

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 Holdings Berhad. Bursa Malaysia Securities Berhad ("**Bursa Securities**") has conducted a limited review of the Proposed Allocation of ESOS Options pursuant to Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ALLOCATION OF OPTIONS UNDER THE EMPLOYEES' SHARE OPTION SCHEME TO CHRISTOF OTTO BRASS, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF EDELTEQ HOLDINGS BERHAD ("EDELTEQ" OR THE "COMPANY") ("PROPOSED ALLOCATION OF ESOS OPTIONS")

AND

EXTRACT OF NOTICE OF THE 2026 ANNUAL GENERAL MEETING

The resolution in respect of the Proposed Allocation of ESOS Options will be tabled as special business at the 2026 Annual General Meeting ("**AGM**") of the Company which will be held at Crowne Plaza Penang Straits City, PMT5150 Jalan Bagan Luar, Bandar Selat, 12000 Butterworth, Pulau Pinang on Wednesday, 24 June 2026 at 2:00 P.M. or any adjournment thereof. The notice of the AGM, proxy form, administrative details, Annual Report 2026 and this Circular are available at the Company's website at <https://edelteq.com/>.

A member of Edelteq entitled to attend, participate, speak and vote at the AGM 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 AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Date and time of the AGM : Wednesday, 24 June 2026 at 2:00 P.M. or at any adjournment thereof

Last date and time for lodging the Proxy Form : Monday, 22 June 2026 at 2:00 P.M.

This Circular is dated 28 April 2026

DEFINITIONS

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

"Act"	:	The Companies Act 2016
"AGM"	:	2026 Annual General Meeting of Edelteq
"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 ESOS as may be modified, varied and/ or amended from time to time
"Circular"	:	This circular to the shareholders of Edelteq dated 28 April 2026 in relation to the Proposed Allocation of ESOS Options
"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"	:	3 November 2025, being the implementation date of the ESOS
"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 ESOS as set out in the Bylaws of the ESOS
"EPS"	:	Earnings per Share
"ESOS Committee"	:	The committee appointed from and authorised by the Board pursuant to the Bylaws to administer the ESOS in relation to the 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 ESOS in the manner and subject to the terms and conditions provided in the Bylaws
"ESOS"	:	Employees' share option scheme of up to 20% of the total number of issued shares in Edelteq (excluding treasury shares, if any) at any point of time over the duration of the ESOS, of which has approved by shareholders of the Company on 25 June 2025
"Exercise Price"	:	The price at which the Eligible Persons who has accepted the offer under the 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

DEFINITIONS (CONT'D)

"FYE"	:	Financial year ended/ ending
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	31 March 2026, being the latest practicable date prior to the printing and despatch of this Circular
"LTD"	:	2 April 2026 being the last trading day of Edelteq Shares prior to the date of announcement of the Proposed Allocation of ESOS Options
"MFRS 2"	:	Malaysian Financial Reporting Standards 2
"Mr Christof"	:	Christof Otto Brass
"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 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
"Proposed Allocation of ESOS Options"	:	The proposed allocation of ESOS Options to Mr Christof, an independent non-executive director of Edelteq, provided always that it is in accordance to the terms and conditions and/or adjustments which may be made in accordance with the Bylaw(s) and any prevailing requirements issued by Bursa Securities or any other relevant authorities as amended from time to time
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"UOBKH" or "Adviser"	the	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No. 199001003423 (194990-K))

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 AGM. 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

This Executive Summary highlights only the salient information of the Proposed Allocation of ESOS Options. 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 Proposed Allocation of ESOS Options before voting at the forthcoming AGM of the Company.

