THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This Circular has been reviewed by UOB Kay Hian (M) Sdn Bhd, being the Principal Adviser to QES Group Berhad ("**QES**" or the "**Company**") for the Proposed Share Issuance (as defined herein).

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

Assuring you our best, always!

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PROPOSED ISSUANCE AND ALLOTMENT OF 83,276,260 NEW ORDINARY SHARES IN QES GROUP BERHAD, REPRESENTING 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN QES GROUP BERHAD (EXCLUDING TREASURY SHARES) TO RAY TECH SINGAPORE PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF UNICOMP TECHNOLOGY (GROUP) CO LTD, AT AN ISSUE PRICE OF RM0.53 PER ISSUANCE SHARE ("PROPOSED SHARE ISSUANCE")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

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

The Extraordinary General Meeting ("**EGM**") of QES will be held at Greens III, Sports Wing, Tropicana Golf & Country Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Friday, 11 September 2026 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM, together with the Proxy Form for the EGM are enclosed herewith and available on the Company's website at https://www.qesnet.com/investor-relations-overview/

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the completed and signed Proxy Form must be deposited at the Company's Share Registrar, Mega Corporate Services Sdn Bhd, at Level 15-2, Bangunan Faber, Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively lodged electronically via the portal at https://www.equiti.my/ not less than forty-eight (48) hours before the time stipulated for holding the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so, and in such event, the Proxy Form shall be deemed to have been revoked.

Last day, date and time for lodging the Proxy Form	:	Wednesday, 9 September 2026 at 10.00 a.m.
Day, date and time of the EGM	:	Friday, 11 September 2026 at 10.00 a.m.

This Circular is dated 27 August 2026

DEFINITIONS

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

"Act"	:	Companies Act 2016
"Board"	:	The Board of Directors of QES
"Bursa Securities" or the "Exchange"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"Circular"	:	This circular to the shareholders of QES, dated 27 August 2026, in relation to the Proposed Share Issuance
"Director(s)"	:	The director(s) of QES for the time being, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
"EGM"	:	The forthcoming Extraordinary General Meeting of our Company
"EPS"	:	Earnings per Share
"ESOS"	:	An existing 10-year employee share option scheme implemented by our Company on 1 July 2019
"E&E"	:	Electrical and Electronics
"FPE"	:	Financial period ended/ending, as the case may be
"FYE"	:	Financial year ended/ending as the case may be
"Issuance Share(s)"	:	New QES Shares to be issued and allotted pursuant to the Proposed Share Issuance
"Issue Price"	:	The issue price of RM0.53 per Issuance Share
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	21 August 2026, being the last practicable date of this Circular
"LTD"	:	2 July 2026, being the last trading day immediately preceding the date of the SSA
"Market Day"	:	A day on which the stock market of the Exchange is open for trading in securities, which may include a Surprise Holiday
"MOU"	:	The Memorandum of Understanding dated 21 May 2026 entered into between QMC and RTS
"NA"	:	Net assets attributable to owners of our Company
"ODI"	:	Outbound Direct Investment
"PRC"	:	People's Republic of China
"Proposed Share Issuance"	:	Proposed issuance and allotment of 83,276,260 Issuance Shares, representing 10% of the existing total number of issued shares (excluding treasury shares) of our Company to the Investor at the Issue Price

"Public Spread Requirement"	:	The public shareholding spread of 25% in compliance with the public shareholding spread requirements under paragraph 8.02(1) of the Listing Requirements
"QES" or "Company"	:	QES Group Berhad (Registration No.: 201401042911 (1119086-U))
"QES Group" or "Group"	:	QES and its subsidiaries, collectively
"QES Share(s)" or "Share(s)"	:	Ordinary share(s) in QES
"QMC"	:	QES Mechatronic Sdn Bhd (Registration No.: 199901012181 (487081-V))
"RTS" or the "Investor"	:	Ray Tech Singapore Pte Ltd (Registration No.: 202334950N), a wholly-owned subsidiary of Unicomp
"RM and sen"	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
"R&D"	:	Research & Development
"Surprise Holiday"	:	Means a market day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"SSA"	:	Share Subscription Agreement dated 3 July 2026 entered between our Company and the Investor in respect of the Proposed Share Issuance
"Unicomp"	:	Unicomp Technology (Group) Co Ltd, a company incorporated under the laws of the PRC and listed on the STAR market of the Shanghai Stock Exchange (stock code: 688531)
"Unicomp Group"	:	Unicomp and its subsidiaries, collectively
"UOBKH" or the "Principal Adviser" or the "Placement Agent"	:	UOB Kay Hian (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))
"VWAP"	:	Volume-Weighted Average Price

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All references to "**you**" or "**your(s)**" in this Circular are to the shareholders of our 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 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, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

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

Key information	Description	Reference to Circular
Summary of the Proposed Share Issuance	Our Company proposes to undertake an issuance and allotment of 83,276,260 Issuance Shares to RTS, a wholly-owned subsidiary of Unicomp, which will raise gross proceeds of approximately RM44.14 million. The Proposed Share Issuance represents 10% of the existing total number of issued shares of our Company (excluding treasury shares) as at the LPD or approximately 9.1% of the enlarged total number of issued shares of our Company (excluding treasury shares) after completion of the Proposed Share Issuance. The Proposed Share Issuance is not undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act. Instead, the Proposed Share Issuance is subject to, amongst others, the specific approval of the shareholders of QES at the EGM to be convened (which is the subject matter of this Circular). Pursuant to paragraph 6.13 of the Listing Requirements, the Investor has undertaken, subject to all conditions precedent in the SSA having been satisfied, to subscribe and make payment for the 83,276,260 Issuance Shares on the 5th Market Day from the date of the EGM for the Proposed Share Issuance. In the event that the SSA is terminated or RTS does not subscribe for the Issuance Shares, our Company will not proceed with the Proposed Share Issuance to other third-party investor(s).	**Section 2**
Basis and justification for the Issue Price	The Issue Price of RM0.53 was arrived at after negotiations between our Company and the Investor on a willing-buyer willing-seller basis after taking into consideration, amongst others, the 5-day VWAP of QES Shares up to and including 1 July 2026 (being the price fixing date) of RM0.5324. Furthermore, our Board has taken into consideration the following:- (i) the historical VWAPs of QES Shares over varying durations, up to and including the LTD; (ii) to satisfy the funding objectives of our Group as set out in **Section 3** of this Circular; and (iii) RTS will be a new strategic investor of QES upon the completion of the Proposed Share Issuance. In particular, our Board has taken into consideration Unicomp Group's expertise in the automated optical inspection, X-ray inspection and semiconductor equipment industry, as well as the potential collaboration opportunities and business synergies between our Group and the Unicomp Group, as further described in **Section 4** of this Circular.	**Section 2.3**
Utilisation of proceeds	The gross proceeds to be raised from the Proposed Share Issuance of approximately RM44.14 million are intended to be utilised for the purposes disclosed in **Section 3** of this Circular.	**Section 3**

