**CHEMLITE INNOVATION BERHAD ("CHEMLITE" OR THE "COMPANY")**

**PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN ("LTIP") COMPRISING AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") AND A SHARE GRANT SCHEME ("SGS"), OF UP TO 10.0% OF THE TOTAL NUMBER OF ISSUED SHARES OF CHEMLITE (EXCLUDING TREASURY SHARES, IF ANY) ("PROPOSED LTIP")**

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## 1. INTRODUCTION

On behalf of the Board of Directors of Chemlite ("**Board**"), UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) ("**UOBKH**") wishes to announce that the Company proposes to establish an LTIP comprising an ESOS ("**Proposed ESOS**") and a SGS ("**Proposed SGS**"), of up to 10.0% of the total number of issued shares of the Company ("**Chemlite Share(s)**" or "**Share(s)**") (excluding treasury shares, if any) at any point in time throughout the duration of the LTIP for the eligible Directors and employees of Chemlite and its subsidiary ("**Chemlite Group**" or the "**Group**") (excluding dormant subsidiaries and foreign subsidiaries, if any) ("**Eligible Person(s)**") who fulfil the eligibility criteria as set out in the by-laws governing the LTIP ("**By-Laws**").

The Proposed LTIP represents the first corporate exercise by the Company since its listing on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 26 March 2025. The Proposed LTIP is primarily intended to cultivate a sense of ownership amongst the Eligible Persons and foster a motivated workforce. This initiative aims to emphasise on performance excellence and adoption of sustainable practices that contributes to growth and governance as well as to support the Group's ongoing efforts to attract and retain talent.

Further details on the Proposed LTIP are set out in the ensuing sections of this announcement.

## 2. DETAILS OF THE PROPOSED LTIP

The Proposed LTIP entails the proposed establishment and implementation of an LTIP comprising the Proposed ESOS and Proposed SGS, where the aggregate number of Chemlite Shares made available for the Eligible Persons under the Proposed ESOS and Proposed SGS shall be a maximum of 10.0% of the total number of issued Chemlite Shares (excluding treasury shares, if any) at any point in time throughout the duration of the LTIP.

The Proposed LTIP, which shall be governed by the By-Laws, is intended to attract, retain, motivate and reward the Eligible Persons through the following:-

(i) the Proposed ESOS, which allows the Company to award options with the right to subscribe for new Chemlite Shares to the Eligible Persons at a predetermined option price ("**Option Price**") ("**ESOS Option(s)**"); and

(ii) the Proposed SGS, which allows the Company to award existing Chemlite Shares to the Eligible Persons with no cash consideration payable ("**SGS Award(s)**"),

(collectively referred to as "**LTIP Award(s)**").

The Proposed LTIP will be administered by a committee comprising such number of Directors and/or senior management of the Group to be identified and appointed from time to time and duly authorised by the Board ("**LTIP Committee**"). The LTIP Committee will have the sole and absolute discretion in implementing and administering the Proposed LTIP in accordance with the By-Laws and the terms of reference of the LTIP Committee. The composition of the LTIP Committee has yet to be decided by the Board at this juncture.

In implementing the Proposed LTIP, the LTIP Committee may, in its sole and absolute discretion, decide that the LTIP Awards shall be satisfied by any of the following methods:-

(i) Proposed ESOS by way of allotment and issuance of new Shares;

(ii) Proposed SGS by way of:-

(a) acquisition and/or transfer of existing Chemlite Shares from the open market of Bursa Securities; or

(b) acquisition and/or transfer of the treasury shares held by the Company (if any);

(iii) payment of cash in lieu of (i) and (ii) above;

(iv) any other methods as may be permitted by the Companies Act 2016 ("**Act**"), the ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**") or any other applicable laws or regulations, as amended from time to time and including any re-enactment thereof; or

(v) a combination of any of the above.

In determining the mode of satisfaction set out above, the LTIP Committee will take into consideration, amongst others, factors such as the prevailing market price of the Chemlite Shares, funding requirements of the Group, dilutive effects of any such issuance on the Company's share capital base, future returns and potential cost arising from the grant and vesting of the LTIP Awards as well as any applicable laws, regulatory requirements and/or administrative constraints, if relevant.

