

THIS CIRCULAR/STATEMENT 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.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only perused the contents of Part A of this Circular/Statement in respect of the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities has not perused the contents of Part B of this Circular/Statement in relation to the proposed share buy-back authority for the Company to purchase of up to 10% of the total number of issued shares of the Company prior to its issuance as it is an exempt document pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, 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/Statement.



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

CIRCULAR/STATEMENT TO SHAREHOLDERS IN RELATION TO THE

PART A

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

PART B

**PROPOSED SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE OF UP TO 10% OF THE
TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

The resolutions in respect of the above proposals will be tabled as Special Business at the Thirty-Second ("**32nd**") Annual General Meeting ("**AGM**") of ETA Group Berhad (formerly known as Rex Industry Berhad) ("**ETA**") which is scheduled to be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 22 May 2026 at 10:30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Thirty-First AGM which will be held at 10:00 a.m. on the same day at the same venue. The Notice of 32nd AGM together with the Form of Proxy are set out in the Annual Report of the Company for the financial period ended 31 December 2025, which is available at the Company's website at www.etagroup.my.

A member of ETA entitled to attend, participate, speak and vote at the 32nd AGM is entitled to appoint a proxy or proxies to attend, participate and vote on his/ her behalf. If you intend to appoint a proxy to attend, participate, speak and vote at the 32nd AGM, the completed and signed Form of Proxy must be deposited at the Company's Share Registrar office (Securities Services (Holdings) Sdn Bhd), situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time stipulated for holding the 32nd AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the 32nd AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 20 May 2026 at 10:30 a.m.

Date and time of the AGM : Friday, 22 May 2026 at 10:30 a.m.

DEFINITIONS

Except where the context otherwise requires, the following terms and abbreviations (*in alphabetical order*) shall apply throughout this Circular/Statement (*definitions denoting singular also include the plural and vice versa, where applicable*):-

"2025 Disposal"	: The disposal of the entire equity interest by the Company in Rex Canning Co. Sdn. Bhd. [Registration No.: 197201001412 (13079-V)] and Rex Trading Sdn. Bhd. [Registration No.: 198901013381 (190691-H)], which was completed on 8 December 2025
"Act"	: Companies Act 2016 as amended from time to time and any re-enactment thereof
"AGM"	: Annual General Meeting
"Board"	: Board of Directors of ETA
"Bursa Securities"	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"Circular"	: Circular to Shareholders dated 30 April 2026
"Director(s)"	: Director(s) of ETA or its subsidiaries (as the case may be) shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the this Circular, it shall include any person who is or was within the preceding six (6) months from the date on which the terms of the transactions were agreed upon, a Director of ETA, its subsidiaries or holding company or a chief executive of ETA, its subsidiaries or holding company
"EPS"	: Earnings per share
"ETA" or the "Company"	: ETA Group Berhad (formerly known as Rex Industry Berhad) (Registration No.: 199301027926 (282664-K))
"ETA Design & Build"	: ETA Design & Build Sdn. Bhd. (Registration No.: 202501044824 (1646232-H))
"ETA Development"	: ETA Development Sdn. Bhd. (Registration No.: 202501044816 (1646224-V))
"ETA Group" or the "Group"	: ETA and its subsidiaries, collectively
"ETA Industries"	: ETA Industries Sdn. Bhd. (Registration No.: 201401017846 (1093933-D))
"ETA Trading"	: ETA Trading Sdn. Bhd. (Registration No.: 202501044826 (1646234-X))
"ETA World"	: ETA World Sdn. Bhd. (Registration No.: 201401017777 (1093864-U))
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended
"Listing Requirements"	: Bursa Securities Main Market Listing Requirements, including any amendments thereto that may be made from time to time
"LPD"	: 3 April 2026, being the latest practicable date prior to the printing of the Circular/Statement
"Major Shareholder(s)"	: Shall be as defined in the Listing Requirements, and means a person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is- (a) ten per centum (10%) or more of the total number of voting shares in the Company; or

DEFINITIONS

- (b) five per centum (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company

For the purpose of this definition, "**interest in shares**" shall have the meaning given in Section 8 of the Act. It also includes any person who is or was within the preceding (6) months from the date on which the terms of the transactions were agreed upon, a major shareholder of ETA, its subsidiaries or holding company.