Key information	Description	Reference to Circular
Rationale and justifications for the Proposed Share Issuance	The Proposed Share Issuance is expected to drive value creation for our Company in the following manner:- (i) **Enhanced growth opportunities**: Following the implementation of our expansion initiatives, coupled with the technological expertise, industry knowledge and global distribution network of Unicomp Group in the semiconductor inspection equipment industry, we expect our manufacturing efficiency and operational capabilities to improve. This in turn, is expected to contribute positively to our future financial performance, thereby benefitting our shareholders in the long run; and (ii) **Capital raising**: The Proposed Share Issuance provides an avenue for our Group to expeditiously raise the required funding in a cost-effective manner to upgrade our manufacturing and operational capabilities and to fund our working capital requirements as set out in **Section 3** of this Circular.	**Section 4**
Approvals required	The Proposed Share Issuance is subject to approvals being obtained from the following:- (i) Bursa Securities, for the listing of and quotation for the Issuance Shares to be issued pursuant to the Proposed Share Issuance on the Main Market of Bursa Securities, the approval of which has been obtained vide Bursa Securities' letter dated 17 August 2026 subject to the conditions set out in **Section 8** of this Circular; (ii) shareholders of QES at the forthcoming EGM; (iii) the relevant PRC authorities for the ODI, which has been obtained vide the Project Filing Notification Letter dated 17 August 2026 issued by the Wuxi Municipal Development and Reform Commission as well as the Enterprise Overseas Investment Certificate dated 20 August 2026 issued by the Jiangsu Provincial Department of Commerce; and (iv) any other relevant authority and/ or party, if required. The Proposed Share Issuance is not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.	**Section 8**
Interests of Directors, major shareholders, chief executive and/ or persons connected with them	None of the Directors, major shareholders, chief executive of our Company and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Share Issuance.	**Section 10**
Director's statement and recommendation	Our Board, having considered all aspects of the Proposed Share Issuance, including but not limited to the terms and conditions of the SSA, the rationale, the pro forma effects of the Proposed Share Issuance and the prospects of our Group, is of the opinion that the Proposed Share Issuance is in the best interest of our Company. Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Share Issuance to be tabled at the forthcoming EGM.	**Section 11**

Assuring you our best, always!

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

Registered Office

Lot 4. 100, 4th Floor
Wisma Central
Jalan Ampang
50450 Kuala Lumpur
W.P. Kuala Lumpur

27 August 2026

Board of Directors

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

To: The shareholders of QES

Dear Sir/ Madam,

PROPOSED SHARE ISSUANCE

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1. INTRODUCTION

On 3 July 2026, on behalf of our Board, UOBKH announced that our Company had entered into the SSA with RTS to undertake an issuance and allotment of 83,276,260 new ordinary shares in QES, representing 10% of the total number of issued Shares (excluding treasury shares) to RTS, a wholly-owned subsidiary of Unicomp, a company listed on the Shanghai Stock Exchange, at an issue price of RM0.53 per Issuance Share.

The Proposed Share Issuance is not undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Act. Instead, the Proposed Share Issuance is subject to, amongst others, the specific approval of the shareholders of QES at the EGM to be convened (which is the subject matter of this Circular).

On 17 August 2026, UOBKH had, on behalf of our Board, announced that Bursa Securities had on even date, vide its letter, resolved to approve the listing of and quotation of 83,276,260 Issuance Shares to be issued pursuant to the Proposed Share Issuance on the Main Market of Bursa Securities, subject to the conditions as disclosed in **Section 8** of this Circular.

Further details of the Proposed Share Issuance are set out in the ensuing sections of this Circular.

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

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

2. DETAILS OF THE PROPOSED SHARE ISSUANCE

On 22 May 2026, our Board announced that QMC, an indirectly wholly-owned subsidiary of our Company had on 21 May 2026, entered into a MOU with RTS to establish a strategic collaboration aimed at strengthening the parties' respective positions in the global semiconductor inspection equipment industry. The proposed key areas of collaboration include global business cooperation, manufacturing collaboration, technical collaboration and market development initiatives, with the objective of leveraging the complementary capabilities and expertise of both parties to enhance their technological capabilities, manufacturing efficiency and global market presence.

On 3 July 2026, we entered into a conditional SSA with the Investor, for the Proposed Share Issuance. The subscription of 83,276,260 Issuance Shares will be satisfied entirely via cash in accordance with the terms and conditions of the SSA. The SSA is conditional on: (i) our Company having obtained our shareholders' approval for the Proposed Share Issuance at the EGM to be convened; (ii) our Company having obtained approval from Bursa Securities for the listing of and quotation for the Issuance Shares on the Main Market of Bursa Securities; and (iii) Unicomp having obtained the necessary ODI approval from the relevant authorities in the PRC. Please refer to **Appendix I** of this Circular for the salient terms of the SSA.

According to the SSA, following the completion of the Proposed Share Issuance, the Investor will have the right to nominate one director to our Company's board, provided it holds at least 9.0% of our Company's issued share capital. This right is subject to further terms and conditions of the SSA, the salient terms of which are set out in the above-mentioned **Appendix I**.

Pursuant to paragraph 6.13 of the Listing Requirements, the Investor has undertaken, subject to all conditions precedent in the SSA having been satisfied, to subscribe and make payment for the 83,276,260 Issuance Shares on the 5th Market Day from the date of the EGM for the Proposed Share Issuance.

In the event that the SSA is terminated or RTS does not subscribe for the Issuance Shares, our Company will not proceed with the Proposed Share Issuance by placing out the Issuance Shares to other third-party investor(s).

2.1 Size of the Proposed Share Issuance

As at the LPD, our Company has:-

(i) an issued share capital of RM80,774,547 comprising 834,138,800 Shares, of which 1,376,200 Shares are held as treasury shares;

(ii) an existing 10-year ESOS implemented on 1 July 2019. No options have been granted pursuant to the ESOS and accordingly, there are no outstanding ESOS options. Our Company does not intend to grant any ESOS options or issue any new Shares pursuant to the ESOS prior to the completion of the Proposed Share Issuance; and

(iii) no convertible securities in issue.

Based on the above, the Proposed Share Issuance represents 10% of the existing total number of issued shares of our Company (excluding treasury shares) as at the LPD or approximately 9.1% of the enlarged total number of issued shares of our Company (excluding treasury shares) after completion of the Proposed Share Issuance.

