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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 advisers immediately.

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Bursa Securities has perused Part B of this Circular on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



ETA GROUP BERHAD
(formerly known as Rex Industry Berhad)
Registration No.: 199301027926 (282664-K)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PART A

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF ETA GROUP BERHAD ("ETA") AND ITS SUBSIDIARIES TO INCLUDE THE PROPERTY AND CONSTRUCTION BUSINESS ("PROPOSED DIVERSIFICATION")

PART B

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/ OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOBKayHian

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 ("**EGM**") of ETA will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 27 March 2026 at 10.00 a.m. The Notice of EGM, together with the Form of Proxy for the EGM are enclosed herewith.

A member of ETA entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate and vote on his/ her behalf. In such event, the completed and signed Form of Proxy should be deposited at the Company's Share Registrar office (Securities Services (Holdings) Sdn Bhd), situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time stipulated for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 25 March 2026 at 10.00 a.m.

Date and time of the EGM : Friday, 27 March 2026 at 10.00 a.m.

DEFINITIONS

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

"2025 Disposal"	:	The disposal of the entire equity interest in the Disposal Subsidiaries completed on 8 December 2025
"Aaron Yew"	:	Aaron Yew Zhi Chern
"Act"	:	Companies Act 2016
"AGM"	:	Annual general meeting of the Company
"ARMC"	:	Audit and Risk Management Committee
"Board"	:	The Board of Directors of ETA
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"CIDB"	:	Construction Industry Development Board Malaysia
"Circular"	:	This circular to shareholders of ETA dated 12 March 2026 in relation to the Proposed Diversification and Proposed New Shareholders' Mandate
"Director(s)"	:	Director(s) of ETA, and shall have the meaning given in Section 2(1) of the Capital Markets And Services Act 2007
"Disposal Subsidiaries"	:	Collectively, Rex Canning Co. Sdn Bhd (Registration No.: 197201001412 (13079-V)) and Rex Trading Sdn Bhd (Registration No.: 198901013381 (190691-H))
"EGM"	:	Extraordinary general meeting of the Company
"EPS"	:	Earnings per share
"ETA" or the "Company"	:	ETA Group Berhad (formerly known as Rex Industry Berhad) (Registration No.: 199301027926 (282664-K))
"ETA Design & Build"	:	ETA Design & Build Sdn Bhd (Registration No.: 202501044824 (1646232-H))
"ETA Development"	:	ETA Development Sdn Bhd (Registration No.: 202501044816 (1646224-V))
"ETA Group" or the "Group"	:	ETA and its subsidiaries, collectively
"ETA Industries"	:	ETA Industries Sdn Bhd (Registration No.: 201401017846 (1093933-D))
"ETA Trading"	:	ETA Trading Sdn Bhd (Registration No.: 202501044826 (1646234-X))
"ETA World"	:	ETA World Sdn Bhd (Registration No.: 201401017777 (1093864-U))
"FPE"	:	Financial period ended/ ending
"FYE"	:	Financial year ended/ ending

DEFINITIONS

"F&B Business" : Manufacturing, processing and distribution of canned food, beverages and premix products

"Listing Requirements" : Main Market Listing Requirements of Bursa Securities

"LPD" : 27 February 2026, being the last practicable date of this Circular

"Major Shareholder(s)" : A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares is:

- i. 10% or more of the total number of voting shares in the Company; or
- ii. 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.

This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company, or any other corporation which is its subsidiary or holding company.

"Mohamad Faisal" : Mohamad Faisal bin Baharuddin

"NA" : Net assets attributable to owners of the company

"New Subsidiaries" : ETA Development, ETA Design & Build and ETA Trading

"PAT"/ "(LAT)" : Profit/ (loss) after taxation attributable to owners of the company

"PBT"/ "(LBT)" : Profit/ (loss) before taxation attributable to owners of the company

"Person(s) Connected" : In relation to a Director or a Major Shareholder (collectively referred to as the "**said Person**"), means such a person who falls under any one of the following categories:-

- i. A family member of the said Person, which means such person who falls within any one of the following categories:-
 - a. spouse;
 - b. parent;
 - c. child including an adopted child and step-child;
 - d. brother or sister; and
 - e. spouse of the person referred to in items c. and d. above.
- ii. A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person is the sole beneficiary;

DEFINITIONS

- iii. A partner of the said Person, which means such person who falls within any one of the following categories:-
 - a. a person with whom the said Person, is in or proposes to enter into partnership with. "**Partnership**" for this purpose refers to a "**partnership**" as defined in Section 3 of the Partnership Act 1961 or "**limited liability partnership**" as defined in Section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
 - b. a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.
- iv. A person, or where the person is a body corporate, the body corporate or its directors, who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- v. A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under obligation, whether formal or informal, to act;
- vi. A body corporate in which the said Person, or Persons Connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- vii. A body corporate which is a related corporation of the said Person.

"Property and Construction Business" : Business of property development, property management, and property investment, as well as construction and construction-related activities, including design-and-build works and the trading and supply of construction materials

"Proposed Diversification" : Proposed diversification of the existing business of ETA Group to include the Property and Construction Business

"Proposed New Shareholders' Mandate" : Proposed shareholders' mandate for the Group's new RRPTs

"PT Rex" : P.T. Rex Canning (Registration No.: 8120013012443)

"Related Party(ies)" : Director(s), Major Shareholder(s) or Person(s) Connected with such Director or Major Shareholder

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

"RRPT(s)" : Recurrent related party transaction(s) which is/ are recurrent, of a revenue and/ or trading nature and which is/ are necessary for the day-to-day operations and within the ordinary course of business of the Group

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

DEFINITIONS

All references to "**you**" or "**your(s)**" in this Circular is to the shareholders of the Company 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 incorporating 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 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.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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EXECUTIVE SUMMARY

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

PART A - PROPOSED DIVERSIFICATION

Key information	Description	Reference to Part A of this Circular
Details of the Proposed Diversification	<p>The Proposed Diversification is undertaken in line with ETA Group's business strategies to improve its overall financial performance moving forward, with the aim to reduce reliance on the loss-making F&B Business and to progressively rebalance the Group's earnings mix towards the Property and Construction Business. To implement this, the Group had on 24 September 2025, incorporated the New Subsidiaries to commence business activities in the Property and Construction Business.</p> <p>Pursuant thereto, with the business operations of the New Subsidiaries anticipated to reach full operating capacity within the near term, the Board anticipates that the Property and Construction Business, on an aggregate basis across both the property and construction segments, may contribute 25% or more of the net profits of the Group and/ or result in a diversion of more than 25% of the NA of the Group.</p>	Section 2
Rationale and justifications for the Proposed Diversification	<p>The Group's revenue is currently derived primarily from its F&B Business, which has been loss-making in recent years. In view of this, the Board had formulated and executed business strategies with the aim of improving the overall financial performance of the Group moving forward, to reduce reliance on the F&B Business and to progressively rebalance the Group's earnings mix towards the Property and Construction Business.</p> <p>Premised on the above, the Board is of the opinion that the Proposed Diversification is in the best interests of the Group, as it provides the opportunity to broaden the income base, improve earnings visibility, and enhance long-term shareholder value of ETA Group. The Proposed Diversification is undertaken pursuant to the Listing Requirements, as the Board anticipates that, barring any unforeseen circumstances, the Property and Construction Business may, in the near future, contribute 25% or more of the net profits of the Group and/ or result in a diversion of 25% or more of the Group's NA.</p>	Section 3
Risk factors	<p>Pursuant to the Proposed Diversification, the Group would be exposed to the following risks:-</p> <ol style="list-style-type: none">i. Business diversification risk;ii. No prior exposure in the Property and Construction Business;iii. Dependency on key management personnel;iv. Competition risk; andv. Regulatory risk.	Section 5
Approvals required	<p>The Proposed Diversification is subject to the approval of the shareholders of ETA at the forthcoming EGM.</p>	Section 7

EXECUTIVE SUMMARY

Key information	Description	Reference to Part A of this Circular
Interested parties	None of the Directors and/ or major shareholders of ETA and/ or persons connected to them have any interest, either direct or indirect, in the Proposed Diversification.	Section 9
Board's recommendation	The Board, after having considered all aspects of the Proposed Diversification including but not limited to the rationale, prospects and risk factors of the Proposed Diversification, is of the opinion that the Proposed Diversification is in the best interest of the Company.	Section 10

