

永聯資源有限公司
ELK-DESA RESOURCES BERHAD

(Company No: 180164-X)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of ELK-Desa Resources Berhad ("ELK-Desa" or the "Company") will be held at The Melia Hotel Kuala Lumpur, Alhambra Ballroom, Level M1, No. 16, Jalan Imbi, 55100 Kuala Lumpur, Malaysia on 21 February 2014, Friday at 2.30 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without modification:

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF RM100,000,000 NOMINAL VALUE OF EIGHT (8) YEAR, COUPON RATE OF 3.25%, IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK ("ICULS") AT 100% OF THE NOMINAL VALUE OF RM1.00 EACH ("RIGHTS ICULS") ON THE BASIS OF FOUR (4) RIGHTS ICULS OF RM1.00 EACH IN NOMINAL VALUE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF RM1.00 EACH IN ELK-DESA ("ELK-DESA SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE OF ICULS")

"THAT, subject to and conditional upon the approvals of all relevant authorities being obtained, approval be and is hereby given to the Directors of the Company ("Directors") to:

- (i) provisionally allot and issue by way of renounceable rights issue of irredeemable convertible unsecured loan stock ("ICULS") of RM100,000,000 in nominal value with coupon rate of 3.25% per annum on the nominal value of the ICULS at 100% of the nominal value of RM1.00 each for a tenure of eight (8) years ("Rights ICULS") on the basis of four (4) Rights ICULS of RM1.00 each in nominal value for every five (5) existing ordinary shares of RM1.00 each in ELK-Desa ("ELK-Desa Share(s)") held on an entitlement date to be determined later ("Entitlement Date"), to disregard fractional entitlements under the Proposed Rights Issue of ICULS and to deal with the aggregate of such fractions as the Directors of the Company may at their discretion deem fit and expedient and in the best interest of the Company and to deal with the excess Rights ICULS not subscribed by the other entitled shareholders in the manner as detailed in Section 2.1 of the Circular to shareholders of ELK-Desa dated 30 January 2014 ("Circular"), AND THAT the Rights ICULS so allotted and issued to the shareholders shall rank pari passu in all respects with the then all other unsubordinated and unsecured obligations of the Company subject only to those preferred by mandatory provisions of law;
- (ii) create and issue the ICULS at the conversion price of RM1.25 for every one (1) new ELK-Desa Share, (or such price adjusted in accordance with the trust deed) based on the indicative principal terms as set out in Appendix I of the Circular and the terms and conditions of a trust deed to be executed by the Company constituting the ICULS ("Trust Deed");
- (iii) allot and issue new ELK-Desa Shares arising from the conversion of the ICULS (including further ICULS arising from any adjustments under the provisions of the Trust Deed); and
- (iv) enter into and execute the Trust Deed constituting the ICULS and to do all acts, deed and things as Directors of the Company may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed.

THAT such new ELK-Desa Shares to be issued arising from the full conversion of the ICULS shall, upon allotment and issuance, rank pari passu in all respects with the then existing ELK-Desa Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of these new ELK-Desa Shares.

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Rights Issue of ICULS with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Directors in the best interest of the Company."

BY ORDER OF THE BOARD

LOKE WENG FOOK (MIA 6573)
Company Secretary

Kuala Lumpur
30 January 2014

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 13 February 2014 ("General Meeting Record of Depositors") shall be eligible to attend the meeting.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint not more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or the hand of its attorney. The provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *Where a member of the company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *Where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
5. *All forms of proxy should be deposited at the Company's Registrar Office at Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. (Last day of lodgement of proxy forms is on 19 February 2014, Wednesday before 2.30 p.m.).*