

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted a limited review of the contents in this Circular in relation to the Proposed ESOS (as defined herein) prior to its issuance pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



Efficient[®]

A Name You Can Trust

EFFICIENT E-SOLUTIONS BERHAD
(Registration No.: 200301030059 (632479-H))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

- I. **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF EFFICIENT E-SOLUTIONS BERHAD ("EFFICIENT" OR THE "COMPANY") ("EFFICIENT SHARE(S)" OR "SHARE(S)") (EXCLUDING TREASURY SHARES OF EFFICIENT, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF ESOS ("PROPOSED ESOS"); AND**
- II. **PROPOSED ALLOCATION OF ESOS OPTIONS TO THE ELIGIBLE DIRECTORS, MAJOR SHAREHOLDERS OF EFFICIENT AND PERSON CONNECTED TO THEM UNDER PROPOSED ESOS ("PROPOSED ALLOCATION")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOBKayHian

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

The extraordinary general meeting ("**EGM**") of Efficient will be held at Auditorium, Efficient Building, No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 23 January 2025 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM and the Form of Proxy are enclosed in this Circular.

If a member entitled to attend and vote at the EGM wish to appoint a proxy or proxies to attend, vote and speak on his behalf, kindly complete and deposit the Form of Proxy in accordance with the instructions therein at the Registered Office of the Company at No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan not later than forty-eight (48) hours before the time fixed for convening the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 21 January 2025 at 10.00 a.m.

Date and time of the EGM : Thursday, 23 January 2025 at 10.00 a.m.

This Circular is dated 16 December 2024

DEFINITIONS

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

"Act"	:	The Companies Act 2016
"Board"	:	The Board of Directors of Efficient
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"By-Law(s)"	:	The by-laws governing the rules, terms and conditions of the Proposed ESOS as may be modified, varied and/ or amended from time to time, the draft of which is set out in Appendix I of this Circular
"Circular"	:	This circular to the shareholders of Efficient dated 16 December 2024 in relation to the Proposals
"Director(s)"	:	The director(s) of Efficient and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
"Effective Date"	:	The implementation date of the Proposed ESOS, which is also a date on or after all relevant requirements of Chapter 6 of the Listing Requirements are fully complied with, including the approval and/ or implementation conditions referred to in the By-Laws having been obtained and/ or complied with
"Efficient" or the "Company"	:	Efficient E-Solutions Berhad (Registration No.: 200301030059 (632479-H))
"Efficient Group" or the "Group"	:	Efficient and its subsidiaries, collectively
"Efficient Share(s)" or "Share(s)"	:	Ordinary Share(s) in Efficient
"EGM"	:	Extraordinary General Meeting of Efficient
"Eligible Person(s)"	:	The eligible Directors and employees of Efficient Group (excluding dormant subsidiaries, if any) who fulfil the criteria of eligibility for participation in the Proposed ESOS as set out in the By-Laws
"EPS"	:	Earnings per Share
"ESOS"	:	Employees' share option scheme
"ESOS Committee"	:	The committee to be duly appointed and authorised by the Board pursuant to the By-Laws to administer the ESOS in relation to the Proposed ESOS

DEFINITIONS

"ESOS Option(s)"	:	The right of an Eligible Person to subscribe for new Efficient Shares at the exercise price pursuant to the contract constituted by the selected Eligible Person's acceptance of an offer under the Proposed ESOS in the manner and subject to the terms and conditions provided in the By-Laws
"FYE"	:	Financial year ended/ ending
"Interested Parties"	:	A director, major shareholder or chief executive of the Efficient or holding company of Efficient
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	4 December 2024, being the latest practicable date prior to the printing and despatch of this Circular
"Market Day(s)"	:	Any day from Monday to Friday (including both days) excluding a public holiday or surprise holiday* and on which Bursa Securities is open for trading of securities *A "surprise holiday" refers to a public holiday declared in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday as at the start of the calendar year
"MFRS 2"	:	Malaysian Financial Reporting Standards 2
"NA"	:	Net assets attributable to owners of Efficient
"Offer"	:	A letter of offer to Eligible Person(s) issued pursuant to an offer made by the ESOS Committee under the By-Laws
"Offer Date"	:	The date on which an Offer is made by the ESOS Committee in writing to a selected Eligible Person to participate in the Proposed ESOS
"Option Period"	:	The period during which an Option may be exercised as may be specified in the Offer, unless terminated in accordance with these By-Laws
"Proposals"	:	The Proposed ESOS and the Proposed Allocation, collectively
"Proposed Allocation"	:	Proposed allocation of ESOS Options to the Directors, major shareholders of Efficient and person connected to them pursuant to the Proposed ESOS
"Proposed ESOS"	:	Proposed establishment of an ESOS of up to 10% of the total number of issued shares of Efficient (excluding treasury shares, if any) at any point in time over the duration of the ESOS for Eligible Persons
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Statutory Pre-Emptive Rights"	:	Statutory pre-emptive rights of the shareholders of the Company to be offered any new Shares which rank equally to the existing Shares under law and the Company's constitution
"UOBKH" or the "Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
"VWAP"	:	Volume weighted average market price

DEFINITIONS

All references to "you" in this Circular are made to shareholders who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting incorporating 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 in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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

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EXECUTIVE SUMMARY

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

Key information	Description	Reference to Circular
Summary of the Proposals	<p><u>Proposed ESOS</u></p> <p>The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe for new Efficient Shares on the terms and conditions as set out in the By-Laws at an exercise price which shall be determined at a later date.</p> <p>The maximum number of Efficient Shares, which may be made available pursuant to the Proposed ESOS shall not exceed in aggregate 10% of the total number of issued shares (excluding treasury shares, if any) of Efficient at any point in time over the duration of the Proposed ESOS.</p> <p><u>Proposed Allocation</u></p> <p>The Proposed Allocation involves the allocation of ESOS Options to the eligible Directors, major shareholders of Efficient and persons connected to them.</p>	Section 2
Rationale and justifications for the Proposals	<ol style="list-style-type: none">i. to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;ii. to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Efficient Shares upon disposal;iii. to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans;iv. to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive;v. to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group; andvi. to serve as an alternative form of employees' remuneration which does not result in cash outflow for the Group but instead allows for fund-raising upon exercise the ESOS Options by the Eligible Persons.	Section 3
Approvals required/ obtained	<p>The Proposals are subject to the following approvals being obtained:-</p> <ol style="list-style-type: none">i. Bursa Securities, which was obtained on 28 November 2024; andii. the approval of the shareholders of Efficient. <p>The Proposals not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.</p>	Section 6