Key information	Description	Reference to Circular
Summary of the Proposed Allocation of ESOS Options	<p>The Board proposes to offer and grant the ESOS Options to Mr Christof, subject to the provisions of the Bylaws and provided always that:-</p> <ol style="list-style-type: none">i. 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 ESOS; andii. the Eligible Person does not participate in the deliberation or discussion of such Eligible Person's own allocation of the ESOS Options or the allocation to the persons connected with them, <p>provided always that it is in accordance with any prevailing requirements issued by Bursa Securities or any other relevant authorities as amended from time to time.</p>	Section 2
Rationale and justifications for the Proposed Allocation of ESOS Options	<p>The Proposed Allocation of ESOS Options is expected to achieve the following objectives:-</p> <ol style="list-style-type: none">i. to align his interests with the interest of shareholders of the Company and retain him by giving him a sense of ownership, loyalty and belonging to us via direct participation in the Company;ii. to strengthen his sense of responsibility and contribution to the Company as independent director, including his role alongside the executive Directors of Edelteq and his participation in the Board's decision-making process; andiii. to recognise and reward his contributions towards the growth and performance of the Group, particularly his advisory role to the Board as independent director on corporate governance, risk management and business matters.	Section 3
Approvals required/ obtained	<p>The Proposed Allocation of ESOS Options is subject to the approval of the shareholders of the Company at the forthcoming AGM.</p> <p>The approval for the listing and quotation for new Edelteq Shares to be issued from time to time pursuant to the ESOS has been obtained from Bursa Securities on 14 May 2025. The Company had subsequently at the EGM held on 25 June 2025 obtained approval from the shareholders for the establishment of the ESOS.</p>	Section 5
Interests of Directors, major shareholders, chief executive and/ or persons connected to them	<p>The Interested Director has abstained and will continue to abstain from deliberating and voting at all relevant Board meetings on the Proposed Allocation of ESOS Options. The Interested Director will abstain and has undertaken to ensure that persons connected with him (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolution pertaining to the Proposed Allocation of ESOS Options at the forthcoming AGM.</p>	Section 7
Directors' recommendation	<p>The Board (save for the Interested Director), having considered all aspects of the Proposed Allocation of ESOS Options, is of the opinion that the Proposed Allocation of ESOS Options is in the best interests of the Company.</p> <p>Accordingly, the Board (save for the Interested Director) recommends that you VOTE IN FAVOUR of the resolution pertaining to the Proposed Allocation of ESOS Options to be tabled as special business at the forthcoming AGM.</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

28 April 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/ Semiconductor Materials Business Unit General Manager*)
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 ALLOCATION OF ESOS OPTIONS

1. INTRODUCTION

On 25 June 2025, shareholders' approval had been obtained at the EGM held on even date for an establishment of ESOS for the eligible Directors and employees of Edeltec Group that are not dormant, who meet the criteria of eligibility for participation in the ESOS set out in the Bylaws. On 3 November 2025, Edeltec had implemented the ESOS, being the Effective Date of the ESOS.

On 1 November 2025, Mr Christof was appointed to the Board as an Independent Non-Executive Director and is eligible to participate in the ESOS, under the terms of the Bylaws. As at the LPD, aside from his role on the Board, Mr Christof does not serve as a director in any other company within the Group.

Pursuant to Rule 6.07(1) of the Listing Requirements, the Company must not issue any shares to its Directors, major shareholders, 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 Board had on 3 April 2026 announced that Edeltec wishes to seek shareholders' approval on the Proposed Allocation of ESOS Options to Mr Christof, after taking into account any changes in the Board composition since the conclusion of the EGM held on 25 June 2025 until the LPD, provided always that it is in accordance to such terms and conditions and/or adjustments which may be made in accordance with the Bylaw(s) and any prevailing requirements issued by Bursa Securities or any other relevant authorities as amended from time to time.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ALLOCATION OF ESOS OPTIONS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ALLOCATION OF ESOS OPTIONS TO BE TABLED AT THE FORTHCOMING AGM. THE EXTRACT OF NOTICE OF THE AGM IS ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ALLOCATION OF ESOS OPTIONS TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED ALLOCATION OF ESOS OPTIONS

On 3 November 2025, Edelteq had implemented the ESOS, being the Effective Date of the ESOS. The ESOS involves the granting of ESOS Options to Eligible Persons, subject to the terms and conditions of the Bylaws. As at the LPD, the Company has 22,300,000 outstanding ESOS options with an exercise price of RM0.315 per option.

The Board proposes to offer and grant the ESOS Options to Mr Christof, subject to the provisions of the Bylaws and provided always that:-

- i. 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 ESOS; and
- ii. the Eligible Person does not participate in the deliberation or discussion of such Eligible Person's own allocation of the ESOS Options or the allocation to the persons connected with them,

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

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 composition of the ESOS Committee is as follows:-

Chairman	: Mr Ngo Tong Seng (<i>Independent Non-Executive Director</i>)
Member	: Mr Chin Yong Keong (<i>Executive Director/ Group Chief Executive Officer</i>)
Member	: Mr Khong Chee Seong (<i>Executive Director/ Semiconductor Materials Business Unit General Manager</i>)
Member	: Ms Tan Beow Sze (<i>Finance and Order Fulfilment General Manager</i>)
Member	: Ms Looi Hall Yan (<i>Human Resource and Compliance Director</i>)
Member	: Mr Lee Kim Loon (<i>Semiconductor Equipment Business Unit General Manager</i>)

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 new Shares available under the ESOS

The maximum number of new Shares which may be issued under the ESOS, and any other employee share scheme of our Company which may be implemented from time to time by us, shall not, in aggregate, exceed 20% of our total number of issued shares (excluding treasury shares, if any) at any point in time throughout the duration of the ESOS.

As at the LPD, the Company has an issued share capital of RM59,045,451 comprising 585,789,193 Edelteq Shares.

