

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

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused the contents of this Circular prior to the issuance of this Circular as they are prescribed as exempted circular pursuant to Practice Note 18 of Main Market Listing Requirements of Bursa Securities.

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**QES GROUP BERHAD**

(Registration No. 201401042911 (1119086-U))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO THE FOLLOWING  
PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE  
("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

**PART B  
STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF  
SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF  
ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK  
AUTHORITY")**

The above Proposals will be tabled at the Twelfth Annual General Meeting ("12<sup>th</sup> AGM") of QES Group Berhad which will be held at Corporate Meetings by Envivo, Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor on Friday, 26 June 2026 at 10.00 a.m. or at any adjournment thereof. The Notice of the 12<sup>th</sup> AGM which sets out the resolutions to consider the abovementioned proposals together with the Proxy Form relating thereto are set out in the Annual Report 2025 of the Company which is available online at the Company's Corporate website at <https://www.qesnet.com/investor-relations-overview/>

If you are unable to participate and vote in person at the forthcoming AGM, you may appoint proxy/(ies) to participate, speak and vote on your behalf at the 12<sup>th</sup> AGM. You must complete the Proxy Form and deposit it with our Share Registrar, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or emailed to [mega-sharereg@megacorp.com.my](mailto:mega-sharereg@megacorp.com.my), or alternatively lodged electronically via the portal at <https://www.equiti.my/> not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The lodgment of the Proxy Form will not preclude you from participating and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 24 June 2026 at 10.00 a.m.

Date and time of the 12<sup>th</sup> AGM : Friday, 26 June 2026 at 10.00 a.m. or at any

This Circular is dated 28 April 2026

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**DEFINITIONS**

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

"Act"	:	The Companies Act 2016, as amended from time to time and any re-enactment thereof
"AETM"	:	Applied Engineering Technology (M) Sdn. Bhd.
"AGM"	:	Annual General Meeting
"Board"	:	The Board of Directors of the Company
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CCM"	:	Companies Commission of Malaysia
"Circular"	:	This circular to shareholders of the Company dated 28 April 2026
"CNW"	:	Chew Ne Weng, the Managing Director and an Indirect Substantial Shareholder of QES
"Code"	:	Malaysia Code on Take-overs and Mergers, 2016 issued by the SC and as may be amended, modified and re-enacted from time to time
"Director"	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
"EPS"	:	Earnings per Share
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
"LPD"	:	31 March 2026, being the latest practicable date prior to the printing of this Circular

## **DEFINITIONS**

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

"Major Shareholder(s)"	:	A person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the company; or (b) 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company; and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder as defined above or any other company which is its subsidiary or holding company.  For the purpose of this definition, "interest in shares" shall have the same meaning given in Section 8 of the Act
"NA"	:	Net assets attributable to ordinary equity holders of QES
"Ordinary Shares"	:	Ordinary Shares of the Company
"Person(s) Connected"	:	Shall have the meaning as defined in Paragraph 1.01 of the Listing Requirements
"Proposed Renewal of Shareholders' Mandate"	:	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed Renewal of Share Buy-Back of up to ten percent (10%) of the total number of issued shares of the Company
"Purchased QES Shares"	:	Shares purchased by QES pursuant to Section 127 of the Act
"QES" or "the Company"	:	QES Group Berhad
"QES Group" or "the Group"	:	QES and its subsidiaries, collectively
"QES Share(s)" or "Share(s)"	:	Ordinary share(s) of QES
"QMC"	:	QES Mechatronic Sdn. Bhd.
"QVS"	:	QES Vision Solutions Sdn. Bhd.

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## DEFINITIONS

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

"Related Party(ies)"	:	A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, "director", "major shareholder" and their person connected shall have the same meanings as defined herein
"Related Party Transaction(s)" or "RPT(s)"	:	A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
"Recurrent Related Party Transaction(s)" or "RRPT(s)"	:	Related Party Transaction(s) involving recurrent transaction(s) of a revenue or trading nature which is necessary for QES Group's day-to-day operations and within the ordinary course of business entered into by the Group, which involves the interest, direct or indirect, of Related Party(ies)
"RM" and "Sen"	:	Ringgit Malaysia and sen, respectively
"Securities Commission"	:	Securities Commission Malaysia
"Shareholders"	:	Shareholders of QES
"Substantial Shareholder(s)"	:	Shall have the meaning given in Section 136 of the Act
"VWAP"	:	Volume-weighted average market price

All references to "we", "us" "our" and "ourselves" are to QES or QES Group. All references to "you" in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

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

Any reference to a time or date in this Circular is a reference to Malaysian time or date, unless otherwise stated.

Any discrepancies in the tables between the amounts listed, actual figures and the totals in this Circular are due to rounding.

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**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE  
(“PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE”)**



QES GROUP BERHAD

(Registration No. 201401042911 (1119086-U))

(Incorporated in Malaysia)

**Registered Office:**

Lot 4.100, Tingkat 4,  
Wisma Central,  
Jalan Ampang,  
50450 Kuala Lumpur,  
W.P. Kuala Lumpur,  
Malaysia

28 April 2026

**Board of Directors:**

Encik Adnan Bin Zainol (Non-Independent Non-Executive Chairman)

Mr. Chew Ne Weng (Group Managing Director/President)

Mr. Liew Soo Keang (Group Executive Director)

Pn. Maznida Binti Mokhtar (Independent Non-Executive Director)

Dr. Gunasegaran Muthusamy (Independent Non-Executive Director)

Pn. Wan Fatimah Suriani Binti Ibrahim (Independent Non-Executive Director)

**To: The Shareholders of QES**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

At the 11<sup>th</sup> AGM held on 18 June 2025, the Company has obtained a shareholders' mandate to allow QES Group to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties, which are necessary for the Group's day-to-day operations and are in the ordinary course of business, provided that such transactions are made on an arm's length basis, on QES Group's normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of QES. The approval shall in accordance with the Listing Requirements lapse at the conclusion of the forthcoming AGM scheduled on 26 June 2026, unless approval for its renewal is obtained from the shareholders of the Company at the said AGM.