2.2 Information on RTS

RTS was incorporated in Singapore on 29 August 2023 under the laws of Singapore as a private company limited by shares. RTS is a wholly owned subsidiary of Unicomp, whose shares have been listed on the STAR Market of the Shanghai Stock Exchange since 31 March 2023 (stock code: 688531) with a market capitalisation of approximately Chinese Yuan 22.58 billion as of the LPD. Unicomp is a company incorporated under the laws of the PRC, and having its registered address at 11 Lijian Road, Xin Wu Qu, Wu Xi, Jiangsu Province, PRC. Unicomp Group are principally involved in the research and development, manufacture, sale and servicing of industrial X-ray intelligent inspection equipment and core components.

Among its investments, as at the LPD, RTS owns the following:-

(i) the entire equity interest in Ray Tech (Malaysia) Sdn Bhd, a company incorporated in Malaysia which is principally engaged in specialised equipment manufacturing and operates an X-ray inspection equipment assembly and manufacturing facility in Gelang Patah, Johor;

(ii) a 66% equity interest in SCPL Semiconductor Test & Inspection Pte Ltd, a company incorporated in Singapore which is principally engaged in the design, manufacture and servicing of semiconductor device testing, diagnostic and failure-analysis equipment; and

(iii) the entire equity interest in Ray Tech US Corp, a company incorporated in the United States which is principally engaged in the design, R&D, manufacture, sale and technical support of electronic components, optoelectronic devices and specialised electronic industrial equipment, as well as the import and export of goods and technologies.

As at the LPD, the issued share capital of RTS is United States Dollar 5,000,000 comprising of 5,000,000 ordinary shares.

As at the LPD, the directors of RTS and their respective shareholdings in RTS are as follows:-

		Direct		Indirect	
Name	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Ye Junchao	PRC	-	-	-	-
Le Qizhong	PRC	-	-	-	-
Liu Jun	PRC	-	-	(1)5,000,000	100.00
Qin Xiaolan	PRC	-	-	-	-
Lyu Xiang	Singaporean	-	-	-	-
Li Huamin	PRC	-	-	-	-

Note:-

(1) Deemed to have an interest in the shares of RTS held by Unicomp through his interest in Wuxi Rilian Industrial Co Ltd pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.

As at the LPD, the substantial shareholders of RTS and their respective shareholdings in RTS are as follows:-

Name	Nationality/ Place of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Unicomp Technology (Group) Co Ltd	PRC	5,000,000	100.00	-	-
Wuxi Rilian Industrial Co Ltd	PRC	-	-	(1)5,000,000	100.00
Liu Jun	PRC	-	-	(2)5,000,000	100.00

Note:-

(1) Deemed to have an interest in the shares of RTS held by Unicomp pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.

(2) Deemed to have an interest in the shares of RTS held by Unicomp through his interest in Wuxi Rilian Industrial Co Ltd pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.

2.3 Basis and justification for the Issue Price

The Issue Price of RM0.53 was arrived at after negotiations between our Company and the Investor on a willing-buyer willing-seller basis, after taking into consideration, amongst others, the 5-day VWAP of QES Shares up to an including 1 July 2026 (being the price fixing date) of RM0.5324. The Issue Price represents a discount of 0.45% to the 5-day VWAP of QES Shares up to an including 1 July 2026.

Furthermore, our Board has taken into consideration the following justifications in arriving at the Issue Price:-

(i) the Issue Price represents the following discounts/ premiums to the following historical market prices of QES Shares up to and including the LTD:

	Share Price	(Discount)/ premium	
	RM	RM	%
Last transacted price of QES Shares as at the LTD	0.5250	0.0050	0.95
Up to and including the LTD:-			
5-day VWAP of QES Shares	0.5376	(0.0076)	(1.41)
1-month VWAP of QES Shares	0.5002	0.0298	5.96
3-month VWAP of QES Shares	0.4775	0.0525	10.99
6-month VWAP of QES Shares	0.4501	0.0799	17.75
12-month VWAP of QES Shares	0.4351	0.0949	21.81

(Source: Bloomberg)

(ii) To satisfy the funding objectives of our Group as set out in **Section 3** of this Circular.

(iii) RTS will be a new strategic investor of QES upon the completion of the Proposed Share Issuance. In particular, our Board has taken into consideration Unicomp Group's expertise in the automated optical inspection, X-ray inspection and semiconductor equipment industry, as well as the potential collaboration opportunities and business synergies between our Group and the Unicomp Group, as further described in **Section 4** of this Circular.

2.4 Ranking of the Issuance Shares

The Issuance Shares shall, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the holders of the Issuance Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Issuance Shares.

2.5 Listing of and quotation for Issuance Shares

Bursa Securities had, vide its letter dated 17 August 2026, approved the listing of and quotation for the Issuance Shares pursuant to the Proposed Share Issuance on the Main Market of Bursa Securities. The approval of Bursa Securities is subject to the conditions disclosed in **Section 8** of this Circular.

2.6 Details of fund raising exercises undertaken by our Company in the past 12 months

Our Company has not raised any funds from the capital markets during the 12 months preceding the date of the announcement on the Proposed Share Issuance.

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3. UTILISATION OF PROCEEDS

Based on the Issue Price, the Proposed Share Issuance is expected to raise gross proceeds of approximately RM44.14 million based on the Issue Price of RM0.53 per Issuance Share, which are intended to be utilised in the following manner:

Details of utilisation	Timeframe for utilisation	RM'000	%
(i) Enhancement of manufacturing facilities[(1)]	Within 6 months from the receipt of funds	19,000	43.05
(ii) R&D of new automated X-ray inspection ("**AXI**") equipment in collaboration with RTS[(2)]	Within 12 months from the receipt of funds	5,300	12.01
(iii) Working capital[(3)]	Within 24 months from the receipt of funds	17,629	39.94
(iv) Estimated expenses for the Proposed Share Issuance[(4)]	Upon completion of the Proposed Share Issuance	2,207	5.00
Total		**44,136**	**100.00**

Notes:-

(1) *We operate a manufacturing plant at Batu Kawan Industrial Park, which obtained its Certificate of Completion and Compliance on 25 May 2025 and commenced operations in September 2025. As at the LPD, our Batu Kawan Plant has a total built-up area of 58,054 sq ft, of which 22,100 sq ft is dedicated for manufacturing activities. Currently, our Group manufactures semiconductor inspection equipment at the Batu Kawan Plant.*

As demand for advanced semiconductor production equipment continues to evolve, particularly for applications involving advanced semiconductor packaging, we intend to utilise the proceeds of RM19.00 million to enhance our manufacturing facilities within our Batu Kawan Plant. The enhancement will comprise the construction, commissioning and fit-out of a Class 1000 clean room, the acquisition of supporting process utility equipment and systems, as well as the upgrading of the existing electrical, mechanical and utility infrastructure required to support the enhanced manufacturing facilities.