PART B - PROPOSED NEW SHAREHOLDERS' MANDATE

Key information	Description	Reference to Part B of this Circular
Details of the Proposed New Shareholders' Mandate	ETA proposes to seek its shareholders' approval for the Proposed New Shareholders' Mandate to enable the Group to enter into the RRPTs pursuant to Paragraph 10.09(2) and Practice Note 12 of the Listing Requirements.	Section 2
Rationale for and benefits of the Proposed New Shareholders' Mandate	<p>The Proposed New Shareholders' Mandate will:-</p> <ol style="list-style-type: none">i. enable the Group to enter into RRPTs which are necessary for the day-to-day operations of the Group and on terms not more favourable to the Related Parties than those generally available to and/ or from the public; andii. facilitate the efficient conduct of RRPT necessary for the Group's business operations, and eliminate the need for the Company to convene a separate general meeting to seek shareholders' approval for each RRPT.	Section 3
Approval required	The Proposed New Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming EGM.	Section 5
ARMC's statement	<p>The ARMC has seen and reviewed the guidelines and procedures set out in Section 2.9, Part B of this Circular and is of the view that they are sufficient to ensure that the RRPT will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.</p> <p>The ARMC is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The ARMC shall review these procedures and processes once a year. This is to ensure that the RRPT are not detrimental or prejudicial to the minority shareholders of the Company.</p>	Section 2.11

EXECUTIVE SUMMARY

Key information	Description	Reference to Part B of this Circular
Interests of Directors, Major Shareholders or Persons Connected with them	ETA Industries, ETA Capital Sdn Bhd (formerly known as LR BBR 3 Sdn Bhd) and Lim Chin Hui, being the interested Major Shareholders, will abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolution approving the Proposed New Shareholders' Mandate at the forthcoming EGM. In this regard, the interested Major Shareholders have undertaken to ensure that all Persons Connected with them will abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolution approving the Proposed New Shareholders' Mandate at the forthcoming EGM.	Section 6
Board's recommendation	<p>The Board having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is in the best interest of the Group.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolution in relation to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.</p>	Section 7

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PART A

**CIRCULAR TO THE SHAREHOLDERS OF ETA IN RELATION TO THE PROPOSED
DIVERSIFICATION**



ETA GROUP BERHAD
(formerly known as Rex Industry Berhad)
Registration No.: 199301027926 (282664-K)
(Incorporated in Malaysia)

Registered Office

No. 46C, Plaza Damansara
Jalan Medan Setia 2
Bukit Damansara
50490 Kuala Lumpur
Wilayah Persekutuan

12 March 2026

Board of Directors

Hong Kok Cheong (*Independent Non-Executive Chairman*)
Darmendran Kunaretnam (*Non-Independent Executive Director and Group Managing Director*)
Eau Yong Eun (*Non-Independent Executive Director*)
Chris Kong Wai Fa (*Non-Independent Executive Director*)
Adnan bin Ahmad (*Independent Non-Executive Director*)
Mak Ai-Leen (*Independent Non-Executive Director*)
Law Ngee Song (*Independent Non-Executive Director*)

To: The shareholders of ETA

Dear Sir/ Madam,

PROPOSED DIVERSIFICATION

1. INTRODUCTION

On 30 January 2026, UOBKH had, on behalf of the Board, announced that the Company intends to undertake a proposed diversification of the existing business of ETA Group to include the Property and Construction Business.

Further details of the Proposed Diversification are set out in the ensuing sections of **Part A** of this Circular.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DIVERSIFICATION AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED DIVERSIFICATION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DIVERSIFICATION

As at the LPD, ETA Group is primarily engaged in the F&B Business, wherein the F&B Business has historically been the sole revenue contributor of the Group.

A summary of the Group's financial performance based on its audited consolidated financial statements for the past 3 years up to the FYE 30 June 2024, as well as the latest unaudited 18-month FPE 31 December 2025, are as follows:-

	Audited			Unaudited
	FYE 30 June 2022	FYE 30 June 2023	FYE 30 June 2024	18-month FPE 31 December 2025 ^{*1}
	RM'000	RM'000	RM'000	RM'000
Revenue	161,111	162,408	130,522	157,519
Other income	3,208 ^{*2}	964 ^{*3}	1,941 ^{*4}	21,641 ^{*5}
PBT/ (LBT)	2,934	(43,414)	(4,181)	5,875
PAT/ (LAT)	2,027	(44,399)	(4,167)	5,188
PAT/ (LAT) excluding other income	(1,181)	(45,363)	(6,108)	(16,453)

Notes:-

^{*1} For information purposes, the Company had on 4 June 2025 announced a change in the Group's FYE from 30 June to 31 December.

^{*2} The Group recorded other income of approximately RM3.21 million for the FYE 30 June 2022, mainly due to profits generated from non-recurring items or events outside the ordinary and usual course of business such as wages subsidy, gain on disposal of fixed assets, reversal of write-down of inventories and waiver of debts.

^{*3} The Group recorded other income of approximately RM0.96 million for the FYE 30 June 2023, mainly due to the reversal of impairment loss on receivables.

^{*4} The Group recorded other income of approximately RM1.94 million for the FYE 30 June 2024, mainly due to gain on disposal of fixed assets and scrap sales.

^{*5} The Group recorded other income of RM21.64 million for the 18-month FPE 31 December 2025, mainly due to profits generated from the disposal of properties and the waiver of amounts due to other payables.

Throughout the FYEs/ FPE set out above, the Group has been incurring losses on a yearly basis (after excluding other income), wherein such losses are contributed solely by the Group's F&B Business.

Taking cognisance of this, the Board had undertaken a review of the Group's existing business operations and, as an initial step, decided to rationalise the Group's F&B Business by disposing of the loss-making subsidiaries. Accordingly, the Group had on 17 September 2025 announced the 2025 Disposal, entailing the disposal of its entire equity interest in the Disposal Subsidiaries, which the Board identified as the key contributors to ETA Group's historical loss-making position. Following the completion of the 2025 Disposal on 8 December 2025, ETA Group had deconsolidated the financials of the Disposal Subsidiaries, and the only remaining subsidiary operating the F&B Business in the Group is PT Rex in Indonesia, which specialises in the manufacturing and export of canned food products on a contract manufacturing basis to international markets including the United States of America, Europe, and Asia.

In addition, as highlighted in the circular to shareholders in relation to the 2025 Disposal dated 24 October 2025, the Group intended to commence business activities in the property development and construction segment. This follows the emergence of ETA Industries as the new major shareholder of Rex following a takeover offer exercise, wherein ETA Industries and its major shareholder (i.e. Lim Chin Hui) have expertise and experience operating in the property development and construction segment.

In this regard, the Board had formulated and commenced implementing several business strategies in order to improve the overall financial performance of ETA Group moving forward, with the aim to reduce reliance on the loss-making F&B Business and to progressively rebalance the Group's earnings mix towards the Property and Construction Business, which is expected to offer stronger revenue visibility and profitability potential. To implement this, the Group had on 24 September 2025, incorporated the following New Subsidiaries to commence business activities in the Property and Construction Business:-

- i. ETA Development – principally involved in property development, property management and investment;
- ii. ETA Design & Build – principally involved in the construction of industrial properties; and
- iii. ETA Trading – principally involved in the trading and distribution of construction materials.

Pursuant thereto, with the business operations of the New Subsidiaries anticipated to reach full operating capacity within the near term as detailed in **Section 2.1, Part A** of this Circular, the Board anticipates that the Property and Construction Business, on an aggregate basis across both the property and construction segments, may contribute 25% or more of the net profits of the Group and/ or result in a diversion of more than 25% of the NA of the Group. Accordingly, the Board proposes to seek approval from the shareholders of ETA for the Proposed Diversification pursuant to Paragraph 10.13 of the Listing Requirements at the forthcoming EGM.

2.1 Details of the Proposed Diversification

The New Subsidiaries have been incorporated by ETA Group with the purpose of reducing reliance on the F&B Business and progressively rebalancing the Group's earnings mix towards the Property and Construction Business. At this juncture, ETA Development and ETA Design & Build are still undergoing their respective gestation periods prior to commencing business operations. However, ETA Trading, which is principally involved in the trading and distribution of construction materials, has commenced business operations since incorporation.

As at the LPD, ETA Trading has initiated trading operations in the supply and delivery of steel bars required for structural works in construction. Specifically, ETA Trading has procured high tensile deformed steel bars from a local based steel bar supplier, for delivery to end customers undertaking industrial building construction projects in Selangor. These projects involve the construction of factory and cold-storage facilities, for which ETA Trading's scope comprises the supply and delivery of steel bars. The value of purchase orders secured by ETA Trading from October 2025 to December 2025 amounted to approximately RM10.00 million each month. Moving forward, the Board anticipates that ETA Trading will secure purchase orders averaging approximately RM10.00 million per month for the supply and delivery of steel bars, subject to continued customer demand.

In view of this, for illustration purposes, the anticipated purchase orders of ETA Trading at an average of approximately RM10.00 million per month would translate to approximately RM120.00 million in revenue on an annualised basis. Based on the Group's revenue for the latest audited FYE 30 June 2024 of RM130.52 million, the inclusion of the illustrative annualised revenue of ETA Trading would result in an illustrative aggregate revenue of RM250.52 million. Accordingly, the Property and Construction Business would contribute approximately 47.90% of the Group's illustrative aggregate revenue, as set out in the ensuing page:-

		RM'000
ETA Group revenue for the audited FYE 30 June 2024	(A)	130,522
Illustrative annualised revenue from the Property and Construction Business	(B)	120,000
Illustrative aggregate revenue	(A) + (B)	250,522
Property and Construction Business revenue as a % of the illustrative aggregate revenue	(B) / ((A) + (B))	47.90%

Barring any unforeseen circumstances and based on the anticipated revenue of the Group and the expected contribution from ETA Trading as illustrated above, the Board opines that the net profits attributable to the Property and Construction Business may, in the near term, exceed 25% of the net profits of the Group.