On 15 April 2026, the Board announced that the Company proposes to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming 12<sup>th</sup> AGM.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH INFORMATION ON THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 12<sup>TH</sup> AGM OF THE COMPANY. THE NOTICE OF THE 12<sup>TH</sup> AGM TOGETHER WITH THE PROXY FORM ARE AVAILABLE ONLINE AT THE COMPANY'S CORPORATE WEBSITE AT <https://www.qesnet.com/investor-relations-overview/>**

**AN EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE IS SET OUT IN APPENDIX II OF THIS CIRCULAR**

**SHAREHOLDERS OF QES ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **2.1 Provisions Under the Listing Requirements**

Paragraph 10.09(2) of the Listing Requirements states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations, the Company may seek a mandate from its shareholders, subject to the following:

- (a) 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;
- (b) 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;
- (c) the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements where:-
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPT is 1% or more,  
whichever is the higher;
- (d) the issuance of a 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 together with a checklist showing compliance with such information;
- (e) in a meeting to obtain Shareholders' Mandate, the relevant related party must comply with the following
  - (i) a Related Party with any interest, whether direct or indirect, in the RRPT ("Interested Related Party"), must not vote on the resolution in respect of the RRPT;
  - (ii) an Interested Related Party who is a Director or Major Shareholder must ensure that the Persons Connected abstain from voting on the resolution in respect of the RRPT; and
  - (iii) where the Interested Related Party is a Person Connected, such person, as the case may be, must not vote on the resolution in respect of the RRPT; and
- (f) the Company must immediately announce 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 ten percent (10%) or more and the Company must include the information as may be prescribed by Bursa Securities in its announcement.

### **2.2 Validity Period of the Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company at the forthcoming AGM, shall take effect from the date of passing of the proposed ordinary resolution for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM of the Company and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the AGM at which this Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse, unless the authority is renewed by an ordinary resolution passed at the said next AGM; or
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier.

Thereafter, shareholders' approval will be sought for the renewal of the Proposed Renewal of Shareholders' Mandate at each subsequent AGM to enter into the RRPTs.

The RRPTs that are contemplated under the Proposed Renewal of Shareholders' Mandate are in compliance with Paragraph 10.09(2) of the Listing Requirements and the relevant provisions under Section 3 of Practice Note 12 of the Listing Requirements.

Notwithstanding the above, our Company is cognisance and mindful of Paragraph 10.09(2) of the Listing Requirements. Hence, in this respect, our Company will observe and closely monitor the actual value of a RRPT to be entered by our Group. Accordingly, we shall make an immediate announcement if the actual value of a RRPT entered into by our Group exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and shall include the information as may be prescribed by Bursa Securities in the said announcement.

### 2.3 Principal Activities of QES Group

The principal activity of QES is investment holding while the principal activities of its subsidiary and associate companies of QES as at the LPD are set out in the table below:

<b>Name</b>	<b>Effective equity interest (%)</b>	<b>Principal Activities</b>
<b>Subsidiary companies of QES</b>		
QES Intra Pacific Sdn. Bhd.	100%	Trading and servicing of industrial parts & equipment
QES (Asia-Pacific) Sdn. Bhd.	100%	Investment holding, marketing and servicing of scientific instruments
QS Instruments Sdn. Bhd.	100%	Marketing and servicing of scientific instruments
QES Manufacturing Sdn. Bhd.	100%	Investment Holding

## 2.3 Principal Activities of QES Group (Cont'd)

Name	Effective equity interest (%)	Principal Activities
<b>Subsidiary company of QES (Asia-Pacific) Sdn. Bhd.</b>		
QES (Thailand) Co., Ltd.	100%	Marketing and servicing of scientific instruments
QES (Vietnam) Co., Ltd/	100%	Marketing and servicing of scientific instruments
QES (Hong Kong) Limited	100%	Marketing and servicing of scientific instruments and industrial equipment
QES Technology (Shanghai) Co., Ltd.	100%	Marketing and servicing of scientific instruments and industrial equipment
QES Technology Philippines, Inc.	87.7%	Wholesale, technical testing and analysis of machinery, equipment and supplies
QAM (Asia-Pacific) Sdn. Bhd.	82.5%	Marketing and servicing of scientific instruments and industrial materials
QES (Singapore) Pte. Ltd.	70%	Marketing and servicing of scientific instruments
P.T. QES Indonesia	55%	Marketing and servicing of scientific instruments
<b>Subsidiary company of QES Manufacturing Sdn. Bhd.</b>		
QES Mechatronic Sdn. Bhd.	100%	Manufacturing and trading of industrial equipment and systems
QES Vision Solutions Sdn. Bhd.	85%	Providing vision software solution for automated equipment, mechanical and electrical engineering consultancy service, trading and servicing industrial parts and equipment
<b>Associate company of QES Manufacturing Sdn. Bhd.</b>		
Applied Engineering Technology (M) Sdn. Bhd.	30%	Specialised in electro-mechanical contract manufacturing services from prototype to high volume production for semiconductor, life science, defence, aerospace and emerging technology.