The construction of the Class 1000 clean room with a built-up area of approximately 11,600 sq ft is expected to be completed by the first quarter of 2027 and to be in operation by the second quarter of 2027. The manufacturing capacity of the Batu Kawan Plant before and after the completion of the clean room are as follows:

Manufactured Equipment Type	***Before Class 1000 clean room***		***After Class 1000 clean room***	
	Dedicated area (sq ft)	***Capacity (units)***	***Dedicated area (sq ft)***	***Capacity (units)***
Non-clean room semiconductor inspection equipment	*22,100*	*56*	*10,500*	*26*
Clean room semiconductor production equipment	-	-	*11,600*	*36*
Total	***22,100***	***56***	***22,100***	***62***

The Class 1000 clean room is expected to enhance our manufacturing capabilities by providing a controlled environment for the production of semiconductor production equipment used in advanced semiconductor packaging applications. This is expected to enable our Group to meet the stringent manufacturing requirements for selected equipment and semiconductor customers.

The indicative allocation of proceeds for the capital expenditure in the enhancement of manufacturing facilities is set out below:

Enhancement of manufacturing facilities	***RM'000***	***%***
Construction of the Class 1000 clean room and related infrastructure upgrading works, including but not limited to civil and structural works, heating, ventilation and air-conditioning works, electrical services, fire-protection system and clean room architectural finishes.	*15,500*	*81.58*
*Acquisition and installation of supporting process utility equipment**	*3,500*	*18.42*
Total	***19,000***	***100.00***

Note:-

* *The supporting process utility equipment are as follows:*

Supporting process utility equipment	***Quantity***	***Usage***
Dry Pump	*16*	*Supplies clean, dry and oil-free vacuum to maintain the reliability and performance of the advanced packaging equipment, while ensuring compliance with cleanroom requirements.*
Chiller	*6*	*Remove heat generated during the machine's operation, testing and validation to maintain stable operating temperatures, preventing the components from overheating and thermal expansion.*
Heat Exchanger	*2*	*Works in conjunction with the chiller to dissipate heat generated during the machine's operation and testing, ensuring consistent machine accuracy and performance.*
Compressor	*2*	*Supplies clean, dry and oil-free compressed air to maintain the reliability and performance of the advanced packaging equipment, while preventing contamination and supporting cleanroom compliance.*

Any surplus or shortfall in the actual expenditure for the enhancement of our manufacturing facilities will be adjusted accordingly against the amount allocated for working capital purposes. Where necessary, any shortfall may also be funded through internally generated funds and/or other financing arrangements.

(2) *We intend to utilise the proceeds of RM5.30 million to fund a R&D programme for the development of new in-line AXI equipment in collaboration with RTS pursuant to the MOU.*

In relation to the R&D programme, Unicomp Group is expected to contribute its technical expertise and know-how relating to X-ray inspection technology, which will form the technical foundation for the development of the new AXI equipment. Our Group is expected to undertake product design and engineering, prototype development, system integration, testing and commercialisation activities.

Subject to the successful completion of the R&D programme and prevailing market demand, our Group intends to market the new AXI equipment to our semiconductor customers and outsourced semiconductor assembly and test service providers. The indicative allocation of proceeds for R&D expenses is set out below:

R&D	***RM'000***	***%***
Product design and engineering, prototype development, including the purchase of materials and system integration	*3,300*	*62.26*
Staff-related and other operating expenses for R&D activities	*2,000*	*37.74*
Total	***5,300***	***100.00***

Any surplus or shortfall in the actual expenditure for our R&D activities will be adjusted against the amount allocated for our Group's working capital purposes and/or funded through internally generated funds or other financing arrangements, where necessary.

(3) *We intend to utilise the proceeds of approximately RM17.63 million to fund our Group's future working capital requirements.*

*The proceeds will be utilised to support our existing manufacturing facilities and planned market expansion, including the establishment of new technical support offices in Ireland, India and the United States of America ("**USA**"), with warehousing facilities to be established in Ireland and the USA.*

In addition, we intend to establish a joint venture with Unicomp in the PRC by December 2026 to broaden our product offerings and strengthen our technical support to grow our market presence in the PRC. In relation to this proposed joint venture, our Group is expected to support the refinement of Unicomp's manufacturing capabilities, enabling our Group's equipment to be manufactured in the PRC to serve our customers in the PRC. Our Group expects this proposed joint venture to involve the establishment of new support offices and warehouses to enhance product support for our customers in the PRC. The indicative allocation of the proceeds for working capital is set out below:

Working capital	***RM'000***	***%***
*Operating expenses at our existing manufacturing facilities in Shah Alam and Batu Kawan**	*8,629*	*48.95*
*Overseas market expansion including office and warehouse**	*4,000*	*22.69*
*Proposed joint venture with Unicomp***	*5,000*	*28.36*
Total	***17,629***	***100.00***

Note:-

* *The proceeds will primarily be used for staff-related expenses, rental, utilities and other administrative and operating expenses, as well as branding and exhibition activities.*

** *The proceeds will primarily be utilised to fund our Group's investment in the proposed joint venture with Unicomp, including the expenses for the set-up of the manufacturing and operating facilities, staff-related expenses, rental, utilities and other administrative and operating expenses.*

As the market expansion initiatives are dependent on business opportunities, customer demand and operational requirements in the respective jurisdictions, the actual deployment and timing of the utilisation of the proceeds may vary from our current plans. The proceeds will nevertheless continue to be utilised for the intended purpose of supporting our Group's overseas market expansion and related working capital requirements.

(4) *The estimated expenses for the Proposed Share Issuance are illustrated below:*

Estimated expenses	***RM'000***
Professional fees	*2,107*
Regulatory fees	*70*
Contingencies and other incidental expenses in relation to the Proposed Share Issuance	*30*
Total	***2,207***

If the actual expenses in relation to the Proposed Share Issuance are higher than estimated, the deficit will be funded from the portion allocated for working capital requirements. Conversely, if the actual expenses in relation to the Proposed Share Issuance are lower than estimated, the excess will be utilised for the general working capital requirements of our Group.

Pending the utilisation of proceeds from the Proposed Share Issuance for the above purposes, the proceeds (including accrued interest, if any) or any balance thereof will be placed as interest-bearing deposits with licensed financial institutions or short-term money market instruments, as our Board may deem fit. Any interest income earned from such deposits or instruments will be utilised as working capital for our Group as detailed in Note (3) of Section 3 above. The actual breakdown of the additional working capital cannot be determined at this juncture as it will depend on, amongst others, the quantum of the interests/profits arising from the deposits/financial instruments as well as the working capital requirements of our Group at the relevant time.