"Market Day(s)" : Means a day on which the stock market of Bursa Securities is open for trading in securities

"NA" : Net assets

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

- i. A family member of the said Person, which means such person who falls within any one of the following categories:-
 - a. spouse;
 - b. parent;
 - c. child including an adopted child and step-child;
 - d. brother or sister; and
 - e. spouse of the person referred to in items c. and d. above.
- ii. A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person is the sole beneficiary;
- iii. A partner of the said Person, which means such person who falls within any one of the following categories:-
 - a. a person with whom the said Person, is in or proposes to enter into partnership with. "**Partnership**" for this purpose refers to a "**partnership**" as defined in Section 3 of the Partnership Act 1961 or "**limited liability partnership**" as defined in Section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
 - b. a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.
- iv. A person, or where the person is a body corporate, the body corporate or its directors, who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- v. A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under obligation, whether formal or informal, to act;
- vi. A body corporate in which the said Person, or Persons Connected with the said Person are entitled to exercise, or control the exercise

DEFINITIONS

	of, not less than 20% of the votes attached to voting shares in the body corporate; or
	vii. A body corporate which is a related corporation of the said Person.
"Prevailing Laws"	: Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities including but not limited to the Listing Requirements
"Proposed New Shareholders' Mandate"	: Proposed new shareholders' mandate for the RRPT to be entered into by the ETA Group
"PT Rex"	: P.T. Rex Canning (Registration No. 8120013012443)
"Record of Depositors"	: A record consisting of names of depositors established by Bursa Malaysia Depository Sdn. Bhd. [Registration No. 198701006854 (165570-W)] under the Rules of Bursa Malaysia Depository Sdn. Bhd.
"Related Party(ies)"	: Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)
"RM" and "sen"	: Ringgit Malaysia and Sen, respectively
"RRPT"	: Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are entered into by the Group in the ordinary course of business, which involves the interest, direct or indirect, of a Related Party
"Rules"	: Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
"SC"	: Securities Commission Malaysia
"Statement"	: Share Buy-Back Statement dated 30 April 2026
"VWAMP"	: Volume weighted average market price

All references to "**you**" or "**your(s)**" in this Circular/Statement is to the shareholders of the Company who are entitled to attend and vote at the AGM.

Unless specifically referred to, words denoting the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference to a time of day and date in this Circular/Statement shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular/Statement between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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

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PART A

PROPOSED NEW SHAREHOLDERS' MANDATE



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

Registered Office

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

30 April 2026

Board of Directors

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

To: The shareholders of ETA

Dear Sir/ Madam,

PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the Thirtieth ("30th") Annual General Meeting ("AGM") of the Company held on 28 November 2024 and the Extraordinary General Meeting ("EGM") of the Company held on 27 March 2026, the Company has obtained general mandates from its shareholders for the Company and its subsidiaries to enter into RRPT with Related Parties in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for the ETA Group's day-to-day operations ("**2024 and EGM RRPT Mandates**").

The Company changed its financial year end from 30 June 2025 to 31 December 2025, as previously announced to Bursa Securities on 4 June 2025. Pursuant to Section 340(2) of the Act, for the purpose of Section 340(1) of the Act, the Company should hold an AGM in every calendar year within 6 months of the Company's financial year end and not more than 15 months after the last preceding AGM i.e., by 31 December 2025, which is the 31st AGM. While the Companies Commission of Malaysia had granted the Company an extension of time to the Company to convene the 2025 AGM or 31st AGM by 30 June 2026 pursuant to Section 340(4) of the Act, the approved RRPT Mandates in the 30th AGM had expired after 31 December 2025 as the extended period is not allowed for the purpose of the approved RRPT mandates.

On 13 April 2026, the Company announced to Bursa Securities its intention to seek shareholders' approval in respect of the Proposed New Shareholders' Mandate at the 32nd AGM. The Company will not be seeking renewal of the 2024 and EGM RRPT Mandates at the 31st AGM since it will be held on the same day of the 32nd AGM.

THE PURPOSE OF PART A OF THIS CIRCULAR/STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED NEW SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 32ND AGM. THE NOTICE OF 32ND AGM AND THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT 2025.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 32ND AGM.

2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT entered into by the listed issuer or its subsidiaries, which involves the interest, direct, or indirect, of a related party, and which are necessary for the day-to-day operations of a listed issuer or its subsidiaries, subject to, inter-alia, the following:-

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

2.2 Background

The RRPT are detailed in Section 2.6, Part A of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the frequent nature of such RRPT, the Board is seeking a proposed new shareholders' mandate for the ETA Group to enter into such transactions in the normal course of business with the classes of Related Parties set out in Section 2.5, Part A of this Circular. Such transactions are entered into on normal commercial terms which 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 of ETA.

2.3 Validity Period of the Proposed New Shareholders' Mandate

The authority, if approved by the shareholders at the forthcoming 32nd AGM, shall continue to be in force until:-

- a) the conclusion of the next AGM following the 32nd AGM at which such mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at the next AGM following the 32nd AGM, the authority is renewed;
 - b) the expiration of the period within which the next AGM following the 32nd AGM after that date it 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 in a general meeting,
- whichever is the earlier.

2.4 Principal Business Activities of ETA Group

ETA is principally engaged in investment holding and the principal activities of its subsidiaries as at the LPD are as follows:-

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

2.5 Classes of Related Parties

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

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

No.	Name	Principal activities	Relationship
1.	ETA Capital Sdn. Bhd. (formerly known as LR BBR 3 Sdn. Bhd.) ("ETA Capital")	Investment holding	ETA Capital holds 100.00% direct interest in ETA Industries, which in turn is a Major Shareholder of ETA holding 55.04% direct equity interest. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and major shareholder of ETA Capital.

