

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 (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) as the Sponsor to Edelteq and Adviser to Edelteq for the Proposed Bonus Issue of Warrants (as defined herein).

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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 PROPOSED BONUS ISSUE OF UP TO 292,894,596 FREE WARRANTS IN EDELTEQ HOLDINGS BERHAD ("EDELTEQ" OR THE "COMPANY") ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN EDELTEQ ("EDELTEQ SHARE(S)" OR "SHARE(S)") HELD BY THE ENTITLED SHAREHOLDERS WHOSE NAMES APPEAR IN THE COMPANY'S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("ENTITLED SHAREHOLDERS") ("PROPOSED BONUS ISSUE OF WARRANTS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOB Kay Hian

UOB Kay Hian (M) Sdn Bhd

(Formerly known as UOB Kay Hian Securities (M) Sdn Bhd)
Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of Edelteq ("**EGM**") will be held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Monday, 23 February 2026 at 10:00 A.M., or at any adjournment thereof. The Notice of EGM and the Form of Proxy are 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 and vote on his/her behalf. In such event, the completed and signed Form of Proxy 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 either by hand, post, courier or electronic mail to bsr.proxy@boardroomlimited.com or fax (603) 78904670. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 21 February 2026 at 10:00 A.M. or at any adjournment thereof

Date and time of the EGM : Monday, 23 February 2026 at 10:00 A.M.

This Circular is dated 12 January 2026

DEFINITIONS

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

"Act"	: The Companies Act 2016, as amended from time to time, including any re-enactment thereof
"Board"	: The Board of Directors of Edelteq
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"Circular"	: This circular dated 12 January 2026 in relation to the Proposed Bonus Issue of Warrants
"Deed Poll"	: The deed poll constituting the Warrants and governing the rights of the Warrants Holder to be executed by the Company
"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) of Edelteq
"EGM"	: The forthcoming extraordinary general meeting of Edelteq
"Entitled Shareholders"	: The shareholders of Edelteq whose names appear in the Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	: A date to be determined and announced later by the Board, on which the names of the Entitled Shareholders must appear in the Company's Record of Depositors as at 5.00 p.m. in order to participate in the Proposed Bonus Issue of Warrants
"EPS"	: Earnings per share
"ESOS"	: Edelteq's existing employees' share option scheme of up to 20% of the total issued shares of Edelteq during the duration of the ESOS
"ESOS Option(s)"	: Up to 117,157,838 ESOS options as at the LPD, may be granted and exercised pursuant to the maximum allowable amount under the ESOS
"ETSB"	: Edelteq Technologies Sdn Bhd (Registration No.: 201901010509 (1319837-U))
"FPE"	: Financial period ended/ending
"FYE"	: Financial year ended/ending
"Halovision"	: Halovision System Sdn Bhd (Registration No.: 202501029591 (1631003-M))
"IC"	: Integrated circuit

DEFINITIONS (CONT'D)

"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	24 December 2025, being the latest practicable date prior to the printing and despatch of this Circular
"Major Shareholder(s)"	:	A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:- (i) 10% or more of the total number of voting shares in the corporation; or (ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, " interest " shall have the meaning of " interest in shares " given in Section 8 of the Act
"NA"	:	Net assets
"Official List"	:	A list specifying all securities listed on the ACE Market of Bursa Securities
"Private Placement"	:	Private placement of up to 10% of the total number of issued shares of Edelteq
"Proposed Bonus Issue of Warrants"	:	Proposed bonus issue of up to 292,894,596 free Warrants on the basis of 1 Warrant for every 2 existing Edelteq Shares held by the Entitled Shareholders on an Entitlement Date to be determined and announced later
"Record of Depositors"	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository pursuant to the Securities Industry (Central Depositories) Act, 1991
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Solid Point"	:	Solid Point Precision Manufacturing Sdn Bhd (Registration No.: 199301010119 (264856-X))
"Substantial Shareholder(s)"	:	Shall have the same meaning given in Section 136 of the Act
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No.: 199001003423 (194990-K))
"VWAP"	:	Volume weighted average price
"Warrant(s)"	:	Free warrants in Edelteq to be issued pursuant to the Proposed Bonus Issue of Warrants
"Warrant Holder(s)"	:	The holders of the Warrants

DEFINITIONS (CONT'D)

All references to "**you**" or "**your(s)**" in this Circular are made to shareholders who are entitled to attend 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/or 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

This Executive Summary highlights only the salient information of the Proposed Bonus Issue of Warrants. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposed Bonus Issue of Warrants before voting at the forthcoming EGM.