Bursa Securities had, vide its letter dated 14 May 2025, approved the listing of and quotation for such number of new Shares representing up to 20% of the total number of issued shares of our Company under the ESOS on the ACE Market of Bursa Securities.

2.2 Basis of allotment and maximum allowable allotment

The maximum number of ESOS Options that may be allocated to any class grade of Eligible Persons under the 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 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 ESOS; and
- iv. not more than 70% of the total number of Edelteq Shares to be made available under the 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 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 with the ESOS Committee.

For the avoidance of doubt, the timing and manner of the Proposed Allocation of ESOS Options to Mr Christof (whether in a single tranche or on a staggered basis) as well as the vesting period, vesting conditions and/ or performance targets (if any), cannot be determined at this juncture. The timing and manner of the allocation will be determined by the ESOS Committee and aligned with subsequent grants of ESOS Options to other Eligible Persons under the ESOS, in accordance with the Bylaws of the ESOS, while the vesting period, vesting conditions and/ or performance targets (if any) will be determined by the ESOS Committee at the point of grant. The Company will make the relevant announcement upon the grant of such ESOS Options in accordance with Listing Requirements.

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 Duration and termination

The ESOS shall remain effective for a duration of 5 years commencing from the Effective Date. The duration of the ESOS may be further extended for a further period of up to 5 years immediately from the expiry of the first 5 years at the discretion of the Board upon recommendation of ESOS Committee, without of obtaining further approvals for the extension of the ESOS. Any extension of the ESOS shall not be in aggregate exceed 10 years from the Effective Date.

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 ESOS and before the date of expiry of the ESOS, terminate the 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 ESOS;
- ii. the number of ESOS Options exercised and Edelteq Shares vested pursuant to the ESOS; and
- iii. the reasons for termination.

Upon expiry of the ESOS, 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 ESOS and/ or effective date of termination of the ESOS.

2.4 Ranking of the Edelteq Shares pursuant to the ESOS

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.

2.5 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.

2.6 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 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.

2.7 Utilisation of proceeds from the Proposed Allocation of ESOS Options

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.

As at the LPD, none of the ESOS Options have been exercised and, accordingly, no proceeds have been raised from the ESOS.

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.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED ALLOCATION OF ESOS OPTIONS

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

- i. to align his interests with the interest of shareholders of the Company and retain him by giving him a sense of ownership, loyalty and belonging to us via direct participation in the Company;
- ii. to strengthen his sense of responsibility and contribution to the Company as independent director, including his role alongside the executive Directors of Edelteq and his participation in the Board's decision-making process; and
- iii. to recognise and reward his contributions towards the growth and performance of the Group, particularly his advisory role to the Board as independent director on corporate governance, risk management and business matters.

The Proposed Allocation of ESOS Options to Mr Christof is not expected to impair his independence of judgment or his ability to act in the best interest of the Company. The allocation is intended to recognise his contributions to the Group and to align his interests with the long-term growth and performance of the Group. Furthermore, as set out in **Section 7** of this Circular, Mr Christof has abstained and will continue to abstain from deliberating and voting at all relevant Board meetings on the Proposed Allocation of ESOS Options.

In determining the allocation of the ESOS Options to Mr Christof, the ESOS Committee will take into consideration, amongst other factors, the proportion of ESOS Options to be allocated to Mr Christof, to ensure that such allocation does not constitute a significant portion of the ESOS Options available under the ESOS, and the potential shareholdings of Mr Christof upon full exercise of the ESOS Options granted to him.

In addition, as set out in **Section 2.5** of this Circular, there will also be a retention period imposed on 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.

4. EFFECTS OF THE OF PROPOSED ALLOCATION OF ESOS OPTIONS

4.1 Issued share capital

The Proposed Allocation of ESOS Options will not have an immediate effect on the issued share capital of Edelteq until such time when new Edelteq Shares are issued pursuant to the exercise of the ESOS Options. The issued share capital of Edelteq will increase progressively depending on the number of new Edelteq Shares that are issued pursuant to the exercise of the ESOS Options. As at the LPD, the Company has 22,300,000 outstanding ESOS options with an exercise price of RM0.315 per option.

4.2 NA per Share and gearing level

The Proposed Allocation of ESOS Options 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 Allocation of ESOS Options, 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.

4.3 Earnings and EPS

The Proposed Allocation of ESOS Options 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.

4.4 Convertible securities

As at the LPD, the Company has 22,300,000 outstanding ESOS Options and 292,894,594 outstanding warrants issued by the Company pursuant to the deed poll dated 24 February 2026.

Save for the above, the Company does not have any outstanding convertible securities.

4.5 Substantial shareholders' shareholding structure

The Proposed Allocation of ESOS Options 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.

5. APPROVALS REQUIRED/ OBTAINED

The Proposed Allocation of ESOS Options is subject to the approval of the shareholders of the Company at the forthcoming AGM.