EXECUTIVE SUMMARY

Key information	Description	Reference to Circular
Interests of Directors, major shareholders, chief executive and/ or persons connected	All Directors and chief executive are eligible to participate in the Proposed ESOS and are therefore deemed interested to the extent of their respective Proposed Allocation and the proposed allocations to person connected to them under the Proposed ESOS.	Section 7
Directors' recommendation	<p>The Board, after having considered all aspects of the Proposed ESOS, which include, but are not limited to, the basis, the rationale and the pro forma effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed ESOS to be tabled at the EGM.</p> <p>Where the resolutions are not related to their respective Proposed Allocation or allocations to the persons connected to them, if any, the Board, after having considered all aspects of the Proposed Allocation, is of the opinion that the Proposed Allocation is in the best interest of the Group and recommends that you vote in favour of the resolutions pertaining to the Proposed Allocation at the EGM.</p>	Section 10



EFFICIENT E-SOLUTIONS BERHAD
(Registration No.: 200301030059 (632479-H))
(Incorporated in Malaysia)

Registered Office

No. 3 Jalan Astaka U8/82
Taman Perindustrian Bukit Jelutong
Seksyen U8 Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

16 December 2024

Board of Directors

Dato' Abdul Latif Bin Abdullah (*Non-Independent Non-Executive Chairman*)
Cheah Chee Kong (*Managing Director*)
Victor Cheah Chee Wai (*Executive Director*)
Tuan Haji Mokhtar Ahmad Bin Jamaldin (*Independent Non-Executive Director*)
Dato' Robiah Binti Abdul Ghani (*Independent Non-Executive Director*)
Voong Kian Yee (*Non-Independent Non-Executive Director*)

To: The shareholders of Efficient

Dear Sir/ Madam,

- I. **PROPOSED ESOS; AND**
- II. **PROPOSED ALLOCATION**

1. INTRODUCTION

On 7 November 2024, UOBKH had, on behalf of the Board, announced that Efficient proposes to undertake an establishment of an ESOS, which comprises the Proposed ESOS of up to 10% of the total number of issued shares of Efficient (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS, for Eligible Persons.

On 29 November 2024, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 28 November 2024, resolved to approve the listing of and quotation for such number of Efficient Shares, representing up to 10% of the total number of issued shares (excluding treasury shares of Efficient, if any) that may be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities subject to the conditions as set out in **Section 6** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL BY WAY OF POLL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED ESOS

The Proposed ESOS involves the granting of ESOS Options to Eligible Persons to subscribe for new Efficient Shares at specified prices to be determined in the manner as set out in **Section 2.5** of this Circular.

The Proposed ESOS will be administered by the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the Proposed ESOS in such manner it shall, in its discretion deem fit, in accordance with the provisions set out in the By-Laws. The decision as to whether the allocation of the ESOS Options will be granted on staggered basis over the duration of the Proposed ESOS shall be determined by the ESOS Committee at a later date.

The ESOS Committee may at its absolute discretion decide that the ESOS Options be satisfied via the following methods:-

- i. issuance of new Efficient Shares;
- ii. transfer of Efficient's treasury shares (if any) or any other methods as may be permitted by the Act; or
- iii. a combination of any of the above.

In considering the mode of satisfaction as referred to in item (i) to (iii) above, the ESOS Committee will take into consideration amongst others, factors such as the prevailing market price of Efficient Shares and the potential cost arising from the granting of ESOS Options.

2.1 Maximum number of Efficient Shares available under the Proposed ESOS

The maximum number of Efficient Shares, which may be made available pursuant to the Proposed ESOS shall not exceed in aggregate 10% of the total number of issued shares (excluding treasury shares, if any) of Efficient at any point in time over the duration of the Proposed ESOS.

As the LPD, the Company has an issued share capital of RM118,675,884 comprising 926,432,100 Efficient Shares. The Company does not retain any treasury shares as at the LPD.

Accordingly, a total of up to 92,643,210 Efficient Shares representing 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as at the LPD may be allotted and issued under the Proposed ESOS.

2.2 Basis of allotment and maximum allowable allotment

The maximum number of ESOS Options that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the employment grade, length of service, performance appraisal, contributions of the Eligible Person and such other factors that the ESOS Committee may deem relevant in its discretion and shall be subject to the following:-

- i. the total number of new Efficient Shares to be issued under the Proposed ESOS shall not exceed the amount stipulated in **Section 2.1** of this Circular;
- ii. the Directors and senior management of the Group (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their respective allocation of ESOS Options as well as allocation of ESOS Options to persons connected with them, if any;

- iii. the allocation to an Eligible Person, who either singly or collectively, through persons connected with the Eligible Person, holds 20% or more of the total number of issued Efficient Shares (excluding treasury shares, if any), must not exceed 10% of the total number of Efficient Shares to be made available under the Proposed ESOS; and
- iv. not more than 60% of the total number of Efficient Shares to be made available under the Proposed ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries), on the basis that they are crucial to the performance of the Group as determined by the ESOS Committee at their sole and absolute discretion,

provided always that it is in accordance with the Listing Requirements or any prevailing requirements issued by Bursa Securities or any other relevant authorities as amended from time to time.

In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person and persons connected with him/ her who are also members of the ESOS Committee shall not participate in the deliberation, discussion and/ or voting of such Eligible Person's own allocation of the ESOS Options or allocation to persons connected with them.