Additionally, the Board intends to scale up and broaden the range of products that ETA Trading trades, to include other forms of materials utilised in construction related activities, such as piling materials, plywood and crusher runs. The key management personnel of the Group's Property and Construction Business (i.e. Mohamad Faisal) as detailed in **Section 2.2, Part A** of this Circular, has accumulated working relationships with multiple suppliers across various types of building materials, and is tasked with engaging these other suppliers to expand the product range that ETA Trading can offer. Through this, the Board intends to establish a panel of suppliers offering various types of building materials, which can also provide competitive pricing and reliable supply frequency and quality. With the expansion of the product range of ETA Trading, the Board opines that this will result in incremental growth to the revenue contribution that ETA Trading provides to the Group.

In respect of ETA Development and ETA Design & Build, these subsidiaries are in their respective gestation periods, wherein the management of ETA is undertaking the following initiatives to commence the business operations of ETA Development and ETA Design & Build:-

- i. **License application** – The management of ETA is in the process of preparing an application for a license from the CIDB. The submission for the CIDB license is anticipated to be submitted in the first half of 2026, and is targeted to be obtained within 1 month from the submission date. With the CIDB license in place, the Group will be able to tender for and undertake construction works;
- ii. **Securing financing** – Given that the property development, property investment and construction projects to be undertaken by ETA Development and ETA Design & Build may be capital intensive in nature, the management of ETA is presently in discussion with several financial institutions to secure term loans and trade financing facilities, in order to ensure that the Group has sufficient cash flow to undertake the Property and Construction Business. At this juncture, ETA Development and ETA Design & Build have not entered into any definitive agreements with any financial institutions, and such agreements are anticipated to be signed in the first half of 2026; and
- iii. **Assessing potential landbank and properties for acquisition** – ETA Development is incorporated for the purposes of undertaking property development, property management and property investment activities. The management of ETA is currently assessing potential landbank in the northern and central regions of Peninsular Malaysia, which they opine may have the potential for property development and/ or property investment activity with potential for capital appreciation.

In view of the foregoing, ETA Development and ETA Design & Build are expected to commence business operations upon the Group obtaining the CIDB license and securing the necessary financing. The Group is in the midst of identifying initial projects arising from existing commercial relationships with ETA Industries and its major shareholder (i.e. Lim Chin Hui), which are expected to form the initial order book and support the commencement of operations of ETA Development and ETA Design & Build.

For clarity, ETA Industries and its major shareholder (i.e. Lim Chin Hui) possess established expertise and ongoing involvement in the property and construction sectors, including through other entities under their control such as ETA World, which is principally engaged in industrial property construction and property sales. In addition, the key management personnel of the Group's Property and Construction Business, as set out in **Section 2.2, Part A** of this Circular, were previously employed by ETA World. Accordingly, the Group intends to leverage these established relationships to secure its initial construction and development contracts, including projects from other entities controlled by ETA Industries and Lim Chin Hui, in addition to bidding for contracts from third-party customers. As these contracts may constitute recurrent related party transactions, the Company intends to seek the requisite shareholders' approval in order to enter into these transactions, as set out in **Part B** of this Circular.

In addition to property development, ETA Development will also undertake property investment and property management activities. These may include the acquisition of completed industrial or commercial properties for long-term rental income, as well as the management and maintenance of such properties or developments undertaken by the Group. At this juncture, ETA Development has not acquired any investment properties, but intends to pursue suitable opportunities as part of its broader strategy to expand recurring income streams and support the Group's overall Property and Construction Business.

The Board also takes cognisance that once the New Subsidiaries have commenced business operations, there may be potential synergistic benefits between their respective business operations wherein, ETA Development may act as the landowner and main developer for property development projects, ETA Design & Build may undertake the relevant construction works, and ETA Trading may supply the requisite building materials required for construction. Further, any future property investment or property management activities undertaken by ETA Development may also create downstream opportunities for ETA Design & Build (e.g. development, refurbishment, or upgrading works), and may generate demand for ETA Trading's material supply.

For the Property and Construction Business as a whole, the Group intends to focus on turnkey and design-and-build projects for industrial-related developments, including factories, light industrial units, warehouses, logistics facilities and supporting structures. In the initial phase, the targeted contract value for construction projects undertaken by ETA Design & Build is expected to range between RM5 million and RM20 million per construction project, with the potential to undertake larger projects as the Group builds its operational track record and strengthens its balance sheet.

The Group has also appointed key management personnel to oversee the Property and Construction Business, who collectively possess experience in property and construction operations, with further details set out in **Section 2.2, Part A** of this Circular.

Notwithstanding the above, in the event that shareholders' approval for the Proposed Diversification is not obtained at the forthcoming EGM, the Board will take the necessary steps to ensure that the Property and Construction Business does not exceed 25% or more of the net profits of the Group and/ or result in a diversion of 25% or more of the Group's NA.

2.2 Key management personnel

The Group has identified the following personnel to oversee the Property and Construction Business. The profiles of the key management personnel are set out below:-

i. Mohamad Faisal

Mohamad Faisal, a Malaysian aged 34, currently serves as Project Manager to support the operational execution of the Group's Property and Construction Business. He assumed his current position on 1 January 2026 and is involved in overseeing construction-related activities, including site execution, coordination with contractors and consultants, quality control and project delivery during the initial phase of the Group's Property and Construction Business.

He obtained his Bachelor of Engineering (Honours) in Civil Engineering in July 2017 from Universiti Teknologi MARA (UiTM), Shah Alam, after completing a Diploma in Civil Engineering from UiTM Arau, Perlis.

Prior to completing his degree, Mohamad Faisal had commenced his career in April 2016 with TCS Construction Sdn Bhd as a Site Engineer/ QAQC Engineer, where he was involved in the execution of commercial and mixed-use development projects in Selangor. His responsibilities included monitoring construction drawings and method statements, supervising site progress and quality control works, coordinating subcontractors, preparing progress claims, and overseeing infrastructure works in accordance with relevant authority requirements.

In April 2017, Mohamad Faisal joined Kitacon Sdn Bhd as a Site Engineer, where he was involved in large-scale residential development projects in Selangor. His scope of work covered site supervision from pile cap works to structural completion, coordination of manpower and subcontractors, progress monitoring, quality assurance, attendance at site and consultant meetings, preparation of progress claims, and monitoring of structural, architectural and mechanical & electrical works. He was also involved in projects subject to CONQUAS and QCLASSIC quality standards.

In November 2018, Mohamad Faisal joined ETA World as a Project Engineer, where he was involved in supporting construction and development projects undertaken by ETA World. His responsibilities include site coordination, monitoring of construction progress and quality, liaising with consultants and contractors, and supporting project execution activities across various stages of development. Mohamad Faisal left ETA World in November 2025 and subsequently joined the Group.

In January 2026, Mohamad Faisal joined ETA Trading to support the establishment and early-stage development of the Group's Property and Construction Business. His responsibilities include assisting in construction planning and execution, coordinating site activities, monitoring work progress and quality, liaising with contractors and consultants, and supporting compliance with technical, safety and regulatory requirements for construction projects undertaken by the Group.

The Group believes that Mohamad Faisal's experience in civil engineering, site-based construction execution, quality control and infrastructure works, together with his prior exposure to construction projects under ETA World, will be beneficial in supporting the operational execution of the Group's Property and Construction Business throughout its gestation phase and thereafter its day-to-day operations.

ii. Aaron Yew

Aaron Yew, a Malaysian aged 27, currently serves as Project Manager for the Group's Property and Construction Business to support Mohamad Faisal in managing the technical, coordination and operational aspects of the New Subsidiaries during their initial set-up phase.

Aaron Yew obtained his Bachelor of Civil Engineering (Honours) from Monash University Malaysia in November 2020 and began his career in February 2021 with G&P Bridges & Buildings Sdn Bhd as a Structural Engineer. His responsibilities included preliminary structural design and coordination work for high-rise and infrastructure-related projects, preparation of engineering calculations and drawings, and liaison with architects and project consultants on structural requirements. He was also involved in structural modelling and preliminary design works for large-scale developments, including components of the Johor Bahru–Singapore Rapid Transit System (RTS) Transit-Oriented Development.

In February 2022, Aaron Yew joined RJP Sdn Bhd as a Civil Structural Engineer, where he was involved in the design and coordination of industrial building projects. His scope of work covered foundation and superstructure design, infrastructure design (including sewerage, drainage and road works), preparation of authority submissions, cost estimation and tender documentation, as well as providing engineering support during the construction phase. During his tenure, he participated in various industrial development projects involving factories, warehouses and ancillary facilities for domestic and multinational clients.