No.	Name	Principal activities	Relationship
2.	ETA Industries	Industrial property construction and trading of building materials	ETA Industries is a Major Shareholder of ETA, holding 55.04% direct equity interest. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA Industries by virtue of his interest in ETA Capital.
3.	ETA World	Industrial property construction and property sale	ETA Industries, a Major Shareholder of ETA, holds 100.00% direct interest in ETA World. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA World by virtue of his interest in ETA Industries.
4.	New Vision Sdn. Bhd. (" New Vision ")	Construction of buildings and provision of architectural, engineering and related technical consultancy services	ETA Industries, a Major Shareholder of ETA, holds 100.00% direct interest in ETA World, which holds 51.00% direct interest in New Vision. Lim Chin Hui, an indirect Major Shareholder of ETA, is an indirect major shareholder of New Vision by virtue of his interest in ETA Industries.
5.	ETA Hardware Sdn. Bhd. (" ETA Hardware ")	Trading of building materials and related activities	ETA Industries, a Major Shareholder of ETA, holds 50.00% direct interest in ETA Hardware. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA Hardware by virtue of his interest in ETA Industries.
6.	ETA Steel Sdn. Bhd. (" ETA Steel ")	Trading of building materials and related activities	ETA Industries, a Major Shareholder of the Company, holds 100.00% direct interest in ETA Steel. Lim Chin Hui, an indirect Major Shareholder of ETA, is a director and indirect major shareholder of ETA Steel by virtue of his interest in ETA Industries.
7.	Darmendran Kunaretnam	Not applicable	• Director of ETA • Director of Airoceanic Express Sdn. Bhd. ("Airoceanic") • Director and controlling shareholder of Eighth Jewels Systems Sdn. Bhd. ("Eighth Jewels"), the ultimate holding company of Safeguards Oceanic Sdn. Bhd. ("Safeguards Oceanic") • Director and major shareholder of Rex Canning Co. Sdn. Bhd. ("Rex Canning")

No.	Name	Principal activities	Relationship
8.	Airoceanic	Airfreight forwarders and transportation agents	Person connected to Darmendran Kunaretnam - a company in which he has interest by virtue of him being a director of Airoceanic and by virtue of him being a director and controlling shareholder of Eighth Jewels, Airoceanics' ultimate holding company
9.	Safeguards Oceanic	Sea cargo forwarding and customs clearance agents	Person connected to Darmendran Kunaretnam - a company in which he has interest by virtue of him being a director and controlling shareholder of Eighth Jewels, Safeguards Oceanic's ultimate holding company
10.	Rex Canning	Procurement and processing of canned food products, beverages, coconut milk and premix	Person connected to Darmendran Kunaretnam - a company in which he has interest by virtue of him being a director and major shareholder of Rex Canning

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

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

No.	Nature of RRPT	Transacting Company	Transacting Related Parties	Interested Related Party(ies)	Estimated aggregate value as disclosed in the Circular to Shareholders dated 12 March 2026 (RM'000)	Actual value transacted (from date of EGM on 27 March 2026 up to LPD) (RM'000)	Estimated aggregate value from the forthcoming 32 nd AGM until the next AGM (RM'000)
1.	Provision of construction works and/or construction services from related party(ies) and vice versa, including building and construction works and other construction-related services incidental thereto	ETA Design & Build	• ETA Capital • ETA Industries • ETA World • New Vision	• Lim Chin Hui • ETA Capital • ETA Industries	70,000	-	70,000*1
2.	Trading of building materials services from related party(ies) and vice versa, including the sale and/ or purchase of building materials for use in construction and development activities	ETA Trading	• ETA Hardware • ETA World • ETA Steel	• Lim Chin Hui • ETA Capital • ETA Industries	50,000	-	50,000*1

No.	Nature of RRPT	Transacting Company	Transacting Related Parties	Interested Related Party(ies)	Estimated aggregate value as disclosed in the Circular to Shareholders dated 30 October 2024 (RM '000)	Actual value transacted from the date of the 30 th AGM up to LPD (RM '000)	Estimated aggregate value from the forthcoming 32 nd AGM until the next AGM (RM'000)
3.	Provision of transportation, freight handling services and warehouse management by Airoceanic and/or Safeguards Oceanic to PT Rex	PT Rex	- Airoceanic - Safeguards Oceanic	- Darmendran Kunarethnam - Eighth Jewels	7,000	3,991	4,000*2

No.	Nature of RRPT	Transacting Company	Transacting Related Parties	Interested Related Party(ies)	Estimated aggregate value from the forthcoming 32 nd AGM until the next AGM (RM'000)
4.	Trading of canned food and confectionery products by PT Rex to Rex Canning	PT Rex	Rex Canning *3	Darmendran Kunarethnam	12,000*2

Notes:-

*1 The estimated aggregate value of the transactions as set out above was determined based on management's best estimates, taking into consideration the expected transaction volumes arising from the construction project pipelines and business plans of the Related Parties and the Group's anticipated involvement in such projects. Accordingly, the actual value of the transactions may differ from the estimated amount disclosed above.