Key information	Description	Reference to Circular
Summary on the Proposed Bonus Issue of Warrants	<p>The Proposed Bonus Issue of Warrants entails the issuance of up to 292,894,596 free Warrants, on the basis of 1 Warrant for every 2 Edelteq Shares held by the Entitled Shareholders on the Entitlement Date.</p> <p>The Warrants will be issued at no cost to the Entitled Shareholders and the exercise price of the Warrants will be determined and announced at a later date by the Board after the receipt of all relevant approvals but before the announcement of the Entitlement Date.</p>	Section 2
Rationale and justification	<p>(i) To reward the existing shareholders of the Company for their continuing support, by enabling them to participate in a derivative of the Company;</p> <p>(ii) Provides the shareholders an alternative means to participate and trade in the equity of the Company in addition to the mother share. The shareholders may also benefit from potential capital gain in the event of Share price appreciation through the exercise of the Warrants;</p> <p>(iii) Provides the shareholders an opportunity to further increase their equity participation in the Company by exercising the Warrants at a pre-determined price over the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation of the Edelteq Shares arising therefrom;</p> <p>(iv) Strengthen the capital base of the Company with the proceeds from the exercise of Warrants, as and when the Warrants are exercised; and</p> <p>(v) Serves as an appropriate avenue to raise funds as opposed to other fundraising exercises, in view that it may progressively raise proceeds as and when the Warrants are exercised to fund the Group's working capital requirement without the need to incur interest cost as compared to bank borrowings.</p>	Section 3
Approvals required/obtained and inter-conditionality	<p>The Proposed Bonus Issue of Warrants is subject to the following approvals:-</p> <p>(i) Bursa Securities, which was obtained on 23 December 2025; and</p> <p>(ii) Shareholders of the Company at the EGM.</p> <p>The Proposed Bonus Issue of Warrants is not conditional upon any other proposals undertaken or to be undertaken by the Company.</p>	Section 8
Interests of the Directors, Major Shareholders, chief executive and/or persons connected with them	<p>None of the Directors, Major Shareholders, chief executive of Edelteq and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue of Warrants, which is also available to all other Entitled Shareholders of the Company on a pro-rata basis.</p>	Section 9
Board's recommendation	<p>The Board, after having considered all aspects of the Proposed Bonus Issue of Warrants, is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of the Company and recommends that you VOTE IN FAVOUR of the resolution pertaining to the Proposed Bonus Issue of Warrants at the EGM.</p>	Section 10



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

Registered Office

No. 37B, Jalan Basco Kepayang 1
Basco Avenue @ Kepayang
31400 Ipoh
Perak
Malaysia

12 January 2026

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*)
Joyce Wong Ai May (*Independent Non-Executive Director*)
Ngo Tong Seng (*Independent Non-Executive Director*)
Christof Otto Brass (*Independent Non-Executive Director*)

To: The shareholders of Edeltec

Dear Sir/Madam,

PROPOSED BONUS ISSUE OF WARRANTS

1. INTRODUCTION

On 10 December 2025, UOBKH had, on behalf of the Board, announced that the Company proposed to undertake a bonus issue of up to 292,894,596 Warrants on the basis of 1 Warrant for every 2 existing Edeltec Shares held by the Entitled Shareholders on the Entitlement Date.

On 23 December 2025, UOBKH had, on behalf of the Board, announced that Bursa Securities had on even date resolved to approve the following:-

- (i) admission of the Warrants to the Official List of Bursa Securities; and
- (ii) listing and quotation of up to 292,894,596 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and up to 292,894,596 new Edeltec Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities,

subject to the conditions as disclosed in **Section 8** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE OF WARRANTS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE EGM.

2. PROPOSED BONUS ISSUE OF WARRANTS

2.1 Basis and number of Warrants to be issued

The Proposed Bonus Issue of Warrants entails the issuance of up to 292,894,596 free Warrants, on the basis of 1 Warrant for every 2 Edelteq Shares held by the Entitled Shareholders on the Entitlement Date.

As at the LPD, the Company has:-

- (i) an issued share capital of RM59,176,294 comprising 585,789,193 Edelteq Shares. The Company does not retain any treasury shares; and
- (ii) an ESOS and up to 117,157,838 ESOS Options as at the LPD, may be granted and exercised pursuant to the maximum allowable amount under the ESOS. For information purposes, as at the LPD, there are no ESOS options granted and exercised. Hence, there are no outstanding ESOS options as at the LPD.

To facilitate the Proposed Bonus Issue of Warrants, the Board has undertaken not to grant any ESOS Options until the completion of the Proposed Bonus Issue of Warrants.

Accordingly, a total of up to 292,894,596 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants.

The entitlement basis for the Proposed Bonus Issue of Warrants was determined after taking into consideration the following:-

- (i) compliance with Rule 6.51 of the Listing Requirements, which states that the number of new Edelteq Shares that will arise from the exercise of all outstanding convertible securities, shall not exceed 50% of the total number of issued shares (excluding treasury shares and before the exercise of the convertible securities) at all times, as follows:-

		No. of Shares
Total number of Edelteq Shares before the issuance of Warrants	(A)	585,789,193
Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants	(B)	292,894,596
% of new Edelteq Shares	(B) / (A)	<u>50.00%</u>

- (ii) dilutive effects arising from the full exercise of Warrants on the consolidated EPS of the Company; and
- (iii) amount of proceeds the Company could potentially raise as and when the Warrants are exercised during the tenure of the Warrants.

Fractional entitlements of the Warrants, if any, shall be disregarded and dealt with in such manner as the Board may in its absolute discretion deem fit and expedient, and in the best interest of the Company.

The Proposed Bonus Issue of Warrants will be implemented in a single tranche and is not intended to be implemented in stages over a period of time and will be issued in registered form and constituted by the Deed Poll after the receipt of all relevant approvals for the Proposed Bonus Issue of Warrants.

For avoidance of doubt, no reserves will be capitalised for the issuance of Warrants under the Proposed Bonus Issue of Warrants.

The indicative salient terms of the Warrants are set out in **Appendix I** of this Circular.

2.2 Basis and justification of determining the issue price and exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders and the exercise price of the Warrants will be determined and announced at a later date by the Board after the receipt of all relevant approvals but before the announcement of the Entitlement Date.

The exercise price of the Warrants will be determined and fixed by the Board after taking into consideration, amongst others, the following:-

- (i) the historical price movement of Edelteq Shares;
- (ii) the 5-day VWAP of Edelteq Shares immediately preceding the price-fixing date to be determined and announced later.

The Board intends to fix the exercise price of the Warrants at a discount of not more than 20% to the 5-day VWAP of Edelteq Shares immediately preceding the price-fixing date. Such discount will incentivise the Warrants Holders to exercise the Warrants and increase their equity participation in the Company, while also allowing the Board the necessary flexibility to accommodate for potential fluctuations in prevailing market conditions and prices.

