thirty (30) calendar days from the Offer Date or up to the date immediately before the Date of Expiry (whichever is the earlier) or such longer period as the ESOS Committee at its discretion, determines on a case to case basis (“**Acceptance Period**”). Acceptance of the Offer by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESOS Committee in the form prescribed by the ESOS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Offer (regardless of the number of shares comprised therein).
- 8.2 In the event that the Eligible Person fails to accept the Offer of the Option(s) or pay the acceptance consideration as set out in Bylaw 8.1 hereof within the Acceptance Period and in the manner aforesaid or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the Offer(s), the Offer(s) shall be deemed to have lapsed. The Option(s) comprised in such Offer(s) may, at the discretion of the ESOS Committee, be re-offered to the same or other Eligible Person.
- 8.3 Upon acceptance of the Offer(s) by the Eligible Person(s), the Offer(s) will be vested to Grantee(s) on the ESOS vesting date during the duration of the Scheme, subject to the Grantee(s) fulfilling the Vesting Condition(s), if any, as determined by the ESOS Committee.

## **9. EXERCISE PRICE**

- 9.1 The Exercise Price of each Edelteq Share comprised in any Option shall be the five (5) day volume weighted average market price of the Edelteq Shares as quoted on Bursa Securities at the time of the Offer Date, with a discount of not more than ten per centum (10%) therefrom or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time, as determined by the Board upon recommendation of the ESOS Committee which shall be binding and conclusive.
- 9.2 The Exercise Price shall be stipulated on each certificate of Option.
- 9.3 The Exercise Price shall be subject to any adjustments provided under Bylaw 15 herein.

## **10. VESTING CONDITIONS**

- 10.1 Subject to Bylaws 4, 6 and 10.2, the Option(s) or such part thereof will only vest to the Grantee on the vesting date(s) if:
- (a) the Grantee remains in employment by or appointment in the Edelteq Group as at the vesting date; and
  - (b) the other Vesting Conditions (if any) are fully and duly satisfied.

- 10.2 The ESOS Committee shall have the discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESOS Committee shall have the right to make reference to (among others) the audited results of the Edelteq Group, to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any Vesting Conditions if the ESOS Committee decides that a changed performance target would be a fairer measure of performance.
- 10.3 Where the ESOS Committee has made the determination that the Vesting Conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the Option, the ESOS Committee shall notify the Grantee of the number of Options vested and the vesting date of such Option. No Grantee shall have any right to exercise any Options granted to the Grantee until the Options are vested on the Grantee pursuant to these Bylaws. The decision and/or determination of the ESOS Committee on the vesting of the Option on the Grantee pursuant to these Bylaws shall be final and conclusive.
- 10.4 Unless otherwise determined by the ESOS Committee if the Vesting Conditions are not fulfilled in accordance with the period as set out in the letter of Offer, that Option(s) shall lapse and be of no value.

## **11. EXERCISE OF OPTION**

- 11.1 Subject to Bylaws 11.2 and 11.7 hereof, an Option can be exercised by the Grantee by notice in the prescribed form to the Company on the first day of every month during the Exercise Period in respect of all or any part of the Edelteq Shares comprised in the Option, such part being in multiples of one hundred (100) Edelteq Shares. For the avoidance of doubt, if the first day of any month shall fall on a day which is not a Market Day, then the notice in writing by the Grantee to the Company shall be submitted on the Market Day immediately following the first of the said month provided such dates are within the Exercise Period. Any partial exercise of an Option shall not preclude the Grantee from exercising the Option in respect of the balance of the Edelteq Shares comprised in the Option. In the event that a Grantee's balance of Option(s) exercisable in accordance with these Bylaws shall be less than 100 Edelteq Shares, the said balance shall, if exercised, be exercised in a single tranche.
- 11.2 Subject to Bylaws 15 and 19 hereof, the ESOS Committee may, at any time and from time to time, before and after an Option is granted, limit the exercise of the Option to a maximum number of Edelteq Shares and/or such percentage of the total Edelteq Shares comprised in the Option during such periods within the Option Period, subject the exercise of the Option to any vesting condition determined by the ESOS Committee at its sole and absolute discretion including but not limited to service objectives, performance targets (as may be measured by qualitative and/or quantitative key performance indicators) being achieved before an Option(s) can be exercised and/or impose any other terms and/or conditions (including the time period to exercise the Options) as the ESOS Committee may, in its sole discretion deem appropriate including amending or varying any terms and conditions imposed earlier.
- 11.3 Every such notice to exercise the Option referred to in Bylaw 11.1 hereof shall be accompanied by a remittance in RM in the form of a bankers' draft or cashiers' order drawn and payable in Malaysia or any other form acceptable to the ESOS Committee for the full amount of subscription/exercise monies (calculated in accordance with the provisions of Bylaw 9 hereof) in relation to the number of Edelteq Shares in respect of which the written notice is given.

- 11.4 The Company shall allot and issue such new Edelteq Shares and/or transfer from its treasury shares to the Grantee in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of allotment to the Grantee and make an application for the listing of and quotation for the new Edelteq Shares (as the case may be) within eight (8) Market Days from the date of receipt by the Company of the aforesaid notice and remittance from the Grantee or such other period as may be prescribed or allowed by Bursa Securities.
- 11.5 The ESOS Committee, the Board, and the Company shall not under any circumstances whatsoever be liable for any costs, losses, expenses, charges, liabilities and damages whatsoever and howsoever arising whether directly or indirectly from any delay on the part of the Company in allotting and issuing the new Edelteq Shares and/or transferring from it treasury shares or in procuring the relevant authorities to list and quote the new Edelteq Shares for which the Grantee is entitled to subscribe, transfer or otherwise or any delay in receipt or non-receipt by the Company of the notice to exercise the Option(s) or for any errors in any Offers or any other matters or dealings which are outside the control of the Company, the Board and/or the ESOS Committee.
- 11.6 The Grantee who exercises his/her Option shall provide the ESOS Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be, in the notice referred to in Bylaw 11.1 hereof. The Edelteq Shares to be issued and/or transferred pursuant to the exercise of an Option will be credited directly into the CDS Account of the Grantee or his/her Authorised Nominee, as the case may be and a notice of allotment stating the number of shares credited into such CDS Account will be issued to the Grantee within eight (8) Market Days from the receipt by the Company of the written notice of exercise of the Option together with the requisite remittance of subscription/ exercise monies or such other period as may be prescribed or allowed by Bursa Securities and no physical share certificate will be issued.
- 11.7 In the event that a Grantee is subject to a performance improvement plan ("**PIP**")/ disciplinary proceedings (whether or not such PIP/disciplinary proceedings will give rise to a dismissal or termination of service) the ESOS Committee shall have the right, to suspend the Grantee's Option from being vested and/or exercised pending the achievement of the stipulated improvement plan targets by the ESOS Participant/ the outcome of such disciplinary proceedings. The ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate having regard to the nature of the PIP/charges made or brought against the Grantee **PROVIDED ALWAYS THAT:**
- (a) in the event that such Grantee shall subsequently achieve the stipulated improvement plan targets/ be found not guilty of the charges which give rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee to be vested and/or to exercise his/her vested Option;
  - (b) in the event the Grantee fails to achieve the stipulated improvement plan targets/ disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, the Option (whether or not vested) shall immediately cease without notice and be null and void and of no further force and effect upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation may be subsequently challenged by the Grantee in any other forum; and
  - (c) in the event such Grantee only partially achieves the stipulated improvement plan targets/ is found guilty but not dismissed or termination of service is not recommended, the ESOS Committee shall have the right to determine at its discretion whether or not the Grantee may continue to be vested and/or to exercise his/her Option and if so, to impose such limits, terms and conditions as it deems appropriate, on such vesting and/or exercise.