The ESOS Committee has the absolute discretion in determining whether the ESOS Options will be granted in a single tranche or on a staggered basis over the duration of the Proposed ESOS as well as whether the ESOS Options are subject to any vesting period or vesting conditions, including any performance target that must be achieved, the determination of which will be carried out at a later date after the establishment of the ESOS Committee.

2.3 Eligibility

Subject to the discretion of the ESOS Committee, only Eligible Persons who meet the following conditions as at the Offer Date shall be eligible to participate in the Proposed ESOS:-

- a. in respect of an employee of the Group (excluding dormant subsidiaries), the employee must fulfil the following criteria as at the Offer Date to participate in the Proposed ESOS in the manner provided in the By-Laws:-
 - aa. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - bb. is confirmed in writing as a full time employee (not under any probationary period) and has been in the employment of the Company or any company in the Group (excluding dormant subsidiaries) for such period as may be determined by the ESOS Committee prior to and up to the Offer Date and has not served a notice to resign nor received a notice of termination;
 - cc. if he/ she 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 ESOS Committee; and/ or
 - dd. fulfils any other criteria and/ or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion.

- b. in respect of a Director of the Group (which are not dormant), the Director must fulfil the following criteria as at the Offer Date:-
 - aa. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - bb. has been appointed as a Director of the Company or any company in the Group (excluding dormant subsidiaries) (including executive or non-executive and/ or independent or non-independent Directors of Efficient Group but excluding alternate and/ or similar substitute directors) for such period as may be determined by the ESOS Committee prior to and up to the Offer Date and has not served a notice to resign nor received a notice of termination; and/ or
 - cc. fulfils any other criteria and/ or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion,

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

Notwithstanding the above, the ESOS Committee may, in its absolute discretion, determine any other conditions of eligibility and/ or waive any of the conditions of eligibility as set out above. The eligibility and number of ESOS Options to be offered to an Eligible Person under the Proposed ESOS, subject to the eligibility criteria stated above, shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

The specific allocation of ESOS Options granted by the Company to the Interested Parties or a person connected with any of the Interested Parties who is an Eligible Person must be approved by the shareholders of the Company at a general meeting.

2.4 Duration and termination

The Proposed ESOS, when implemented, shall be in force for a period of 5 years from the Effective Date. The Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, extend the Proposed ESOS for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date or such longer period as may be permitted by Bursa Securities and/or any other relevant authorities from time to time.

Such extended Proposed ESOS shall be implemented in accordance with the terms of the By-Laws, save for any amendment and/ or change to the relevant statutes and/ or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed ESOS and the Company shall serve appropriate notices on the Eligible Person and/ or make any necessary announcements to any parties and/ or Bursa Securities (if required) within 30 days prior to the date of expiry of the Proposed ESOS or such other period as may be stipulated by Bursa Securities.

Subject to the compliance with the Listing Requirements, other requirements of Bursa Securities and any other relevant authorities, the Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, at any time during the duration of the Proposed ESOS and before the date of expiry of the Proposed ESOS, terminate the Proposed ESOS in accordance with the terms of the By-Laws provided that an announcement is released to Bursa Securities on the following:-

- a. the effective date of termination of the Proposed ESOS;

- b. the number of ESOS Options exercised and Efficient Shares vested pursuant to the Proposed ESOS; and
- c. the reasons for termination.

Any unaccepted offer and unvested and/ or unexercised ESOS Options (whether fully or partially) shall lapse and deemed cancelled and be null and void on the effective date of termination of the Proposed ESOS.

2.5 Basis of determining the exercise price

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the exercise price which will be payable by the Eligible Person upon the exercise of the ESOS Options shall be based on the 5-day VWAP of Efficient Shares immediately preceding the Offer Date, with a discount of not more than 10% (or such other percentage or discount as may be permitted by Bursa Securities and/ or any other relevant authorities from time to time) during the tenure of the Proposed ESOS, as determined by the Board upon recommendation of the ESOS Committee.

2.6 Ranking of the Efficient Shares pursuant to the exercise of ESOS Options

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

The ESOS Options shall not carry any right to vote at any general meeting of the Company. The new Efficient Shares to be allotted and issued arising from the exercise of the ESOS Options will be subject to the provisions of the constitution of the Company relating to transfer, transmission or otherwise of Efficient Shares including the rights of the holder of Efficient Shares on the winding up of the Company and the Listing Requirements if any.

2.7 Retention Period

The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer of Efficient Shares to be issued and/ or transferred via treasury shares arising from the exercise of ESOS Options as it deems fit.

In addition to the above, pursuant to Paragraph 8.20 of the Listing Requirements, an eligible Director who is a non-executive Director of Efficient and/ or any of its subsidiaries, which are not dormant, shall not sell, transfer or assign the Efficient Shares obtained through the exercise of the ESOS Options offered to him/ her within 1 year from the Offer Date.

2.8 Listing and quotation for the new Efficient Shares to be issued arising from the exercise of ESOS Options

Bursa Securities had vide its letter dated 28 November 2024, approved the listing of and quotation for such number of new Efficient Shares, representing up to 10% of the total number of issued shares in the Company (excluding treasury shares, if any) to be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities.

2.9 Alteration of capital

Subject to the By-Laws, in the event of any alteration in the capital structure of Efficient during the Proposed ESOS, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of Efficient Shares or reduction of capital or any other variation of capital being effected, the ESOS Committee may determine whether a material dilution or enlargement of the rights of the Eligible Persons would result from such alteration in the capital structure of Efficient during the Proposed ESOS and if it so determined, adjustments in:-

- i. the exercise price; and/ or
- ii. the number of unexercised ESOS Options,

shall be made in order to prevent dilution or enlargement provided that no adjustments shall be made in the event of any alteration in the capital structure of Efficient in respect of the ESOS Options which have been exercised and of which rights/ benefits arising therefrom are accrued to the Shares allotted and issued and/ or transferred pursuant to the provisions of the By-Laws.