For the avoidance of doubt, the new Shares to be allotted and issued arising from the LTIP Awards to the promoters and specified shareholders of the Company (namely, Chong Yuen Fong, Heng Chee Khiang and Heng Jia Qi) whose shareholdings are currently still under moratorium pursuant to Rule 3.19(1) of the Listing Requirements shall also be subject to a similar moratorium.

The salient features of the Proposed LTIP are set out as follows:-

### 2.1 Maximum number of Chemlite Shares available under the Proposed LTIP

The maximum number of Chemlite Shares which may be made available pursuant to the Proposed LTIP shall not, in aggregate, exceed 10.0% of the total number of issued Chemlite Shares (excluding treasury shares, if any), at any point in time throughout the duration of the Proposed LTIP as provided in the By-Laws ("**Maximum Limit**").

In the event the aggregate maximum number of Shares which may be awarded under the Proposed LTIP exceeds the Maximum Limit at any point in time as a result of the Company purchasing its own Shares in accordance with the provisions of the Act, cancelling or reducing its own Shares or undertaking any corporate proposal(s) resulting in the reduction of the Company's total number of issued Shares, no further LTIP Awards shall be granted by the LTIP Committee until such time the aggregate number of Shares awarded or to be awarded under the Proposed LTIP falls below the Maximum Limit. During this period, entitlement to the Shares arising from the LTIP Awards which have already been granted at that point in time shall remain valid and exercisable in accordance with the provisions of the By-Laws.

In the case of a transfer of existing Chemlite Shares and/or treasury shares to the Eligible Persons under the Proposed LTIP, the LTIP Committee will use all reasonable efforts to ensure that the Company has sufficient existing Chemlite Shares and/or treasury shares, as the case may be, to satisfy the LTIP Awards made throughout the duration of the Proposed LTIP.

### 2.2 Basis of allotment and maximum allowable allotment

Subject to the By-Laws, the aggregate maximum number of Chemlite Shares that may be offered, allotted and issued to any of the Eligible Persons under the Proposed LTIP shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, amongst other factors, the Eligible Person's ranking, performance, employment grade, seniority, designation, length of service, work performance, contribution and potential contribution to the business, operations and continued success of Chemlite Group and/or such other factors that the LTIP Committee may in its sole and absolute discretion deem fit and shall be subject to the following:-

(i) the total number of new Shares made available under the Proposed LTIP shall not exceed the Maximum Limit as set out in **Section 2.1** of this announcement;

(ii) the eligible Directors and senior management of the Group (excluding dormant subsidiaries and foreign subsidiaries, if any) shall not participate in the deliberation or discussion and/or shall abstain from making or voting on any resolution on their respective allocation of LTIP Awards and the allocation of LTIP Awards to persons connected with them, if any, under the Proposed LTIP;

(iii) the allocation to an Eligible Person who, either singly or collectively through persons connected with the said Eligible Person, holds 20.0% or more of the total number of issued Chemlite Shares (excluding treasury shares, if any), shall not exceed 10.0% of the total number of Chemlite Shares to be issued under the Proposed LTIP;

(iv) not more than 50.0% of the total number of Chemlite Shares available to be issued under the Proposed LTIP shall be allocated, in aggregate, to the eligible Directors and senior management of the Group (excluding dormant subsidiaries and foreign subsidiaries, if any) who are eligible to participate in the Proposed LTIP; and

(v) any performance target to be achieved before the LTIP Awards can be exercised and/or vested by an Eligible Person shall be determined by the LTIP Committee,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines, rules and/or regulations issued by Bursa Securities and/or any other relevant authorities, as may be amended from time to time.

The LTIP Committee shall have the sole and absolute discretion in determining whether the allocation and granting of the LTIP Awards to the Eligible Persons will be granted on a staggered basis over the duration of the Proposed LTIP or in a single grant and/or whether the LTIP Awards will be subject to any vesting period and if so, to determine the vesting conditions (including whether such vesting conditions are subject to performance target, the determination of which will be carried out at a later date after the establishment of the Proposed LTIP and the formation of the LTIP Committee).