In January 2025, Aaron Yew joined ETA World as a Project Engineer, where he was responsible for managing and coordinating the planning and execution of industrial-related projects. His scope of work included overseeing project scheduling and site progress, liaising with consultants, contractors and relevant authorities, coordinating design and technical deliverables, monitoring quality, cost and timeline, and supporting the management team in tender evaluation and procurement matters. Aaron Yew left ETA World in November 2025 and subsequently joined the Group.

On 1 January 2026, Aaron Yew joined ETA Trading to support the technical and engineering functions of the Property and Construction Business. His responsibilities include assisting in tender preparation, supporting project planning and scheduling, coordinating with consultants, subcontractors and suppliers, and ensuring adherence to technical, safety, quality and CIDB-related requirements during the Group's initial phase of operations.

The Group believes that Aaron Yew's experience in civil and structural engineering, particularly in industrial building design and project coordination, will be beneficial in supporting the Property and Construction Business throughout its gestation phase and thereafter its day-to-day operations.

Moving forward, as and when required, the Group intends to expand its number of employees pursuant to the Proposed Diversification in order to ensure adequate staff resources are available to support the Property and Construction Business, including the recruitment of additional project managers, site supervisors and contract administration personnel (e.g. quantity surveyors), in line with the anticipated scale-up of the Property and Construction Business. The Group has not entered into any separate management agreements with the aforementioned key management personnel as at the LPD. In the event of the resignation or cessation of employment of any of the key management personnel, the existing Executive Director(s) of the Group will assume oversight of the Property and Construction Business on an interim basis while suitable replacements are identified and appointed.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED DIVERSIFICATION

As set out in **Section 2, Part A** of this Circular, the Group's revenue is currently derived primarily from its F&B Business, which has been loss-making in recent years. In view of this, the Board had formulated and executed certain business strategies with the aim of improving the overall financial performance of the Group moving forward, to reduce reliance on the F&B Business and to progressively rebalance the Group's earnings mix towards the Property and Construction Business.

The business strategies implemented by the Board thus far are as follows:-

- i. **2025 Disposal** – The 2025 Disposal was undertaken with the aim to streamline and rationalise the operations of the Group's F&B Business, and to discontinue the loss-making operations of the Disposal Subsidiaries. The Disposal Subsidiaries have been the key contributors to the loss-making position of ETA Group and accordingly, ETA Group intends to monetise the Disposal Subsidiaries; and
- ii. **Commencement of the Property and Construction Business** – The ETA Group has been historically reliant on the financial performance of the F&B Business, which had been the Group's sole revenue contributor. As a means to diversify its earnings base, ETA Group is undertaking the Proposed Diversification to introduce a new income stream to the Group, while also mitigating the concentration risk that the Group has faced while operating solely in the F&B Business.

In considering the Proposed Diversification and the feasibility of the Property and Construction Business, the Board had taken into consideration the following factors in arriving at its decision to undertake the Proposed Diversification:-

- i. Since the incorporation of the New Subsidiaries, the Group has appointed 2 key management personnel (as set out in **Section 2.2, Part A** of this Circular) with relevant experience in property development and construction related capacities, to facilitate the commencement of the Group's Property and Construction Business. They have also played a key role in establishing the initial operational framework for the New Subsidiaries. With the additions of Mohamad Faisal and Aaron Yew into the Group, the Board opines that they will be able to smoothly facilitate the commencement of the Group's Property and Construction Business, which is presently in its gestation stage;
- ii. The Group's operational roadmap for the New Subsidiaries, as set out in **Section 2.1, Part A** of this Circular, which outlines the key steps required for the Property and Construction Business to become fully operational. The Group targets for ETA Design & Build to obtain the CIDB license by the first half of 2026, followed by securing the necessary term loans and trade financing facilities in the first half of 2026, in order to commence tendering for construction projects. Meanwhile, ETA Development is expected to pursue opportunities for land acquisitions or joint ventures for viable industrial developments, together with potential property investment and property management activities, which may in turn create potential operational synergies across the Property and Construction Business, including downstream construction opportunities for ETA Design & Build (e.g. development, refurbishment, upgrading works) and additional trading volume for ETA Trading from the supply of construction materials;
- iii. The positive market outlook of the property and construction industries as set out in **Sections 4.2 and 4.3, Part A** of this Circular, respectively. The property and construction industries in Malaysia are supported by continued domestic infrastructure and industrial development activity, as well as government initiatives aimed at promoting housing and construction-related investments. Through the Proposed Diversification, the Group intends to position itself in order to capitalise on the opportunities that may arise from increased property development activity in Malaysia; and

- iv. In assessing the feasibility of the Property and Construction Business, the Board has also taken into account the Group's existing commercial relationships with companies associated with ETA Industries and its major shareholder (i.e. Lim Chin Hui). As set out in **Section 2.1, Part A** of this Circular, upon obtaining the necessary regulatory approvals and securing financing, the Group expects ETA Development and ETA Design & Build to commence operations through projects arising from existing commercial relationships with ETA Industries and Lim Chin Hui, which are expected to form the initial order book and support the commencement of operations of these subsidiaries.

Premised on the above, the Board is of the opinion that the Proposed Diversification is in the best interests of the Group, as it provides the opportunity to broaden the income base, improve earnings visibility, and enhance long-term shareholder value of the Group. The Proposed Diversification is undertaken pursuant to the Listing Requirements, as the Board anticipates that, barring any unforeseen circumstances, the Property and Construction Business may, in the near future, contribute 25% or more of the net profits of the Group and/ or result in a diversion of 25% or more of the Group's NA.

4. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

4.1 Overview and outlook of the Malaysian economy

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.

In 2026, domestic demand is expected to register a growth of 5.4%, steered by sustained private sector expenditure at 5.7%. Strong consumption and investment activities will keep the private sector's contribution significant at 4.5 ppt to GDP growth. Meanwhile, public expenditure is anticipated to rise by 4.4%, contributing 0.8 ppt to overall growth.

Private consumption is projected to grow by 5.1%, driven by sustained income growth and favourable employment prospects. In addition, spillover effects from the implementation of Phase 2 of the SSPA, Sumbangan Tunai Rahmah (STR) and the BUDI MADANI RON95 (BUDI95) targeted subsidy programme are expected to provide further impetus to household spending, particularly among lower- and middle-income groups. Consumer spending will also be stimulated by higher tourism-related activities alongside major national and international events, including VM2026 and Malaysia Agriculture, Horticulture & Agrotourism Exhibition 2026 as well as the 2026 FIFA World Cup and BWF Thomas & Uber Cup 2026.

Private investment is anticipated to register a growth of 7.8% in 2026, driven by increased capital spending on structures and machinery & equipment in technology-intensive manufacturing and services sectors. The large volume of approved investments is expected to be realised, particularly in semiconductors, renewable energy and data centres. This outlook is reinforced by the strong implementation track record, with the execution of 85.1% of manufacturing projects approved between 2021 and June 2025. Strong global demand for electrical and electronics (E&E), coupled with automation and digitalisation, is expected to further stimulate investment in high-value and innovation-led activities. At the same time, ongoing initiatives such as GEAR-uP and the rollout of national masterplans will strengthen investor confidence and Malaysia's position as a competitive investment destination.

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

4.2 Overview and outlook of the property industry in Malaysia

The property market performance remained resilient amid global economic uncertainties in 2025, supported by stable Malaysian economic conditions and targeted government initiatives. A total 416,413 transactions worth RM241.87 billion were recorded, expanded by 4.1% in value, while volume experienced a slight decline of 1% compared to 2024. Of the total transactions, 79.2% (329,606 transactions) were transfers in 2025, 17.9% (74,458 transactions) were from 2024, and the remaining share consisted of transfers from 2023.

Sectoral market activity recorded mixed performance. All subsectors recorded year-on-year growth in the volume of transactions except for residential and agriculture subsectors, which declined by 1.5% and 2.7%, respectively. Meanwhile, the industrial and commercial sub-sectors show modest growth of 1.4% each, driven by sustained nationwide demand.

In terms of value, all sub-sectors recorded growth except for agriculture. The industrial sub-sector led with an increase of 21.3%, followed by development land and others (17.2%), residential and commercial sub-sectors registered more moderate value growth of 1.3% and 1.1%, respectively.

The residential sub-sector, historically the largest segment of overall property transactions, continued to dominate the volume of transactions, with 61.6% of the total market activity. However, transaction values grew at a more moderate pace, contributing 44.8%, indicating stable pricing conditions. Demand was mainly driven by domestic buyers, with sustained interest concentrated in the affordable housing segment and lifestyle-oriented developments. Meanwhile, the commercial and industrial subsectors recorded lower transaction volumes, contributing 11.2% and 2.1%, but accounted for higher shares of transaction value with 24.3% and 14%, respectively.