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

## 2.4 Classes of Related Parties

The RRPT for which approval is sought are primarily in respect of transactions to be entered into by QMC and QVS with AETM. Details are as follows :-

<b>Related Party</b>	<b>Place of incorporation</b>	<b>Principal Activity</b>	<b>Relationship with QES</b>
AETM	Malaysia	Specialised in electro-mechanical contract manufacturing services from prototype to high volume production for semiconductor, life science, defence, aerospace and emerging technology.	<ul style="list-style-type: none"><li>• AETM is a 30% associate of QES Manufacturing Sdn. Bhd.</li><li>• QMC and QVS are both wholly owned subsidiary of QES Manufacturing Sdn. Bhd.</li><li>• QES Manufacturing Sdn. Bhd. is a wholly owned subsidiary of QES</li></ul>

The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:

- (a) Directors; and
- (b) Major Shareholders with the details as follows :

### **Chew Ne Weng ("CNW")**

CNW is the Managing Director and substantial shareholder of QES via his direct shareholdings of 33,270,895 or 4.00% and his indirect shareholdings of 218,000,000 ordinary shares or 26.18% via Zhou Fu (L) Foundation by virtue of Section 8 of the Companies Act 2016 held through WA Capital Sdn Bhd. He serves as a Director of AETM but does not have any shareholding interest in AETM.

### **WA Capital Sdn Bhd**

WA Capital Sdn Bhd is a Substantial Shareholder with direct shareholdings of 218,000,000 ordinary shares or 26.18%.

### **Zhou Fu (L) Foundation**

Zhou Fu (L) Foundation currently is a sole shareholder of WA Capital Sdn Bhd. Zhou Fu (L) Foundation is deemed to have indirect interest in shares of QES Group Berhad by virtue of Section 8 of the Companies Act 2016 held through WA Capital Sdn Bhd

### **Leong Kook Weng**

Leong Kook Weng is a Director and Shareholder of QVS and is also a Director of AETM. Leong Kook Weng also holds shares in QES. However, he is not a Director and substantial shareholder of QES.

The abovesaid persons are all deemed interested in the Proposed Renewal of Shareholders' Mandate.

## 2.5 Details of Recurrent Related Party Transactions contemplated under the Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate is to facilitate the transactions in the ordinary course of business between QES Group and the Related Parties provided that the transactions are consistent with QES Group's normal business practices and policies, the terms and the pricing are not more favourable to the Related Parties than those generally available to the public, and the transactions are not to the detriment of the minority shareholders to the Company.

The details of the nature of Recurrent Transactions pursuant to the Proposed Renewal of Shareholders' Mandate are as follows:

<b>Nature of Transaction</b>	<b>Mandated Related Party</b>	<b>Transacting Company within QES Group</b>	<b>Interested Director/ Major Shareholder</b>	<b>Estimated Aggregate Value as Disclosed in the Circular to Shareholders Dated 28 April 2025 (RM'000)</b>	<b>Actual Value Transacted <sup>(1)</sup> (RM'000)</b>	<b>Estimated Aggregate Value of the Transactions during the Validity of the Proposed Shareholders' Mandate to the next AGM <sup>(2)</sup> (RM'000)</b>
Purchase of industrial equipment parts and components by QMC from AETM	AETM	QMC	CNW, WA Capital Sdn Bhd, Zhou Fu (L) Foundation	50	Nil	50
Commission income charged by QVS to AETM <sup>(3)</sup>	AETM	QVS	CNW, WA Capital Sdn Bhd, Zhou Fu (L) Foundation, Leong Kook Weng	50	5	50
Rental received or receivable by QMC from AETM on a monthly basis <sup>(4)</sup>	AETM	QMC	CNW, WA Capital Sdn Bhd, Zhou Fu (L) Foundation	971	618	1,100

Notes:

(1) The Actual Value transacted of RRPT is from the date on which the existing mandate was obtained up to the LPD before the printing of this Circular.

(2) The estimated value may vary and subject to change.

Basis of Estimates

The estimated value as set out above is based on our management's estimates of the value of transactions to be undertaken for the period from the forthcoming AGM to the next AGM. However, the value of transactions may be subject to changes. The actual breakdown of the aggregate value of transactions contemplated will be disclosed in our annual report for the financial year ending 31 December 2026 as required under Section 3.1.5 of Practice Note 12 of the Listing Requirements

(3) Description of Commission Income Received

QVS has been engaged as AETM's representative to undertake business development activities and provide technical support for all potential projects. It is deemed a RRPT as the transactions shall incur at least once in 3 years.

(4) Description of the Property

<b>Description</b>	<b>Postal Address</b>	<b>Total Areas (Sq. Ft.)</b>	<b>Period of Tenancy</b>	<b>Ownership</b>
Factory and Office Building	Block B, PMT 862, Jalan Cassia Selatan 3/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang.	Approximately 30,722 square feet	1 year and automatic renewal period of every 3 years up to Year 10.	Applied Engineering Technology (M) Sdn. Bhd. ("AETM") is a 30% associate company of QES.

## **2.6 Review Methods or Procedures for the Recurrent Related Party Transactions**

The Group has established the following review procedures and guidelines to ensure that RRPT(s) are undertaken on an arm's length basis and on transaction price and on normal commercial terms and that are not more favourable to the Related Party(ies) than those generally available to the public and not to the detriment of the minority shareholders.