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4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED SHARE ISSUANCE

The Proposed Share Issuance is expected to drive value creation for QES Group and our shareholders in the following manner:

(i) **Enhanced growth opportunities**

The Proposed Share Issuance is strategic in nature and expected to facilitate closer collaboration between our Group and Unicomp Group. Through the proposed collaboration, our Group is expected to benefit from Unicomp Group's experience, technological expertise, industry knowledge and global distribution network, while leveraging our Group's manufacturing capabilities, engineering expertise and international market presence. This is expected to create opportunities to broaden our Group's product offerings, enhance our service capabilities and strengthen our competitive position in the global semiconductor inspection equipment industry, which may contribute positively towards our Group's operational capabilities and future growth prospects. In addition, the proposed appointment of a nominee director by RTS to our Board is expected to further strengthen the strategic relationship between our Group and Unicomp Group as well as facilitate closer collaboration in implementing their long-term business initiatives.

Following the implementation of our planned expansion initiatives, coupled with the technological expertise, industry knowledge and global distribution network of Unicomp Group in the semiconductor inspection equipment industry, we expect our manufacturing efficiency and operational capabilities to improve. This in turn, is expected to contribute positively to our future financial performance, thereby benefitting our shareholders in the long run.

(ii) **Capital raising**

The Proposed Share Issuance provides an avenue for our Group to expeditiously raise the required funding in a cost-effective manner to upgrade our manufacturing and operational capabilities and to fund our working capital requirements as set out in **Section 3** of this Circular.

From a financial perspective, the Proposed Share Issuance is expected to strengthen our capital base. On a pro forma basis, our issued share capital will increase from RM80.77 million to RM124.91 million, while our NA will increase from RM195.69 million to RM237.62 million after the completion of the Proposed Share Issuance.

After considering the various fund-raising alternatives available, our Board is of the view that the Proposed Share Issuance represents the most expedient and cost-effective means of raising the required funds as compared to conventional bank borrowings or rights issue.

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

5.1 Overview and Outlook of the Malaysian economy

In 2025, Malaysia navigated a highly challenging global landscape marked by significant uncertainties and changing global trade dynamics. These developments affected exports performance and investment decisions. However, Malaysia's economy remained strong, having a growth of 4.4% in the first six months of 2025, with year-over-year growth reaching 6.2% in the fourth quarter of 2025. This figure outperformed the expected growth for 2025 of 4 - 4.8% within the Economic Outlook 2026 by the Ministry of Finance Malaysia.

(Source: Economic and Monetary Review 2025, Bank Negara Malaysia and Department of Statistics Malaysia)

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, continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026. Additionally, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. A pertinent initiative which is the Thirteenth Malaysia Plan (2026-2030), themed "Melakar Semula Pembangunan", will synergise efforts to catalyse growth in high growth sectors, encompassing artificial intelligence, advanced manufacturing, semiconductors, sustainable energy, food security and digital technologies. The development expenditure allocated under the Plan is expected to amount to RM430 billion over the span of five years, complemented by RM120 billion in investments from government-linked investment companies in domestic direct investment. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

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

5.2 Overview and Outlook of the Manufacturing Industry in Malaysia

We are principally involved in the distribution of production equipment, materials and components for the semiconductor and electronics industries. An overview and outlook of the Manufacturing and E&E industry in Malaysia is as follows:

Malaysia's manufacturing sector increased 4.5% (2024: 4.2%) in 2025. The growth was supported by improvements across major sub-sectors, particularly electronic components, communication equipment and consumer electronics, which increased by 9.9% (2024: 4.0%).

(Sources: Gross Domestic Product 2025, Department of Statistics Malaysia)

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

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

Exports of manufactured goods are anticipated to expand by 3%, resulting from rising demand for both E&E and non-E&E products. These products constitute shares of total manufactured goods at 50.4% and 49.6%, respectively. The E&E products are projected to grow by 3.9%, buoyed by steady demand for semiconductor. This is in tandem with the continued technological upcycle, leading to a better performance outlook of the global semiconductor market by 9.9%, as reported by the World Semiconductor Trade Statistics.

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

Under Budget 2026, Malaysia's Government has launched several initiatives as the continuation of Malaysia's drive toward a high-value economy. Such initiatives related to semiconductor industry include the investment of RM550 million by Khazanah Nasional Berhad and Kumpulan Wang Persaraan (Diperbadankan) (KWAP) in the semiconductor ecosystem. Under the NSS, Bank Pembangunan Malaysia Berhad (BPMB) will provide RM500 million in soft loans to support high-value-added activities such as research and development especially by local companies that support the E&E ecosystem.

(Source: Speech - Fourth Madani Budget 2026 by YAB Dato' Seri Anwar Bin Ibrahim, Ministry of Finance Malaysia)

5.3 Prospects of our Group

We are principally involved in the provision of value engineering solutions, encompassing the distribution of production equipment, materials and components for the semiconductor and electronics industries, complemented by the value-added engineering services to deliver integrated one-stop solutions to our customers. We are also engaged in the design and manufacture of automated test equipment and inspection systems, precision machining, as well as the provision of engineering support services.

Over the years, our Group has progressively expanded its manufacturing capabilities and strengthened our position within the semiconductor equipment value chain through continued investments in technology, engineering expertise and production facilities. Our Group has also diversified our manufacturing capabilities to support the design and manufacture of automated equipment, precision engineering components and inspection solutions, enabling us to better serve the evolving requirements of our customers in the semiconductor and electronics manufacturing industries.

Moving forward, our Board intends to continue strengthening our Group's manufacturing capabilities and operational efficiency through investments in manufacturing facilities, production equipment and automation solutions. The proceeds to be raised from the Proposed Share Issuance will provide our Group with additional financial resources for the construction of a Class 1000 clean room intended at our Batu Kawan manufacturing facility to enhance our manufacturing capabilities to support the production of semiconductor production equipment for advanced semiconductor packaging applications, as well as to fund the R&D for AXI technology. These initiatives are expected to enhance our Group’s manufacturing capabilities, broaden our product offerings and support higher value-added manufacturing activities.

In addition, the participation of RTS as a strategic investor is expected to provide opportunities for our Group to collaborate with Unicomp Group and leverage its expertise in automated optical inspection, X-ray inspection and intelligent inspection equipment. Our Board believes that such collaboration will enhance our Group’s technological capabilities, broaden our product offerings and strengthen our competitive position within the semiconductor equipment ecosystem. Together with our planned overseas expansion through the establishment of technical support offices and warehousing facilities, these initiatives are expected to strengthen our customer support capabilities and facilitate the expansion of our presence in Ireland, India, the USA and the PRC.