2.10 Utilisation of proceeds from the Proposed ESOS

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the exercise price payable upon the exercise of the ESOS Options, respectively.

The proceeds arising from the exercise of the ESOS Options as and when received will be utilised for the working capital requirements of the Group, which may include capital expenditure for the expansion of storage capacity of records management warehouse, technology refresh, operating expenses as well as general expenses such as but not limited to staff costs, office rental costs and utilities. The proceeds are expected to be utilised within 12 months from the receipt of such proceeds throughout the tenure of the Proposed ESOS. However, the proceeds to be utilised for each component of working capital requirements are subject to the operating and funding requirements of the Group at the point of utilisation and therefore cannot be determined at this juncture.

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund the Group's working capital requirement.

2.11 Other fund-raising exercises in the past 12 months

The Company had on 5 July 2023, announced the private placement of up to 70,913,010 new Efficient Shares ("**Placement Share(s)**"), representing approximately 10% of the total issued shares of Efficient ("**Private Placement**"). A total of 47,302,000 Shares were placed out, raising gross proceeds of RM9.13 million.

The Private Placement was subsequently completed on 7 March 2024. The utilisation of proceeds as at the LPD are set out below:-

Details of utilisation	Timeframe for utilisation ^{*1}	Proposed utilisation RM'000	Amount utilised RM'000	Balance proceeds RM'000
Capital expenditure	Within 24 months	7,929	3,362	4,567
Working capital	Within 12 months	-	-	-
Estimated expenses	Upon completion	1,200	1,200	-
Total		9,129	4,562	4,567

Notes:-

^{*1} From the date of completion of the Private Placement

Save for the Private Placement, the Company has not undertaken any other equity fund raising exercises in the 12 months prior to the date of this Circular.

3. PROPOSED ALLOCATION

Paragraph 6.06(1) of the Listing Requirements states that the Company must not issue any shares to its Directors, major shareholders or chief executive or a person connected with them unless its shareholders in a general meeting have approved the specific allotment to be made to them. Accordingly, the Company will seek its shareholders' approval at the forthcoming EGM for the proposed allocation of the ESOS Options to the following persons:-

Name	Designation
<u>Directors and major shareholders</u>	
Cheah Chee Kong	Major shareholder/ Managing Director
Victor Cheah Chee Wai	Major shareholder/ Executive Director
<u>Directors</u>	
Dato' Abdul Latif Bin Abdullah	Non-Independent Non-Executive Chairman
Tuan Haji Mokhtar Ahmad Bin Jamaldin	Independent Non-Executive Director
Dato' Robiah Binti Abdul Ghani	Independent Non-Executive Director
Voong Kian Yee	Non-Independent Non-Executive Director
<u>Person connected with Director and major shareholder</u>	
Edward Cheah Wern Han	Head of Group Marketing & Branding
Andrea Cheah Wern-Li	Project Manager

4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

The implementation of the Proposals primarily serves to align the interests of the Eligible Persons to the corporate goals of the Group. The Proposals will provide the Eligible Persons with an opportunity to have equity participation in the Company and help achieve the objectives as set out below:-

- i. to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;
- ii. to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciate in the value of Efficient Shares upon disposal;
- iii. to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans;
- iv. to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive;
- v. to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group; and

- vi. to serve as an alternative form of employees' remuneration which does not result in cash outflow for the Group but instead allows for fund-raising upon exercise the ESOS Options by the Eligible Persons.

The Proposed ESOS is also extended to non-executive Directors of the Group after taking into consideration the following:-

- i. to recognise their contributions towards the Company. Notwithstanding that they are not involved in the day-to-day business operations of the Company, the non-executive Directors are from time to time consulted on corporate governance matters and to provide independent oversight on amongst others, areas such as risk management, financial reporting and audit functions, remuneration system, internal control, and the strategic direction of the Group;
- ii. to promote active participation, albeit in the capacities of the non-executive Directors, in the evaluation of the Group's strategic initiatives and to motivate the non-executive Directors in promoting the interests of the Group by enabling them to participate in the success and long term growth of the Group;
- iii. to enable the Group to retain flexibility in facilitating our remuneration package, which allows the Group to provide an incentive in the form of shares as an alternative to paying fees in cash which may in turn preserve the internal cash flows for the Group's existing business and/ or other working capital requirements; and
- iv. to attract and retain qualified and experienced personnel from different professional backgrounds to join the Company as non-executive Directors.

5. EFFECTS OF THE PROPOSED ESOS

5.1 Issued share capital

The Proposed ESOS will not have an immediate effect on the issued share capital of Efficient until such time when new Efficient Shares are issued pursuant to the exercise of the ESOS Options. The issued share capital of Efficient will increase progressively depending on the number of new Efficient Shares that are issued pursuant to the exercise of the ESOS Options. However, should the ESOS Options be satisfied via transfer of Efficient's treasury shares (if any), there will be no effect on the issued share capital of Efficient.

The pro forma effects of the Proposed ESOS on the issued share capital of the Company are set out below:-

	No. of Shares	RM
Issued share capital as at the LPD	926,432,100	118,675,884
Shares to be issued assuming full exercise of the ESOS Options	92,643,210	14,841,442 ^{*1}
Enlarged issued share capital	1,019,075,310	133,517,326

Note:-

^{*1} Computed based on the illustrative exercise price of RM0.1602 per ESOS Option, representing approximately 9.95% discount to the 5-day VWAP of Efficient Shares up to and including the LPD of RM0.1779 per Efficient Share

5.2 NA per Share and gearing level

The Proposed ESOS is not expected to have an immediate effect on the NA, NA per Share and gearing of the Group until such time when the ESOS Options are exercised. The effects on the NA, NA per Share and gearing of the Group would depend on factors such as the number of ESOS Options granted and the fair value of the ESOS Options after taking into account, amongst others, the exercise price of the ESOS Options as well as any vesting conditions.