### 2.3 Eligibility

Subject to the sole and discretion of the LTIP Committee, only Eligible Persons who meet the following criteria as at the date on which an award is made by the LTIP Committee in writing ("**Date of Award**") are eligible to participate in the Proposed LTIP:-

(i) in respect of an employee, the employee must fulfil the following criteria:-

   (a) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(b) is employed on a full-time basis and has been in the employment of the Company or any company in the Group (excluding dormant subsidiaries and foreign subsidiaries, if any) for such period as may be determined by the LTIP Committee prior to and up to the Date of Award and has not served a notice of resignation nor received a notice of termination;

(c) employment has been confirmed in writing prior to and up to the Date of Award and is not under any probationary period;

(d) is serving in a specific designation under the employment contract for a fixed duration, excluding those who are employed for a specific project or on short-term contract or any other employees under contract as may be determined by the LTIP Committee; and/or

(e) fulfils any other eligibility criteria and/or falls within such grade or category as may be determined by the LTIP Committee from time to time; and

(ii) in respect of a Director, the Director must fulfil the following criteria:-

(a) has attained the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(b) has been appointed as a Director of the Company or any company in the Group (excluding dormant subsidiaries and foreign subsidiaries, if any) (including executive or non-executive and/or independent or non-independent Directors of Chemlite but shall not include alternate and/or substitute Directors or any Director of any other company within Chemlite Group which is dormant or foreign, if any) for such period as may be determined by the LTIP Committee prior to and up to the Date of Award;

(c) in the case of the Proposed SGS comprised in the Proposed LTIP, shall be an executive Director of the Company as at the Date of Award;

(d) has not served a notice of resignation nor received a notice of termination; and/or

(e) fulfils any other eligibility criteria and/or falls within such grade or category as may be determined by the LTIP Committee from time to time,

provided always that the selection of any Director or employee for participation in the Proposed LTIP and the number of LTIP Awards to be offered to an Eligible Person under the Proposed LTIP shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

However, eligibility under the Proposed LTIP does not confer an Eligible Person a claim or right to participate in or any rights whatsoever under the Proposed LTIP and an Eligible Person does not acquire or have any rights over or in connection with the LTIP Awards or the new or existing Chemlite Shares comprised in the Proposed LTIP unless an LTIP Award pursuant to a letter of offer has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award and has fulfilled the conditions in the LTIP Award, if any ("**LTIP Participant(s)**").

In the event the Eligible Person is a Director, major shareholder or chief executive of the Company or its holding company (if any) or a person connected with such Director, major shareholder or chief executive of the Company or its holding company (if any), the specific allocation of ESOS Options and/or SGS Awards granted by the Company under the Proposed LTIP to such Eligible Person must first be approved by the shareholders of the Company at a general meeting of the Company and such Eligible Person shall not participate in the deliberation and discussion of and vote on his/her own participation and/or allocation.

For the avoidance of doubt, non-executive Directors shall only be eligible to participate in the Proposed ESOS comprised in the Proposed LTIP, subject always to the eligibility criteria.

**2.4 Duration, expiry and termination of the Proposed LTIP**

The Proposed LTIP shall be in force for a duration of 5 years commencing from the effective date of implementation of the Proposed LTIP ("**Duration of the Scheme**"), being the date of full compliance with all relevant provisions of the Listing Requirements in relation to the Proposed LTIP by the Company, as more particularly set out in the By-Laws. The Proposed LTIP may be extended for a further period of up to another 5 years, provided that the duration of the Proposed LTIP shall not, in aggregate, exceed a duration of 10 years from its effective date of implementation.

Subject to compliance with the Listing Requirements, the By-Laws and any other applicable laws, the Proposed LTIP may be terminated by the Company at any time before its expiry at the recommendation by the LTIP Committee, provided that the Company shall make an announcement of any decision to terminate the Proposed LTIP to Bursa Securities before its expiry in accordance with Rule 9.19(50) of the Listing Requirements on the following:-

(i) the effective date of termination of the Proposed LTIP ("**Termination Date**");

(ii) the number of ESOS Options exercised and/or number of Chemlite Shares vested pursuant to the LTIP Awards; and

(iii) the reasons for termination of the Proposed LTIP.