The Board may, after a warning /caution letter has been issued to a Grantee by the relevant corporation within the Edelteq Group, recommend to the ESOS Committee to suspend the

Grantee's Option. The ESOS Committee shall, upon receipt of such recommendation by the Board, suspend the Grantee's Option from being vested and/or exercised until such time as the ESOS Committee determines at its discretion whether or not the Grantee may continue to be vested and/or exercise his/her Option and if so, whether to impose such limits, terms and conditions as the ESOS Committee deems appropriate, on such vesting and/or exercise.

For the purpose of this Bylaws, a Grantee shall be deemed to be subject to "disciplinary proceedings" if:

- (i) he/ she is suspended from work pending investigation into his/ her conduct;
- (ii) he/ she is issued with a letter requiring him/ her to attend an internal domestic inquiry; or
- (iii) such other instances as the Board may deem as being subject to disciplinary proceedings.

11.8 All Options to the extent unexercised and/or unvested on the expiry or earlier termination of the Option Period applicable thereto shall lapse.

11.9 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the notice to exercise or inaccuracy in the CDS Account number provided shall result in the notice to exercise being rejected at the discretion of the ESOS Committee. The ESOS Committee shall inform the Grantee of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the Grantee shall not have deemed to have exercised his/her Option.

11.10 Every Option shall be subjected to the condition that no Edelteq Shares shall be vested, issued, transferred and/or credited pursuant to the exercise of an Option if such vesting, issue, transfer and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

11.11 In implementing this Scheme but subject to the Act, ACE Market Listing Requirements, Constitution and the applicable laws, the ESOS Committee may at its absolute discretion decide that the Options be satisfied by the following methods:

- (a) issuance of new Edelteq Shares;
- (b) transfer of Edelteq's treasury shares (if any) or any other methods as may be permitted by the Act; or
- (c) a combination of any of the above.

In considering whether to issue new Edelteq Shares and/or to acquire existing Edelteq Shares and/or transfer of Company's treasury shares or any other methods as may be permitted by the Act, the ESOS Committee will take into consideration, among others, factors such as the issue price of the new Edelteq Shares (which shall be determined based on fair value of the Shares as at the Offer Date), the prevailing market price of the Edelteq Shares, funding requirements of the Company and its subsidiaries, future returns and the potential cost arising from the granting of the ESOS.

11.12 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing or crediting the Edelteq Shares or in procuring the relevant authorities to list and quote the Edelteq Shares subscribed for by a Grantee (where applicable) or any delay in receipt or non-receipt by the

Company of the notice to exercise the Options or for any errors in any Options or any other matters or dealings which are outside the control of the Company, the Board and/or the ESOS Committee.

11.13 Notwithstanding anything to the contrary herein contained, the ESOS Committee shall at any time during the Exercise Period have the sole and absolute discretion to determine whether to purchase all but not part of the vested but unexercised Options from a Grantee. The price payable for the purchase shall be:

(a) the 3-month weighted average market price of Edelteq Shares immediately before the date of the notice of the purchase in excess of the Exercise Price for each vested but unexercised Options held by the Grantee; or

(b) RM1.00 for all vested but unexercised Options held by the Grantee,

whichever is the higher.

Upon completion of the purchase of the vested but unexercised Options from the Grantee all vested but unexercised Options purchased and all unvested Options held by that Grantee shall lapse.

## **12. RIGHTS ATTACHING TO OPTIONS AND THE EDELTEQ SHARES**

12.1 The Options shall not carry any right to vote at any general meeting of the Company.

12.2 A Grantee shall not be entitled to any dividends, rights or other entitlements on his/her unexercised and/or unvested Option(s) in relation to the Edelteq Shares yet to be issued.

12.3 The new Edelteq Shares to be issued upon the vesting and exercise of the Options (as the case may be) shall upon allotment, issuance (as the case may be) and full payment, rank *pari passu* in all respects with the then existing Edelteq Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions declared, made or paid to shareholders, the entitlement date of which is prior to the date of issuance and/or transfer (as the case may be) of the said new Edelteq Shares and are subject to the provisions of the Constitution of the Company and the ACE Market Listing Requirements, if any. In the event that any existing Edelteq Shares or treasury shares are to be transferred upon the vesting and exercise of the Options, the existing Edelteq Shares or treasury shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is on or after to the date the Edelteq Shares or treasury shares are credited into the CDS Account of the relevant Grantee.

12.4 The Edelteq Shares (including such Edelteq's treasury share(s) transferred upon exercise of an Option) will be subject to all provisions of the Constitution of the Company.

## **13. NON-TRANSFERABILITY**

13.1 An Option is personal to the Grantee and subject to the provisions of Bylaws 14.1, 14.2, 14.3 and 14.4, it is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment in any corporation in the Edelteq Group.

13.2 An Option so granted shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under Bylaw 14.4. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

**14. TERMINATION / LAPSING OF THE OPTION**

14.1 Upon occurrence of one or more of the following events prior to the full vesting and exercise of any Option, such Option or the balance thereof that remained unvested, not allotted/transferred or unexercised, as the case may be, shall forthwith cease to be valid without any claim against the Company:

- (a) resignation, termination or cessation of employment of an Eligible Person or Grantee, for any reason; or
- (b) expiry, termination or cessation of a contract of service of an Eligible Person or Grantee, for any reason; or
- (c) resignation, retirement or removal of a Director, for any reason.

**PROVIDED ALWAYS THAT** the ESOS Committee may, at its absolute discretion, by notice in writing, stipulate the times or period at or within which such Options shall vest all or in part (provided that no Edelteq Shares and/or Options shall vest after the Date of Expiry) or permit such vested but unexercised ESOS Option to remain exercisable during the Scheme period all or in part if such cessation occurs by reason of:

- (i) retirement on attaining the retirement age under Edelteq Group's retirement policy; or
- (ii) retirement before attaining the normal retirement age but with the consent of the ESOS Committee; or
- (iii) transfer to any corporation outside the Edelteq Group at the direction of the Company; or
- (iv) redundancy or retrenchment pursuant to the acceptance by that Grantee or a voluntary separation scheme offered by a corporation within the Edelteq Group; or
- (v) death, ill-health, injury, physical or mental disability or insanity; or
- (vi) the bankruptcy of the Grantee; or
- (vii) resignation, retirement or removal of a Director, for any reason, save where such resignation, retirement or removal was due to the breach of duty, gross negligence or wilful misconduct of such Director; or
- (viii) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.

Upon the Options ceasing and lapsing pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Option(s) or his/her Option(s) ceasing to be valid.

14.2 Unless otherwise agreed in writing by the ESOS Committee at its absolute discretion, upon the resignation of the Grantee from his/her employment or directorship with the Edelteq Group (as the case may be), an Option shall lapse forthwith on the date the Grantee tenders his/her resignation. Any Option which lapses upon the resignation of the Grantee from his/her employment or directorship with Edelteq Group (as the case may be), at the discretion of the ESOS Committee, shall be offered to other Eligible Persons.