The approval for the listing and quotation for new Edelteq Shares to be issued from time to time pursuant to the ESOS has been obtained from Bursa Securities on 14 May 2025. The Company had subsequently at the EGM held on 25 June 2025 obtained approval from the shareholders for the establishment of the ESOS.

6. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Allocation of ESOS Options (being the subject matter of this Circular), there are no outstanding proposals which have been announced but not yet completed prior to the date of this Circular.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED TO THEM

The Independent Non-Executive Director, Mr Christof is deemed interested in the Proposed Allocation of ESOS Options ("**Interested Director**") by virtue of the allocation of ESOS Options to him. As such, the Interested Director has abstained and will continue to abstain from deliberating and voting at all relevant Board meetings on the Proposed Allocation of ESOS Options. The Interested Director will abstain and has undertaken to ensure that persons connected with him (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolution pertaining to the Proposed Allocation of ESOS Options at the forthcoming AGM.

As at the LPD, the Interested Director does not hold any of Edelteq Shares.

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 Proposed Allocation of ESOS Options.

8. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Allocation of ESOS Options is expected to be effective upon the approval of the shareholders of the Company at the forthcoming AGM.

9. HISTORICAL SHARE PRICE

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

	High RM	Low RM
2025		
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
2026		
January	0.535	0.410
February	0.485	0.375
March	0.465	0.300
Last transacted market price as at the LTD		0.305
Last transacted market price as at the LPD		0.310

(Source: Bloomberg)

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Director), having considered all aspects of the Proposed Allocation of ESOS Options, is of the opinion that the Proposed Allocation of ESOS Options is in the best interests of the Company.

Accordingly, the Board (save for the Interested Director) recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Allocation of ESOS Options to be tabled as special business at the forthcoming AGM.

11. AGM

The AGM, the notice of which is enclosed in the Annual Report of the Company for the FYE 31 December 2025, will be held at Crowne Plaza Penang Straits City, PMT5150 Jalan Bagan Luar, Bandar Selat, 12000 Butterworth, Pulau Pinang on Wednesday, 24 June 2026 at 2:00 P.M., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Allocation of ESOS Options pursuant to the agenda under special business as detailed in the Notice of AGM as enclosed in the Annual Report of the Company for the FYE 31 December 2025.

A member entitled to attend, participate, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the 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 AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

12. 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

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. 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 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.

3. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any 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.

4. MATERIAL LITIGATION

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. DOCUMENTS AVAILABLE FOR INSPECTION

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

- i. The Constitution of Edelteq;
- ii. Audited consolidated financial statements of Edelteq for the FYE 31 December 2024 and 31 December 2025; and
- iii. The Bylaws.



EDELTEQ HOLDINGS BERHAD

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

EXTRACT OF NOTICE OF THE AGM TO BE HELD AT CROWNE PLAZA PENANG STRAITS CITY, PMT5150 JALAN BAGAN LUAR, BANDAR SELAT, 12000 BUTTERWORTH, PULAU PINANG ON WEDNESDAY, 24 JUNE 2026 AT 2:00 P.M., OR AT ANY ADJOURNMENT THEROF

As Special Business

ORDINARY RESOLUTION 8

PROPOSED ALLOCATION OF OPTIONS UNDER THE EMPLOYEES' SHARE OPTION SCHEME TO CHRISTOF OTTO BRASS ("MR CHRISTOF"), AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF EDELTEQ ("PROPOSED ALLOCATION OF ESOS OPTIONS")

"**THAT**, subject to 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 ESOS, to offer such number of ESOS Options pursuant to the ESOS, to Mr Christof to subscribe for such number of new Edeltech Shares to be issued under the Proposed Allocation of ESOS Options:-

Provided always that:-

- i. the abovementioned person 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;
- ii. not more than 10% of the new Edeltech Shares which may be made available under the ESOS shall be allocated to any one of the abovementioned person who, either singly or collectively through persons connected to him/ her, holds 20% or more of the total number of issued shares of Edeltech (excluding treasury shares, if any), if any;
- iii. not more than 70% of the total number of new Edeltech Shares which may be made available under the ESOS, in aggregate, to the Directors and Senior Management of the Company who are eligible Employees; and
- iv. 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 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 Edeltech Shares arising from any issuance and allotment of new Edeltech Shares to the above Director pursuant to the ESOS, which rank equally to the existing issued Edeltech 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 Edeltech Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Edeltech Shares pursuant to the 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 director of the Company as may be required pursuant to the exercise of the ESOS Options at any one time during the duration of the ESOS and to take such steps as are necessary or expedient to implement, finalise or give full effect to the Proposed Allocation of ESOS Options, 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 of ESOS Options."

Explanatory Note to Ordinary Resolution 8

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 Resolution 8, 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 ESOS, which will result in a dilution of their shareholding percentage in the Company.