Upon the expiry or termination of the Proposed LTIP, the following provisions shall apply:-

(i) no further LTIP Awards shall be made from the expiry date or Termination Date (as the case may be);

(ii) all LTIP Awards which have yet to be accepted by the Eligible Persons shall automatically lapse on the expiry date or Termination Date (as the case may be); and

(iii) all LTIP Awards which have yet to be vested or exercised (as the case may be and whether fully or partially) under the Proposed LTIP shall automatically lapse on the expiry date or Termination Date (as the case may be) and become null and void.

Notwithstanding anything to the contrary, all unvested or unexercised LTIP Awards (whether fully or partially unvested or unexercised) shall cease to be capable of vesting and the approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of the LTIP Participants are not required to effect the termination of the LTIP, unless otherwise required by the Listing Requirements and/or any other applicable laws.

**2.5 Basis of determining the Option Price for the ESOS Options and the reference price of the SGS Awards**

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the Option Price per ESOS Option in respect of any offer made under the Proposed ESOS comprised in the Proposed LTIP shall be determined by the Board upon the recommendation of the LTIP Committee based on the 5-day volume-weighted average market price ("**VWAP**") of Chemlite Shares immediately preceding the Date of Award, with a discount of not more than 10.0% (or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme).

The reference price of the Shares to be transferred to the LTIP Participants upon vesting of the SGS Awards comprised in the LTIP Awards shall be determined based on the fair value of the Shares after taking into account, amongst others, the 5-day VWAP of Chemlite Shares immediately preceding the Date of Award, with a discount of not more than 10.0% (or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme). For the avoidance of doubt, the Chemlite Shares pursuant to the Proposed SGS will be vested with the LTIP Participants at no cash consideration.

The Option Price and reference price of the Shares to be transferred upon vesting of the SGS Awards as determined in the manner set out above shall be conclusive and binding on the LTIP Participants in relation to the Proposed ESOS and Proposed SGS (as the case may be).

**2.6 Ranking of the new Chemlite Shares to be issued and/or the existing Chemlite Shares to be transferred**

The ESOS Options and/or SGS Awards (as the case may be) shall not carry any right to vote at any general meeting of the Company until and unless such Shares have been issued and allotted and/or transferred and credited into the central depository system ("**CDS**") accounts of the LTIP Participants. An LTIP Participant shall not be entitled to any dividends, rights or other entitlement (including but not limited to offer of further securities) on unvested or unexercised ESOS Options and/or unvested SGS Awards (as the case may be).

The new Shares to be allotted and issued under the Proposed LTIP pursuant to the exercise of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing Chemlite Shares, save and except that such new Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to the shareholders where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of such new Chemlite Shares.

In the event that any existing Shares are to be transferred to the LTIP Participants, the existing Shares shall be transferred together with all dividends, rights, allotments and/or other forms of distribution declared, made or paid, the entitlement date of which is on or after the date the Shares are credited to the CDS accounts of the relevant LTIP Participants.

The Shares to be allotted and issued and/or transferred pursuant to the Proposed LTIP will be subject to all provisions of the constitution of the Company, as may be amended from time to time.

**2.7 Retention period**

The LTIP Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on the transfer, disposal and/or assignment of the Shares to be issued and/or transferred (including treasury shares) pursuant to the Proposed LTIP as it deems fit.

Notwithstanding the above, pursuant to Rule 8.22 of the Listing Requirements, an Eligible Person who is a non-executive Director of Chemlite shall not sell, transfer or assign the Chemlite Shares obtained through the exercise of the ESOS Options comprised in the LTIP Awards offered to him/her within 1 year from the Date of Award, or such other retention period as may be prescribed by Bursa Securities in compliance with the Listing Requirements.