For illustrative purposes only, the illustrative exercise price of the Warrants is assumed at RM0.40 per Warrant, which represents a discount of approximately 14.66% to the 5-day VWAP of Edelteq Shares up to and including the LPD of RM0.4687; and

- (iii) the Warrants are exercisable at any time during the tenure of the Warrants of 5 years from the date of issuance, which may provide Edelteq's shareholders with an alternative to participate in the equity of the Company and potentially realise a capital gain in the event of any share price appreciation.

The Board is of the view that the exercise of the Warrants may raise additional funds for the Group in the future, as well as improve the trading liquidity of Edelteq Shares with the increase in the number of Edelteq Shares in issue as and when the Warrants are exercised.

An announcement on the exercise price of the Warrants, the basis of determining the exercise price of the Warrants and justifications for the pricing will be made by the Board on the price-fixing date of the Warrants.

2.3 Ranking of the Warrants and new Edelteq Shares to be issued arising from the exercise of the Warrants

The Warrant Holders will not be entitled to any voting rights or right to participate in any form of distribution and/or offer of further securities in Edelteq other than on winding up, compromise or arrangement of Edelteq as set out in the Deed Poll until and unless such Warrant Holders exercise their Warrants into new Edelteq Shares or unless otherwise provided in the Deed Poll or unless otherwise resolved by Edelteq in a general meeting.

The new Edelteq Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Edelteq Shares, save and except that the new Edelteq Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new Edelteq Shares.

2.4 Listing and quotation of the Warrants and new Edelteq Shares to be issued arising from the exercise of the Warrants

Bursa Securities had, vide its letter dated 23 December 2025, approved the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of up to 292,894,596 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and up to 292,894,596 new Edelteq Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities.

2.5 Utilisation of proceeds

The Proposed Bonus Issue of Warrants will not raise any immediate funds for the Company as the Warrants will be issued at no cost to the Entitled Shareholders. The amount of proceeds to be raised would depend on the actual number of Warrants exercised during the exercise period. As such, the exact quantum to be raised cannot be determined at this juncture.

Assuming the full exercise of Warrants at the illustrative exercise price of RM0.40 per Warrant, the Proposed Bonus Issue of Warrants is expected to raise gross proceeds of up to RM117.16 million. Such proceeds to be raised, as and when the Warrants are exercised, are expected to fund the Group's future working capital requirements. The indicative allocation is set out below:-

Details of utilisation for working capital	%
Purchase of raw materials and components	70
Purchase of plant, equipment and machinery	30
	100

The proceeds to be used for working capital are subject to the operational requirements of the Group at the point of utilisation, and thus the actual timeframe and breakdown are not determinable at this juncture. Nevertheless, the Board anticipates that any proceeds to be raised from the exercise of the Warrants will be utilised by the Group within 12 months from the date of receipt of such proceeds.

Pending the utilisation of proceeds raised as and when the Warrants are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will also be used to fund the working capital requirements of the Group.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED BONUS ISSUE OF WARRANTS

The Board intends to undertake the Proposed Bonus Issue of Warrants due to the following:-

- (i) to reward the existing shareholders of the Company for their continuing support, by enabling them to participate in a derivative of the Company;
- (ii) provides the shareholders an alternative means to participate and trade in the equity of the Company in addition to the mother share. The shareholders may also benefit from potential capital gain in the event of Share price appreciation through the exercise of the Warrants;

- (iii) provides the shareholders an opportunity to further increase their equity participation in the Company by exercising the Warrants at a pre-determined price over the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation of the Edeltec Shares arising therefrom;
- (iv) strengthen the capital base of the Company with the proceeds from the exercise of Warrants, as and when the Warrants are exercised; and
- (v) serves as an appropriate avenue to raise funds as opposed to other fundraising exercises, in view that it may progressively raise proceeds as and when the Warrants are exercised to fund the Group's working capital requirement as highlighted in **Section 2.5** of this Circular without the need to incur interest cost as compared to bank borrowings.

4. OTHER FUNDRAISING EXERCISES IN THE PAST 12 MONTHS

The Company had on 23 September 2025, announced the Private Placement, of which a total of 53,253,563 Shares were placed out at the following price, raising gross proceeds of RM21.12 million:-

Listing Date	Issue price RM	No. of Shares	Actual proceeds raised RM
10 October 2025	0.3966	53,253,563	21,120,363

The Private Placement was subsequently completed on 10 October 2025. The utilisation of proceeds as at the LPD are set out below:-

Details	Expected timeframe for utilisation from completion of Private Placement	Actual proceeds raised RM'000	Actual utilisation RM'000	Balance proceeds unutilised RM'000
Working capital for IC, and assembly and test consumables segment	Within 12 months	16,055	12,721	3,334
Repayment of bank borrowings	Within 12 months	4,998	55	4,943
Estimated expenses	Upon completion	67	67	-
Total		21,120	12,843	8,277

Save for the Private Placement, the Company has not undertaken any other fundraising exercises in the 12 months prior to the date of this Circular.

5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

5.1 Overview and outlook of the Malaysian economy

Malaysia's economy remains strong, having grown by a steady 4.4% in the first six months of the year. Growth is projected to continue within the range of 4% – 4.8% in 2025 and 4% – 4.5% in 2026. These projections are consistent with the International Monetary Fund (IMF) in the World Economic Outlook Update, July 2025, which forecasts Malaysia's growth at 4.5% for 2025 and 4% for 2026.