Whilst the granting of ESOS Options under the Proposed ESOS is expected to result in recognition of a charge in the statement of comprehensive income of the Group pursuant to the Malaysian Financial Reporting Standard 2 – Share-based Payment ("MFRS 2") as issued by the Malaysian Accounting Standards Board, the recognition of such MFRS 2 charge would not affect the Group's NA as the corresponding amount will be classified as an equity compensation reserve which forms part of the shareholders' equity.

Upon vesting of the ESOS Options and/ or exercise of the ESOS Options pursuant to the Proposed ESOS, the NA per Share of the Group is expected to:-

- i. increase if the exercise price of the ESOS Options is higher than the NA per Share of the Group; or
- ii. decrease if the exercise price of the ESOS Options is lower than the NA per Share of the Group,

at such point of exercise.

5.3 Earnings and EPS

The Proposed ESOS is not expected to have any material effect on the earnings of the Group for financial year ending 31 December 2024, save for the possible impact of the MFRS 2 upon granting of the ESOS Options. However, any potential effect on the earnings and EPS of the Group in the future would depend on the impact of MFRS 2, the number and exercise price of the ESOS Options exercised as well as the utilisation of the proceeds arising therefrom.

Under the MFRS 2, the potential cost arising from the issuance of the ESOS Options, which is measured by the fair value of the ESOS Options after taking into account, amongst others, the number of ESOS Options granted and vested and the exercise price, will need to be measured at the grant date and to be recognised as an expense over the vesting period, and therefore may affect the future earnings of the Group, the quantum of which can only be determined at the grant date. However, the estimated cost does not represent a cash outflow by Efficient as it is merely an accounting treatment.

The fair value of the ESOS Options will be determined after taking into consideration, amongst others, the historical volatility of Efficient Shares, the risk-free rate, the exercise price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Nevertheless, we have taken note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in the allocation and granting of ESOS Options to the Eligible Persons.

Notwithstanding the above, the EPS of the Group may be diluted depending on the number of Efficient Shares to be issued and/ or transferred via treasury shares pursuant to the exercise of ESOS Options. The effects of any exercise of ESOS Options on the EPS of the Group would also depend on the returns to be generated by the Group from the utilisation of proceeds from the exercise of ESOS Options.

5.4 Convertible securities

As at the LPD, the Company has no other convertible securities.

5.5 Substantial shareholding structure

The Proposed ESOS will not have an immediate effect on the shareholdings of the substantial shareholders of Efficient until such time when the new Shares are issued pursuant to the Proposed ESOS, which should result in a dilution in their shareholdings. Any potential effect on the substantial shareholdings in Efficient will depend on the actual number of Shares to be issued pursuant to the Proposed ESOS.

For illustrative purposes, the pro forma effect of the Proposed ESOS on the substantial shareholders' shareholdings of Efficient are set out below:-

	Shareholdings as at the LPD				After the Proposed ESOS			
	←-----Direct----->		←-----Indirect----->		←-----Direct----->		←-----Indirect----->	
	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*2}
Cheah Chee Kong Sdn Bhd	107,795,000	11.64	106,200,000 ^{*3}	11.46	107,795,000	10.58	106,200,000 ^{*3}	10.42
Cheah Chee Kong	9,734,500	1.05	213,995,000 ^{*4}	23.10	9,734,500	0.96	213,995,000 ^{*4}	21.00
Victor Cheah Chee Wai	6,000,000	0.65	213,995,000 ^{*4}	23.10	6,000,000	0.59	213,995,000 ^{*4}	21.00
Cheah Swee Sin Sdn Bhd	106,200,000	11.46	-	-	106,200,000	10.42	-	-
Soon Yoke Leng	-	-	106,200,000 ^{*5}	11.46	-	-	106,200,000 ^{*5}	10.42
Lim Hooi Teik	66,690,200	7.20	-	-	66,690,200	6.54	-	-
Beaufort International Equities Inc.	63,896,600	6.90	-	-	63,896,600	6.27	-	-
Singapore Post Enterprise Private Limited	147,529,100	15.92	-	-	147,529,100	14.48	-	-
Singapore Post Limited	-	-	147,529,100 ^{*6}	15.92	-	-	147,529,100 ^{*6}	14.48
Singapore Telecommunications Limited	-	-	147,529,100 ^{*6}	15.92	-	-	147,529,100 ^{*6}	14.48
Temasek Holdings (Private) Limited	-	-	147,529,100 ^{*6}	15.92	-	-	147,529,100 ^{*6}	14.48
Spektrum Sejahtera Sdn Bhd	170,000,000	18.35	-	-	170,000,000	16.68	-	-
Azizah Binti Nizar	-	-	170,000,000 ^{*7}	18.35	-	-	170,000,000 ^{*7}	16.68
Mohamed Iqbal Bin M.M.Mohamed Ganey	-	-	170,000,000 ^{*7}	18.35	-	-	170,000,000 ^{*7}	16.68

Notes:-

^{*1} Based on the total issued shares of Efficient of 926,432,100 Shares

^{*2} Based on the enlarged issued shares of Efficient of 1,019,075,310 Shares

^{*3} Deemed interested by virtue of its shareholdings in Cheah Swee Sin Sdn Bhd pursuant to Section 8 of the Act

^{*4} Deemed interested by virtue of his shareholdings in Cheah Chee Kong Sdn Bhd and Cheah Chee Kong Sdn Bhd's shareholdings in Cheah Swee Sin Sdn Bhd pursuant to Section 8 of the Act

^{*5} Deemed interested by virtue of her shareholdings in Cheah Swee Sin Sdn Bhd pursuant to Section 8 of the Act

^{*6} Deemed interested in the shareholdings held by Singapore Post Enterprise Private Limited by virtue of Section 8 of the Act

^{*7} Deemed interested by virtue of his/ her shareholdings in Spektrum Sejahtera by virtue of Section 8 of the Act

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Efficient Shares as traded on Bursa Securities for the past 12 months from December 2023 to November 2024 are set out below:-