**2.8 Listing of and quotation for the new Chemlite Shares to be issued pursuant to the Proposed ESOS comprised in the Proposed LTIP**

An application will be made to Bursa Securities for the listing of and quotation for the new Chemlite Shares to be allotted and issued pursuant to the exercise of the ESOS Options comprised in the Proposed LTIP on the ACE Market of Bursa Securities.

### 2.9 Amendments and/or modification to the Proposed LTIP

Subject to the By-Laws and compliance with the Listing Requirements and the approvals of any other relevant authorities (if required), the LTIP Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall, in its sole and absolute discretion think fit. The Board shall have the power at any time and from time to time by resolution and without shareholders' approval to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation and subject to the Company submitting the amended By-Laws and a letter of compliance to Bursa Securities each time an addition, amendment, modification and/or deletion is made, stating that the said addition, amendment, modification and/or deletion is in compliance with the relevant provisions of the Listing Requirements and Rules of Bursa Malaysia Depository Sdn Bhd pursuant to Rule 2.12 of the Listing Requirements.

### 2.10 Alteration of capital

In the event of any alteration in the capital structure of Chemlite during the Duration of the Scheme, whether by way of a capitalisation issue, rights issue, bonus issue, consolidation or subdivision of Chemlite Shares or reduction of capital or any other variation of capital being effected, the Company shall cause such adjustment to be made to the number of Chemlite Shares which shall be exercisable or vested and/or the Option Price in accordance with the By-Laws.

### 2.11 Trust arrangement

For purposes of facilitating the implementation and administration of the Proposed LTIP, the Company may, if deemed appropriate by the LTIP Committee, establish a trust to be administered by the trustee consisting of such trustee or its authorised nominee appointed by the Company from time to time ("**Trustee**") in accordance with the trust deed to be executed between the Company and the Trustee. To enable the Trustee to subscribe for new Shares, acquire existing Chemlite Shares and/or receive treasury shares for the purpose of the Proposed LTIP and to pay expenses in relation to the administration of the trust, the Trustee may, to the extent permitted by applicable laws and as set out under the By-Laws, be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company. The LTIP Committee shall have the sole and absolute discretion to instruct the Trustee to subscribe for new Shares, acquire existing Chemlite Shares and/or receive treasury shares at any time and from time to time and also to revoke or suspend any such instruction that has earlier been given to the Trustee.

### 2.12 Costs and expenses

All fees, costs and expenses in relation to the Proposed LTIP, including but not limited to the fees, costs and expenses relating to the granting, vesting, allotment and issue and/or transfer of Chemlite Shares pursuant to the exercise or vesting of any LTIP Award shall be borne by the Company. Notwithstanding this, the LTIP Participant shall bear any fees, costs and expenses incurred in relation to his/her acceptance of an LTIP Award, exercise of ESOS Option, opening and maintaining of his/her respective CDS account and sale of the Chemlite Shares in the market, including brokerage commissions and stamp duties.

## 3. UTILISATION OF PROCEEDS

The Company will receive proceeds as and when the ESOS Options are exercised under the Proposed ESOS. However, the actual amount of proceeds will be dependent on the number of ESOS Options granted and exercised at the relevant point in time and the amount payable upon the exercise of the ESOS Options. As such, the exact amount of proceeds to be received cannot be determined at this juncture.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of the Group (which include, amongst others, payment to trade creditors, staff-related expenses as well as general and administrative expenses such as utilities, maintenance and upkeep of office and factory and general expenses) as and when received during the Duration of the Scheme. The breakdown and exact timeframe for the utilisation of such proceeds have not been determined at this juncture and will be dependent on the operating and funding requirements of the Group at the time of utilisation. Notwithstanding thereof, the proceeds are expected to be utilised within 12 months from the receipt of such proceeds throughout the duration of the Proposed LTIP.

Pending the utilisation of proceeds raised as and when the ESOS Options are exercised, such proceeds will be placed in deposits with licensed financial institutions and/or short-term money market instruments, as the Board may deem fit. The interest derived from the deposits with the licensed financial institutions or any gain arising from the short-term money market instruments will be used to fund the Group's working capital requirements.

The Company will not receive any proceeds pursuant to the Proposed SGS as the Eligible Persons will not be required to pay for the Chemlite Shares to be transferred to them pursuant to the SGS Awards.