By property type, demand remained strongest for terraced houses, which comprised 41.3% of total residential transactions. This was followed by vacant plots (18.1%), high-rise units (14.3%), low-cost houses/ flats (10.6%) and semi-detached houses (7.3%), with the remainder attributed to other property types. In terms of market segment, primary market transactions (purchases directly from developers) represented 15.5% of total, while the remaining 84.5% were secondary market transactions.

Residential demand largely driven by affordable segment. By price range, affordable houses priced RM300,000 and below dominated the market activities, making up 52.3% of total transactions. Middle range houses between RM300,001 and RM500,000 accounted for at 24.9%, followed by higher priced between RM500,001 and RM1 million at 16.9%. Houses above RM1 million represent a small portion at 5.9%.

The industrial sub-sector continued to strengthen, driven by growth in market activity. A total of 8,910 transactions worth RM33.8 billion were recorded, reflecting an increase of 1.4% in volume and 21.3% in value compared to 2024. The transactions value witnessed a notable growth, driven by sustained demand in high value segments, indicating growing investor confidence in strategic industrial locations. Growth in the industrial property market is fully supported by the New Industrial Master Plan 2030 (NIMP 2030) and the Thirteenth Malaysia Plan.

The property market's trajectory in 2026 is expected to remain resilient, underpinned by market activity, stable price movement and variation of construction activity. Residential demand is shifting toward more high value and affordable units. Nevertheless, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Budget 2026. While policy support and selective demand drivers provide a foundation for stability, the broader outlook remains vulnerable to external economic shifts and domestic affordability constraints. Meanwhile, the non-residential subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas.

As the national economy is projected to expand by 4% to 4.5% in 2026, the property market is expected to maintain its modest growth trajectory with caution, considering global economic challenges, domestic demand fluctuations, and an unpredictable external risk. Budget 2026 will be instrumental in guiding the nation's economic trajectory and laying the pathway towards realising the targets set forth under the Thirteenth Plan. The implementation of the Ekonomi MADANI framework, supported by the rollout of strategies from a cohesive policy and action plan in the Budget 2026 and the Thirteenth Malaysian Plan, will boost Malaysia's economy and further drive growth in the property market. Furthermore, ongoing government support, coupled with Malaysia's strong economic performance, is expected to continue stimulating the expansion of the property market.

(Source: Malaysia Property Market Report 2025 from the National Property Information Centre (NAPIC))

4.3 Overview and outlook of the construction industry in Malaysia

The construction sector expanded strongly by 13.1% in the first half of 2025, supported by solid performance across all subsectors. The non-residential buildings subsector recorded robust expansion, driven by acceleration and realisation of private investment in industrial facilities, commercial complexes and data centres, reflecting sustained business activities and rising digitalisation. The residential buildings subsector also posted a steady growth, supported by continued demand for affordable housing and government initiatives to promote home ownership. In addition, the specialised construction activities subsector recorded stable growth, driven by telecommunications infrastructure projects and coastal reclamation activities. The civil engineering subsector sustained its positive performance, underpinned by ongoing works on infrastructure projects, such as the Pan Borneo Highway Sabah and Rapid Transit System Link (RTS Link).

For the rest of 2025, the sector is expected to grow by 7.3%. The civil engineering subsector is anticipated to expand, supported by continued rollout of large-scale public infrastructure projects towards the end of the Twelfth Malaysia Plan, 2021–2025 (Twelfth Plan) period. Ongoing projects, including the Sarawak Sabah Link Road (SSLR), will continue to drive momentum in the subsector. The non-residential buildings subsector will continue to gain from investment in commercial and industrial facilities, including data centre development in Johor and Selangor. In addition, the residential buildings subsector growth is expected to be bolstered by new launches in the affordable and mid-market housing as well as integrated township development in key growth corridors amid favourable financing conditions. Overall, the construction sector is projected to record a steady growth of 10.1% for 2025.

The construction sector is expected to remain stable in 2026 by recording a growth of 6.1%, underpinned by positive performance across all subsectors. The realisation of approved strategic investments under national policies and commencement of projects under the Thirteenth Plan will further support the sector's performance. Within the subsectors, major infrastructure and utilities development such as LRT Mutiara Line, HHFS and ASEAN Power Grid will steer the civil engineering subsector's performance. In addition, the non-residential buildings subsector is anticipated to be driven by sustained demand for industrial facilities, logistics hubs and data centres, in line with the expansion of high technologies as well as digitalisation. Meanwhile, the residential buildings subsector is expected to benefit from government-led affordable housing programmes and targeted home ownership initiatives supported by policy measures under the Thirteenth Plan as well as new projects by private sectors. On the other hand, specialised construction activities subsector is projected to grow in tandem with other subsectors' performance, supported by sustained demand for site preparation, mechanical and electricals, as well as finishing works.

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

4.4 Future prospects of ETA Group

As set out in **Section 3, Part A** of this Circular, the Board has commenced implementing certain business strategies in order to improve the Group's overall financial performance moving forward. Key of these business strategies are the 2025 Disposal, the Proposed Diversification and the Proposed New Shareholders' Mandate.

The 2025 Disposal was completed on 8 December 2025, and ETA Group will no longer consolidate the financials of the Disposal Subsidiaries, which had been consistently contributing losses to ETA Group and eroding the shareholder value of ETA shareholders in recent years. Further, the 2025 Disposal will enable the Group to reduce its overall operating costs, which may enable ETA Group to reallocate such resources (cash, manpower) to the business of the New Subsidiaries. By streamlining the Group's business operations, the Board opines that the management of the Group will be able to better focus on the remaining businesses of ETA Group, in order to improve overall profitability and efficiency. This includes the F&B Business of PT Rex in Indonesia. At this juncture, the Group intends to continue carrying on the business of PT Rex on a business-as-usual basis.

The Board is of the opinion that the Property and Construction Business will be able to contribute positively to the Group's financial performance moving forward. Since incorporation on 24 September 2025 and up to December 2025, ETA Trading has secured purchase orders of approximately RM10.00 million each month for the delivery of high tensile deformed steel bars to industrial construction projects in Selangor. Moving forward, the Board anticipates that ETA Trading will secure purchase orders averaging approximately RM10.00 million per month for the supply and delivery of steel bars, subject to continued customer demand. The Group also intends to expand its trading business into additional material categories, which may result in an increase to the monthly value purchase orders secured.

Meanwhile, ETA Development and ETA Design & Build remain in their respective gestation stages, pending the fulfilment of regulatory and operational prerequisites, including the application for and approval of the CIDB license required for construction activities. As set out in **Section 2.1, Part A** of this Circular, the Group targets to obtain the CIDB license by the first half of 2026, secure the necessary working capital and trade financing facilities in the first half of 2026, and thereafter commence tendering for construction projects.

Further, ETA Development will pursue opportunities to acquire land, existing properties or joint ventures for viable industrial developments, as well as potential property investment and property management activities, which may subsequently create operational synergies across the Property and Construction Business, including construction opportunities for ETA Design & Build (such as development, refurbishment or upgrading works) and trading volume for ETA Trading through the supply of construction materials going forward. In addition, any property investment and property management activities undertaken by ETA Development may provide recurring income opportunities for the Group once suitable assets have been identified and acquired.

In addition, the Group is in the midst of identifying an initial pipeline of construction and development projects, including projects arising from existing commercial relationships with companies associated with ETA Industries and its major shareholder (i.e. Lim Chin Hui), as set out in **Section 2.1, Part A** of this Circular. Upon obtaining the CIDB license and securing the necessary financing, such projects are expected to provide an initial order book for ETA Development and ETA Design & Build, thereby supporting the commencement of operations and providing earnings visibility for the Property and Construction Business.

Further, the Board believes that the addition of key management personnel, as set out in **Section 2.2, Part A** of this Circular, will support the Group's ability to operationalise and scale the Property and Construction Business. Mohamad Faisal and Aaron Yew are expected to continue playing a key role in establishing the initial operational framework of the New Subsidiaries and supporting the commencement of ETA Trading's activities.

In view of the foregoing, the Board is of the view that the commencement of the Property and Construction Business, together with the Proposed Diversification, may strengthen the Group's future growth prospects by:-

- i. Broadening the Group's revenue base and expanding its income stream;
- ii. Reducing the Group's reliance on the F&B Business, which has historically been loss-making; and
- iii. Expanding the Group into a new business segment that is expected to contribute positively to the Group's profitability.

Premised on the above, and barring any unforeseen circumstances, the Board is cautiously optimistic about the Group's future prospects, and is of the view that the business strategies implemented thus far may contribute positively to the Group's long-term growth.

(Source: Management of ETA)

5. RISK FACTORS

5.1 Business diversification risk

Pursuant to the Proposed Diversification, the Group's business will be subject to risks inherent in the property and construction industries. These include, but are not limited to, competition from existing and established developers and contractors, changes in the demand and supply of properties and construction projects, fluctuations in building material and labour costs, delays in project approvals or completion, and changes in laws, regulations or policies affecting the property development and construction industries.