	High RM	Low RM
2023		
December	0.240	0.205
2024		
January	0.255	0.190
February	0.230	0.200
March	0.230	0.200
April	0.240	0.205
May	0.225	0.200
June	0.290	0.205
July	0.290	0.240
August	0.250	0.200
September	0.220	0.180
October	0.210	0.180
November	0.205	0.180
Closing market price of Efficient Shares as at 6 November 2024 (being the latest trading day prior to the announcement on the Proposed ESOS)		0.205
Last transacted market price on the LPD		0.180

(Source: Bloomberg)

7. APPROVALS REQUIRED/ OBTAINED

The Proposals are subject to the following approvals being obtained:-

- i. Bursa Securities, which has vide its letter dated 28 November 2024, for the listing of and quotation for such number of Efficient Shares, representing up to 10% of total number of issued shares of Efficient (excluding treasury shares, if any), which may be made available pursuant to the Proposed ESOS on the Main Market of Bursa Securities, subject to the following conditions;

No.	Conditions	Status of compliance
a.	Efficient and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed ESOS;	To be complied
b.	UOBKH is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of the implementation together with certified true copy of the resolution passed by shareholders in general meeting approving the Proposed ESOS and letter of compliance in relation the By-Laws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final By-Laws; and	To be complied
c.	Efficient is required to furnish Bursa Securities on a quarterly basis of summary of the total number of Shares listed pursuant to the exercise of options under the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- ii. the approval of the shareholders of Efficient at the EGM to be convened.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

Pursuant to Section 85 of the Act read together with Clause 10 of the Constitution of the Company, the shareholders of the Company have statutory pre-emptive rights to be offered any new Shares which rank equally to the existing Shares. By approving the waiver of Statutory Pre-Emptive Rights and ordinary resolution in relation to the Proposed ESOS which entail the allotment and issuance of new Efficient Shares (arising from the exercise of the ESOS Options) in the Company, the shareholders of the Company are deemed to have waived their Statutory Pre-Emptive Rights pursuant to Section 85 of the Act and the Constitution of the Company to be first offered the Efficient Shares which will result in a dilution to their shareholding percentage in the Company.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

All Directors are eligible to participate in the Proposed ESOS and are therefore deemed interested to the extent of their respective Proposed Allocation and the proposed allocations to persons connected with them under the Proposed ESOS.

Accordingly, all the Directors of Efficient who are entitled to participate in the Proposed ESOS have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to their respective Proposed Allocation as well as allocations to persons connected to them, if any, under the Proposed ESOS. The Directors of Efficient will also abstain from voting in respect of their respective direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to their respective Proposed Allocation as well as the proposed allocations to persons connected to them, if any, under the Proposed ESOS to be tabled at the EGM of the Company to be convened. The Directors of Efficient will also undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to their respective Proposed Allocation, as well as persons connected to them, if any, under the Proposed ESOS to be tabled at the EGM of the Company to be convened.

The major shareholders of Efficient who are entitled to participate in the Proposed ESOS will abstain from voting in respect of their respective direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to their respective Proposed Allocation as well as the proposed allocations to persons connected to them, if any, under the Proposed ESOS to be tabled at the EGM of the Company to be convened. The major shareholders of Efficient will also undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to their respective Proposed Allocation and the proposed allocations to the persons connected to them, if any, under the Proposed ESOS to be tabled at the EGM of the Company to be convened.

The direct and indirect shareholdings of the Directors, major shareholders of Efficient and persons connected to them as at the LPD are as follows:-

	Shareholdings as at the LPD			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
<u>Directors and major shareholders</u>				
Cheah Chee Kong	9,734,500	1.05	213,995,000 ^{*1}	23.10
Victor Cheah Chee Wai	6,000,000	0.65	213,995,000 ^{*1}	23.10
<u>Directors</u>				
Dato' Abdul Latif Bin Abdullah	-	-	-	-
Tuan Haji Mokhtar Ahmad Bin Jamaludin	-	-	-	-
Dato' Robiah Binti Abdul Ghani	-	-	-	-
Voong Kian Yee	-	-	-	-

Shareholdings as at the LPD			
<-----Direct----->		<-----Indirect----->	
No. of Shares	%	No. of Shares	%

Persons connected with Director and major shareholder

Edward Cheah Wern Han	-	-	-	-
Andrea Cheah Wern-Li	-	-	-	-

Note:-

^{*1} *Deemed interested by virtue of his shareholdings in Cheah Chee Kong Sdn Bhd and Cheah Chee Kong Sdn Bhd's shareholdings in Cheah Swee Sin Sdn Bhd pursuant to Section 8 of the Act*

Save as disclosed above, none of the Directors, major shareholders, chief executive of the Company and/ or persons connected with them have any interest, direct and/ or indirect, in the Proposed ESOS.

9. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be implemented by the first quarter of 2025.

10. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (which is the subject matter of this Circular), the Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the LPD.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposed ESOS, including but are not limited to, the basis, the rationale and the pro forma effects of the Proposed ESOS, is of the opinion that the Proposed ESOS is in the best interest of the Company. Accordingly, the Board recommends that you **vote in favour** of the resolutions pertaining to the Proposed ESOS at the forthcoming EGM.

However, in view that all Directors are eligible to participate in the Proposed ESOS, 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 Proposed Allocation as well as allocations to persons connected to them, if any, under the Proposed ESOS. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/ or indirect interests in Efficient, on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS at a general meeting of the Company to be convened.

Where the resolutions are not related to their respective Proposed Allocation or allocations to the persons connected to them, if any, the Directors, after having considered all aspects of the Proposed ESOS, the Board, after having considered all aspects of the Proposed Allocation, is of the opinion that the Proposed Allocation is in the best interest of the Company and recommends that you **vote in favour** of the resolutions pertaining to the Proposed Allocation at the forthcoming EGM.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Auditorium, Efficient Building, No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 23 January 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If a member entitled to attend and vote at the EGM wish to appoint a proxy or proxies to attend, vote and speak on his behalf, kindly complete and deposit the Form of Proxy in accordance with the instructions therein at the Registered Office of the Company at No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan not later than forty-eight (48) hours before the time fixed for convening the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
EFFICIENT E-SOLUTIONS BERHAD

DATO' ABDUL LATIF BIN ABDULLAH
Non-Independent Non-Executive Chairman

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

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

3. DECLARATION OF CONFLICT OF INTERESTS

UOBKH has given its written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to Efficient for the Proposals.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, Efficient Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against Efficient Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect Efficient Group's financial position or business.