## 4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED LTIP

The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in the Company and thereby achieve the following:-

(i) to recognise the dedication, efforts and contribution of the Eligible Persons, whose expertise and services are valued and vital to the Group's ongoing operations and sustained growth;

(ii) to align the interests of the Eligible Persons with those of the shareholders by linking their rewards to the Group's overall performance, thereby fostering a shared commitment towards achieving the Group's strategic objectives and plans;

(iii) to retain, motivate and reward the Eligible Persons by enabling them to participate in the Group's profitability and potentially realise capital gains arising from any appreciation in the value of Chemlite Shares upon disposal, thus reinforcing their motivation to contribute to the Group's performance and value creation;

(iv) to cultivate a greater sense of ownership, loyalty and dedication among the Eligible Persons by granting them an equity stake in the Company, which in turn encourages the Eligible Persons to take greater initiative, accountability and involvement in the day-to-day operations and strategic direction of the Group; and

(v) to make the remuneration scheme of the Group more competitive to attract and retain skilled and experienced individuals to join the Group and contribute to its continued growth.

The Proposed ESOS comprised in the Proposed LTIP is also extended to the non-executive Directors of Chemlite in recognition of their contribution to the Group through providing valuable insights and views to the Board, whilst at the same time carrying out the important function of monitoring the performance of the management. Their participation in the equity of the Company is expected to enhance their commitment level and contribution to the Group as well as enable the Company to attract and retain capable individuals to act as non-executive Directors of the Company. For the avoidance of doubt, the Proposed SGS shall not be extended to the non-executive Directors of the Company.

## 5. EFFECTS OF THE PROPOSED LTIP

### 5.1 Issued share capital

The Proposed LTIP will not have an immediate effect on the issued share capital of Chemlite. The issued share capital of Chemlite will increase progressively depending on the number of new Chemlite Shares to be issued pursuant to the exercise of the ESOS Options. However, the transfer of the existing Shares to the Eligible Persons pursuant to the Proposed SGS comprised in the Proposed LTIP will not have any effect on the issued share capital of the Company.

For illustrative purposes, assuming the LTIP Awards are fully satisfied by way of allotment and issuance of new Chemlite Shares at a single point of time, the pro forma effects of the Proposed LTIP on the issued share capital of the Company are set out below:-

| | **No. of Shares** | **RM** |
|---|---|---|
| Issued share capital as at 1 April 2026, being the latest practicable date prior to this announcement ("**LPD**") | 600,000,000 | 40,560,978 |
| New Shares to be issued pursuant to the Proposed LTIP | (1)60,000,000 | (2)9,780,000 |
| **Enlarged issued share capital** | **660,000,000** | **50,340,978** |

***Notes:-***

*(1) For the avoidance of doubt, the maximum number of Chemlite Shares, which may be allotted and issued pursuant to the Proposed ESOS comprised in the Proposed LTIP shall not, in aggregate, exceed 10.0% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point in time throughout the Duration of the Scheme.*

*(2) Computed based on an illustrative Option Price of RM0.163, representing a discount of approximately 9.70% to the 5-day VWAP up to and including the LPD of RM0.1805 per Chemlite Share.*

### 5.2 Net assets ("NA"), NA per Share and gearing

Save for the potential impact of the Malaysian Financial Reporting Standard 2 on Share-based Payment as issued by the Malaysian Accounting Standards Board ("**MFRS 2**") as set out in **Section 5.3** of this announcement, the Proposed LTIP will not have any immediate material effect on the NA, NA per Share and gearing of the Group until such time as and when the new Chemlite Shares are allotted and issued pursuant to the exercise of the ESOS Options under the Proposed LTIP.

Any potential effect on the NA, NA per Share and gearing of the Group in the future will depend on factors such as the method of satisfaction of the LTIP Awards, actual number of Chemlite Shares to be issued and/or transferred (which can only be determined at the point of the exercise of the ESOS Options and/or vesting of the SGS Awards) and the Option Price.