- 14.3 In the event of the liquidation of the Company, all unexercised or unvested or partially unexercised or partially unvested Options shall lapse.
- 14.4 Where a Grantee dies before the expiry of the Option Period and the ESOS Committee permits such Grantee's unexercised Option(s) to remain exercisable, the whole or any part of the Option held by the Grantee that is unexercised may be exercised by the legal representatives of the Grantee in accordance with the terms and/or conditions as set out by the ESOS Committee **PROVIDED ALWAYS THAT** no Option shall be exercised after the expiry of the Option Period.
- 14.5 In the event a bankruptcy proceeding has commenced against a Grantee, the Option(s) shall be suspended pending the outcome of the bankruptcy proceedings. If the bankruptcy proceeding is withdrawn, the suspension shall be lifted and the unvested and/or unexercised Options shall be capable to be vested to the said Grantee. However, an Option shall immediately become void and of no further force and effect upon the Grantee being adjudicated a bankrupt.
- 14.6 An Option shall cease to be valid upon termination of the Scheme pursuant to Bylaw 4.

**15. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD**

- 15.1 Notwithstanding anything contained in these By-laws and subject to any applicable laws and the ACE Market Listing Requirements, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Edelteq Shares or reduction of capital or any other variation of capital, the Company shall cause such adjustment to be made to:
- (a) the number of Edelteq Shares which a Grantee shall be entitled to subscribe for upon the exercise of each Option; and/or
  - (b) the Exercise Price.

Any adjustment in the Exercise Price and/or number of Edelteq Shares which a Grantee shall be entitled to subscribe upon exercise of his/her Options shall comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and shall subject to Bylaws 15.2 to 15.7, where appropriate and to the extent possible in the event of an adjustment only to the number of Edelteq Shares which Grantees shall be entitled to subscribe upon exercise of their Options, endeavour to give each Grantee the same proportion of the Edelteq Shares as that to which he/she was previously entitled prior to such adjustment.

- 15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to Bylaw 15.1:
- (a) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and
  - (b) in determining a Grantee's entitlement to subscribe for Edelteq Shares, any fractional entitlements will be disregarded.
- 15.3 Bylaw 15.1 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:
- (a) an issue of new Edelteq Shares or other securities convertible into Edelteq Shares or rights to acquire or subscribe for Edelteq Shares in consideration or part consideration for an acquisition of any other securities, assets or business by the Company and/or its related corporation;

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**APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)**

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- (b) a special issue of new Edelteq Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or other government authority to comply with the Government policy on Bumiputera capital participation;
  - (c) a private placement/restricted issue of new Edelteq Shares by the Company;
  - (d) an issue of new Edelteq Shares arising from the exercise of any conversion rights attached to securities convertible to Edelteq Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
  - (e) an issue of new Edelteq Shares upon the exercise of Options pursuant to the Scheme;
  - (f) any issue of Edelteq Shares pursuant to a dividend reinvestment scheme or share dividend in accordance with the ACE Market Listing Requirements so long as it is not a Capital Distribution (as defined below) or bonus issue;
  - (g) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act;
  - (h) an issue of further Options to Eligible Persons under these Bylaws; and
  - (i) any other proposals which will not result in an adjustment to the reference price of the Edelteq Shares and as amended from time to time by the relevant authorities such as Bursa Securities and Securities Commission Malaysia.
- 15.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7, Subdivision 2 of Part III of the Act, Bylaw 15.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, save that Bylaw 15.3 shall be applicable in respect of such part(s) of the Scheme which involve(s) any alteration(s) in the capital structure of the Company which falls within Bylaw 15.3.
- 15.5 In the event the Court sanctions a compromise or arrangements between the Company and its members proposed for the purposes of, or in connection with, a scheme for arrangement or reconstruction of the Company under the Act or its amalgamation with any other company or companies under the Act, any Option should remain exercisable by the Grantee at any time and from time to time in the period commencing with the date upon which the compromise or arrangements is sanctioned by the court and ending with the date upon which it becomes effective or within the Option Period, whichever expires first. Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void.
- 15.6 Upon any adjustment being made, the ESOS Committee shall within twenty one (21) Market Days of the effective date of such adjustment or such other time period as may be prescribed by Bursa Securities or such other relevant authorities from time to time give notice in writing to the Grantee, or his/her legal or personal representative where the Grantee is deceased, to inform him/her of the adjustment and the event giving rise thereto.
- 15.7 Save for any alteration in the capital structure of the Company during the Option Period arising from bonus issues, subdivision or consolidation of shares, all adjustments must be confirmed in writing either by an approved company auditor or Edelteq's Adviser, acting as an expert and not as an arbitrator, to be in his/her opinion fair and reasonable. In addition, the Company shall, at the request of any Grantee, furnish such Grantee with a certificate from an approved company auditor or Edelteq's Adviser (as the case may be) to the effect that in the opinion of such auditor or Edelteq's Adviser (as the case may be), acting as an expert and not as an arbitrator, an adjustment is fair and reasonable either generally or as regards such Grantee, and such certification shall be final and binding on all parties. For the purposes of this Bylaw, an approved company auditor shall

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**APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)**

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have the meaning given in Section 2 of the Act and shall be the external auditors for the time being of the Company or such other external auditors as may be nominated by the Board.

15.8 The Company shall be guided by the adjustment as provided in Bylaw 15.9 in determining the adjustments to be made pursuant to this Bylaw 15.

15.9 In addition to Bylaw 15.1 and not in derogation thereof, the Exercise Price and the number of Edelteq Shares relating to the Option so far unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with an Adviser and/or an external auditor:

(a) If and whenever a Edelteq Share by reason of any consolidation or subdivision (including if so permitted by the relevant authorities, a subdivision by way of a bonus issue by the Company of Edelteq Shares without capitalisation of profits or reserves) or conversion occurs, the Exercise Price shall be adjusted and the adjusted number of Edelteq Shares relating to the Option to be issued shall be calculated in accordance with the following formula:

$$(i) \quad \text{New Exercise Price} = \frac{S \times L}{M}$$

$$(ii) \quad \text{Adjusted number of Edelteq Shares} = \frac{T \times M}{L}$$

Where:

L = the aggregate number of Edelteq Shares in issue and fully paid-up immediately prior to the consolidation or subdivision or conversion;

M = the aggregate number of Edelteq Shares in issue and fully paid-up immediately after such consolidation or subdivision or conversion;

S = existing Exercise Price; and

T = existing number of Edelteq Shares relating to the Option that remains unexercised.

Each such adjustment will be effective from the day on which the consolidation or subdivision or conversion becomes effective.