The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market and proactive policies undertaken by the Government. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and Visit Malaysia 2026 (VM2026). The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

The services sector is projected to grow by 5.2% in 2026, with all subsectors contributing to the expansion. This growth will be led by increased tourism activities, driven by a surge in visitor arrivals and spending related to VM2026, alongside sustained consumer spending.

The wholesale and retail trade subsector will remain the key driver for the services sector, with a growth of 5% mainly attributed to the retail segment. Vigorous seasonal sales and promotional campaigns across stores as well as e-commerce and social media platforms will stimulate buying activities. In addition, initiatives such as product demonstrations and in-store placements as well as attractive pricing strategies will enhance sales of locally made products. Meanwhile, the motor vehicles segment is expected to rebound, supported by higher booking for new vehicles.

The transportation and storage subsector is forecast to grow by 7.1%, supported by all segments following the expansion in rail, highway, port and airport activities. The land transport segment is anticipated to be boosted by the commencement of operations of the Light Rail Transit 3 (LRT3) Phase 1 and ETS south bound as well as operationalisation of the East Klang Valley Expressway (EKVE).

Likewise, the air transport segment is expected to be driven by increased flight frequencies, expanded route connectivity and a surge in international passenger traffic in conjunction with VM2026. The targeted incentives and airport capacity upgrades will further support growth in both passenger and cargo segments. The water transport segment is projected to expand in tandem with encouraging trade activities.

The finance and insurance subsector is anticipated to expand by 2.8% with positive growth in all segments, supported by sustained economic activities. Under the finance segment, loan growth is anticipated to remain moderate amid steady credit demand from household sector. Meanwhile, the insurance segment is expected to remain modest with stable premium growth despite net benefit pay-outs remaining high, particularly for life insurance policies.

The real estate and business services subsector is projected to grow by 6.7%, driven by sustained demand for professional services. The growth is expected to be spurred by engineering-related services, benefiting from increased demand for logistic hubs, warehouses and ongoing development of industrial parks. This expansion is also anticipated to be fuelled by new demand from key projects, including the Johor-Singapore Special Economic Zone (JS-SEZ) and continuous construction activities for new data centres.

The information and communication subsector is expected to grow 4.3%, mainly driven by expansion in AI technologies, data centre and cloud computing capacities as well as continued government support through comprehensive digital policies and infrastructure upgrades. In addition, the subsector will be fuelled by higher social commerce activities via various social platforms as well as subscriptions of over-the-top (OTT) media services for e-sports and entertainment. Major sporting events such as the 2026 FIFA World Cup, BWF Thomas & Uber Cup 2026 and the 2026 Commonwealth Games will increase the number of subscribers, further boosting the subsector.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programmes. Investment activity was underpinned by continued capital expansion by both private and public sectors. On the external front, net exports registered higher growth as export growth outpaced import growth.

On the supply side, growth was led by the services and manufacturing sectors. Growth in the services sector was mainly contributed by consumer-related sub-sectors, while the manufacturing sector's performance was driven by stronger production in electrical and electronics (E&E) and consumer-related goods. Meanwhile, the mining and quarrying sector rebounded, reflecting a recovery in crude oil and natural gas production post-scheduled maintenance work. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.4% (2Q 2025: 2.2%).

Despite the challenging external environment, Malaysia's economic outlook remains on track to achieve growth between 4% and 4.8% in 2025, supported by resilient domestic demand. Household spending will be supported by continued employment and wage growth, as well as income-related policy measures. Investment activity will be sustained by progress of infrastructure projects, further realisation of approved private investments, and the implementation of national master plans. On the external front, export growth is expected to be impacted by tariffs and more moderate external demand. However, growth would be supported by continued demand for E&E goods, inbound tourism and the recovery in mining-related exports.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2025, Bank Negara Malaysia)

5.2 Overview and outlook of the semiconductor industry in Malaysia

In 2025, the economy is expected to grow between 4% and 4.8%, underpinned by firm domestic demand. From the demand perspective, private consumption is anticipated to remain resilient, supported by higher disposable income, favourable labour market conditions, targeted assistance programmes and vibrant tourism activities. Investment momentum will be sustained by the realisation of multi-year projects and strong inflows into high-growth segments such as semiconductors and data centres. From a supply perspective, the services and manufacturing sectors will continue to lead growth. The services sector will be driven by robust tourism activities, dynamic retail trade and increased demand for business-related services. Meanwhile, the manufacturing sector will benefit from growing semiconductor demand due to the expansion of the digital economy and the increasing use of AI edge applications as well as strong performance in domestic-oriented industries.

For the second half of the year, the sector is projected to record a growth of 3.6%, in line with steady performance in all subsectors. Within the export-oriented industries, higher investment in the semiconductor segment and continued implementation of initiatives under existing policies, among others the New Industrial Master Plan 2030 (NIMP 2030) and National Semiconductor Strategy (NSS), will further enhance competitiveness through stronger industrial clusters and greater digital adoption. In addition, an upsurge in activities of mining-related clusters are anticipated to bolster the industries' growth. Meanwhile, robust domestic consumption in the consumer goods and construction segments is anticipated to support the domestic-oriented industries. The demand for consumer-related products, particularly in the food and beverages as well as transportation segments, will be underpinned by higher tourism-related activities. On the other hand, building materials such as metal and cement are expected to record higher production, in line with the steady performance of the construction sector. Hence, the manufacturing sector is projected to register a growth of 3.8% in 2025.

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (SSPA), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 (VM2026). In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

One of the central strategies driving Malaysia's economic growth is the implementation of the New Industrial Master Plan 2030 (NIMP 2030), which aims to elevate the manufacturing sector and its related services by increasing value-added output by 6.5% annually, targeting RM587.5 billion by 2030. In catalysing the implementation of this transformation, Budget 2025 allocated RM131.5 million as seed funding to facilitate investment in industrial development initiatives under the Strategic Co-Investment Fund (CoSIF). As of end-August 2025, CoSIF has attracted investments totalling approximately RM25 million in high-value industries, particularly semiconductors, data centres and cloud computing.