*2 The estimated aggregate value of the transaction as set out above was based on estimation prepared by the management for the period under consideration.

*3 For information purposes, Rex Canning was previously 100%-owned by the Company. However, as announced on 8 December 2025, the Company had completely disposed of Rex Canning to Mr. Darmendran Kunarethnam.

2.7 Amount owing by Related Party pursuant to the RRPT

The breakdown of the principal sum for the total outstanding amount due to the Group under the RRPTs as at LPD, is as follows:-

Company	Related Party	Principal Sum (RM'000)	Interest (RM'000)	Outstanding Amount which exceeded credit terms (RM'000)			
				A period of 1 year or less	A period of more than 1 to 3 years	A period of more than 3 to 5 years	A period of more than 5 years
PT Rex	Rex Trading Sdn. Bhd. ("RTSB") ^{*1}	8.67 ^{*2}	-	-	-	-	-

Notes:

¹ For information purposes, RTSB was previously a wholly-owned subsidiary of the Company. However, as announced on 8 December 2025, the Company had completely disposed of RTSB to Mr. Darmendran Kunaretnam, a director of the Company. Following the 2025 Disposal, RTSB is no longer a subsidiary of the Company but remains a related party.

² The total outstanding amount of RM8.67 million, representing sundry receivables, was due from RTSB to PT Rex, which are unsecured, interest free and repayable on demand.

As the above outstanding amount owing arose from intra-group transactions undertaken at the material time, no credit terms, interest and/or late payment charges were imposed on RTSB.

The Company has reviewed the outstanding amounts and is of the opinion that these amounts arose from intra-group transactions. Management has continued, and will continue, engaging with the relevant personnel of RTSB to facilitate the recovery of the outstanding amount.

The Board is of the opinion that there are no recoverability issues, taking into consideration that the balances originated from intra-group transactions when RTSB was a wholly-owned subsidiary of the Company.

2.8 Review Procedures for the RRPT

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

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

- The definition of a related party, the list of related parties and the review procedures will be circulated and/ or updated within the Group from time to time, where relevant;
- The duties and roles of the ARMC include the review of RRPT;
- Records will be maintained to record all RRPT which are/ will be entered into, which will be available for review by, among others, the ARMC, on a quarterly basis. Any member of the ARMC may as he/ she deems fit, request for additional information pertaining to RRPT from independent sources or advisers;
- The pricing for services and products to be provided/ supplied and/ or received arising from the RRPT will be determined based on the Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market and on normal commercial terms;
- The pricing, terms and conditions of the RRPT shall be consistent with the Group's usual business practice and determined with due consideration to, among others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where

relevant, practical and feasible. At least 2 other contemporaneous transactions with unrelated third parties for similar products and/ or services and/ or quantities will be used as a comparison, wherever available or possible, to determine whether the price and terms offered to and/ or by the Related Parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties for the same or substantially similar type of products and/ or services and/ or quantities.

- vi. In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed RRPT, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPT are not detrimental to the Company and/ or the Group;
- vii. The ARMC shall review the adequacy of the above procedures, and shall continue to review the established guidelines and procedures, as and when required, on an annual basis with the authority to subdelegate to individuals or committees within the Company as they deem appropriate;
- viii. Where any Director or Persons Connected with him or the ARMC has an interest (direct or indirect) in any RRPT, he/ she will abstain from voting on any matter relating to any decision making by the Board or the ARMC in respect of such transactions;
- ix. The said interested Director shall undertake that he/ she will ensure that Persons Connected with him/ her abstain from voting on the resolution deliberating or approving the RRPT at a general meeting;
- x. All new RRPT which are below RM1.0 million in aggregate and below 1% of any percentage ratios shall be subject to the approval of the Managing Director, Executive Director (if any) or the Financial Controller of the Company. If the Managing Director or the Executive Director of the Company has an interest in the RRPT, he/ she shall abstain from any deliberation and decision-making procedure and approval from the Financial Controller shall be sought;
- xi. All new RRPT which are RM1.0 million and above in aggregate or 1% and above of any percentage ratios, shall be reviewed and approved by the ARMC and the Board respectively, before the transaction is entered into. If any member of the ARMC or the Board has an interest in the RRPT, approval shall be sought from the remaining non-interested members of the ARMC and the Board; and
- xii. Where the actual value of the RRPT entered into by the Group exceeds the estimated value of the RRPT disclosed in the circular to the shareholders by 10% or more, the Company shall make an immediate announcement to Bursa Securities in accordance with the Listing Requirements.