In the event the LTIP Awards are satisfied by way of transfer of existing Shares or treasury shares under the Proposed LTIP, the NA and NA per Share of the Group will be reduced, the quantum of which can only be determined at the point of transfer of the Shares to the LTIP Participants.

### 5.3 Earnings and earnings per Share ("EPS")

The Proposed LTIP is not expected to have any immediate material effect on the earnings and EPS of the Group until such time the LTIP Awards are awarded. In accordance with MFRS 2, the potential cost of awarding the Shares under the Proposed LTIP is required to be measured at fair value on the Date of Award and recognised as an expense in the Group's statement of comprehensive income over the vesting period of such Shares. The estimated cost does not represent a cash outflow by Chemlite as it is merely an accounting treatment. However, there will be cash outflow if the Shares comprised in the LTIP Awards are fully or partly satisfied by way of cash, such as through acquisition of existing Shares from the open market of Bursa Securities and/or through payment of cash in lieu of Shares under the Proposed ESOS and Proposed SGS as set out in **Section 2** of this announcement.

The extent of the effect of the Proposed LTIP on the earnings and EPS of the Group cannot be determined at this juncture as it would depend on the method of satisfaction of the LTIP Awards and the fair value of Chemlite Shares as at the respective dates of grant of the LTIP Awards.

The Board has taken note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in allocating and awarding the LTIP Awards to the Eligible Persons.

### 5.4 Convertible securities

The Company does not have any convertible securities as at the LPD.

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### 5.5 Substantial shareholders' shareholdings

The Proposed LTIP is not expected to have any immediate effect on the substantial shareholders' shareholdings in the Company until such time when the new Chemlite Shares are issued pursuant to the Proposed ESOS and if such substantial shareholders are participants of the Proposed LTIP. Any potential effect on the substantial shareholders' shareholdings in the Company would depend on the method of satisfaction of the LTIP Awards, the number of ESOS Options granted and the number of new Shares to be issued arising from the exercise of the ESOS Options under the Proposed ESOS at the relevant point in time.

For illustrative purposes, assuming the LTIP Awards are fully satisfied by way of allotment and issuance of new Chemlite Shares at a single point of time, the pro forma effects of the Proposed LTIP on the substantial shareholders' shareholdings are set out below:-

| | **As at the LPD** | | | | **Pro forma I<br>Assuming the maximum LTIP Awards are granted, vested and exercised into new Chemlite Shares(2)** | | | |
|---|---|---|---|---|---|---|---|---|
| | **Direct** | | **Indirect** | | **Direct** | | **Indirect** | |
| | **No. of Shares** | **(1)%** | **No. of Shares** | **(1)%** | **No. of Shares** | **(3)%** | **No. of Shares** | **(3)%** |
| Chong Yuen Fong | 231,000,000 | 38.50 | - | - | 231,000,000 | 35.00 | - | - |
| Heng Chee Khiang | 189,000,000 | 31.50 | (4)1,500,000 | 0.25 | 189,000,000 | 28.64 | (4)1,500,000 | 0.23 |

***Notes:-***

*(1) Based on the issued share capital comprising 600,000,000 Shares as at the LPD.*

*(2) It is pertinent to note that the pro forma effects above does not take into consideration any LTIP Awards that may be granted to Chong Yuen Fong, Heng Chee Khiang and Heng Jia Qi as the quantum of the LTIP Awards to be allocated to the Eligible Persons has yet to be decided.*

*(3) Based on the enlarged issued share capital comprising 660,000,000 Shares assuming the maximum number of LTIP Awards are granted, vested and exercised into new Chemlite Shares.*

*(4) Deemed interested by virtue of his daughter's interest pursuant to Section 59(11)(c) of the Act.*

## 6. APPROVALS REQUIRED AND CONDITIONALITY

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

(i) Bursa Securities, for the listing of and quotation for such number of new Chemlite Shares, representing up to 10.0% of the Company's total number of issued Shares (excluding treasury shares, if any), which may be issued pursuant to the Proposed LTIP on the ACE Market of Bursa Securities;

(ii) shareholders of Chemlite at an extraordinary general meeting ("**EGM**") to be convened; and

(iii) such other relevant authorities and/or parties, if required.