5. MATERIAL COMMITMENTS

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by Efficient Group that has not been provided for which, upon becoming enforceable, may have a material impact on Efficient Group's financial results/ position.

6. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on Efficient Group's financial results/ position.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Efficient at No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- i. the constitution of Efficient;
- ii. the audited consolidated financial statements of Efficient Group for the past 2 financial years up to the 31 December 2023 and the latest unaudited quarterly report of Efficient Group for the 9-month FPE 30 September 2024;
- iii. the letter of consent and declaration of conflict of interests referred to in **Sections 2 and 3** above, respectively; and
- iv. the draft By-Laws, as set out in **Appendix I** of this Circular



EFFICIENT E-SOLUTIONS BERHAD
(Registration No.: 200301030059 (632479-H))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Efficient E-Solutions Berhad ("**Efficient**" or the "**Company**") will be held at Auditorium, Efficient Building, No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 23 January 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF EFFICIENT ("EFFICIENT SHARE(S)" OR " SHARE(S)") (EXCLUDING TREASURY SHARES OF EFFICIENT, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF ESOS ("PROPOSED ESOS")

"**THAT**, subject to the approvals of all relevant regulatory authorities being obtained, where required, approval be and is hereby given to the Board of Directors of Efficient ("**Board**") for the listing of and quotation for such number of new Efficient Shares, representing 10% of Efficient's total number of issued shares (excluding treasury shares, if any) to be issued arising from the exercise of the options granted under the Proposed ESOS ("**ESOS Option(s)**"), approval be and is hereby given for the Board to:-

- i. establish, implement and administer the Proposed ESOS during the duration of the ESOS for the eligible Directors and employees of Efficient and its subsidiaries (the "**Group**") (excluding subsidiaries which are dormant, if any) who fulfil the eligibility criteria ("**Eligible Persons**") in accordance with the provisions of the by-laws governing the rules, terms and conditions of the Proposed ESOS ("**By-Laws**"), a draft of which is set out in Appendix I of the circular to the shareholders of Efficient dated 16 December 2024 in relation to the Proposed ESOS ("**Circular**");
- ii. allot and issue such number of new Efficient Shares to the Eligible Persons from time to time as may be arising from the exercise of the ESOS Options, provided that the total number of new Efficient Shares, which may be made available under the Proposed ESOS, shall not in aggregate exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS;
- iii. make the necessary applications and do all things necessary at the appropriate time or times to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new Efficient Shares, which may from time to time be allotted and issued arising from the exercise of the ESOS Options and that the new Efficient Shares to be allotted and issued upon the exercise of the ESOS Options will, upon allotment and issuance, rank equally in all respects with the existing Efficient Shares, save and except that such Efficient Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such Efficient Shares. The new Efficient Shares allotted will be subject to all provisions in the Constitution of the Company and Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), if any;
- iv. add, amend, modify and/ or delete all or any part of the terms and conditions as set out in the By-Laws governing the Proposed ESOS from time to time provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESOS;

- v. extend the duration of the Proposed ESOS for a period of up to another five (5) years, provided always that such extension of the Proposed ESOS made in accordance with the provisions of the By-Laws shall not in aggregate exceed a duration of ten (10) years from the date the Proposed ESOS takes effect or such other period determined by the relevant authorities;
- vi. do all things necessary and make the necessary applications to Bursa Malaysia Securities Berhad for the listing of and quotation for new Efficient Shares that may, hereafter from time to time, be allotted and issued under the Proposed ESOS; and
- vii. to appoint and authorise a committee by the Board ("**ESOS Committee**"), which the Proposed ESOS will be administered in accordance with the By-Laws by the said ESOS Committee, who will be responsible for implementing and administering the Proposed ESOS. The members of the ESOS Committee shall comprise such number of Directors and/ or senior management personnel of the Group to be identified from time to time.

THAT the Board be and is hereby authorised to give effect to the Proposed ESOS with full power to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/ or expedient to implement, finalise and give full effect to the Proposed ESOS;

THAT pursuant to Section 85 of the Companies Act 2016 ("**Act**") read together with Clause 10 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new Efficient Shares ranking equally to the existing issued Efficient Shares arising from any issuance of new Efficient Shares to the Eligible Persons pursuant to the Proposed ESOS;

AND THAT the draft By-Laws as set out in Appendix I of the Circular and which is in compliance with the Listing Requirements, be and is hereby approved and adopted."

ORDINARY RESOLUTIONS 2 TO 9

PROPOSED ALLOCATION OF ESOS OPTIONS TO THE ELIGIBLE DIRECTORS, MAJOR SHAREHOLDERS OF EFFICIENT AND PERSON CONNECTED TO THEM UNDER PROPOSED ESOS ("PROPOSED ALLOCATION")

"**THAT**, subject to the passing of the Ordinary Resolution 1 and the approval of the relevant authorities being obtained for the Proposed ESOS, approval be and is hereby given to the Board to authorise the ESOS Committee, from time to time throughout the duration of the Proposed ESOS, to offer and grant such number of ESOS Options pursuant to the Proposed ESOS as provided by the By-Law, an aggregate of up to 55,585,926^{*1} new Efficient Shares to be awarded to the following Directors, major shareholders of Efficient and person connected to them:-