Notwithstanding the above, the Board is of the view that the risks associated with the Proposed Diversification can be mitigated through careful financial management, the engagement of experienced management personnel, and the adoption of efficient operational controls. The Group also intends to monitor market conditions, regulatory developments, and project performance closely to ensure that its activities are aligned with prevailing industry trends and requirements.

However, there can be no assurance that the Group will be able to successfully mitigate the various risks inherent in the property development and construction industries. If the Group is unable to do so, the business operations and financial performance of the Group may be adversely affected.

5.2 No prior exposure in the Property and Construction Business

The Group has no prior exposure to the Property and Construction Business, as its primary operations have historically been in the F&B Business. Accordingly, the Property and Construction Business represents a new business segment for the Group and is presently at an early stage of operation.

To mitigate this, the Group has appointed key management personnel to oversee the Property and Construction Business, as set out in **Section 2.2, Part A** of this Circular. The appointed key management personnel possess relevant experience in civil and structural engineering, industrial construction, site execution, project delivery, regulatory coordination, and will guide the Group in establishing and developing the Property and Construction Business. The Group may also engage external consultants, project managers, technical contractors, specialist advisors, and, where appropriate, enter into strategic partnerships or subcontract arrangements to supplement its in-house capabilities.

Notwithstanding these measures, there can be no assurance that such steps will be sufficient to address the risks associated with the Group having no prior exposure to the property development and construction industries. If the Group is unable to build the required capabilities or to manage new projects effectively, its operations and financial performance may be adversely affected.

5.3 Dependency on key management personnel

The success of the Proposed Diversification will depend, to a significant extent, on the abilities, experience and continued service of the key management personnel appointed to oversee the Property and Construction Business. As this business segment is at an early stage of operations, the Group is reliant on these key management personnel to provide technical capabilities and operational oversight. The loss of any such personnel without suitable and timely replacement may disrupt the execution of projects, delay implementation and adversely affect the Group's ability to expand its Property and Construction Business.

Recognising the importance of retaining qualified and experienced personnel, the Group intends to adopt appropriate measures to attract and retain such individuals, including offering competitive remuneration packages and maintaining a conducive and professional working environment to promote loyalty and productivity. The Group also aims to gradually develop a broader pool of management and operational personnel to reduce reliance on any particular individual, thereby enhancing organisational continuity and succession planning.

Notwithstanding the above, there can be no assurance that the Group will be able to retain or replace its key management personnel when required. The loss of any such personnel, or the inability to attract and retain additional qualified individuals, may have an adverse effect on the Group's operations and financial performance.

5.4 Competition risk

The property and construction industries in Malaysia are highly competitive and fragmented, comprising numerous established developers, contractors and material suppliers. As a new participant in these sectors, the Group may face challenges in competing for projects, securing suitable land or property-related opportunities for development or investment, achieving acceptable commercial terms for property management or rental-related activities, and maintaining competitive pricing against established players. In addition, competition in the trading of construction materials may intensify as market participants seek to capture demand arising from ongoing infrastructure and industrial development activities.

To remain competitive, the Group aims to adopt prudent project selection and cost management practices, maintain high standards of quality and reliability, and foster strong working relationships with clients, suppliers and project partners. The Group will also monitor market trends, property market conditions and industry developments closely to ensure that its strategies remain responsive to prevailing market conditions and demand.

5.5 Regulatory risks

The Property and Construction Business in Malaysia will be subject to various laws, regulations and requirements imposed by multiple government authorities, including those governing land use, planning approvals, construction permits, environmental standards, safety compliance, and the employment of foreign workers. Further, certain activities within the trading of construction materials segment may require specific business registrations, import or distribution licenses, and adherence to product quality and safety standards.

As a new participant in these industries, the Group will be required to obtain and maintain all relevant approvals, permits and licenses (e.g. the CIDB license) necessary for the commencement and continuation of its Property and Construction Business. The Group is also subject to potential changes in regulatory requirements from time to time, which may result in additional compliance obligations, delays in project implementation, or increased operating costs.

To mitigate such risks, the Group intends to maintain close engagement with the relevant regulatory authorities, ensure timely submission and renewal of applications, and comply with applicable conditions attached to such approvals and licenses. Further, the management of ETA is in the process of preparing an application for a license from the CIDB, with the submission for the CIDB license anticipated to be submitted by the first half of 2026, and targeted to be obtained within 1 month from the submission date. The Group will also seek external professional advice, where necessary, to ensure that all operations are conducted in accordance with prevailing regulatory standards.

Nevertheless, there can be no assurance that the Group will be able to obtain or renew all necessary licenses, approvals and permits on a timely basis, or that new laws or regulations will not have a material impact on its operations. Any failure to comply with such requirements may adversely affect the Group's ability to undertake or complete its property development, construction or trading activities, and consequently impact its financial performance.

6. EFFECTS OF THE PROPOSED DIVERSIFICATION

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Diversification will not have any effect on the issued share capital and the substantial shareholders' shareholdings in the Company as there is no issuance of new ordinary shares in ETA involved.

6.2 NA per share and gearing level

Barring any unforeseen circumstances, the Proposed Diversification is not expected to have any immediate material effect on the NA of ETA Group for the FYE 31 December 2026. However, the gearing level of the Group may potentially increase as a result of the securing of financing facilities to support the Property and Construction Business.

Purely for illustration purposes, assuming the Group secures additional borrowings of RM10.00 million to finance the business operations of its Property and Construction Business, the gearing of the Group illustrated based on the audited FYE 30 June 2024 would increase from 0.26 times to 0.36 times, as illustrated below:-

	Audited as at 30 June 2024	Assuming additional borrowings are taken
	RM'000	RM'000
NA attributable to owners of the Company	96,361	96,361
Total borrowings	25,168	35,168
Gearing ratio	0.26	0.36

The actual impact on the Group's gearing will depend on, amongst others, the quantum, timing and structure of the financing facilities secured, as well as the Group's cash flow generation from the Property and Construction Business.

Notwithstanding the above, the earnings to be derived from the Property and Construction Business may have a positive impact on the future NA of ETA Group.

6.3 Earnings and EPS

The Proposed Diversification is not expected to have any immediate material effect on the earnings and EPS of ETA Group for the FYE 31 December 2026. Nevertheless, barring any unforeseen circumstances, the Proposed Diversification is expected to contribute positively to the future earnings and EPS of ETA Group.

7. APPROVALS REQUIRED

The Proposed Diversification is subject to the approval of shareholders of ETA at the forthcoming EGM.

The Proposed Diversification is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

8. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Diversification, the Board is not aware of any outstanding proposals, which was announced but are not completed yet. Further, the Proposed Diversification is not conditional upon any other proposal undertaken or to be undertaken by the Company.

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

None of the Directors and/ or major shareholders of ETA and/ or persons connected to them have any interest, either direct or indirect, in the Proposed Diversification.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed Diversification including but not limited to the rationale, prospects and risk factors of the Proposed Diversification, is of the opinion that the Proposed Diversification is in the best interest of the Company.

Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposed Diversification at the EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Diversification is expected to take effect immediately upon obtaining the approval of ETA's shareholders at the forthcoming EGM.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 27 March 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 Diversification.

If you are unable to attend, participate, speak and vote in person at the EGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the Company's Share Registrar office (Securities Services (Holdings) Sdn Bhd, situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

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

Yours faithfully,

For and on behalf of the Board

ETA GROUP BERHAD (FORMERLY KNOWN AS REX INDUSTRY BERHAD)

HONG KOK CHEONG

Independent Non-Executive Chairman

PART B

**LETTER TO THE SHAREHOLDERS OF ETA IN RELATION TO THE PROPOSED NEW
SHAREHOLDERS' MANDATE**



ETA GROUP BERHAD
(formerly known as Rex Industry Berhad)
Registration No.: 199301027926 (282664-K)
(Incorporated in Malaysia)

Registered Office

No. 46C, Plaza Damansara
Jalan Medan Setia 2
Bukit Damansara
50490 Kuala Lumpur
Wilayah Persekutuan

12 March 2026

Board of Directors

Hong Kok Cheong (*Independent Non-Executive Chairman*)
Darmendran Kunaretnam (*Non-Independent Executive Director and Group Managing Director*)
Eau Yong Eun (*Non-Independent Executive Director*)
Chris Kong Wai Fa (*Non-Independent Executive Director*)
Adnan bin Ahmad (*Independent Non-Executive Director*)
Mak Ai-Leen (*Independent Non-Executive Director*)
Law Ngee Song (*Independent Non-Executive Director*)

To: The shareholders of ETA

Dear Sir/ Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

On 9 February 2026, the Board announced that the Company intends to seek shareholders' approval at the forthcoming EGM in respect of the Proposed New Shareholders' Mandate.