The KL20 programme is a major initiative to position Kuala Lumpur to be among the top 20 global startup hubs by 2030, by leveraging Malaysia's high growth markets, robust digital infrastructure, skilled talent pool and vibrant startup community. Among the ongoing projects under KL20, the Malaysia Semiconductor IC Design Park, aims to hire 300 engineers by the end of 2025, with 134 currently employed as of end-August 2025. Concurrently, notable progress has been made, with about 90% of the targeted 5,000 startups have been registered through the MYStartup platform.

Malaysia's strong economic fundamentals position the country to attract quality investment and improve competitiveness in driving economic growth. This will also provide opportunities for the country in potential areas such as digital, halal and semiconductor industries, underpinned by strategic location, developed infrastructure and highly capable workforce. Furthermore, the JS-SEZ will catalyse the nation towards becoming a centre for regional economic growth in these areas. At the same time, healthy competition from regional peers motivates Malaysia to refine the value proposition, enhance ease of doing business and attract quality investments. These developments not only spur economic progress but also create more skilled jobs and raise incomes for the rakyat.

The E&E products remain Malaysia's export strength, contributing around 40% of total exports. In 2024, the US was Malaysia's largest export market for E&E products, representing about 20% of total exports of E&E products. In addition, being a significant player in the global semiconductor supply chain, Malaysia contributes around 7% to the overall global semiconductor market and is the world's sixth-largest semiconductor exporter. As of August 2025, imports of semiconductor by the US remain exempt from being levied, including from Malaysia, subject to ongoing US national security investigations. Any removal of this exemption could result in repercussions, reduce competitiveness and strain sectors that are closely integrated with the US supply chains.

Growth in the manufacturing sector is projected to remain steady at 3% in 2026, supported by both export- and domestic-oriented industries. The broader gains from the global technology upcycle is anticipated to continue supporting export-oriented industries. The E&E cluster is expected to remain the key driver, with sustained growth across semiconductor products, particularly in the chips segment, following robust demand for AI applications and digitalisation. These developments will further elevate growth prospects and strengthen Malaysia's position in the global E&E supply chain.

In 2026, gross exports are forecast to increase by 2.8%, particularly for manufactured and agriculture goods, backed by the continued expansion of the E&E sector, driven by higher demand for semiconductor and AI edge applications, as well as competitive commodity prices. The growth is also attributed to stronger external demand from trade expansion following market and product diversifications, on the back of Malaysia's comparative advantage, particularly in semiconductor. Additionally, intensified intra trade with ASEAN member countries as well as ventures into non-traditional markets will further strengthen exports.

Exports of manufactured goods are anticipated to expand by 3%, resulting from rising demand for both E&E and non-E&E products. These products constitute shares of total manufactured goods at 50.4% and 49.6%, respectively. The E&E products are projected to grow by 3.9%, buoyed by steady demand for semiconductor. This is in tandem with the continued technological upcycle, leading to a better performance outlook of the global semiconductor market at 9.9%, as reported by the World Semiconductor Trade Statistics. Concurrently, exports of non-E&E products are estimated to rebound by 2.1%, following higher demand, particularly for palm oil-based manufactured products; manufactures of metal; chemicals and chemical products; as well as machinery, equipment and parts.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

5.3 Future prospects of the Group

Edeltec Group continues to undertake a range of engineering support activities for IC assembly and testing within the semiconductor industry. In line with its long-term expansion strategy, the Group has recently implemented several initiatives to strengthen its operational capabilities and broaden its revenue base.

On 3 June 2025, the Company, through its wholly-owned subsidiary namely Edeltec Ventures Sdn Bhd, entered into a joint venture with Halo Technologies Sdn Bhd, resulting in the incorporation of Halovision. Halovision is principally involved in the research and development, manufacturing and commercialisation of advanced automated optical inspection machines, including the Raptor series for substrate panel inspection and the i-Falke series for wafer-level inspection, catering to the growing demand for high-precision inspection solutions.

In addition, on 26 November 2025, the Group completed the acquisition of a 24% enlarged equity stake in Solid Point. This strategic investment supports the Group's objective of enhancing vertical integration, broadening its earnings base and strengthening its position within the precision metal fabrication value chain. Solid Point specialises in the production of high-precision components for use across the aerospace, automotive, electronics and medical device sectors.

Concurrently, the Group is also expanding its production capacity through the acquisition of factory units in Simpang Ampat, Penang. The two units of four-storey semi-detached factory units purchased in June 2024 were completed on 26 November 2024, while the additional adjacent unit acquired in September 2025 is pending completion as at the LPD. These expansions are intended to support the anticipated growth in operational output and accommodate rising demand for the Group's engineering support services.

Premised on the above, and barring any unforeseen circumstances, the Board is optimistic about the future prospects of the Group. Given the Group's ongoing expansion and the increasing scale of its operations, the proceeds to be raised, as and when the Warrants are exercised, are expected to fund the Group's future working capital requirements. The Board will continue to monitor and review the performance and progress of the Group's operations and financial performance, and to introduce measures to enhance the Group's financial performance, if required.

(Source: Management of Edeltec)

6. EFFECTS OF THE PROPOSED BONUS ISSUE OF WARRANTS

6.1 Issued share capital

The Proposed Bonus Issue of Warrants will not have any immediate effect on the issued share capital of Edelteq until and unless new Edelteq Shares are issued pursuant to the exercise of the Warrants. The issued share capital of our Company will increase progressively as and when the Warrants are exercised, if any.