2.9 Disclosure in Annual Report

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

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

2.10 Statement by ARMC

The ARMC has seen and reviewed the guidelines and procedures set out in Section 2.8, Part A of this Circular and is of the view that they are sufficient to ensure that the RRPT will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.

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

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

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

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

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

4. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

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

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

5. APPROVAL REQUIRED

The Proposed New Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming 32nd AGM.

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

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

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

Notes:

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

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

Airoceanic, Safeguards Oceanic and Rex Canning have no direct or indirect shareholdings in the ETA Group as at the LPD.

The interested Director has abstained and will continue to abstain from all deliberations and voting in respect of the Proposed New Shareholders' Mandate involving them at Board meetings. The interested Director and Major Shareholders will also abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolution approving the Proposed New Shareholders' Mandate at the forthcoming 32nd AGM.

In this regard, the interested Major Shareholders and interested Director have undertaken to ensure that all Persons Connected with them will abstain from voting in respect of their direct and indirect shareholdings (if any) on the resolution approving the Proposed New Shareholders' Mandate at the forthcoming 32nd AGM.

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

7. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save and except for the interested Director, namely Darmendran Kunaretnam), after having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group.

Accordingly, the Board (save and except for the interested Director, namely Darmendran Kunaretnam) recommends that you vote in favour of the resolution in relation to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 32nd AGM.

8. 32nd AGM

The 32nd AGM, notice of which is enclosed in the Annual Report 2025 of the Company, will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 22 May 2026 at 10:30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Thirty-First AGM which will be held at 10:00 a.m. on the same day at the same venue, for the purpose of considering and if thought fit, passing with or without modification, the ordinary resolution to give effect to the Proposed New Shareholders' Mandate.

If you are unable to attend, participate, speak and vote in person at the 32nd AGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the Company's Share Registrar office (Securities Services (Holdings) Sdn Bhd, situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the 32nd AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the 32nd AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

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

Yours faithfully,

For and on behalf of the Board

ETA GROUP BERHAD (FORMERLY KNOWN AS REX INDUSTRY BERHAD)

HONG KOK CHEONG

Independent Non-Executive Chairman

PART B

PROPOSED SHARE BUY-BACK AUTHORITY



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

Registered Office

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

30 April 2026

Board of Directors

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

To: The shareholders of ETA

Dear Sir/ Madam,

PROPOSED SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the Thirtieth (“30th”) Annual General Meeting (“AGM”) of the Company held on 28 November 2024, the Company had obtained its shareholders’ approval on the proposed share buy-back exercise to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any point through Bursa Securities. The aforesaid shareholders’ approval shall in accordance with the Listing Requirements, lapse at the conclusion of the subsequent AGM.

On 24 April 2026, the Company announced to Bursa Securities that the Company intends to propose to seek the shareholders’ approval for the Proposed Share Buy-Back Authority at the forthcoming 32nd AGM of the Company.

THE PURPOSE OF PART B OF THIS CIRCULAR/STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION AND TO EXPLAIN THE DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY TOGETHER WITH THE RECOMMENDATION OF YOUR BOARD TO SEEK YOUR APPROVAL FOR THE RESOLUTION IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 32ND AGM. THE NOTICE OF THE 32ND AGM AND THE FORM OF PROXY ARE ENCLOSED IN THE ANNUAL REPORT 2025.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR/STATEMENT TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING 32ND AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Board proposes to seek approval of the shareholders for an authorisation to enable the Company to purchase up to ten per centum (10%) of the total number of the issued shares of the Company through stockbroker(s) at any point of time.

The Proposed Share Buy-Back Authority is subject to compliance with Sections 112, 113 and 127 of the Act, the Listing Requirements and the Prevailing Laws at the time of purchase.

Pursuant to Paragraph 12.07(3) of the Listing Requirements, the approval from the shareholders would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back Authority at the forthcoming 32nd AGM to be convened and shall be valid until:-

- (i) the conclusion of the next AGM of the Company following the 33rd AGM at which this resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

2.1 Maximum number or percentage of ETA Shares to be acquired

The Board proposes to seek a mandate from the shareholders to purchase and/or hold in aggregate up to ten per centum (10%) of the total number of issued shares of ETA through Bursa Securities at any point of time.

For illustrative purpose, as at the LPD, the total number of issued shares of the Company comprises 657,670,581 ETA Shares. Assuming no outstanding Warrants A are exercised into new ETA Shares, the maximum aggregate number of ETA Shares that may be purchased under the Proposed Share Buy-Back Authority, is up to 65,767,058 ETA Shares, representing up to ten per centum (10%) of its total number of issued shares of ETA.

Based on the Company's total number of issued shares as at LPD and the assumption that all outstanding Warrants A are converted into new ETA Shares, the Proposed Share Buy-Back Authority will enable the Company to purchase up to a maximum of 71,247,633 ETA Shares, representing 10% of the proforma enlarged total number of issued shares of the Company.