No.	Name	Ordinary Resolutions
i.	Cheah Chee Kong (Major shareholder/ Managing Director)	Resolution 2
ii.	Victor Cheah Chee Wai (Major shareholder/ Executive Director)	Resolution 3
iii.	Dato' Abdul Latif Bin Abdullah (Non-Independent Non-Executive Chairman)	Resolution 4
iv.	Tuan Haji Mokhtar Ahmad Bin Jamaludin (Independent Non-Executive Director)	Resolution 5
v.	Dato' Robiah Binti Abdul Ghani (Independent Non-Executive Director)	Resolution 6
vi.	Voong Kian Yee (Non-Independent Non-Executive Director)	Resolution 7
vii.	Edward Cheah Wern Han (Head of Group Marketing & Branding)	Resolution 8
viii.	Andrea Cheah Wern-Li (Project Manager)	Resolution 9

Note:-

^{*1} As highlighted in Sections 2.1 and 2.2(iv) of the Circular, a total of up to 92,643,210 new Efficient Shares, representing 10% of the total number of enlarged issued Shares of the Company, may be issued pursuant to the Proposed ESOS. Out of the total 92,643,210 new Efficient Shares that may be issued, up to a maximum of 60% (i.e. 55,585,926 Efficient Shares) can be allocated, in aggregate, to the eligible Directors and senior management of the Group.

Provided always that:-

- i. he/ she must not participate in the deliberation or discussion of his/ her own respective allocation of ESOS Options as well as allocation to persons connected to him/ her;
- ii. not more than 10% of the new Efficient Shares which may be made available under the Proposed ESOS shall be allocated to him/ her, if he/ she, either singly or collectively through persons connected to him/ her, holds 20% or more of the total number of issued shares of Efficient (excluding treasury shares, if any);
- iii. not more than 60% of the total number of new Efficient Shares which may be made available under the Proposed ESOS, in aggregate, to the Directors and Senior Management of the Company who are eligible Employees; and
- iv. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

THAT pursuant to Section 85 of the Act read together with Clause 10 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new Efficient Shares ranking equally to the existing issued Efficient Shares arising from any issuance of new Efficient Shares to the above Directors of Efficient Group pursuant to the Proposed ESOS;

THAT the Board be and is hereby authorised to allot and issue the corresponding number of new Efficient Shares arising from the exercise of the ESOS Options that may be granted to any of the abovementioned interested Directors and employees of the Company under the Proposed ESOS;

AND THAT the Board be further authorised to do all such acts and things (including executing such documents as may be required) in the said connection and to delegate all or any of the powers herein vested in them to any Director(s) or any officer(s) of the Company to give effect to the Proposed Allocation with full power to assent to and to adopt and implement any condition, variation, modification and/ or amendment as may be necessary or expedient and/ or imposed by and/or agreed with the relevant authorities."

By Order of the Board

TAN KEAN WAI (MAICSA 7056310) (SSM PC No. 202008000801)
Company Secretary

Selangor Darul Ehsan
16 December 2024

Notes:-

1. *Only members registered in the Record of Depositors as at 15 January 2025 shall be eligible to attend, speak and vote at this meeting or appoint proxy to attend and vote for his/ her behalf.*
2. *A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote on his behalf.*
3. *A proxy may but need not be a member of the Company and there shall be no restriction as to the qualifications of the proxy.*
4. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.*
5. *Where a member is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 that holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
6. *If the appointer is a corporation, the proxy form should be executed under its common seal or under the hand of an officer or attorney duly authorised. The corporation may by its resolution of its Board or a certificate of authorization by the corporation to appoint a person or persons to act as its representative or representatives to attend and vote on their behalf.*
7. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy to vote at this Meeting shall be deemed to include the power to demand, or join in demanding a poll on behalf of the appointor. **Faxed and photocopied copies of the duly executed Form of Proxy are not acceptable.***



Efficient[®]
A Name You Can Trust

EFFICIENT E-SOLUTIONS BERHAD
(Registration No.: 200301030059 (632479-H))
(Incorporated in Malaysia)

CDS Account No.	
No. of shares held	

FORM OF PROXY

*I/We (full name).....

*NRIC No./Passport No./Company No..... of (full address).....

.....Mobile No..... Email Address.....

being a member of **EFFICIENT E-SOLUTIONS BERHAD ("Company")** hereby appoint

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

You are required to fill in the contact no. and email address to participate the Extraordinary General Meeting ("**EGM**"), otherwise, we are unable to register you as the participant of the meeting.

*or failing him/her, the Chairman of the meeting as *my/ our proxy to participate, speak and vote for *my/ our behalf at the EGM, to be held at Auditorium, Efficient Building, No. 3 Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8 Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 23 January 2025 at 10.00 a.m., or at any adjournment thereof and to vote as indicated below.

*My/ our proxy is to vote as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	PROPOSED ESOS		
2.	PROPOSED ALLOCATION OF ESOS OPTIONS TO CHEAH CHEE KONG		
3.	PROPOSED ALLOCATION OF ESOS OPTIONS TO VICTOR CHEAH CHEE WAI		
4.	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' ABDUL LATIF BIN ABDULLAH		
5.	PROPOSED ALLOCATION OF ESOS OPTIONS TO TUAN HAJI MOKHTAR AHMAD BIN JAMALDIN		
6.	PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' ROBIAH BINTI ABDUL GHANI		
7.	PROPOSED ALLOCATION OF ESOS OPTIONS TO VOONG KIAN YEE		
8.	PROPOSED ALLOCATION OF ESOS OPTIONS TO EDWARD CHEAH WERN HAN		
9.	PROPOSED ALLOCATION OF ESOS OPTIONS TO ANDREA CHEAH WERN-LI		

*Strike out whichever is not applicable

Please indicate with an "X" in the spaces provided as to how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion

The proportions of *my/ our holdings to be presented by *my/our proxies are as follows:

Proxy 1	%
Proxy 2	%
Total	100%

Dated this.....day of.....2025

.....
Signature of shareholder(s)/ Common Seal

Notes:-

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AFFIX
STAMP

The Company Secretary
EFFICIENT E-SOLUTIONS BERHAD
(Registration No.: 200301030059 (632479-H))
No. 3 Jalan Astaka U8/82
Taman Perindustrian Bukit Jelutong
Seksyen U8 Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

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