The pro forma effects of the Proposed Bonus Issue of Warrants on the issued share capital of the Company are as follows:-

	No. of Shares	RM
Issued share capital as at the LPD	585,789,193	59,176,294
Assuming full exercise of Warrants pursuant to the Proposed Bonus Issue of Warrants	292,894,596	117,157,838 ^{*1}
Enlarged issued share capital	878,683,789	176,334,132

Note:-

^{*1} Computed based on the illustrative exercise price of RM0.40 per Warrant

6.2 NA per Share and gearing

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 Bonus Issue of Warrants on the NA per Share and gearing of the Group are set out as follows:-

	Audited as at 31 December 2024 RM	I Subsequent adjustments up to the LPD ^{*1} RM	II After I and assuming full exercise of Warrants RM
Share capital	38,055,931	59,176,294	176,334,132 ^{*2}
Retained earnings	11,885,131	11,885,131	11,685,131 ^{*3}
Shareholders' fund/NA	49,941,062	71,061,425	188,019,263
No. of Shares in issue (excluding treasury shares)	532,535,630	585,789,193	878,683,789
NA per Share	0.09	0.12	0.21
Total borrowings	5,810,671	5,810,671	5,810,671
Gearing ratio (times)	0.12	0.08	0.03

Notes:-

^{*1} Issuance of 53,253,563 Shares at the issue price of RM0.3966 per Share pursuant to the Private Placement

^{*2} Assuming all 292,894,596 Warrants are exercised at the illustrative exercise price of RM0.40 per Warrant

^{*3} After deducting estimated expenses of RM0.20 million in relation to the Proposed Bonus Issue of Warrants which will be funded via internally generated funds

6.3 Substantial Shareholders' shareholdings

The Proposed Bonus Issue of Warrants will not have any immediate effect on the Substantial Shareholders' shareholdings in Edelteq until such time when the new Edelteq Shares are issued pursuant to the exercise of the Warrants. As the Warrants will be allotted on a pro-rata basis to the Entitled Shareholders, the number of Edelteq Shares held by each Substantial Shareholder will increase proportionately upon full exercise of the Warrants.

For illustrative purposes only, the pro forma effects of the Proposed Bonus Issue of Warrants on the Substantial Shareholders' shareholdings in Edelteq are set out below:-

Substantial Shareholders	Shareholdings as at the LPD				Assuming full exercise of Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*2}
Chin Yong Keong	174,135,685	29.73	-	-	261,203,527	29.73	-	-
Khong Chee Seong	106,907,590	18.25	-	-	160,361,385	18.25	-	-
Chin Yuen Fong	92,360,790	15.77	-	-	138,541,185	15.77	-	-
icapital.biz Berhad	39,277,963	6.71	-	-	58,916,944	6.71	-	-

Notes:-

^{*1} Based on the issued Shares of 585,789,193 in Edelteq

^{*2} Based on the enlarged issued Shares of 878,683,789 in Edelteq assuming the full exercise of the Warrants

6.4 Earnings and EPS

The Proposed Bonus Issue of Warrants is not expected to have any material effect on the consolidated earnings of the Group for the financial year ending 31 December 2025. However, assuming that the consolidated earnings of the Group remain unchanged, the EPS of the Group will be correspondingly diluted as a result of the increase in the number of Edelteq Shares in issue as and when the Warrants are exercised into new Edelteq Shares.

The potential effects of the exercise of the Warrants on the future earnings and EPS of the Group will depend upon, amongst others, the number of Warrants exercised at any point in time and the potential benefits to be derived from the utilisation of proceeds raised from the exercise of the Warrants.

Although the EPS shall be correspondingly diluted as a result of the increase in the number of Shares, the Proposed Bonus Issue of Warrants is expected to contribute positively to the Group's earnings thereafter through the utilisation of proceeds.

6.5 Convertible securities

As at the LPD, the Company does not have any convertible securities in issue and there are no outstanding ESOS Options.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Edelteq Shares as traded on Bursa Securities for the past 12 months from January 2025 to December 2025 are set out below:-

	High RM	Low RM
2025		
January	0.367	0.283
February	0.312	0.243
March	0.307	0.223
April	0.245	0.170
May	0.280	0.220
June	0.270	0.210
July	0.330	0.245
August	0.390	0.315
September	0.450	0.325
October	0.565	0.415
November	0.560	0.400
December	0.495	0.390
Last transacted market price as at the LPD		0.485

(Source: Bloomberg)

8. APPROVALS REQUIRED/OBTAINED AND INTER-CONDITIONALITY

The Proposed Bonus Issue of Warrants is subject to the following approvals being obtained:-

- (i) Bursa Securities, for the following:-
 - (a) the admission of the Warrants to the Official List of Bursa Securities; and
 - (b) the listing and quotation of the Warrants and new Edelteq Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities;

the approval of which has been obtained vide Bursa Securities' letter dated 23 December 2025 subject to the following conditions:-

Conditions	Status of compliance
(a) Edelteq and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;	To be complied
(b) Edelteq and UOBKH are required to inform Bursa Securities upon completion of the Proposed Bonus Issue of Warrants;	To be complied
(c) Edelteq and UOBKH are required to provide a written confirmation that the terms of the Warrants are in compliance with Rule 6.55(3) of the Listing Requirements;	To be complied
(d) Edelteq is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed; and	To be complied
(e) Edelteq is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) The shareholders of Edelteq for the Proposed Bonus Issue of Warrants at the EGM.