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

## 7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

All the Directors of Chemlite are Eligible Persons under the Proposed LTIP ("**Interested Director(s)**"), and are therefore deemed interested in the Proposed LTIP to the extent of their respective allocations as well as the allocations to persons connected with them, if any, under the Proposed LTIP. Notwithstanding thereof, all Directors have deliberated on the Proposed LTIP, and have agreed to present the Proposed LTIP to the shareholders for their consideration and approval.

The Interested Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected with them, if any, under the Proposed LTIP. The Interested Directors will also abstain from voting in respect of their respective direct and/or indirect shareholdings in the Company, if any, on the resolutions pertaining to the Proposed LTIP and their respective proposed allocations as well as the proposed allocations to the persons connected with them, if any, under the Proposed LTIP to be tabled at the EGM to be convened.

In addition, the Interested Directors will also undertake to ensure that persons connected with them, if any, abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolutions pertaining to the Proposed LTIP and their respective proposed allocations as well as the proposed allocations to the persons connected with them, if any, under the Proposed LTIP to be tabled at the EGM to be convened.

The direct and indirect shareholdings of the Interested Directors and person connected with the Interested Director in Chemlite as at the LPD are set out as follows:-

| | As at the LPD | | | |
|---|---|---|---|---|
| | Direct | | Indirect | |
| | No. of Shares | [(1)]% | No. of Shares | [(1)]% |
| **Interested Directors** | | | | |
| Choo Yih Woei | 250,000 | 0.04 | - | - |
| Chong Yuen Fong | 231,000,000 | 38.50 | - | - |
| Heng Chee Khiang | 189,000,000 | 31.50 | [(2)]1,500,000 | 0.25 |
| Lee Kooi Hoon | 200,000 | 0.03 | - | - |
| Lim Paik Nee | 200,000 | 0.03 | - | - |
| Wong Wan Chin | 200,000 | 0.03 | - | - |
| **Person connected with the Interested Director** | | | | |
| Heng Jia Qi | 1,500,000 | 0.25 | - | - |

***Notes:-***

*(1) Based on the issued share capital comprising 600,000,000 Shares as at the LPD.*

*(2) Deemed interested by virtue of his daughter's interest pursuant to Section 59(11)(c) of the Act.*

Save as disclosed above, none of the Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed LTIP. All proposed allocations to the Interested Directors and/or persons connected with them, if any, under the Proposed LTIP are subject to the approval of the shareholders of the Company at the EGM to be convened.

## 8. DIRECTORS' STATEMENTS

The Board (save for the respective Interested Directors who have abstained from forming any opinion and making any recommendations relating to their respective allocations as well as allocations to persons connected with them, if any), after having considered all aspects of the Proposed LTIP, including but are not limited to, the rationale and pro forma effects of the Proposed LTIP, is of the opinion that the Proposed LTIP is in the best interest of the Company.

However, in view that all Directors are eligible to participate in the Proposed LTIP, the Directors have abstained and will continue to abstain from deliberating and forming any opinion on and making any recommendations on the resolutions pertaining to their respective allocations as well as allocations to persons connected with them, if any, under the Proposed LTIP. They will also abstain and ensure that persons connected with them, if any, abstain from voting in respect of their direct and/or indirect interests in the Company, if any, on the resolutions pertaining to the Proposed LTIP and their respective allocations as well as allocations to persons connected with them, if any, under the Proposed LTIP to be tabled at the EGM to be convened.

Where the resolutions are not related to the proposed allocations of LTIP Awards to the Interested Directors or to persons connected with them, if any, the Directors, having considered all aspects of the Proposed LTIP, are of the opinion that the Proposed LTIP is in the best interest of the Company.

## 9. ESTIMATED TIMEFRAME FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed LTIP is expected to be implemented by the second quarter of 2026.

## 10. PRINCIPAL ADVISER

UOBKH has been appointed by the Company as the Principal Adviser for the Proposed LTIP.

## 11. APPLICATION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities in relation to the Proposed LTIP shall be made within 1 month from the date of this announcement.

**This announcement is dated 8 April 2026.**