Premised on the above, our Board remains optimistic about the long-term prospects of our Group and believes that the continued enhancement of our manufacturing capabilities, together with the strategic participation of the Unicomp Group and the growing demand for advanced semiconductor manufacturing and inspection solutions, will support our Group’s future growth and strengthen our long-term financial performance.

(Source: QES’s management)

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6. EFFECTS OF THE PROPOSED SHARE ISSUANCE

6.1 Issued share capital

The pro forma effects of the Proposed Share Issuance on the issued share capital of our Company are as follows:-

	No. of Shares	RM'000
Issued share capital as at the LPD (excluding treasury shares)	832,762,600	80,775
To be issued pursuant to the Proposed Share Issuance	83,276,260	44,136
Enlarged issued share capital	**916,038,860**	**124,911**

6.2 NA per Share and gearing level

For illustrative purposes, the pro forma effects of the Proposed Share Issuance on the NA, NA per Share and gearing based on the audited consolidated statement of financial position of our Company as at 31 December 2025 are set out below:-

	As at 31 December 2025 RM'000	After the Proposed Share Issuance RM'000
Share capital	80,775	(1)124,911
Reserves	(23,767)	(23,767)
Retained earnings	138,680	(2)136,480
Shareholders' equity / NA	**195,688**	**237,624**
NA per Share (RM)	**0.23**	**0.26**
Total borrowings	60,648	60,648
Gearing ratio (times)	**0.31**	**0.26**

Notes:-

(1) Based on the Issue Price of RM0.53 per Issuance Share.

(2) After deducting the estimated expenses pertaining to the Proposed Share Issuance amounting to approximately RM2.20 million

6.3 Earnings and EPS

The Proposed Share Issuance is not expected to have any immediate material effect on the earnings of our Group for the FYE 31 December 2026.

Upon completion of the Proposed Share Issuance, the EPS is expected to be correspondingly diluted due to the increase in the number of Shares in issue arising from the Proposed Share Issuance.

Nevertheless, barring any unforeseen circumstances, the Proposed Share Issuance is expected to contribute positively to the future earnings and EPS of our Group upon the realisation of the benefits to be derived from the utilisation of the proceeds to be raised from the Proposed Share Issuance, as set out in **Section 3** of this Circular.

6.4 Public Spread Requirement

Our public shareholding spread based on the Record of Depositors as at the LPD is approximately 46.60%. Our Company is currently in compliance with the threshold of 25% public shareholding spread as outlined in paragraph 8.02(1) of the Listing Requirements.

The pro forma effects of the Proposed Share Issuance on the public shareholding spread of our Company are as follows:

	As at the LPD		Proforma After the Proposed Share Issuance	
	No. of Shares	**(1)%**	**No. of Shares**	**(2)%**
Share capital	832,762,600	100.00	916,038,860	100.00
Less:				
(i) Directors of QES and its subsidiaries	226,682,400	27.22	226,682,400	24.75
(ii) Substantial shareholders of QES	218,000,000	26.18	(3)301,276,260	32.89
(iii) Associates of directors and substantial shareholders of QES	-	-	-	-
(iv) Shareholders holding less than 100 Shares each	806	0.00	806	0.00
Public shareholdings	**388,079,394**	**46.60**	**388,079,394**	**42.36**

Notes:-

(1) Based on the total number of issued shares (excluding treasury shares) of 832,762,600 as at the LPD.

(2) Based on the enlarged number of issued shares (excluding treasury shares) of 916,038,860 after the Proposed Share Issuance.

(3) Upon completion of the Proposed Share Issuance, RTS will be classified as a substantial shareholder of QES.

Premised on the above, the proforma shareholding spread upon completion of the Proposed Share Issuance is expected to be 42.36%. Therefore, the Proposed Share Issuance is not expected to result in our Company breaching the Public Spread Requirement.

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6.5 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Share Issuance on the substantial shareholders' shareholdings of our Company as at the LPD are set out below:-

	Shareholdings as at the LPD				After the Proposed Share Issuance			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
WA Capital Sdn Bhd	218,000,000	26.18	-	-	218,000,000	23.80	-	-
Liew Soo Keang	190,751,105	22.91	-	-	190,751,105	20.82	-	-
Chew Ne Weng	33,270,895	4.00	(3)218,000,000	26.18	33,270,895	3.63	(3)218,000,000	23.80
Zhou Fu (L) Foundation	-	-	(4)218,000,000	26.18	-	-	(4)218,000,000	23.80
Ray Tech Singapore Pte Ltd	-	-	-	-	83,276,260	9.09	-	-
Unicomp Technology (Group) Co Ltd	-	-	-	-	-	-	(5)83,276,260	9.09

Notes:-

(1) *Based on the total issued share capital of 832,762,600 Shares in QES excluding treasury shares as at the LPD*

(2) *Based on the enlarged issued share capital of 916,038,860 Shares in QES excluding treasury shares after the Proposed Share Issuance*

(3) *Deemed interested pursuant to Section 8 of the Act*

(4) *Deemed interested by virtue of Section 8 of the Act held through WA Capital Sdn Bhd*

(5) *Deemed interested by virtue of Section 8 of the Act held through RTS*

6.6 Existing convertible securities

As at the LPD, our Company does not have convertible securities in issuance.

7. HISTORICAL SHARE PRICES

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

	High RM	Low RM
2025		
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
2026		
January	0.450	0.375
February	0.440	0.390
March	0.405	0.340
April	0.455	0.345
May	0.510	0.430
June	0.545	0.430
July	0.600	0.525
Last transacted market price as of 2 July 2026 (being the latest trading day prior to the announcement of the Proposed Share Issuance)		0.525
Last transacted market price as at the LPD		0.600

(Source: Bloomberg)

8. APPROVALS REQUIRED

The Proposed Share Issuance is subject to approvals being obtained from the following:-

(i) Bursa Securities, for the listing of and quotation for the Issuance Shares to be issued pursuant to the Proposed Share Issuance on the Main Market of Bursa Securities, which has been obtained vide Bursa Securities' letter dated 17 August 2026 subject to the following conditions:-

No.	Condition(s)	Status of compliance
1.	QES and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation fo the Proposed Share Issuance.	Complied
2.	QES and UOBKH are required to inform Bursa Securities upon the completion of the Proposed Share Issuance.	To be complied
3.	QES is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Share Issuance is completed.	To be complied
4.	QES is required to provide a certified true copy of the resolution passed by shareholders in general meeting approving the Proposed Share Issuance.	To be complied

(ii) shareholders of QES at the EGM to be convened;

(iii) the relevant PRC authorities for the ODI, which has been obtained vide the Project Filing Notification Letter dated 17 August 2026 issued by the Wuxi Municipal Development and Reform Commission as well as the Enterprise Overseas Investment Certificate dated 20 August 2026 issued by the Jiangsu Provincial Department of Commerce; and

(iv) any other relevant authorities and/or parties, if required.

9. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

The Proposed Share Issuance is not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

Save for the Proposed Share Issuance (which is the subject matter if this Circular), there are no outstanding proposals which have been announced but not yet completed as at the LPD.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/ OR PERSONS CONNECTED WITH THEM

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

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, having considered all aspects of the Proposed Share Issuance, including but not limited to the terms and conditions of the SSA, the rationale, the pro forma effects of the Proposed Share Issuance and the prospects of our Group, is of the opinion that the Proposed Share Issuance is in the best interest of our Company.

Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Share Issuance to be tabled at our Company's forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Share Issuance is expected to be completed by the fourth quarter of 2026 upon obtaining the approval of the shareholders of QES at the forthcoming EGM.

13. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Greens III, Sports Wing, Tropicana Golf & Country Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Friday, 11 September 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 Share Issuance.

If you are unable to attend, participate, speak and vote in person at the EGM, you may complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at our Company's Share Registrar, Mega Corporate Services Sdn Bhd, at Level 15-2, Bangunan Faber, Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively lodged electronically via the portal at https://www.equiti.my/ not less than forty-eight (48) hours before the time stipulated for holding the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so, and in such event, the Proxy Form shall be deemed to have been revoked.

14. FURTHER INFORMATION

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

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

ADNAN BIN ZAINOL
Non-Independent and Non-Executive Chairman

We set out below the salient terms of the SSA:

1. Issuance Shares and Issue Price

Subject to the terms and conditions of the SSA, the Company agrees to allot and issue, and the Investor agrees to subscribe to, 83,276,260 Issuance Shares at the issue price of RM0.53 for each Issuance Share, which shall be RM44,136,418 in aggregate. The Issuance Shares shall be allotted and issued free from encumbrances and together with all rights, benefits, entitlements and advantages attaching to them as at the closing date of the SSA ("**Closing Date**"), including the right to receive all distributions declared and paid on or after the Closing Date.

2. Conditions Precedent

The SSA is conditional upon the satisfaction or waiver (as the case may be) of all the following conditions on or prior to the cut-off date i.e. the date falling three (3) months after the date of the SSA or such other date as may be agreed in writing between the Company and the Investor ("**Cut-Off Date**"):

(a) the Company having obtained the approval from Bursa Securities for the listing and quotation for the Issuance Shares on the Main Market of Bursa Securities;

(b) the passing at an EGM of a resolution to approve the allotment and issuance of the Issuance Shares to the Investor as contemplated under the SSA; and

(c) Unicomp having obtained the following documents:

(i) Project Filing Notification Letter issued by the competent National Development and Reform Commission or Provincial Municipal Development and Reform Commission (whichever is applicable);

(ii) Enterprise Outbound Investment Certificate issued by the competent Commission of Commerce or Provincial Municipal Commission of Commerce; and

(iii) Document evidencing foreign exchange registration of outbound direct investment with a foreign exchange bank designated by State Administration of Foreign Exchange or Provincial Administration of Foreign Exchange.

Both the Company and the Investor may at any time mutually waive in whole or in part and conditionally or unconditionally any of the conditions above in writing.

Upon all the conditions precedent as set out above being satisfied or waived (as the case may be), the SSA shall become unconditional and the date on which the SSA becomes unconditional is the "**Unconditional Date**".

3. Completion and Payment

On the Closing Date, the Investor shall pay the Issue Price to the Company in full without any deduction or set off via the bank account of the Company.

Subject to the receipt of the Issue Price by the Company, the Company shall procure that the Issuance Shares are credited to the securities account of the Investor, on the Closing Date and that the name of the Investor shall be entered into the records of the depositors of the Company in respect of the Issuance Shares.

4. Termination

(a) If the conditions precedents in the SSA are not satisfied or waived on or before the Cut-Off Date, each of the Company and the Investor shall then be entitled to terminate the SSA by giving a notice in writing to such effect to the other party, and no party shall have any claim against the other under it save for any claim arising from antecedent breaches of the SSA.

(b) If any party is in material breach of any warranty given by it or any of its obligations in relation to completion under the SSA, the non-defaulting party shall then be entitled to terminate the SSA by giving notice in writing to such effect to the other party, without prejudice to any rights or remedies which the non-defaulting party may have against the defaulting party.

5. Use of Proceeds

The Company shall utilise the proceeds from the issuance of the Issuance Shares for the following purposes, in such amounts and priority as the board of directors of the Company may determine in good faith:

(a) factory capability and capacity expansion, including constructing a clean room;

(b) research and development on future product expansion;

(c) future working capital and acquisition-related needs;

(d) investment; and

(e) transaction expenses, including but not limited to the fees, costs, and disbursements incurred in connection with the issuance of the Issuance Shares, including but not limited to legal, advisory, underwriting, printing, listing (if any), and regulatory filing fees.

6. Nomination Right

(a) Subject to completion of the subscription of the Issuance Shares in accordance with the provisions in the SSA having taking place, so long as the Investor holds at least nine per cent. (9.0%) of the issued share capital of the Company ("**Minimum Shareholding Threshold**") after the Closing Date, the Investor shall be entitled to nominate one (1) individual ("**Investor Nominee**") for purposes of the appointment as a director of the Company, and the Company shall procure that such Investor Nominee is appointed to and maintained at the board of directors of the Company as soon as reasonably practicable, subject to compliance with all applicable laws, regulations and the constitution of the Company.

(b) If at any time after the Closing Date the Investor ceases to hold the Minimum Shareholding Threshold, the Investor shall procure that the Investor Nominee resigns from the board of directors of the Company with immediate effect (or such other date as may be requested by the Company) and, for the avoidance of doubt, neither the Investor nor the Investor Nominee shall be entitled to any compensation, damages or other payment arising from or in connection with such cessation of office.

(c) Notwithstanding paragraph 6(b) above, the requirement for the Investor to procure the resignation of the Investor Nominee shall not apply where the Investor ceases to hold the Minimum Shareholding Threshold solely as a result of any issuance, allotment, conversion, exercise or other creation of securities by the Company, including any dilution arising therefrom PROVIDED THAT, where the Investor is offered the opportunity to participate in any rights issue, pro rata offering or other issuance of securities by the Company on terms no less favourable than those offered to other persons, and the Investor elects not to participate, or elects not to participate in full, such that its shareholding falls below the Minimum Shareholding Threshold, the provisions of paragraph 6(b) above shall apply.