The Proposed Bonus Issue of Warrants is not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, Major Shareholders, chief executive of Edelteq and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue of Warrants, which is also available to all other entitled shareholders of the Company on a pro-rata basis.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Bonus Issue of Warrants, including but not limited to the rationale and effects of the Proposed Bonus Issue of Warrants, is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of the Company.

Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Bonus Issue of Warrants at the EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Bonus Issue of Warrants is expected to be completed by the first quarter of 2026.

The tentative timetable for the implementation of the Proposed Bonus Issue of Warrants is set out below:-

Date	Events
23 February 2026	<ul style="list-style-type: none">• Convening of EGM to obtain the approval of shareholders of Edelteq• Announcement of the Entitlement Date
Early March 2026	<ul style="list-style-type: none">• Entitlement Date
Mid-March 2026	<ul style="list-style-type: none">• Listing and quotation of the Warrants on the ACE Market of Bursa Securities• Completion of the Proposed Bonus Issue of Warrants

12. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

On 12 September 2025, the Company announce that ETSB, a wholly-owned subsidiary of Edelteq had, on even date entered into a sale and purchase agreement with Chi-Tak Electrical Sdn Bhd ("**CTESB**" or the "**Vendor**") for the proposed acquisition by ETSB of a unit of four (4) storey semi-detached light industrial unit held under Hakmilik Geran No. 174924, Lot No. 20743, Mukim 14, Daerah Seberang Perai Selatan, Negeri Pulau Pinang and bearing assessment address of No. 18, Jalan Perniagaan Vorteks 4, Pusat Perniagaan Vorteks, 14100 Simpang Ampat, Pulau Pinang for a purchase consideration of RM2,800,000 to be satisfied entirely via cash ("**Proposed Acquisition**"). As at the LPD, the Proposed Acquisition is pending completion.

Save for the Proposed Acquisition and the Proposed Bonus Issue of Warrants (being the subject matter of this Circular), the Board confirms that there are no other outstanding corporate exercises that have been announced through Bursa Securities but not yet completed prior to the printing of this Circular.

13. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Monday, 23 February 2026 at 10:00 A.M., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposed Bonus Issue of Warrants.

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 Form of Proxy 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 either by hand, post, courier or electronic mail to bsr.proxy@boardroomlimited.com or fax (603) 78904670. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14. 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

APPENDIX I – INDICATIVE SALIENT TERMS OF THE DEED POLL

The indicative salient terms of the free Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants as set out in the Deed Poll, are as follows:-

Terms	Details
Issue size	: Up to 292,894,596 Warrants
Issue price	: The Warrants will be issued at no cost to the Entitled Shareholders.
Form and denomination	: The Warrants will be issued in registered form and will be constituted by the Deed Poll and may be supplemented from time to time.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 Warrants carrying rights to subscribe for 100 new Edelteq Shares at any time during the exercise period, or such other number of Warrants as may be varied from time to time by Bursa Securities and/or any relevant authorities to constitute a board lot.
Exercise right	: Every 1 Warrant entitles Warrant Holders to subscribe for 1 new Edelteq Shares at any time during the exercise period at the exercise price, subject to the adjustments in accordance with the provisions of the Deed Poll.
Exercise price	: The exercise price of the Warrants shall be determined by the Board at a later date after obtaining the relevant approvals but prior to the Entitlement Date. The exercise price of the Warrants shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
Exercise period	: 5 years commencing on and including the date of issuance of the Warrants and ending at the close of business at 5.00 p.m. in Kuala Lumpur, on the day preceding the 5th anniversary of the date of issuance, or if such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid. A "Market Day" shall have the same meaning as defined in the Listing Requirements.
Participating rights of the Warrant Holders	: The Warrant Holders shall not be entitled to vote in any general meeting of the Company or to participate in any dividends, rights, allotments and/or other forms of distributions and/or offer of further securities in the Company other than on winding-up, compromise or arrangement of the Company as provided in the Deed Poll until and unless the Warrant Holders exercise their Warrants into new Edelteq Shares or unless otherwise provided in Deed Poll or unless otherwise resolved by Edelteq in a general meeting.
Adjustment in the Exercise price and/or number of Warrants	: The exercise price and/or the number of unexercised Warrants shall from time to time be adjusted by the Board in consultation with an approved principal adviser and/or auditors and certified by the approved principal adviser and/or auditors under certain circumstances, in accordance with the provisions of the Deed Poll.
Transferability	: The Warrants will only be transferable in the manner set out in the Deed Poll subject always to the provisions of the Securities Industry (Central Depositories) Act, 1991 and the rules of Bursa Malaysia Depository Sdn Bhd, as amended and revised from time to time.

APPENDIX I – INDICATIVE SALIENT TERMS OF THE DEED POLL (CONT'D)

Terms	Details
Rights in the event of winding-up, liquidation, compromise and/or arrangement	<p>: Where a resolution has been passed for a members' voluntary winding up of the Company or where there is a scheme of compromise or arrangement (whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company, amalgamation or merger of the Company with one or more companies) then:-</p> <p>(i) for the purposes of such winding up, compromise or arrangement to which the Warrant Holders, or some persons designated by them for such purpose by a special resolution, shall be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant Holders; or</p> <p>(ii) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled (upon and subject to the conditions contained in Deed Poll) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the end of the exercise period), by irrevocable surrender on a Market Day of its/his Warrants to the Company by submitting the duly completed and executed exercise form(s) authorising the debiting of its/his/her Warrants, together with and payment of the relevant exercise price, to elect to be treated as if it/he/she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by such Warrants to the extent specified in the exercise form(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if it/he/she had on such date been the holder of the new Edeltec Shares to which it/he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.</p> <p>If the Company is wound up by way of members' voluntary winding up or an order has been granted for such compromise or arrangement, all exercise rights which have not been exercised within 6 weeks of either the passing of such a resolution for winding up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrants will cease to be valid for any purpose.</p> <p>If the Company is wound up (other than by way of a members' voluntary winding up), all exercise rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.</p>
Modifications of rights of the Warrant Holders	<p>: The Company may, from time to time, subject to the terms and conditions of the Deed Poll, without the consent or sanction of the Warrant Holders, modify, amend or add to the Deed Poll, if such modification, amendment or addition made does not materially prejudice the interests of the Warrant Holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia.</p> <p>Save for the above, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the Warrant Holders sanctioned by special resolution and may be effected only by a supplemental deed poll executed by the Company and expressed to be supplemental to the Deed Poll and subject to the applicable laws, Listing Requirements and approval of the relevant authorities, if necessary.</p>
Listing status	<p>: The Warrants will be listed and quoted on the ACE Market of Bursa Securities.</p>
Governing Laws	<p>: The Deed Poll is governed by and construed in accordance with the laws and regulations of Malaysia.</p>