THE PURPOSE OF PART B OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED NEW SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) and Practice Note 12 of the Listing Requirements, the Company may seek the shareholders' mandate in respect of RRPT which are necessary for its day-to-day operations subject to, among others, the following:-

- i. the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii. the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold as follows:-
 - a. in relation to a listed corporation with a share capital of RM60 million and above:-
 - the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - the percentage ratio of such RRPT is 1% or more,whichever is the higher;
 - b. in relation to a listed corporation with a share capital which is less than RM60 million:-
 - the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - the percentage ratio of such RRPT is 1% or more,whichever is the lower; or
- iii. the Company's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities for perusal together with a checklist showing compliance with such information;
- iv. in a meeting to obtain a shareholders' mandate, the interested Directors, interested Major Shareholder(s), interested Persons Connected with a Director or Major Shareholder, and where the interest of an interested Person Connected with a Director or Major Shareholder is involved, such Director or Major Shareholder, must not vote on the resolution in respect of the RRPT. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution in respect of the RRPT; and
- v. the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

- 2.2 ETA Group, in the ordinary course of its business, is anticipated to continue to enter into certain RRPT with the Related Parties, the details of which as set out in **Section 2.7, Part B** of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

2.3 These RRPT, which are necessary for the day-to-day operations of ETA Group, in the ordinary course of business, will be based on normal commercial terms, at arms' length, and will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

2.4 Validity Period of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate, if approved by the shareholders at the forthcoming EGM, will take effect from the date of the passing of the ordinary resolution at the forthcoming EGM and shall continue to be in force until:-

- i. the conclusion of the next AGM following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- ii. the expiration of the period within which the next AGM after that date is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by an ordinary resolution passed by the shareholders at a general meeting,

whichever is the earliest.

2.5 Principal Activities of the Group

The principal activity of the Company is investment holding. As at LPD, the principal activities of the subsidiaries are as follows:-

Subsidiaries	Effective equity interest (%)	Principal activities
Fika Foods Corporation Sdn Bhd	100.00	Investment holding
PT Rex	100.00	Manufacture and export of canned food
ETA Development	100.00	Property development, property management and investment
ETA Design & Build	100.00	Construction of industrial properties
ETA Trading	100.00	Trading and distribution of construction materials
Summit Teamtrade (2011) Sdn Bhd	100.00	Dormant
Cinta Edar (M) Sdn Bhd	100.00	Dormant
Rex Foods Sdn Bhd	100.00	Dormant
Gainasia International Limited	100.00	Dormant

2.6 Classes of Related Parties

The Proposed New Shareholders' Mandate would apply to RRPT entered into by the ETA Group which involves the interest, direct or indirect, of the following Related Parties described below.

As at the LPD, details of such Related Parties including their relationship with ETA and their names are as follows:-

No.	Name	Principal activities	Relationship
1.	ETA Capital Sdn Bhd (formerly known as LR BBR 3 Sdn Bhd) (" ETA Capital ")	Investment holding	ETA Capital holds 100.00% direct interest in ETA Industries, which in turn is a Major Shareholder of ETA holding 55.04% direct equity interest. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and major shareholder of ETA Capital.
2.	ETA Industries	Industrial property construction and trading of building materials	ETA Industries is a Major Shareholder of ETA, holding 55.04% direct equity interest. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA Industries by virtue of his interest in ETA Capital.
3.	ETA World	Industrial property construction and property sale	ETA Industries, a Major Shareholder of ETA, holds 100.00% direct interest in ETA World. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA World by virtue of his interest in ETA Industries.
4.	New Vision Sdn Bhd (" New Vision ")	Construction of buildings and provision of architectural, engineering and related technical consultancy services	ETA Industries, a Major Shareholder of ETA, holds 100.00% direct interest in ETA World, which holds 51.00% direct interest in New Vision. Lim Chin Hui, an indirect Major Shareholder of ETA, is an indirect major shareholder of New Vision by virtue of his interest in ETA Industries.
5.	ETA Hardware Sdn Bhd (" ETA Hardware ")	Trading of building materials and related activities	ETA Industries, a Major Shareholder of ETA, holds 50.00% direct interest in ETA Hardware. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA Hardware by virtue of his interest in ETA Industries.
6.	ETA Steel Sdn Bhd (" ETA Steel ")	Trading of building materials and related activities	ETA Industries, a Major Shareholder of ETA, holds 100.00% direct interest in ETA Steel. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA Steel by virtue of his interest in ETA Industries.

2.7 Nature of the RRPT contemplated under the Proposed New Shareholders' Mandate

Details of the RRPT to be entered under the Proposed New Shareholders' Mandate, including the classes of Related Party with whom the transactions will be carried out, are as follows:-

No.	Nature of RRPT	Transacting Company	Transacting Related Parties	Interested Related Party(ies)	Estimated Aggregate Value during the validity period of the mandate* ¹ (RM'000)
1.	Provision of construction works and/ or construction related services from related party(ies) and vice versa, including building and construction works and other construction-related services incidental thereto	ETA Design & Build	<ul style="list-style-type: none"> • ETA Capital • ETA Industries • ETA World • New Vision 	<ul style="list-style-type: none"> • Lim Chin Hui • ETA Capital • ETA Industries 	70,000
2.	Trading of building materials services from related party(ies) and vice versa, including the sale and/ or purchase of building materials for use in construction and development activities	ETA Trading	<ul style="list-style-type: none"> • ETA Hardware • ETA World • ETA Steel 	<ul style="list-style-type: none"> • Lim Chin Hui • ETA Capital • ETA Industries 	50,000

Note:-

*¹ The validity period of the Proposed New Shareholders' Mandate is described in **Section 2.4, Part B** of this Circular and the estimated aggregate value of the transactions was determined based on management's best estimates, taking into consideration the expected transaction volumes arising from the project pipelines and business plans of the Related Parties and the Group's anticipated involvement in such projects. Accordingly, the actual value of the transactions may differ from the estimated amount disclosed above.

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2.8 Amount owing by Related Party pursuant to the RRPT

As at the LPD, the Group has not entered into the RRPT with the Related Party(ies), hence, there is no amount owing by the Related Party pursuant to the RRPT that has exceeded the credit terms.

2.9 Review Procedures for the RRPT

The Group had established various guidelines and procedures to ensure that the RRPT are undertaken on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the minority shareholders of the Company.

The Group shall review the RRPT based on the following parameters/ procedures:-

- i. The definition of a related party, the list of related parties and the review procedures will be circulated and/ or updated within the Group from time to time, where relevant;
- ii. The duties and roles of the ARMC include the review of RRPT;
- iii. Records will be maintained to record all RRPT which are/ will be entered into, which will be available for review by, among others, the ARMC, on a quarterly basis. Any member of the ARMC may as he/ she deems fit, request for additional information pertaining to RRPT from independent sources or advisers;
- iv. The pricing for services and products to be provided/ supplied and/ or received arising from the RRPT will be determined based on the Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market and on normal commercial terms;
- v. The pricing, terms and conditions of the RRPT shall be consistent with the Group's usual business practice and determined with due consideration to, among others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible. At least 2 other contemporaneous transactions with unrelated third parties for similar products and/ or services and/ or quantities will be used as a comparison, wherever available or possible, to determine whether the price and terms offered to and/ or by the Related Parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties for the same or substantially similar type of products and/ or services and/ or quantities.
- vi. In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed RRPT, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPT are not detrimental to the Company and/ or the Group;
- vii. The ARMC shall review the adequacy of the above procedures, and shall continue to review the established guidelines and procedures, as and when required, on an annual basis with the authority to subdelegate to individuals or committees within the Company as they deem appropriate;
- viii. Where any Director or Persons Connected with him or the ARMC has an interest (direct or indirect) in any RRPT, he/ she will abstain from voting on any matter relating to any decision making by the Board or the ARMC in respect of such transactions;
- ix. The said interested Director shall undertake that he/ she will ensure that Persons Connected with him/ her abstain from voting on the resolution deliberating or approving the RRPT at a general meeting;

- x. All new RRPT which are below RM1.0 million in aggregate and below 1% of any percentage ratios shall be subject to the approval of the Managing Director, Executive Director (if any) or the Financial Controller of the Company. If the Managing Director or the Executive Director of the Company has an interest in the RRPT, he/ she shall abstain from any deliberation and decision-making procedure and approval from the Financial Controller shall be sought;
- xi. All new RRPT which are RM1.0 million and above in aggregate or 1% and above of any percentage ratios, shall be reviewed and approved by the ARMC and the Board respectively, before the transaction is entered into. If any member of the ARMC or the Board has an interest in the RRPT, approval shall be sought from the remaining non-interested members of the ARMC and the Board; and
- xii. Where the actual value of the RRPT entered into by the Group exceeds the estimated value of the RRPT disclosed in the circular to the shareholders by 10% or more, the Company shall make an immediate announcement to Bursa Securities in accordance with the Listing Requirements.

2.10 Disclosure in Annual Report

Disclosure will be made in the Annual Report of the Company on the breakdown of the aggregate value of the RRPT made during the financial year, among others, based on the following information:-

- i. The types of RRPT made; and
- ii. The names of the Related Parties involved in each type of the RRPT and their relationship with the Group.

2.11 Statement by ARMC

The ARMC has seen and reviewed the guidelines and procedures set out in **Section 2.9, Part B** of this Circular and is of the view that they are sufficient to ensure that the RRPT will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.