As such, the maximum number of ETA Shares, representing ten percent (10%) of the total number of issued shares of the Company that it can purchase pursuant to the Proposed Share Buy-Back Authority may change from time to time during the validity period of the Proposed Share Buy-Back Authority.

Nevertheless, the actual number of ETA Shares to be purchased will depend on, amongst others, market conditions and sentiments, as well as the retained earnings and financial resources of the Company at the time of the purchase(s).

2.2 Maximum amount of funds to be allocated and the source of funds

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy-Back Authority must be made wholly out of the retained profits of the Company.

The maximum funds to be allocated by the Company for the Share Buy-Back Authority shall not exceed the total retained earnings of the Company at the time of purchase. Therefore, the Board proposes that the maximum amount of funds to be utilised for any purchase of the ETA Shares shall not exceed the aggregate of the Company's retained profits based on the latest management accounts of the Company (where applicable) available at the time of the purchase. Based on the audited financial statements of the Company for the financial period from 1 July 2024 to 31 December 2025, the Company has an accumulated loss of RM37,026,146.

The Proposed Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its own shares at any time during the abovementioned period using the

internally generated funds of the Group and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, the actual number of ETA Shares to be purchased and other relevant cost factors. The actual number of ETA Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the ETA Group.

The Proposed Share Buy-Back Authority if funded through internally generated funds, is not expected to have a material impact on the cash flow position of the Company.

Should the Proposed Share Buy-Back Authority be financed through bank borrowings, the Board will ensure that there are sufficient funds to repay such borrowings and that the Proposed Share Buy-Back Authority is expected to reduce the cash flow of the ETA Group.

2.3 Treatment of Purchased Shares

In accordance with Sections 127(4) and 127(7) of the Act, the Board of ETA is able to deal with any of the Purchased Shares in the following manner:-

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares as treasury shares; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder;
or
- (iv) to distribute the treasury shares held as dividend to the Shareholders; or
- (v) to resell the treasury shares on the market of Bursa Securities; or
- (vi) to transfer the treasury shares as purchase consideration; or
- (vii) to transfer the treasury shares, or any of the treasury shares for the purposes of or under an employees' share scheme; or
- (viii) to sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe,

or in any other manner as may be prescribed by the Act, the applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the Purchased Shares shall continue to be valid until all the Purchased Shares have been dealt with by the Directors.

In the event the Company ceases to hold all or part of the Purchased Shares as a result of the above, the Company may further purchase such additional number of Shares provided that the total Purchased Shares (including Shares held as Treasury Shares) does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of such purchase(s).

Pursuant to Section 127(8) of the Act, if the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution and otherwise is suspended. In accordance with Section 127(9) of the Act, the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company 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 meetings.

As at the date of this Circular/Statement, the Board has yet to make a decision with regard to the treatment of the Purchased Shares. The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

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

2.4 Purchase Price

Pursuant to Paragraph 12.17 of the Listing Requirements, ETA shall only purchase its own shares on Bursa Securities at a price, which is not more than fifteen per centum (15%) above the VWAMP of ETA Shares for the five (5) Market Days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell or transfer any treasury shares pursuant to Section 127(7) of the Act, which is:-

- (i) not less than the VWAMP of ETA Shares for the five (5) Market Days immediately before the day of the resale or transfer; or
- (ii) a discounted price of not more than five per centum (5%) to the VWAMP of ETA Shares for the five (5) Market Days immediately before the date of resale or transfer, provided that:-
 - (a) the resale or transfer takes place not earlier than thirty (30) days from the date of the purchase; and
 - (b) the resale or transfer price is not less than the cost of purchase of the ETA Shares being resold or transferred.

2.5 Previous purchases, resale and cancellation of treasury shares

The Company does not hold any treasury share as at LPD and has not purchased, resold and/or cancelled any Shares during the last twelve (12) months preceding the LPD.

2.6 Historical prices of ETA shares

The monthly highest and lowest market prices of shares traded on Bursa Securities for the preceding twelve (12) months from May 2025 to April 2026 are as follows:-

	High RM	Low RM
2025		
May	0.110	0.095
June	0.115	0.100
July	0.145	0.100
August	0.170	0.130
September	0.185	0.150
October	0.255	0.175
November	0.225	0.150
December	0.200	0.155
2026		
January	0.175	0.145
February	0.160	0.150
March	0.160	0.140
April	0.150	0.140

The last transacted market price of ETA Shares on the LPD, being the LPD prior to the date of printing of this Statement is RM0.140 per Share.

(Source: Investing.com)

2.7 Public shareholding spread of ETA

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

Based on the Record of Depositors of the Company as at the LPD, the public shareholding spread of the Company stood at 295,680,814 Shares, representing approximately 44.959%. The pro forma effects of the Proposed Share Buy-Back Authority on the public shareholding spread of the Company, assuming the Company purchases ten per centum (10%) of its total number of issued share capital are as follows:-

	Number of ETA Shares	Public shareholding spread
After Proposed Share Buy-Back Authority	591,903,523	49.954%

The Board is mindful of the requirement that any purchase of ETA Shares by the Company must not result in the public shareholding spread of ETA falling below twenty-five per centum (25%) of the issued shares of ETA.