APPENDIX II – FURTHER INFORMATION

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 Principal Adviser for the Proposed Bonus Issue of Warrants, 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 INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to Edelteq for the Proposed Bonus Issue of Warrants.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as a 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 may materially or adversely affect the financial position or business of the Group.

5. MATERIAL COMMITMENTS

As at the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

6. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any other contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at No. 37B, Jalan Basco Kepayang 1, Basco Avenue @ Kepayang, 31400 Ipoh, Perak, Malaysia, during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- (i) the constitution of Edelteq;
- (ii) draft Deed Poll;
- (iii) the audited consolidated financial statements of Edelteq Group for the past 2 financial years up to the FYE 31 December 2024 and the latest unaudited consolidated financial statements for the 9-month FPE 30 September 2025; and
- (iv) the letter of consent and declaration of conflict of interest referred to in **Section 2** and **Section 3** hereinabove, respectively.



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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Edeltec Holdings Berhad ("**Edeltec**" or the "**Company**"), which will be held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Monday, 23 February 2026 at 10:00 A.M., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification the resolution as set out in this notice.

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF UP TO 292,894,596 FREE WARRANTS IN EDELTEQ ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN EDELTEQ ("EDELTEQ SHARE(S)" OR "SHARE(S)") HELD BY THE ENTITLED SHAREHOLDERS WHOSE NAMES APPEAR IN THE COMPANY'S RECORD OF DEPOSITORS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("ENTITLED SHAREHOLDERS") ("PROPOSED BONUS ISSUE OF WARRANTS")

"**THAT**, subject to the approvals of all relevant authorities and/or parties (where applicable) being obtained for the Proposed Bonus Issue of Warrants, authority be and is hereby given to the Board of Directors of Edeltec ("**Board**") to issue and allot up to 292,894,596 Warrants to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date on the basis of 1 Warrant for every 2 existing Edeltec Shares held in accordance with the deed poll constituting the Warrants and governing the rights of the Warrants Holder to be executed by the Company ("**Deed Poll**").

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll.

THAT the Board be and is hereby authorised to issue and allot such appropriate number of Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/or the number of Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll.

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new Edeltec Shares pursuant to the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll.

THAT the Board be and is hereby authorised to disregard and deal with any fractional entitlements from the Proposed Bonus Issue of Warrants, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company.

THAT the new Edeltec Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing Edeltec Shares, save and except that the new Edeltec Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to the shareholders, where the entitlement date precedes the relevant date of allotment and issuance of the new Edeltec Shares.

THAT the Board be and is hereby authorised to use the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in **Section 2.5** of the Circular to shareholders of the Company in relation to the Proposed Bonus Issue of Warrants dated 12 January 2026, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject to the approval of the relevant authorities (where required).

AND THAT, the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities 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 Bonus Issue of Warrants."

By Order of the Board

CHAN EOI LENG
(SSM PC No. 202008003055)
(MAICSA 7030866)

CHONG KWAI YOONG
(SSM PC No. 202308000244)
(MAICSA 7075434)

Chartered Secretaries

Ipoh, Perak, Malaysia
12 January 2026

Notes:-

1. *A member of the Company, other than an exempt authorised nominee, who is 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/her 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 save that the proxy must be 18 years and above.*
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 but the proportion of holdings to be represented by each proxy must be specified.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of an attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.*
5. *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 48 hours before the time appointed for holding the EGM or adjourned thereof either by hand, post, courier or electronic mail to bsr.proxy@boardroomlimited.com or fax (603) 78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid.*
Alternatively, the form of proxy can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your form of proxy electronically, also forty-eight (48) hours before the EGM.
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 10 February 2026 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 Form of Proxy, 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 EGM and at any adjournment thereof.

FORM OF PROXY

(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:

Proxy 1: Full Name (in Block)	NRIC/Passport No.	No. of Shares	%
Address	Contact Number		

and/or*

Proxy 2: Full Name (in Block)	NRIC/Passport No.	No. of Shares	%
Address	Contact Number		

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 Edeltec Holdings Berhad ("**Edeltec**" or the "**Company**") held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Monday, 23 February 2026 at 10:00 A.M., or at any adjournment thereof.

NO.	ORDINARY RESOLUTION	FOR	AGAINST
1.	PROPOSED BONUS ISSUE OF WARRANTS		

Please indicate with an (✓) or (X) in the space provided whether you wish your votes to be cast FOR or AGAINST the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Dated this _____ day of _____, 2026

Signature of Member(s) or/Common Seal

*Strike out whichever is not desired.

Notes:-

1. *A member of the Company, other than an exempt authorised nominee, who is 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/her 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 save that the proxy must be 18 years and above.*
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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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