The ARMC is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The ARMC shall review these procedures and processes once a year. This is to ensure that the RRPT are not detrimental or prejudicial to the minority shareholders of the Company.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The RRPT pursuant to the Proposed New Shareholders' Mandate are entered into in the ordinary course of business and are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and may arise from time to time.

The Proposed New Shareholders' Mandate will enable the Group to enter into RRPT with the Related Parties which are necessary for the day-to-day operations of the Group and which are time-sensitive in nature, and on terms which are not more favourable to the Related Parties than those generally available to and/ or from the public, where applicable, and, in the Company's opinion, are not detrimental to its minority shareholders.

In addition, the Proposed New Shareholders' Mandate will facilitate the efficient conduct of RRPT necessary for the Group's business operations, eliminate the need for the Company to convene a separate general meeting to seek shareholders' approval for each RRPT and hence, reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency and allow resources to be channelled towards attaining other corporate objectives while ensuring that shareholders are kept informed of the extent of RRPT undertaken by the Group.

4. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate will not have any impact on the share capital and substantial shareholders' shareholdings of the Group, as the Proposed New Shareholders' Mandate will not involve the issuance of new Shares.

Further, the Proposed New Shareholders' Mandate is not expected to have any material impact on the share capital, substantial shareholders' shareholdings, earnings, gearing and net assets of the Group for the FYE 31 December 2026.

5. APPROVAL REQUIRED

The Proposed New Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming EGM.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED WITH THEM

Saved as disclosed below, none of the other Directors, Major Shareholders and/ or Persons Connected to the Directors and Major Shareholders, have any interest, direct or indirect, in the Proposed New Shareholders' Mandate:-

	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Interested Major Shareholders				
ETA Industries	361,989,767	55.04	-	-
ETA Capital	-	-	361,989,767 ^{*1}	55.04
Lim Chin Hui	-	-	361,989,767 ^{*2}	55.04

Notes:-

^{*1} Deemed interested by virtue of its interest in ETA Industries pursuant to Section 8 of the Act

^{*2} Deemed interested by virtue of his indirect interest in ETA Industries, via ETA Capital, pursuant to Section 8 of the Act.

The interested Major Shareholders will abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolution approving the Proposed New Shareholders' Mandate at the forthcoming EGM. In this regard, the interested Major Shareholders have undertaken to ensure that all Persons Connected with them will abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolution approving the Proposed New Shareholders' Mandate at the forthcoming EGM.

Save as disclosed above, none of the other Directors, Major Shareholders and/ or Persons Connected to them has any interest, direct or indirect, in the Proposed New Shareholders' Mandate.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is in the best interest of the Group.

Accordingly, the Board recommends that you vote in favour of the resolution in relation to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM.

8. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 27 March 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 New Shareholders' Mandate.

If you are unable to attend, participate, speak and vote in person at the EGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the Company's Share Registrar office (Securities Services (Holdings) Sdn Bhd, situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to the attached **Appendix I** of this Circular for further information.

Yours faithfully,

For and on behalf of the Board

ETA GROUP BERHAD (FORMERLY KNOWN AS REX INDUSTRY BERHAD)

HONG KOK CHEONG

Independent Non-Executive Chairman

APPENDIX I – 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 Adviser for the Proposed Diversification, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

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

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, there are no material litigation, claims or arbitration, proceedings pending or threatened involving the Group, or of any facts likely to give rise to any proceedings involving the Group or to any proceeding which may materially affect the financial position or business of the Group.

5. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by ETA Group which, upon becoming enforceable, may have a material impact on the financial results/position of ETA Group.

6. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the LPD.

On 17 September 2025, ETA had entered into a conditional share sale agreement ("**SSA**") with Darmendran Kunaretnam ("**Purchaser**") in relation to the 2025 Disposal, comprising the following:-

- i. the proposed disposal of 20,040 ordinary shares in Rex Canning Co. Sdn Bhd ("**RCCSB**"), representing 100% equity interest in RCCSB, by ETA to the Purchaser; and
 - ii. the proposed disposal of 1,000,000 ordinary shares in Rex Trading Sdn Bhd ("**RTSB**"), representing 100% equity interest in RTSB, by ETA to the Purchaser,
- for a total disposal consideration of RM40.00 million to be satisfied entirely via cash.

On 18 November 2025 the SSA had turned unconditional, and on 8 December 2025, the 2025 Disposal had been deemed completed.

APPENDIX I – FURTHER INFORMATION

7. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board confirms that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group.

	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	11,171

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of ETA at No. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, 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 ETA;
- (ii) audited consolidated financial statements of ETA Group for the past 2 financial years up to the FYE 30 June 2024 and the latest unaudited 18-month FPE 31 December 2025;
- (iii) the letter of consent and declaration of conflict of interests referred to in **Sections 2 and 3** above, respectively; and
- (iv) the material contract referred to in **Section 6** above.



ETA GROUP BERHAD
(formerly known as Rex Industry Berhad)
Registration No.: 199301027926 (282664-K)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of ETA Group Berhad (formerly known as Rex Industry Berhad) ("**ETA**" or the "**Company**") will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 27 March 2026 at 10.00 a.m., or at any adjournment thereof for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions set out below.

ORDINARY RESOLUTION 1

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF ETA AND ITS SUBSIDIARIES ("ETA GROUP") TO INCLUDE THE PROPERTY AND CONSTRUCTION BUSINESS ("PROPOSED DIVERSIFICATION")

"**THAT**, subject to the approvals of all relevant authorities and/ or parties being obtained, approval be and is hereby given to ETA Group to diversify the existing principal activities to include the Property and Construction Business as described in the circular to shareholders dated 12 March 2026 ("**Circular**").

THAT the Board of Directors of ETA be and is hereby authorised to sign and execute all necessary documents, do all acts, deeds and things as may be required to give effect to the Proposed Diversification into the Property and Construction Business 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 in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Diversification into the Property and Construction Business."

ORDINARY RESOLUTION 2

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/ OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")

"**THAT**, authority be and is hereby given in line with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, for ETA and/ or its subsidiaries to enter into any of the recurrent related party transactions with the related party(ies) as set out in **Section 2.7, Part B** of the Circular to Shareholders dated 12 March 2026 in relation to the Proposed New Shareholders' Mandate which are necessary for the day-to-day operations of ETA Group within the ordinary course of business of ETA Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- i. the conclusion of the next annual general meeting ("**AGM**") of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- ii. the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

- iii. revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/ or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/ or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/ or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company."

BY ORDER OF THE BOARD

YEOW SZE MIN (MAICSA NO. 7065735) (SSM PC NO.: 201908003120)

YEE KIT YENG (MAICSA NO. 7068292) (SSM PC NO.: 202208000022)

Company Secretaries

12 March 2026

Notes :

- 1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 March 2026 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*
- 2. A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
- 3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
- 4. 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**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- 5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the Meeting or any adjournment thereof*
- 6. The lodging of the Form of Proxy does not preclude a member from attending and voting at the Meeting should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof.*



ETA GROUP BERHAD
(formerly known as Rex Industry Berhad)
Registration No.: 199301027926 (282664-K)
(Incorporated in Malaysia)

FORM OF PROXY

Number of Ordinary Shares Held	CDS Account No.

Contact No.	Email Address

I/We
(FULL NAME)

NRIC/Passport No./ Registration No.: of
.....
(FULL ADDRESS)

being a member of ETA Group Berhad (formerly known as Rex Industry Berhad) (Registration No. 199301027926 (282664-K)), hereby

appoint:

*** First Proxy "A"**

Full Name (in Block):-	NRIC/ Passport No:-	Proportion of shareholdings represented	
		No. of shares	Percentage (%)
Full Address:-			

*and

*** Second Proxy "B"**

Full Name (in Block):-	NRIC/ Passport No:-	Proportion of shareholdings represented	
		No. of shares	Percentage (%)
Full Address:-			

100%

or failing *him/her, the Chairman of the Meeting, as *my/our proxy, to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 27 March 2026 at 10.00 a.m., or at any adjournment thereof, in the manner indicated below :

(Please indicate with an "X" in the space provided below how you wish to cast your vote. If no specific direction as to voting is given, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit)

*I/ We hereby indicate with an "X" in the spaces provided how *I/ we wish *my/ our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

	Ordinary Resolution	For	Against
1	Proposed Diversification		
2	Proposed New Shareholders' Mandate		

Signed (and sealed) this _____ day of _____, 2026

.....
Signature of Shareholder

.....
Common Seal to be affixed here if
Shareholder is a Corporate Member

* Delete if not applicable



Notes :

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 March 2026 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*
2. *A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
3. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*
4. *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**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof*
6. *The lodging of the Form of Proxy does not preclude a member from attending and voting at the Meeting should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
ETA GROUP BERHAD
(FORMERLY KNOWN AS REX INDUSTRY BERHAD)
(Registration No.: 199301027926 (282664-K))
c/o Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan

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