The review and disclosure procedures are as follows:

- 2.6.1 The Related Parties, interested Directors and persons connected will be advised that they are subject to the Proposed Renewal of Shareholders' Mandate and will also be advised of the review and disclosure procedures;
- 2.6.2 The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- 2.6.3 Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- 2.6.4 The management of the QES Group is cognizant that all RRPT(s) are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar or substantially similar transactions between QES Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance to the usual business practices of the Group to ensure that the RRPT(s) is not detrimental to the QES Group;
- 2.6.5 All RRPT(s) within the QES Group are subject to the approval of the Company's Executive Directors. However, any transaction in which an Executive Director has an interest shall be subject to the approval of the Board of Directors;
- 2.6.6 Records will be maintained by the respective companies to capture all RRPT(s) which are entered pursuant to the Proposed Renewal of Shareholders' Mandate;
- 2.6.7 The annual internal audit plan shall incorporate a review of all RRPT(s) entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ensure that relevant approvals are obtained and the procedures in respect of such transactions are adhered to;
- 2.6.8 The Audit and Risk Management Committee ("ARMC") shall review quarterly the summary of the actual RRPT(s) with management to ensure they are within the amounts approved in the Proposed Renewal of Shareholders' Mandate and the internal audit reports to ascertain the guidelines, governance procedures and internal controls to monitor the RRPT(s) have been complied with; and

## **2.6 Review Methods or Procedures for the Recurrent Related Party Transactions (Cont'd)**

- 2.6.9 The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and ARMC has an interest in the transaction to be reviewed by the Board and ARMC, as the case may be, he will abstain from any decision making by the Board or ARMC in respect of the said transaction.

The RRPT(s) that are contemplated under the Proposed Renewal of Shareholders' Mandate are in compliance with Paragraph 10.09(2) of the Listing Requirements and the relevant provisions under Section 3 of Practice Note 12 of the Listing Requirements.

## **2.7 Disclosure in Annual Report**

Disclosure will be made in the annual report of the Company of the aggregate value of RRPT(s) conducted pursuant to the Proposed Renewal of Shareholders' Mandate during the financial year, where the aggregate value is equal or more than the threshold prescribed under the Paragraph 10.09(1) of the Listing Requirements. In making the disclosure, the Company must provide a breakdown of the aggregate value of the RRPT(s) made during the financial year, amongst others, based on the following information:

- a) the type of RRPT(s) made;
- b) the names of the Related Parties involved in each type of the RRPT(s) made and their relationship with the Group.

## **2.8 Amount Due and Owing to our Group by the Related Parties**

There is no amount due and owing by the Related Parties to QES pursuant to the RRPT(s)

## **2.9 Statement by Audit and Risk Management Committee ("ARMC")**

The ARMC of QES has reviewed the methods and/or procedures stated in Section 2.6 of this Circular and is of the view that the existing procedures, processes and guidelines are adequate and sufficient to monitor, track and identify RRPT in a timely and orderly manner. The ARMC also viewed that the method and/or procedures as stated in Section 2.6 of this Circular are sufficient to ensure that the RRPT are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The ARMC will review these processes, procedures and guidelines annually or as and when the need arises to ensure all RRPT(s) will be carried out on normal commercial terms which are not prejudicial to the interests of shareholders and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interest of the minority shareholders.

### **3 RATIONALE OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate will enable QES Group to carry out RRPT(s) necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction.

This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPT(s) carried out within the QES Group creates mutual benefits for the Companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

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

### **4 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate is not expected to have any adverse material impact on the share capital, NA or EPS of the QES Group.

## 5 INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors and/or Major Shareholders and person connected to them as defined in the Listing Requirements, has any interest, direct or indirect in the Proposed Renewal of Shareholders' Mandate.

The shareholdings of the Interested Director and Major Shareholders as at LPD are as follows:

	Direct Interest		Indirect Interest	
	No. of QES Shares	%	No. of QES Shares	%
<b><u>Interested Director</u></b>				
CNW	33,270,895	4.00	-	-
Leong Kook Weng	520,000	0.06	-	-
<b><u>Interested Major Shareholder</u></b>				
CNW	33,270,895	4.00	218,000,000 <sup>(1)</sup>	26.18
WA Capital Sdn Bhd	218,000,000	26.18	-	-
Zhou Fu (L) Foundation	-	-	218,000,000 <sup>(2)</sup>	26.18

*Note:-*

*(1) Deemed interested pursuant to Section 8 of the Companies Act, 2016*

*(2) Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through WA Capital Sdn. Bhd.*

The Interested Director, Leong Kook Weng, and the Interested Director and Major Shareholder, CNW as well as the Interested Major Shareholders, Zhou Fu (L) Foundation and WA Capital Sdn Bhd, have abstained and will continue to abstain from deliberation and voting at the relevant Board meetings in respect of the Proposed Renewal of Shareholders' Mandate.

In addition, the Interested Director, Leong Kook Weng, and the Interested Director and Major Shareholder, CNW as well as the Interested Major Shareholders, Zhou Fu (L) Foundation and WA Capital Sdn Bhd will abstain from voting in respect of their direct and indirect interests in QES on the resolution for the Proposed Renewal of Shareholders' Mandate at the forthcoming 12<sup>th</sup> AGM. They have also undertaken to ensure that person connected with them shall also abstain from voting in respect of their direct and indirect interests in QES on the resolution for the Proposed Renewal of Shareholders' Mandate at the forthcoming 12<sup>th</sup> AGM.