2.8 Implications relating to the Rules

The purchase of the Shares by the Company pursuant to the Proposed Share Buy-Back Authority will effectively cause the shareholders' respective percentage shareholding in the Company to increase without any corresponding increase in the actual number of Shares held, assuming all other things being equal.

Pursuant to Paragraph 4.01, Note 9 under Rule 4, Part B, of the Rules on Take-Overs, a person and/or any person acting in concert with him/her will be obliged to make a mandatory take-over offer when:

- (a) a person obtains controls in a company as a result of a buy-back scheme by the company; or
- (b) a person (holding more than thirty-three per centum (33%) but not more than fifty per centum (50%) of the voting shares or voting rights of a company), as a result of a buy-back scheme by the company, increases his holding of the voting shares or voting rights of the company by more than two per centum (2%) in any six (6) month period.

As it is not intended for the Proposed Share Buy-Back Authority to trigger the obligation to undertake a mandatory offer under Paragraph 4.01 of the Rules, by any of the Company's substantial shareholders and/or persons acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back Authority would not result in triggering any mandatory offer obligation on the part of its substantial shareholders and/or persons acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of the Shares pursuant to the Proposed Share Buy-Back Authority.

3. RATIONALE OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority will enable ETA to have an additional option to utilise its surplus financial resources.

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 affect 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.

With the share buy-back mandate, the Company will also be able to stabilise the supply and demand of ETA Shares traded on Bursa Securities and thereby support its fundamental value, if required.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY

Potential Advantages

- (i) The Proposed Share Buy-Back Authority, if implemented, will enable the Company to stabilise the supply and demand of ETA Shares on Bursa Securities and thereby reducing the volatility of ETA Shares.
- (ii) The Company would have the opportunity to utilise its financial resources not immediately required for other use to purchase ETA Shares and may have the opportunities for potential gains if the Purchased Shares which are retained as treasury shares are resold at prices higher than their purchase prices.

- (iii) The proposed purchase will also result in reduction of the share capital base which may enhance the possibility of declaring a higher rate of dividend in the future.
- (iv) The Purchased Shares if distributed to shareholders as share dividends shall serve as a reward to Shareholders.
- (v) The proposed purchase will allow the Company to take preventive measures against speculation particularly when the ETA Shares are undervalued and this would, in turn, stabilise the market price of the ETA Shares and hence, enhance investors' confidence.

Potential Disadvantages

- (i) The Proposed 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 forgo feasible investment opportunities that may emerge in the future. However, the financial resources of the Group may increase if the Purchased Shares are resold at prices higher than their purchase price.
- (ii) The working capital of the Group will also be affected, as any purchase of ETA Shares will reduce the Group's cash flow depending on the actual number of shares purchased and their purchase price.
- (iii) The Proposed Share Buy-Back Authority, if implemented, may result the Group to increase its interest expense or reduce its interest income accordingly, that may be derived from not utilising such funds to repay bank borrowings or not depositing such funds in income bearing instruments.

The Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Share Buy-Back Authority. Accordingly, the Board will ensure there is sufficient cash flow to fund the Group's working capital requirements and dividends to be paid to the shareholders before allocating the available resources for the Proposed Share Buy-Back Authority.

5. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The effects of the Proposed Share Buy-Back Authority of the Company assuming purchase of shares up to the maximum 10% of the total number of issued shares, as illustrated below:-

5.1 Issued share capital

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

Based on the issued share capital of the Company as at LPD, and assuming that the maximum number of ETA Shares are purchased, the pro forma effects of the Proposed Share Buy-Back Authority are set out below:-

- Scenario 1 : Assuming no further exercise of the outstanding Warrants A
- Scenario 2 : Assuming that all the outstanding Warrants A are exercised and converted into Shares.

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	No. of ETA Shares	
	Scenario 1	Scenario 2
Issued share capital as at the LPD	657,670,581	657,670,581
Shares to be issued upon full exercise of conversion of Warrants A	-	54,805,755
Enlarged total number of issued shares	-	712,476,336
Less: Maximum number of ETA Shares that can be repurchased (i.e., up to 10%)	(65,767,058)	(71,247,633)
Total number of issued shares of ETA after the Proposed Renewal of Share Buy-Back Authority (assuming the Purchased Shares are subsequently cancelled in full)	591,903,523	641,228,703

In the event that all the Purchased Shares are retained as treasury shares, the Proposed Share Buy-Back Authority will not have any effect on the issued share capital of the Company.

5.2 NA per share and gearing

The effects of the share repurchase on the NA per share of the ETA Group is dependent on the number of ETA Shares which the Company will buy-back, purchase price of the ETA Shares at the time of the buy-back, the treatment of the shares so purchased and the funding cost, if any.