(d) Notwithstanding paragraph 6(c) above and any other provisions to the contrary in the SSA, the Investor shall not be entitled to nominate or maintain a Investor Nominee on the board of directors of the Company if the Investor's shareholding in the Company falls below five per cent. (5.0%) of the issued share capital of the Company (on a fully diluted basis, if applicable), and in such event the provisions of paragraph 6(b) above shall apply.

7. Governing Law and Dispute Resolution

(a) The SSA and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of Malaysia.

(b) Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force ("**SIAC Rules**"), which rules are deemed to be incorporated by reference herein. The seat of the arbitration shall be Singapore. The tribunal shall consist of one arbitrator to be appointed jointly by the Investor and the Company.

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our 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.

Notwithstanding the above, all information relating to Unicomp and RTS was obtained from Unicomp and RTS respectively or based on publicly available information. Therefore, the responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular.

2. CONSENT

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

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser and Placement Agent to our Company for the Proposed Share Issuance.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

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

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and there are no proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially affect the financial position or business of our Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Lot 4.100, 4th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur, W.P. Kuala Lumpur, 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 our Company;

(ii) The MOU;

(iii) The SSA;

(iv) Audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 31 December 2025 and the latest unaudited 3-month FPE 31 March 2026; and

(v) The letter of consent and declaration of conflict of interests referred to in **Sections 2 and 3** of **Appendix II** herein above, respectively.

NOTICE OF THE
EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of QES Group Berhad ("**QES**" or the "**Company**") will be held at Greens III, Sports Wing, Tropicana Golf & Country Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Friday, 11 September 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 following resolution:-

AGENDA

ORDINARY RESOLUTION

PROPOSED ISSUANCE AND ALLOTMENT OF 83,276,260 NEW ORDINARY SHARES IN THE COMPANY, REPRESENTING 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY (EXCLUDING TREASURY SHARES) TO RAY TECH SINGAPORE PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF UNICOMP TECHNOLOGY (GROUP) CO LTD ("UNICOMP"), AT AN ISSUE PRICE OF RM0.53 PER ISSUANCE SHARE ("PROPOSED SHARE ISSUANCE")

"**THAT** subject to all relevant approvals being obtained from the relevant authorities and/ or parties (if required), approval be and is hereby given to the Board of Directors of QES ("**Board**") to allot and issue 83,276,260 new ordinary shares in the Company ("**Issuance Shares**"), representing 10% of the total number of issued QES shares ("**QES Share(s)**" or "**Share(s)**"),(excluding treasury shares) to Ray Tech Singapore Pte Ltd, a wholly owned subsidiary of Unicomp at an issue price of RM0.53 per Issuance Share ("**Issue Price**") on the terms and conditions as set out in the share subscription agreement dated 3 July 2026.

THAT approval be and is hereby given to waive the pre-emptive rights of the existing shareholders of the Company arising pursuant to Section 85(1) of the Companies Act, 2016 ("**Act**") and Clause 17(d) of the Constitution of the Company, to be offered new Shares ranking equally with the existing issued QES Shares arising from the allotment and issuance of new Shares pursuant to the Proposed Share Issuance, notwithstanding that such issuance and allotment will result in a dilution of their respective shareholding percentages in the Company.

THAT the Directors be and are hereby authorised to utilise the proceeds to be derived from the Proposed Share Issuance for such purposes as set out in the circular dated 27 August 2026 and the Board be and is hereby authorised with full power to vary the manner and/ or purpose of the utilisation of such proceeds from the Proposed Share Issuance in the manner as the Board may deem fit, necessary and/ or expedient, subject (where required) to the approval of the relevant authorities or parties and in the best interest of the Company.

THAT such Issuance Shares will, upon allotment and issuance, rank equally in all respects with the existing QES Shares, save and except that the holder of the Issuance Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Issuance Shares.

THAT the Directors be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Share Issuance and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the best interest of the Company and to take such steps as they may deem appropriate, necessary and/ or expedient in order to implement, finalise, give full effect and to complete the Proposed Share Issuance.

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company as contemplated herein and shall continue to be in full force and effect until all Issuance Shares to be issued pursuant to or in connection with the Proposed Share Issuance have been duly allotted and issued in accordance with the terms of the Proposed Share Issuance."

BY ORDER OF THE BOARD,

ANDREA HUONG JIA MEI (MIA 36347/ SSM PC NO. 202008003125)
Company Secretary
Kuala Lumpur
27 August 2026

Notes:-

1. *For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at* ***4 September 2026****. Only a member whose name appears on this Record of Depositors shall be entitled to attend this EGM.*
2. *A member entitled to attend, participate, speak and vote at this General Meeting is entitled to appoint a proxy or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in its place. A proxy may but need not be a member of the Company.*
3. *The Proxy Form must be deposited at the Share Registrar's office at Mega Corporate Services Sdn. Bhd. of Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or emailed to 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.*
4. *A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("****Central Depositories Act****"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("****omnibus account****"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*

Personal data privacy:-

*By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate, speak and vote at this EGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for this EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to this EGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "****Purposes****"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

PROXY FORM

Assuring you our best, always!

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

I/ We ……
(FULL NAME AS PER NRIC / CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

Company No./NRIC No. (new) ………………………………………………………… (old) ……………………………………………

of……...
(FULL ADDRESS)

being a member(s) of QES GROUP BERHAD hereby appoint:

Name	**Email Address**	**Mobile No.**	**NRIC/Passport**
***And/or failing him/her (delete as appropriate)**			

Or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Greens III, Sports Wing, Tropicana Golf & Country Club, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Friday, 11 September 2026 at 10.00 a.m. or at any adjournment thereof (*Strike out whichever is not desired*)

The propotions of my /our holdings to be represented by my/our proxy(ies) are as follows:-

Proxy 1 %
Proxy 2 %
100 %

(Should you desire to direct your proxy as to how to vote on the Resolution set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

NO.	RESOLUTION	FOR	AGAINST
1)	Ordinary Resolution – To approve the Proposed Share Issuance		

Signed (and sealed) this _______________ day of ___________________, 2026

No. of shares held:	
CDS Account No.:	
Tel No. (during office hours):	

____

……………………………………………………..
Signature/Common Seal of Member(s)

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar of
QES GROUP BERHAD
(Registration No.: 201401042911 (1119086-U)

c/o MEGA CORPORATE SERVICES SDN BHD
(Registration No. 198901010682 (187984-H))
Level 15-2, Bangunan Faber
Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
W.P. Kuala Lumpur, Malaysia

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