## 6 APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming 12<sup>th</sup> AGM of the Company.

## **7 DIRECTORS' RECOMMENDATION**

The Board (save and except for CNW who is deemed interested in the Proposed Renewal of Shareholders' Mandate) having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of QES Group. Accordingly, the Board (save and except for CNW) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled as Special Business at the forthcoming 12<sup>th</sup> AGM.

## **8 12<sup>th</sup> ANNUAL GENERAL MEETING**

The Proposed Renewal of Shareholders' Mandate will be tabled at the Twelfth Annual General Meeting ("12<sup>th</sup> AGM") of QES Group Berhad held at Corporate Meetings by Envivo, Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor on Friday, 26 June 2026 at 10.00 a.m. or at any adjournment thereof. The Notice of the 12<sup>th</sup> AGM which sets out the resolution to consider the abovementioned proposal together with the Form of Proxy relating thereto are set out in the Annual Report 2025 of the Company together with this Circular are available at the Company's website at <https://www.qesnet.com/investor-relations-overview/>

If you are unable to participate and vote in person at the forthcoming AGM, you may appoint proxy/(ies) to participate, speak and vote on your behalf at the 12<sup>th</sup> AGM. You must complete the Proxy Form and deposit it with our Share Registrar, Mega Corporate Services Sdn. Bhd., at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or emailed to [mega-sharereg@megacorp.com.my](mailto:mega-sharereg@megacorp.com.my), or alternatively lodged electronically via the portal at <https://www.equiti.my/> not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The lodgement of the Form of Proxy will not preclude you from participating and voting in person at the meeting should you subsequently wish to do so.

## **9 FURTHER INFORMATION**

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

Yours faithfully

For and on behalf of the Board

**QES GROUP BERHAD**

**Non-Independent Non-Executive Chairman**  
**ADNAN BIN ZAINOL**

**PART B**  
**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED**  
**RENEWAL OF SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE**  
**TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED**  
**RENEWAL OF SHARE BUY-BACK AUTHORITY")**



**QES GROUP BERHAD**  
(Registration No. 201401042911(1119086-U))  
(Incorporated in Malaysia)

**Registered Office**  
Lot 4.100, Tingkat 4,  
Wisma Central, Jalan Ampang,  
50450 Kuala Lumpur,  
W.P. Kuala Lumpur, Malaysia.

28 APRIL 2026

**Board of Directors: -**

Encik Adnan Bin Zainol (Non-Independent Non-Executive Chairman)  
Mr. Chew Ne Weng (Group Managing Director/President)  
Mr. Liew Soo Keang (Group Executive Director)  
Pn. Maznida Binti Mokhtar (Independent Non-Executive Director)  
Dr. Gunasegaran Muthusamy (Independent Non-Executive Director)  
Pn. Wan Fatimah Suriani Binti Ibrahim (Independent Non-Executive Director)

**To: The Shareholders of QES**

**Dear Sir/Madam,**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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**1. INTRODUCTION**

The Company had during the 11<sup>th</sup> AGM held on 18 June 2025 obtained its shareholders' approval to purchase up to ten percent (10%) of the total number of issued shares of the Company. The approval obtained will continue to be in force until the conclusion of the forthcoming 12<sup>th</sup> AGM of the Company which will be held on 26 June 2026 or at any adjournment thereof unless a renewal is obtained from the shareholders of the Company at the 12<sup>th</sup> AGM. In connection thereto, the Company had on 15 April 2026 announced its intention to seek approval of its shareholders on the Proposed Renewal of Share Buy-Back Authority at the forthcoming 12<sup>th</sup> AGM of the Company.

**THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY, TO SET OUT OUR BOARD'S RECOMMENDATION THEREON AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 12<sup>TH</sup> AGM. THE NOTICE OF THE 12<sup>TH</sup> AGM TOGETHER WITH THE PROXY FORM ARE AVAILABLE ONLINE AT THE COMPANY'S CORPORATE WEBSITE AT <https://www.qesnet.com/investor-relations-overview/>**

**AN EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY IS SET OUT IN APPENDIX II OF THIS CIRCULAR**

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 12<sup>TH</sup> AGM.**

**2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Company proposes to seek the authority from shareholders of QES to renew the authority to enable the Company to purchase and/or hold from time to time and at any time up to ten per centum (10%) of the total issued shares of the Company at the point of purchase. In accordance with Section 127 of the Act, and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase, the Company is allowed to purchase its own Shares on the Bursa Securities through its appointed stockbroker(s) as approved by Bursa Securities.

As at LPD, the total issued shares of QES before adjusting for Treasury Shares is 834,138,800. As an illustration, the maximum number of QES Shares which may be purchased by the Company will not be more than 83,413,880 based on the total number of issued shares of the Company as at LPD.

As at LPD, the total treasury shares held by the Company were 1,376,200 shares. As such, the balance of shares that can be purchased as at to-date is 82,037,680. None of the QES Shares bought back have been cancelled or resold to the market.

The authorisation, if given, shall be effective immediately upon the passing of the ordinary resolution relating thereto at the Company forthcoming 12<sup>th</sup> AGM and shall continue to be in force until: -

- i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by an ordinary resolution passed at that AGM, the authority is renewed, either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

**2.1 Maximum Amount of Funds to be Allocated and the Source of Funds**

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the retained profit of the Company. Accordingly, the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the total retained profit of the Company at the time of purchase.

Based on the latest audited financial statements of QES for the financial year ended 31 December 2025, the Company's retained profit is approximately RM9,103,000.