If the maximum number of ETA Shares purchased is cancelled, the share repurchase would reduce the NA per share of the Group if the purchase price exceeds the NA per share at the relevant point in time. Conversely, the NA per share of the Group would increase if the purchase price is less than the NA per share at the relevant point in time.

If the ETA Shares are retained as treasury shares, the NA per share would increase/decrease depending on the purchase price of the ETA Shares. The NA per share of the Group would reduce if the purchase price exceeded the NA per share and vice versa.

If the treasury shares are resold on Bursa Securities, the NA per share will increase if the Company realise a gain from the resale and vice versa. If the treasury shares are distributed to shareholders as share dividends, the NA per share will decrease by the cost of the treasury shares.

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5.4 Earnings

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

In the event the Purchased Shares which are retained as treasury shares and subsequently resold, the extent of the effect on the earnings of the ETA 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.

5.5 Convertible securities

Save as disclosed below, ETA does not have any convertible securities as at the LPD:

- (i) 54,805,755 outstanding ETA Warrants which are exercisable into new ETA Shares on the basis of 1 ETA Warrant for 1 ETA Shares any time during the exercise period from 30 August 2022 to 23 August 2027 at an exercise price of RM0.15 per Warrant.

5.6 Working capital

The Proposed Share Buy-Back Authority will result in an outflow of cash and thereby reducing the working capital of the ETA Group, the quantum of which is dependent on the purchase prices of the ETA Shares and the number of ETA Shares repurchased and the funding costs, if any.

Nevertheless, the Board will be mindful of the interests of ETA and its shareholders in undertaking the Proposed Share Buy-Back Authority and will assess the working capital needs of the ETA Group prior to any repurchase of ETA Shares.

5.7 Dividends

Assuming the Proposed Share Buy-Back Authority is implemented in full, the share repurchased will have the effect of increasing the dividend rate per ETA Share as a result of a decrease in the number of ETA Shares which are entitled to participate in the dividends.

The Proposed Share Buy-Back Authority may have an impact on the Company's dividend policy as it would reduce the cash available for dividend payment, which may otherwise be used for dividend payment. Nonetheless, the ETA Shares purchased may be distributed as dividends to shareholders of the Company, if the Directors so decide.

As set out in Section 4 of Part B of this Circular/Statement, the Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Share Buy-Back Authority. Accordingly, the Board will ensure there is sufficient cash flow to fund the Group's working capital requirements and dividends to be paid to the shareholders before allocating the available resources for the Proposed Share Buy-Back Authority.

6. APPROVALS REQUIRED

The Proposed Share Buy-Back Authority is subject to and conditional upon the shareholders' approval at the 32nd AGM to be convened.

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

The voting on the resolution in relation to the Proposed Share Buy-Back Authority at the AGM will be taken via poll.

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

Save for the proportionate increase in the percentage of shareholdings in ETA in their capacities as shareholders of the Company pursuant to the Proposed Share Buy-Back Authority, none of the Directors

8. BOARD OF DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back Authority, including the rationale and the effects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company and recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the 32nd AGM to be convened.

9. 32ND AGM

The 32nd AGM, notice of which is enclosed in the Annual Report 2025 of the Company, will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Friday, 22 May 2026 at 10:30 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Thirty-First AGM which will be held at 10:00 a.m. on the same day at the same venue, for the purpose of considering and if thought fit, passing with or without modification, the ordinary resolution to give effect to the Proposed Share Buy-Back Authority.

If you are unable to attend, participate, speak and vote in person at the 32nd AGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the Company's Share Registrar office (Securities Services (Holdings) Sdn Bhd, situated at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the 32nd AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting in person at the 32nd AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I of this Circular/Statement for further information.

Yours faithfully,

For and on behalf of the Board

ETA GROUP BERHAD (FORMERLY KNOWN AS REX INDUSTRY BERHAD)

HONG KOK CHEONG

Independent Non-Executive Chairman

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, there are no material litigation, claims or arbitration, proceedings pending or threatened involving the Group, or of any facts likely to give rise to any proceedings involving the Group.

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

3. MATERIAL COMMITMENTS

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

4. MATERIAL CONTRACTS

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

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

- i. the proposed disposal of 20,040 ordinary shares in Rex Canning Co. Sdn Bhd ("**RCCSB**"), representing 100% equity interest in RCCSB, by ETA to the Purchaser; and
- ii. the proposed disposal of 1,000,000 ordinary shares in Rex Trading Sdn Bhd ("**RTSB**"), representing 100% equity interest in RTSB, by ETA to the Purchaser,

for a total disposal consideration of RM40.00 million to be satisfied entirely via cash.

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

5. CONTINGENT LIABILITIES

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

	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	9,818

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of ETA at No. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the 32nd AGM:-

- (i) the constitution of ETA;
- (ii) audited consolidated financial statements of ETA Group for the past 2 financial periods ended 30 June 2024 and 31 December 2025; and
- (iii) the material contract referred to in Section 4 above.