(b) If whenever the Company shall make any issue of Edelteq Shares to ordinary shareholders for which no consideration is payable or which are credited as fully paid, by way of capitalisation of profits or reserves (other than an issue of Edelteq Shares to its members who had an option to take cash or other dividend in lieu of the relevant Edelteq Shares), the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{A}{(A + B)}$$

and the adjusted number of Edelteq Shares relating to the Option shall be calculated as follows:

$$\text{Adjusted number of Edelteq Shares} = \frac{T \times (A + B)}{A}$$

**APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)**

Where:

- A = the aggregate number of issued and fully paid-up Edelteq Shares on the Entitlement Date immediately before such capitalisation;
- B = the aggregate number of Edelteq Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (other than an issue of Edelteq Shares to its members who had an option to take cash or other dividend in lieu of the relevant Edelteq Shares);
- S = as above; and
- T = as above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (c) If and whenever the Company shall make:
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own ordinary Shares in accordance with the Act and all other applicable laws and regulations); or
  - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for Edelteq Shares by way of rights; or
  - (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Edelteq Shares or securities with rights to acquire or subscribe for Edelteq Shares,

then and in respect of each such case, the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{C - D}{C}$$

and in respect of the case referred to in Bylaw 15.9(c)(ii) hereof, the adjusted number of Edelteq Shares comprised in the Option to be issued shall be calculated as follows:

$$\text{Adjusted Number of Edelteq Shares} = T \times \left[ \frac{C}{C - D^*} \right]$$

Where:

- T = as above;
- S = as above;
- C = the current market price of each Edelteq Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the

case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the announcement of the Entitlement Date of the Capital Distribution or, as the case may be, of the offer or invitation; and

- D = (i) in the case of an offer or invitation to acquire or subscribe for Edelteq Shares by way of rights under Bylaw 15.9(c)(ii) above or for securities convertible into Edelteq Shares or securities with rights to acquire or subscribe for Edelteq Shares under Bylaw 15.9(c)(iii) above, the value of rights attributable to one (1) Edelteq Share (as defined below); or
- (ii) in the case of any other transaction falling within Bylaw 15.9(c) hereof, the fair market value, as determined by the Adviser and/or an external auditor, of that portion of the Capital Distribution attributable to one (1) Edelteq Share.

For the purpose of definition (i) of D above, the “value of the rights attributable to one (1) Edelteq Share” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as C above;

E = the consideration for one (1) additional Edelteq Share under the terms of such offer or invitation or subscription price for one (1) additional Edelteq Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Edelteq Share under the offer or invitation;

F = the number of Edelteq Shares which it is necessary for a Edelteq shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional Edelteq Share or security convertible into rights to acquire or subscribe for one (1) additional Edelteq Share; and

D\* = the value of rights attributable to one (1) Edelteq Share (as defined below).

For the purpose of definition D\* above, the “value of rights attributable to one (1) Edelteq Share” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = as C above;

E\* = the acquisition/ subscription price for one (1) additional Edelteq Share under the terms of such offer or invitation; and

F\* = the number of Edelteq Shares which it is necessary for a Edelteq shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional Edelteq Share.

For the purpose of Bylaw 15.9I hereof, “Capital Distribution” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Edelteq Shares (not falling under Clause (b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding an issue of Edelteq Shares to its members who had an option to take cash or other dividend in lieu of the relevant Edelteq Shares).

Any distribution out of profits or reserves made (whenever paid) shall be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaw 15.9(b) above and also makes an offer or invitation to its ordinary shareholders as provided in Bylaw 15.9 (c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes an allotment to its ordinary shareholders as provided in Bylaw 15.9(b) above and also makes an offer or invitation to its ordinary shareholders as provided in Bylaw 15.9(c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the adjusted number of Edelteq Shares relating to the Option to be issued shall be calculated as follows:

$$\text{Adjusted Number of Edelteq Shares} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

Where:

B = as B above;

C = as C above;

G = the aggregate number of issue and fully paid-up Edelteq Shares on the Entitlement Date;

H = the aggregate number of new Edelteq Shares under an offer or invitation to acquire or subscribe for Edelteq Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Edelteq Shares or rights to acquire or subscribe for Edelteq Shares, as the case may be;

H\* = the aggregate number of new Edelteq Shares under an offer or invitation to acquire or subscribe for Edelteq Shares by way of rights;

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**APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)**

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- I = the acquisition/ subscription price of one (1) additional Edelteq Share under the offer or invitation to acquire or subscribe for Edelteq Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Edelteq Share, as the case may be;
- I\* = the acquisition/ subscription price of one (1) additional Edelteq Share under the offer or invitation to acquire or subscribe for Edelteq Shares; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Edelteq Shares as provided in Bylaw 15.9(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into or rights to acquire or subscribe for ordinary shareholders as provided in Bylaw 15.9(c)(iii) above, the Exercise Price shall be adjusted as follows:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the adjusted number of Edelteq Shares relating to the Option to be issued shall be calculated as follows:

$$\text{Adjusted Number of Edelteq Shares} = \frac{T \times (G + H^*) \times C}{(G \times C) + (H^* \times I^*)}$$

Where:

- C = as C above;
- G = as G above;
- H = as H above;
- H\* = as H\* above;
- I = as I above;
- I\* = as I\* above;
- J = the aggregate number of Edelteq Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Edelteq Shares by the ordinary shareholders;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Edelteq Share, as provided in Bylaw 15.9(c)(iii) above; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in Bylaw 15.9(b) above and also makes an offer or invitation to acquire or subscribe for Edelteq Shares to its ordinary shareholders as provided in Bylaw 15.9(c)(ii) above, together with rights to acquire or subscribe for Edelteq Shares as provided in Bylaw 15.9(c)(iii) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\text{New Exercise Price} = S \times \frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the adjusted number of Edelteq Shares relating to the Option to be issued shall be calculated as follows:

$$\text{Adjusted Number of Edelteq Shares} = \frac{T \times (G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)}$$

Where:

B	=	as B above;
C	=	as C above;
G	=	as G above;
H	=	as H above;
H*	=	as H* above;
I	=	as I above;
I*	=	as I* above;
J	=	as J above;
K	=	as K above; and
T	=	as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transaction.

- (g) For the purpose of Bylaw 15.9:

“Current Market Price” means in relation to each Edelteq Share for any relevant day the five (5) day volume weighted average market price for each Edelteq Share on Bursa Securities for the five (5) consecutive Market Days before such date for one or more board lots of Edelteq Shares on Bursa Securities or in such other manner as may from time to time be stipulated in any guidelines prescribed by any competent authorities, if any.

- 15.10 Notwithstanding the other provisions referred to in Bylaw 15.9, in any circumstances where the ESOS Committee considers that adjustments to the Exercise Price and/or any additional Edelteq Shares relating to Options to be issued as provided for under the provisions hereof should not be made or should be calculated on a different basis or different date or that an adjustment to the Exercise Price and/or the issuance/ transfer of additional Edelteq Shares relating to Options should be made notwithstanding that no adjustment or further issuance is required under the provisions hereof, the Company may appoint an Adviser and/or an external auditor to consider whether for any reasons whatever the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such Adviser and/or external auditor shall consider the adjustment calculation or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such Adviser and/or external auditor to be in their opinion appropriate.

**16. QUOTATION OF NEW EDELTEQ SHARES**

- 16.1 If at the time of allotment of the new Edelteq Shares pursuant to the exercise of an Option, the existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities for the listing of and quotation for the new Edelteq Shares so allotted in accordance with Bylaw 11.4.
- 16.2 The Company and the ESOS Committee shall not be liable for any losses, costs and damages relating to the delay on the part of the Company in allotting and issuing the Edelteq Shares under any circumstances.

**17. RETENTION PERIOD**

- 17.1 The ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on transfer of the Edelteq Shares as it deems fit.
- 17.2 Notwithstanding By-Law 17.1 above, an Eligible Person who is a non-executive director must not sell, transfer or assign Edelteq Shares obtained through the exercise of ESOS Options within one (1) year from the Offer Date pursuant to Rule 8.22 of the Listing Requirements.