Notwithstanding the above, the Proposed Renewal of Share Buy-Back Authority may be funded using the internally generated funds of QES and/or external borrowings, the exact proportion/quantum has yet to be determine at this juncture. The source of funding the Proposed Renewal of Share Buy-Back Authority will only be determined at a later stage depending on, amongst others, the availability of internally generated funds, the retained profit and financial resources of the Company at the time of the purchase(s), the actual number of QES Shares to be purchased and other relevant cost factors.

The actual number of QES Shares to be purchased, the total amount of funds involved for each purchase and the timing of such purchases will depend on inter-alia, the market conditions and sentiments of the stock market as well as the retained profit and the financial resources available to the Company at the time of the purchase(s).

## **2.2 Treatment of Purchased Shares**

In accordance with Section 127(4) of the Act, the Board may, at their discretion, resolve the Purchased Shares in the following manner: -

- (a) cancel the Purchased Shares;
- (b) retain the Purchased Shares as treasury shares; or
- (c) retain part of the Purchased Shares as treasury shares and cancel the remainder of the Purchased Shares.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, the Board may, at their discretion: -

- (a) distribute the Purchased Shares as dividends to QES shareholders, such dividends to be known as "share dividends";
- (b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme;
- (d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;
- (e) cancel the Purchased Shares or any of the Purchased Shares; or
- (f) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister (as set out in the Act) may by order prescribe.

In the event the Purchased Shares are held as treasury shares, Sections 127(8) and 127(9) of the Act states that the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be determined by the Board at the appropriate time.

The Company will make an immediate announcement to Bursa Securities of any purchase or resale of QES Shares and whether the Purchased Shares will be cancelled or retained as treasury shares or a combination of both.

### **2.3 Pricing**

Pursuant to Paragraph 12.17 of the Listing Requirements, QES may only purchase its own Shares at a price which is not more than fifteen percent (15%) above weighted average market price of QES Shares for the 5 market days immediately before the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, QES may only resale or transfer of any treasury shares on Bursa Securities at a price which is: -

- (a) not less than the weighted average market price of QES Shares for the 5 market days, immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price of QES Shares for the five (5) market days immediately before the date of resale or transfer, provided that: -
  - (i) the resale or transfer takes place not earlier than 30 days from the date of the purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the QES Shares being resold or transferred.

### **2.4 Public Shareholding Spread of QES**

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of the Company stood at 46.74%. The public shareholding spread would be reduced to approximately 40.92% on the assumption that the Company implements the Proposed Renewal of Share Buy-Back Authority in full and all the Shares purchased are either cancelled or held as Treasury Shares. The Shares purchased are assumed to be from open market.

The Board is mindful of the requirement that any purchase of QES Shares by the Company must not result in the public shareholding spread of QES failing below 25% of the total number of issued Shares.

### **2.5 Implications Relating to the Malaysia Code on Take-Overs and Mergers 2016 ("Code")**

If as a result of the Proposed Renewal of Share Buy-Back Authority,

- (a) a shareholder who holds less than 33% of the voting shares of QES has inadvertently increased his shareholding to more than 33%; or

- (b) a shareholder who holds more than 33% but less than 50% of the voting shares of QES has inadvertently increased his shareholding by 2% within a six-month period, the said shareholder will be obliged under Rule 4.01 of the Rules on Take-Overs to make a Mandatory Offer (“MO”) for the remaining QES Shares not held by him.

Notwithstanding the above, the said shareholder is allowed to make an application to the Securities Commission Malaysia for a waiver from implementing an MO under Rule 4.15 of the Rules on Take-Overs.

It is not the intention of the Company to cause any shareholder to trigger an obligation to undertake an MO under the Rules on Take-Overs and the Company will be mindful of the above implications of the Rules on Take-Overs in making any purchase of its own shares under the Proposed Renewal of Share Buy-Back Authority.

## 2.6 Previous Purchases, Resale and Cancellation of Treasury Shares

As at LPD, the Company had purchased a total of 1,376,200 of its own shares and retained as Treasury Shares. There were no cancellations or re-sale of treasury shares in the preceding twelve (12) months.

Details of purchases made in the preceding twelve (12) months were as follows: -

Date of Purchase	No. of QES Shares Purchased	Price per QES Share (RM)		Average Price per QES Share (RM)	Total Consideration (RM)
		Lowest	Highest		
26/05/2025	500,000	0.365	0.365	0.365	183,285.25
04/06/2025	322,900	0.350	0.350	0.350	113,501.96
27/11/2025	253,300	0.385	0.385	0.385	98,232.88
29/12/2025	161,500	0.380	0.380	0.380	61,818.64
30/12/2025	138,500	0.380	0.380	0.380	53,014.57

## 2.7 Potential Advantages and Disadvantages of the Proposed Renewal of Share Buy-Back Authority

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows: -

- (a) The Proposed Renewal of Share Buy-Back Authority, if implemented, will allow the Company to take preventive measure against speculation which would in turn, stabilise the market price of QES Shares and hence, enhance investor’s confidence.
- (b) The Company would have the opportunity to realise potential capital gains if the Purchased Shares are resold at prices higher than the purchase prices and such proceeds may be subsequently utilised for working capital and investment opportunities arising in the future.
- (c) The Purchased Shares (if retained as treasury shares) may serve as an alternative to reward the shareholders of the Company in the event the Company distributes the treasury shares as share dividends.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority are as follows: -

- (a) The Proposed Renewal of Share Buy-Back Authority will reduce the amount of resources available for distribution to the shareholders of the Company and may result in the Group having to forego feasible investment opportunities that may surface in the future. However, the financial resources of the Group may increase if the Purchased Shares are resold at prices higher than the acquisition cost.
- (b) The Proposed Renewal of Share Buy-Back Authority will reduce the trading liquidity of Shares in the open market as a result of a decrease in the number of outstanding Shares.

The Board does not expect the Proposed Renewal of Share Buy-Back Authority to result in any material disadvantage to the Company and its shareholders as it will be implemented only after taking into consideration that there is adequate cash flow to fund QES Group's working capital requirements prior to allocating the available resources for the Proposed Renewal of Share Buy-Back Authority. The Board, in exercising any decision to purchase any QES Shares will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Renewal of Share Buy-Back Authority.

### **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority will enable QES to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market. With the Proposed Renewal of Share Buy-Back Authority mandate being procured, the Company will be able to stabilise the supply and demand of QES Shares traded on Bursa Securities and thereby support its fundamental value, if required.

In addition, the Purchased Shares may be held as treasury shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, and it will be implemented only after taking into consideration, amongst others, the financial resources of QES Group, and of the resultant impact on the shareholders of the Company. The Board will be mindful of the best interests of the Company and its shareholders when undertaking the Proposed Renewal of Share Buy-Back Authority.

### **4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The effects of the Proposed Renewal of Share Buy-Back Authority on issued share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below: -

#### **4.1 Issued Share Capital**

The effect of the Proposed Renewal of Share Buy-Back Authority on the Company's total issued share capital will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

In the event the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the purchased Shares are subsequently cancelled, the pro forma effects on the total issued share capital of the Company as at the LPD are as follows:

<b>Company Level</b>	<b>No. of Shares</b>
Total issued share capital of QES as at the LPD	834,138,800
Less:	
Assuming if remaining maximum number of Shares are purchased pursuant to the Proposed Renewal of Share Buy-Back Authority	(83,413,880)
<b>Resultant issued share capital</b>	<b>750,724,920</b>

#### **4.2 NA and gearing**

The effects of the Purchased Shares on the NA of the QES Group are dependent on factors such as the number of QES Shares which the Company will buy-back, purchase price of the QES Shares at the time of the buy-back, the treatment of the Shares purchased and the funding cost, if any.

The Purchased Shares that are retained as treasury shares would decrease the consolidated NA by the acquisition cost of the treasury shares as the treasury shares are required to be carried at cost and would offset against the equity. The acquisition costs for future shares buy-back are unknown at this juncture. If the treasury shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on the consolidated NA of QES.

In the event that the Purchased Shares that are retained as treasury shares are resold in the open market on Bursa Securities, the consolidated NA of QES will be affected by the resale value of the Shares. In the event the resale value is higher than the cost, there would be a net increase in the consolidated NA of QES. On the contrary, in the event the cost is higher than the resale value, there would be a net decrease on the consolidated NA of the Company.

If the Purchased Shares are retained as treasury shares, cancelled and/or distributed as share dividends, the consolidated NA will decrease if the purchase price of QES Shares exceeds the consolidated NA, and if the consolidated NA exceeds the purchase price of QES Shares, the consolidated NA will increase. On the contrary, the converse effect would apply in the event the treasury shares are resold on Bursa Securities.

#### **4.3 Earnings and EPS**

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of the Group are dependent on the purchase price of QES Shares and the effective funding cost of such purchases or loss in interest income to the Group, if internally generated funds are utilised.

Furthermore, the Proposed Renewal of Share Buy-Back Authority, regardless if the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Shares being used for the purposes of computing the EPS. Hence, the Proposed Renewal of Share Buy-Back Authority will improve the EPS of QES, which in turn is expected to have a positive influence on the market price of QES Shares.

In the event the Purchased Shares which are retained as treasury shares and subsequently resold, the extent of the effect on the earnings of QES Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or the interest savings arising from the exercise.

#### **4.4 Working Capital**

The Proposed Renewal of Share Buy-Back Authority will result in cash outflow, thereby reducing the working capital of the QES Group, the quantum of which is dependent on the purchase prices of the Purchased Shares, the quantity of Purchased Shares, and the funding costs, if any. Nevertheless, the Board will take into consideration the interests of QES and its shareholders as well as assess the working capital requirements of the Group prior to the Proposed Renewal of Share Buy-Back Authority.

#### **4.5 Dividend**

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, dividends can be paid on the remaining issued share capital of the Company. However, the Proposed Renewal of Share Buy-Back Authority may reduce the amount of distributable reserves available for payment of dividend in the immediate future.

Nonetheless, if the Purchased Shares are retained as treasury shares, they may be distributed as dividends to the shareholders of the Company, if the Company so decides.

#### 4.6 Directors' and Substantial Shareholders' Shareholdings

For illustration purposes only, based on the Record of Directors' and Substantial Shareholders' Shareholdings as at the LPD and assuming the Purchased Shares by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority is carried out in full, the pro forma effects of such purchase on the shareholdings of the Substantial Shareholders and Directors of QES are as follows: -

	Shareholdings as at the LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b><u>Substantial Shareholders/Major Shareholders</u></b>								
WA Capital Sdn Bhd	218,000,000	26.18	-	-	218,000,000	29.04	-	-
Liew Soo Keang	190,751,105	22.91	-	-	190,751,105	25.41	-	-
Chew Ne Weng	33,270,895	4.00	218,000,000 <sup>(1)</sup>	26.18	33,270,895	4.43	218,000,000 <sup>(1)</sup>	29.04
Zhou Fu (L) Foundation	-	-	218,000,000 <sup>(2)</sup>	26.18	-	-	218,000,000 <sup>(2)</sup>	29.04