**18. ADMINISTRATION**

- 18.1 This Scheme shall be administered by the ESOS Committee comprising such persons as shall be appointed from time to time by the Board of Edelteq. The Board of Edelteq shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board of Edelteq to administer the Scheme in such manner it shall in its discretion deem fit. The ESOS Committee may, for the purpose of administering the Scheme, do all acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the Scheme which the ESOS Committee may in its discretion consider to be necessary or desirable for giving full effect to the Scheme.
- 18.2 Any decision or determination of the ESOS Committee made pursuant to the provisions of the Scheme (other than a matter to be certified and/or approved by the external auditors or the Advisers) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The ESOS Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.
- 18.3 If in consequence of an error or omission, the ESOS Committee discovers or determines that:
- (a) an Eligible Person has not been given the opportunity to participate in the Scheme on any occasion; or
  - (b) the number of Edelteq Share(s) comprised in any Option is found to be incorrect;

the ESOS Committee may subject to Bylaw 5.11 do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or the number of Edelteq Share(s) under Option(s) is corrected.

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## APPENDIX I – DRAFT BYLAWS FOR THE PROPOSED ESOS (CONT'D)

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- 18.4 The Scheme shall not impose on the Company, the Board, or the ESOS Committee or any of its members any liability whatsoever in connection with:
- (i) the lapse of the ESOS pursuant to any provision of the Scheme;
  - (ii) the failure or refusal by the ESOS Committee to exercise, or the exercise by the ESOS Committee of, any discretion under the Scheme; and/or
  - (iii) any decision or determination of the ESOS Committee made pursuant to any provision of the Scheme.

### 19. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

- 19.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the ACE Market Listing Requirements and applicable laws and regulations), the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these Bylaws as it shall in its discretion think fit and the Board shall have the power by resolution to add to, amend or delete all or any of these Bylaws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these Bylaws shall be made which will:
- (a) Prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee;
  - (b) increase the number of Edelteq Shares available under the Scheme beyond the maximum Edelteq Shares set out in Bylaw 3 above;
  - (c) Prejudice any rights of the shareholders of the Company without the prior approval of the Company's shareholders in a general meeting; or
  - (d) Alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in the Bylaws by virtue of Appendix 6E of the ACE Market Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the ACE Market Listing Requirements.
- 19.2 Any amendments/modifications to the Bylaws shall not contravene any of the provisions of the guidelines on employee share issuance schemes as stipulated under the ACE Market Listing Requirements and/or any other relevant regulatory authority in relation to ESOS.
- 19.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments submit to Bursa Securities the amended Bylaws and a confirmation letter in the form required under the ACE Market Listing Requirements that the said amendment and/or modification complies and does not contravene any of the provisions of the ACE Market Listing Requirements and the Rules of Bursa Depository.
- 19.4 The Grantees shall be given written notices in the term and conditions prescribed by the ESOS Committee from time to time if any conditions, amendments to and/or modifications of these Bylaws within five (5) Market Days of any of the foregoing taking effect.

### 20. DISPUTES

- 20.1 In the event of a dispute between the ESOS Committee and an Eligible Persons or Grantee of any Group Company as to any matter or thing of any nature arising hereunder, the ESOS Committee

shall determine such dispute or difference by a written decision (other than a matter to be certified by the auditors or the Advisers) given to the Eligible Persons or Grantee of any Group Company, as the case may be **PROVIDED THAT** where the dispute or difference is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. The said decision of the ESOS Committee shall be final and binding on the parties. The ESOS Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities or by law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.

**21. SCHEME NOT A TERM OF EMPLOYMENT**

This Scheme shall not form part of or constitute or in any way be construed as a term or condition of employment of any employee. This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Edelteq Group under which the Eligible Person is employed or any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The terms of employment or contract of service of an Eligible Person shall not be affected by his/ her participation in the Scheme.

**22. COSTS AND EXPENSES**

All fees, costs and expenses incurred in relation to the administration and management of the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of the new Edelteq Shares and/or transfer from treasury shares pursuant to the exercise of any Option shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise and/or loss of the Option, loss of Option certificate(s), opening and maintaining of his/ her respective CDS Account and sale of Edelteq Shares in the market.

**23. CONSTITUTION**

Notwithstanding the terms and conditions contained in these Bylaws, if a situation of conflict should arise between these Bylaws and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times save and except where such provisions of the Bylaws are included pursuant to the ACE Market Listing Requirements in which event such provisions of the Bylaws shall prevail.

**24. INSPECTION OF AUDITED FINANCIAL STATEMENTS**

All Grantees are entitled to inspect the latest audited financial statements of the Company during the normal office hours on any working day at the Registered Office of the Company.

**25. TRANSFER FROM OTHER CORPORATIONS TO THE EDELTEQ GROUP**

In the event that:

- (i) a Director or an Employee who was employed in a corporation which is not within the Edelteq Group and is subsequently transferred from such corporation to any corporation within the Edelteq Group; and

- (ii) a Director or an Employee who was in the employment of a corporation which subsequently becomes a member of the Edelteq Group as a result of a restructuring exercise or otherwise involving Edelteq and/or any corporation within the Edelteq Group with any of the first mentioned company stated in (i) above;

(the first mentioned corporation in (i) and (ii) above are hereinafter referred to as the “**Previous Company**”), such a Director or an Employee of the Previous Company (“the **Affected Director/Employee**”), subject to Bylaw 6 hereof, will:

- (a) be entitled to continue to exercise all such unexercised Option(s) which were granted to him/her under the Previous Company’s ESOS in accordance with the bylaws of such Previous Company’s ESOS but he/she shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company’s ESOS; and/or
- (b) be eligible to participate in the Scheme only for the remaining duration of the Scheme, subject to the ESOS Committee’s approval; and/or
- (c) if the Affected Director/Employee had participated in the Previous Company’s ESOS, the number of Edelteq Shares to be offered to such Affected Director/Employee under the Scheme shall be subject to the discretion of the ESOS Committee.

For the avoidance of doubt, in the event of any acquisition or incorporation of any corporation into the Edelteq Group pursuant to part (ii) above as a subsidiary pursuant to Section 4 of the Act, the Scheme shall apply to the Directors and Employees of such corporation on the date such corporation becomes a subsidiary of Edelteq Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of "Eligible Person" under these Bylaws.

## **26. DIVESTMENT FROM THE EDELTEQ GROUP**

26.1 If a Grantee who was in the employment of a corporation in the Edelteq Group, which was subsequently divested wholly, or in part, from the Edelteq Group, then such Grantee:

- (i) may at the discretion of the ESOS Committee, be entitled to continue to exercise all such unexercised Option(s) which were granted and vested to him/her under the Scheme within a period of six (6) months from the date of completion of such divestment and within the Option Period, failing which the right of such Grantee to subscribe for that number of the Edelteq Shares or any part thereof granted under such unexercised Option(s) shall automatically lapse upon the expiration of the said six (6)-month period (and within the Option Period) and be null and void and of no further force and effect; and
- (ii) shall not be eligible to participate for further Option(s) under the Scheme. For the avoidance of doubt, where the Grantee was in the employment of a corporation in the Edelteq Group and that Company was subsequently partially divested from the Edelteq Group, which resulted in a subsequent holding of fifty percent (50%) or more by the Edelteq Group, then such Grantee shall be entitled to all his/ her rights in relation to the unexercised Option(s) and he/ she shall be eligible for further participation of the Option(s) under the Scheme.

26.2 For the purpose of Bylaw 26.1, a corporation shall be deemed to be divested from the Edelteq Group in the event that such corporation would no longer be a subsidiary of Edelteq pursuant to Section 4 of the Act.

**27. TAKEOVER**

Notwithstanding Bylaw 11 hereof and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (a) a take-over offer being made for the Company, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Edelteq Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Grantees that it intends so to exercise such rights on a specific date ("**Specified Date**");
- (c) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the ESOS Committee may at its discretion to the extent permitted by law permit the vesting of the Options and the Grantee(s) will be entitled to within such period to be determined by the ESOS Committee to exercise all or any of his/her vested Options and the Directors of Edelteq shall use their best endeavours to procure that such a general offer be extended to the Options and Edelteq Shares that may be issued pursuant to the Option(s) under these Bylaws.

In the foregoing circumstances, all Option(s) which the ESOS Committee permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the ESOS Committee notwithstanding that the Option vesting date has not commenced or has not expired.

**28. SCHEME OF ARRANGEMENT, AMALGAMATION AND RECONSTRUCTION**

Notwithstanding Bylaw 11 hereof and subject to the discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of the Company under the Act or its amalgamation with any other company or companies under the Act, any Option shall remain exercisable by the Grantee at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective or such other date as the ESOS Committee may deem fit. Upon such date, all Options, to the extent unexercised shall automatically lapse and shall become null and void.

**29. SUBSEQUENT EMPLOYEE SHARE ISSUANCE SCHEMES**

Without derogating the right of the Company to implement more than one (1) ESOS during the duration of this Scheme as set out in Bylaw 3.3, the Company may establish a new ESOS after the Date of Expiry subject to the approval of the relevant authorities and/or the shareholders of the Company.

**30. NO COMPENSATION**

- 30.1 A Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he/she might

otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

- 30.2 No Eligible Person or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company or the Board of Edelteq or the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his/her rights to exercise his/her Option or his/her Option ceasing to be valid pursuant to the provisions of these Bylaws, as may be amended from time to time in accordance with Bylaw 19 hereof.

**31. TAXES**

All taxes (including income tax), if any, arising from the exercise of any Option under the Scheme shall be borne by the Grantee.

**32. WINDING UP**

All outstanding Options shall be automatically terminated in the event that a resolution is passed or a court order is made for the winding up of the Company.

**33. SEVERABILITY**

Any term, condition, stipulation or provision in these Bylaws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

**34. GOVERNING LAW AND JURISDICTION**

- 34.1 These Bylaws shall be governed and construed in accordance with the laws of Malaysia and the Grantee shall submit to the exclusive jurisdiction of the Courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these Bylaws.
- 34.2 Any proceeding or action shall be instituted or taken in Malaysia and the Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 34.3 Any Offer made to Eligible Persons pursuant to the Scheme is strictly made in Malaysia only and shall not be deemed to be made or offered in any country or jurisdiction other than Malaysia unless specifically mentioned otherwise by the ESOS Committee in the Offer.
- 34.4 In order to facilitate the making of an Offer under the Scheme, the Board may provide for such special terms and conditions to apply to such Offers to Eligible Persons who are employed by a corporation within the Edelteq Group in a particular jurisdiction or who are nationals of any particular jurisdiction that is outside Malaysia, as the Board may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments or restatements of the Scheme as it may consider necessary or appropriate for such purposes, without thereby affecting the terms and conditions of the Scheme as they are in effect, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having or any other appropriate officer of the Company may certify such document as having been approved and adopted in the same manner

as this Scheme. No such special terms, supplements or amendments however shall include any provision that is inconsistent with the terms and/or conditions of this Scheme as then in effect unless this Scheme could have been amended to eliminate such inconsistency.

**35. NOTICE**

35.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery;
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the ESOS Committee.

35.2 Any certificate, notification or other notice required to be given to the Company or the ESOS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its business address at No. 20, 1<sup>st</sup> Floor, Lorong Impian Ria 4, Taman Impian Ria, 14000 Bukit Mertajam, Penang or any other business address which may be notified in writing by the ESOS Committee from time to time.

35.3 Notwithstanding Bylaw 35.1, where any notice is required to be given by the Company or the ESOS Committee under these Bylaws in relation to matters which may affect all Grantees or Eligible Persons, as the case may be, the Company or the ESOS Committee may give notice through an announcement to all Grantees, Eligible Persons and/or Employees of the Edelteq Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the notice to be made under Bylaw 35.1 shall be deemed to be sufficiently given, served or made to all affected Grantee or Eligible Person, as the case may be.

**36. DECISION OF ESOS COMMITTEE**

36.1 Any decision made by the ESOS Committee under the Bylaws shall, save for any manifest or error, be final and binding.

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT**

UOBKH, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATION OF CONFLICT OF INTERESTS**

UOBKH has given its written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to Edelteq for the Proposals.

**4. MATERIAL COMMITMENTS**

As at the LPD, there is no material commitments incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the Group's financial results/ position of the Group.

**5. CONTINGENT LIABILITIES**

As at the LPD, there is no contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the Group's financial results/ position of the Group.

**6. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, the Group is not aware of any other material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position of business of the Group.

On 31 July 2023, the Company and five of its subsidiaries were served with a Writ filed by Mi Technovation Berhad and Mi Equipment (M) Sdn Bhd ("**Mi Group**") in the High Court of Pulau Pinang Civil Suit No. PA-22NCC-49-07/2023 ("**the Suit**") against the Company and eight others for inter-alia alleged breach of confidential information, copyright and patent infringement, conspiracy to injure and unlawful interference with trade. On the same day, the Company, its five subsidiaries and two others were also served with an Anton Piller Order ("**APO**") which was granted ex-parte by the Penang High Court on 27 July 2023 (collectively "**the Litigation**").

On 7 August 2023, the Company and the subsidiaries filed an Application to Set Aside the APO ("**Setting Aside Application**").

The Company and the subsidiaries have filed their Defence and Counterclaim on 20 October 2023. On 13 November 2023, the Company and the subsidiaries were served with an Amended Statement of Claim. The Company and the subsidiaries subsequently filed their Amended Defence and Counterclaim on 8 December 2023.

The High Court has fixed the inter-parte hearing date for the APO and Setting Aside Application of the APO on 20 August 2025.

While the Suit is still in its preliminary stage (interlocutory applications), the High Court has similarly fixed the trial on November 17<sup>th</sup> to 21<sup>st</sup> and 24<sup>th</sup> to 28<sup>th</sup>, 2025.

The Company has been advised by its solicitors that it has good grounds to contest the Litigation. The Company has also been advised not to disclose the contents of the APO until it is permissible to do so.

**Committal Application Filed by Mi Group against the Company and its Subsidiaries/  
Setting Aside Committal Application Filed by Company and its Subsidiaries against Mi  
Group**

On 8 November 2023, the Company's subsidiary, Edelteq Ventures Sdn Bhd ("**EVSB**") was served with a Notice of Application dated 1 November 2023 ("**Committal Application**") filed by the Mi Group. The Committal Application alleged that EVSB and 3 others, namely Mr. Chin Yong Keong, Mr. Khong Chee Seong and Mr. Ang Shi Jie committed acts of contempt. The Committal Application was filed after Mi Group obtained an ex-parte order granting them leave to initiate the Committal Application on 25 October 2023.

EVSB and the abovesaid 3 others dispute committing any acts of contempt. EVSB and the abovesaid 3 others applied to set aside the ex-parte order granting leave ("**Setting Aside Committal Applications**") and opposed the Committal Application. After hearing the Setting Aside Committal Applications and the Committal Application, the High Court dismissed both applications with no order as to costs on 25 April 2024.

On 16 May 2024, Mi Group appealed to the Court of Appeal against the 25 April 2024 decision of the High Court Judge in dismissing the Committal Application ("**Committal Appeal**"). On 17 May 2024, EVSB and the abovesaid 3 others appealed to the Court of Appeal against the 25 April 2024 decision of the High Court Judge in dismissing the Setting Aside Committal Application ("**Setting Aside Leave Appeal**"). The hearing of the Setting Aside Leave Appeal proceeded on 14 May 2025 and is fixed for Decision on 2 July 2025. Meanwhile, the hearing of the Committal Appeal scheduled to be heard on 14 May 2025 did not proceed on that day. The Committal Appeal has instead been fixed for Mention on 2 July 2025.

The Board is of the view that EVSB has an even chance of success in respect of the above appeals.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the forthcoming EGM of the Company:-

- i. The Constitution of Edelteq;
- ii. Audited consolidated financial statements of Edelteq for the FYE 31 December 2023 and 31 December 2024;
- iii. The letter of consent and declaration of conflict of interests referred to in **Section 2** and **Section 3** above;
- iv. The relevant cause papers in respect of the material litigation referred to in **Section 6** above that are available for inspection; and
- v. The draft Bylaws, as set out in **Appendix I** of this Circular.



**EDELTEQ HOLDINGS BERHAD**  
(Registration No. 201901033362 (1342692-X))  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("**EGM**") of Edeltec Holdings Berhad ("**Edeltec**" or the "**Company**") will be held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Wednesday, 25 June 2025 at 4:00 P.M., or at any adjournment thereof, or immediately following the conclusion of the 2025 Annual General Meeting ("**AGM**") of Edeltec which will be held at 2:00 P.M. on the same day, whichever is earlier, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:-

### **ORDINARY RESOLUTION 1**

**PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("**ESOS**") OF UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF EDELTEQ ("**SHARES**" OR "**EDELTEQ SHARES**") (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF ESOS ("**PROPOSED ESOS**")**

**"THAT**, subject to the approvals of all relevant regulatory authorities being obtained, where required, approval be and is hereby given to the Board of Directors of Edeltec ("**Board**") for the listing of and quotation for such number of new Edeltec Shares, representing 20% of Edeltec's total number of issued shares (excluding treasury shares, if any) to be issued arising from the exercise of the options granted under the Proposed ESOS ("**ESOS Option(s)**"), approval be and is hereby given for the Board to:-

- i. establish, implement and administer the Proposed ESOS in accordance with the bylaws of the Proposed ESOS ("**Bylaws**"), a draft of which is set out in **Appendix I** of the circular to shareholders of Edeltec dated 22 May 2025 ("**Circular**"), to approve and adopt the Bylaws and to give effect to the Proposed ESOS with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by the relevant authorities;
- ii. make the necessary applications and do all things necessary at the appropriate time or times to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new Edeltec Shares, which may from time to time be issued and allotted arising from the exercise of the ESOS Options;
- iii. determine the exercise price of the ESOS Options based on the terms and conditions set out in the Bylaws and allot and issue such number of new Edeltec Shares from time to time as may be required arising from the exercise of the ESOS Options, **PROVIDED THAT** the total number of new Edeltec Shares, which may be made available under the Proposed ESOS, shall not in aggregate exceed 20% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS **AND THAT** the new Edeltec Shares to be allotted and issued upon the exercise of the ESOS Options will, upon allotment and issuance, rank equally in all respects with the existing Edeltec Shares, save and except that such Edeltec Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such Edeltec Shares. The new Edeltec Shares allotted will be subject to all provisions in the Constitution of the Company and ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), if any;

- iv. add, amend, modify and/ or delete all or any part of the terms and conditions as set out in the Bylaws governing the Proposed ESOS from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board or any committee of the Proposed ESOS established or appointed by it provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the Bylaws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESOS;
- v. extend the duration of the Proposed ESOS for a period of up to another five (5) years, provided always that such extension of the Proposed ESOS made in accordance with the provisions of the Bylaws shall not in aggregate exceed a duration of ten (10) years from the date the Proposed ESOS takes effect or such other period determined by the relevant authorities;
- vi. do all things necessary and make the necessary applications to Bursa Securities for the listing of and quotation for new Edelteq Shares that may, hereafter from time to time, be allotted and issued under the Proposed ESOS; and
- vii. to appoint and authorise a committee by the Board ("**ESOS Committee**"), which the Proposed ESOS will be administered in accordance with the Bylaws by the said ESOS Committee, who will be responsible for implementing and administering the Proposed ESOS. The members of the ESOS Committee shall comprise such number of Directors and/ or senior management personnel of the Group to be identified from time to time."

**THAT** the Board be and is hereby authorised to do all such acts and things and to execute all such documents to give effect to the Proposed ESOS with full power to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/ or expedient to implement, finalise and give full effect to the Proposed ESOS;

**THAT** pursuant to Section 85(1) of the Companies Act, 2016 ("**Act**") read together with Clause 5.11 of the Constitution of the Company, the shareholders of the Company do hereby agree to irrevocably waive their pre-emptive rights to be offered new Edelteq Shares arising from any issuance and allotment of new Edelteq Shares to the eligible Director(s) (including non-executive Directors) and employee(s) of Edelteq Group (excluding subsidiaries which are dormant), who meet the criteria of eligibility for participation in the Proposed ESOS in the manner as indicated in the Bylaws ("**Eligible Person(s)**") pursuant to the Proposed ESOS, which rank equally to the existing issued Edelteq Shares, with such waiver resulting in a dilution to their shareholding percentage in the Company **AND THAT** the Board is exempted from the obligation to offer such new Edelteq Shares first to the existing shareholders of the Company in respect of the issuance of and allotment of new Edelteq Shares pursuant to the Proposed ESOS;

**AND THAT** the draft Bylaws as set out in **Appendix I** of this Circular and which is in compliance with the Listing Requirements, be and is hereby approved and adopted; and the Directors of the Company be and are hereby authorised to give effect to the Proposed ESOS with full power to modify and/ or amend the Bylaws from time to time as may be required or deemed necessary in accordance with the provisions of the Bylaws relating to amendments and/ or modifications and to assent to any conditions, modifications, revaluations, variations and/ or amendments as may be required by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed ESOS."

## ORDINARY RESOLUTIONS 2 TO 9

### PROPOSED ALLOCATION OF ESOS OPTIONS TO THE ELIGIBLE DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF EDELTEQ GROUP AND PERSON CONNECTED TO THEM UNDER PROPOSED ESOS ("PROPOSED ALLOCATION")

"**THAT**, subject to the passing of the Ordinary Resolution 1 and the approvals of the relevant authorities being obtained (where required), approval be and is hereby given to the Board to authorise the ESOS Committee, from time to time throughout the duration of the Proposed ESOS, to offer such number of ESOS Options pursuant to the Proposed ESOS, to the following Directors and major shareholders of Edelteq to subscribe for such number of new Edelteq Shares to be issued under the Proposed ESOS:-

No.	Name	Ordinary Resolutions
i.	Datuk Johar Bin Che Mat ( <i>Independent Non-Executive Chairman</i> )	Resolution 2
ii.	Chin Yong Keong ( <i>Major shareholder and Executive Director/ Group CEO</i> )	Resolution 3
iii.	Khong Chee Seong ( <i>Major shareholder and Executive Director/ Business Unit Director</i> )	Resolution 4
iv.	Kamaruddin Bin Kassim ( <i>Independent Non-Executive Director</i> )	Resolution 5
v.	Datin Soheir Binti Mohammad Khatib ( <i>Independent Non-Executive Director</i> )	Resolution 6
vi.	Joyce Wong Ai May ( <i>Independent Non-Executive Director</i> )	Resolution 7
vii.	Ngo Tong Seng ( <i>Independent Non-Executive Director</i> )	Resolution 8
viii.	Chin Yuen Fong ( <i>Operation and Facility Director</i> ) <sup>*1</sup>	Resolution 9

**Note:-**

<sup>\*1</sup> For avoidance of doubt, Chin Yuen Fong is the brother of Chin Yong Keong, as such a person connected to Chin Yong Keong.

Provided always that:-

- the abovementioned persons shall not participate in the deliberation or discussion of their respective allocation as well as the allocations to any persons connected with them, if any;
- not more than 10% of the new Edelteq Shares which may be made available under the Proposed ESOS shall be allocated to any one of the abovementioned persons who, either singly or collectively through persons connected to him/ her, holds 20% or more of the total number of issued shares of Edelteq (excluding treasury shares, if any), if any;
- not more than 70% of the total number of new Edelteq Shares which may be made available under the Proposed ESOS, in aggregate, to the Directors and Senior Management of the Company who are eligible Employees; and
- subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the Bylaws of the Proposed ESOS, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time.

**THAT** pursuant to Section 85(1) of the Act read together with Clause 5.11 of the Constitution of the Company, the shareholders of the Company do hereby agree to irrevocably waive their pre-emptive rights to be offered new Edelteq Shares arising from any issuance and allotment of new Edelteq Shares to the above Directors and major shareholders of Edelteq and person connected to them pursuant to the Proposed ESOS, which rank equally to the existing issued Edelteq Shares, with such waiver resulting in a dilution to their shareholding percentage in the Company **AND THAT** the Board is exempted from the obligation to offer such new Edelteq Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Edelteq Shares pursuant to the Proposed ESOS;

**AND THAT** the Board be and is hereby authorised to issue and allot from time to time such number of new Edelteq Shares, acquire existing Edelteq Shares from the open market of Bursa Securities and/ or transfer existing Edelteq Shares (including treasury shares) corresponding to the number of Edelteq Shares to the abovementioned directors of the Company as may be required pursuant to the exercise of the ESOS Options at any one time during the duration of the Proposed ESOS and to take such steps as are necessary or expedient to implement, finalise or give full effect to the Proposed Allocation, with full powers to assent to any conditions, variations, modifications and/ or amendments as may be imposed or required by the relevant authorities and/ or parties or deemed necessary by the Board in the best interest of the Company, and to do all such acts, deeds and things, and to execute all such documents and to enter into all such transactions, arrangements, agreements, deeds and undertakings with any party or parties as the Board may deem fit, necessary or expedient or appropriate to give full effect to the Proposed Allocation."

**Explanatory Note to Ordinary Resolutions 2 to 9:-**

Section 85(1) of the Act provides that:-

*"Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

*Clause 5.11 of the Company's Constitution states as follows: "Subject to the Listing Requirements and any direction to the contrary that may be given by the Company in a General Meeting, all new Shares or other convertible Securities shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new Shares or Securities which by reason of the ratio which the new Shares or Securities bear the Shares or Securities held by persons entitled to an offer of new Shares or Securities in the opinion of the Directors, cannot be conveniently offered under this Constitution."*

*By voting in favour of the proposed Ordinary Resolutions 2 to 9, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act and Clause 5.11 of the Constitution of the Company to be first offered any new shares pursuant to the Proposed ESOS, which will result in a dilution of their shareholding percentage in the Company.*

**ORDINARY RESOLUTION 10**

**PROPOSED VARIATION FOR THE UTILISATION OF THE PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING ("IPO") OF EDELTEQ ("PROPOSED VARIATION")**

"**THAT** approval be and is hereby given to the Company for the variation of the utilisation of balance gross proceeds raised from the IPO in the manner as set out in **Section 3** of the Circular.

**AND THAT** the Board be and is hereby authorised to sign, execute and deliver, on behalf of Edelteq, all documents, authorised and empowered to do or procure to be done all such acts, deeds and things as may be required to give effect to and to complete the Proposed Variation with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or imposed by the relevant authorities and/ or parties and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Variation."

**By Order of the Board**  
**TAI YIT CHAN**  
(MAICSA 7009143)

**OOI KAI YANG**  
(MAICSA 7072929)

Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia  
22 May 2025

**Notes:-**

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*
2. *Where a member appoints more than one (1) proxy, he/ she shall specify the proportions of his/ her holdings to be represented by each proxy, failing which, the appointment shall be invalid.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof.*
5. *If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.*
6. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM shall be put to vote by poll.*
7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors ("**ROD**") as at 13 June 2025 and only a member whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/ or vote in his/ her behalf.*

**Personal data privacy:-**

*By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/ or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of this meeting and at any adjournment thereof.*

# PROXY FORM

(Before completing this form please refer to the notes below)



**EDELTEQ HOLDINGS BERHAD**  
(Registration No. 201901033362 (1342692-X))

No. of Shares held	:	
CDS Account No	:	

Telephone No.: \_\_\_\_\_  
(During office hours)

I/ We, (full name) \_\_\_\_\_ Email: \_\_\_\_\_ Telephone No. \_\_\_\_\_

Bearing \*NRIC No./ Passport No./ Company No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being a member/ members of EDELTEQ HOLDINGS BERHAD, hereby appoint

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholding
		%
Address		
Email Address		
Mobile Phone No.		

And/ or\*

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholding
		%
Address		
Email Address		
Mobile Phone No.		

or failing him/ her\*, the Chairman of the Meeting as \*my/ our proxy/ proxies to attend, participate and vote for \*me/ us and on my/ our behalf at the Extraordinary General Meeting ("**EGM**") of Edeltech Holdings Berhad ("**Edeltech** or the "**Company**") held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Wednesday, 25 June 2025 at 4:00 P.M. or at any adjournment thereof, or immediately following the conclusion of the 2025 Annual General Meeting ("**AGM**") of Edeltech which will be held at 2:00 P.M. on the same day, whichever is earlier.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	PROPOSED ESOS		
2.	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATUK JOHAR BIN CHE MAT		
3.	PROPOSED ALLOCATION OF ESOS OPTIONS TO CHIN YONG KEONG		
4.	PROPOSED ALLOCATION OF ESOS OPTIONS TO KHONG CHEE SEONG		
5.	PROPOSED ALLOCATION OF ESOS OPTIONS TO KAMARUDDIN BIN KASSIM		
6.	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATIN SOHEIR BINTI MOHAMMAD KHATIB		
7.	PROPOSED ALLOCATION OF ESOS OPTIONS TO JOYCE WONG AI MAY		
8.	PROPOSED ALLOCATION OF ESOS OPTIONS TO NGO TONG SENG		
9.	PROPOSED ALLOCATION OF ESOS OPTIONS TO CHIN YUEN FONG		
10.	PROPOSED VARIATION		

Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/ her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2025

\_\_\_\_\_  
Signature of Member(s) or/ Common Seal

\*Strike out whichever is not desired.

**Notes:-**

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Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Share Registrar of  
**EDELTEQ HOLDINGS BERHAD**  
Registration No.: 201901033362 (1342692-X)  
11th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan

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