	Shareholdings as at the LPD				After the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b><u>Directors</u></b>								
Chew Ne Weng	33,270,895	4.00	218,000,000 <sup>(1)</sup>	26.18	33,270,895	4.43	218,000,000 <sup>(1)</sup>	29.04
Liew Soo Keang	190,751,105	22.91	-	-	190,751,105	25.41	-	-
Adnan Bin Zainol	40,000	0.00	-	-	40,000	0.01	-	-
Maznida Binti Mokhtar	-	-	-	-	-	-	-	-
Dr. Gunasegaran Muthusamy	-	-	-	-	-	-	-	-
Wan Fatimah Suriani Binti Ibrahim	-	-	-	-	-	-	-	-

Note:-

<sup>(1)</sup> Deemed interested pursuant to Section 8 of the Companies Act, 2016

<sup>(2)</sup> Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through WA Capital Sdn. Bhd.

## 5. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to and conditional upon the shareholders' approval being obtained at the 12<sup>th</sup> AGM of QES to be convened.

The Proposed Renewal of Share Buy-Back Authority is not conditional upon any other proposals undertaken or to be undertaken by the Company.

## 6. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSON CONNECTED TO THEM

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors, Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of shares or resale of treasury shares, if any in the future.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of QES Shares traded on Bursa Securities for the past twelve (12) months are as follows: -

	<b>Highest RM</b>	<b>Lowest RM</b>
<b>2025</b>		
April	0.460	0.340
May	0.450	0.355
June	0.385	0.340
July	0.420	0.360
August	0.430	0.375
September	0.410	0.365
October	0.515	0.390
November	0.520	0.375
December	0.405	0.370
<b>2026</b>		
January	0.450	0.375
February	0.440	0.390
March	0.405	0.340

The last transacted price of QES Shares on the LPD was RM0.34.

(Source: <https://finance.yahoo.com/quote/0196.KL/history/>)

## 8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, including the rationale and the effects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution in respect of the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 12<sup>th</sup> AGM.

## **9. 12<sup>th</sup> Annual General Meeting (“AGM”)**

The 12<sup>th</sup> AGM will be held at Corporate Meetings by Envivo, Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor on Friday, 26 June 2026 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Renewal of Share Buy-Back Authority.

If you are unable to attend and vote in person at the 12<sup>th</sup> AGM, you should complete, sign and return the Proxy Form in accordance with the instructions provided thereon so as the forms shall arrive at the office of our Company’s Share Registrar at Mega Corporate Service Sdn. Bhd.’s office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or emailed to [mega-sharereg@megacorp.com.my](mailto:mega-sharereg@megacorp.com.my), or alternatively lodged electronically via the portal at <https://www.equiti.my/> not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

The lodging of the Proxy Form does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **10. Further Information**

Shareholders are advised to refer to Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of  
**QES GROUP BERHAD**

**Non-Independent Non-Executive Chairman**  
**ADNAN BIN ZAINOL**

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## **APPENDIX I – FURTHER INFORMATION**

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### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

### **2. MATERIAL LITIGATION**

The Board has confirmed that as at the LPD, neither QES nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against QES Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of QES Group.

### **3. MATERIAL CONTRACTS**

As at the LPD, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within the past two (2) years immediately preceding the date of this Circular.

### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by the shareholders of QES at the Registered Office of QES at Lot 4.100, Tingkat 4, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur during normal office hours between Monday to Friday (except public holidays) from the date of this Circular for a period of not less than 2 weeks: -

- (i) The Constitution of QES; and
- (ii) The audited financial statements of QES for the past two (2) financial years ended 31 December 2024 and 2025 respectively.

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**APPENDIX II – EXTRACT NOTICE OF THE 12<sup>TH</sup> AGM**

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**ORDINARY RESOLUTION 7  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

**"THAT** subject to the provisions of the MMLR of Bursa Securities, approval be and is hereby given to QES and/or its subsidiaries ("QES Group" or the "Group") to enter into and give effect to specified Recurrent Related Party Transactions of a revenue or trading nature with the Related Parties as set out in Part A of the Circular to Shareholders dated 28 April 2026 ("Circular") which are necessary for the Group's day-to-day operations in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company AND THAT, such approval shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the AGM at which this Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse, unless the authority is renewed by an ordinary resolution passed at the said next AGM; or
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Sections 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
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

**AND FURTHER THAT**, the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

**ORDINARY RESOLUTION 8  
PROPOSED RENEWAL OF SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE  
TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF  
SHARE BUY-BACK AUTHORITY")**

**"THAT** subject to the Act, provisions of the Company's Constitution, the MMLR of Bursa Securities and the approvals of all relevant regulatory authorities and parties, the Company be and is hereby authorised to purchase such number of ordinary shares in QES on the Main Market of Bursa Securities and/or hold upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares in the Company purchased ("Purchased Share(s)") and/or held as treasury shares pursuant to this ordinary resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time;
- (b) the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the total retained earnings of the Company at the time of the purchase;

**THAT** upon purchase by the Company, the Board of Directors of QES shall have the absolute discretion to decide whether such Purchased Shares are to be cancelled and/or retained as treasury shares, or dealt with in such manner as provided under Section 127(7) of the Act;

**THAT** the authority to facilitate the Proposed Renewal of Share Buy-Back Authority will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by an ordinary resolution passed at that AGM, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the QES Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the Act, rules and regulations made pursuant to the Act, the MMLR and any requirements issued by any other relevant government and/or regulatory authorities;

**AND THAT** the Directors be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to give effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority."