



# QL RESOURCES BERHAD

(Company No. 428915-X)  
(Incorporated in Malaysia)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 20th Annual General Meeting has been scheduled on Friday, 25 August 2017 at 10.00 a.m. to be held at Saujana Ballroom, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan.

### AGENDA

#### As Ordinary Business:

- |     |   |  |
|-----|---|--|
| (1) | To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Directors' and Auditors' Report thereon.   | <b>Refer to<br/>Explanatory Note 1</b>   |
| (2) | To approve the payment of a final single tier dividend of 4.25 sen per ordinary share in respect of the financial year ended 31 March 2017.   | <b>Ordinary Resolution 1</b>   |
| (3) | To re-elect the following Directors who retire in accordance with Article No. 97 of the Company's Articles of Association and being eligible, offers themselves for re-election:<br><br>Chiang Ing Huong<br>Cheah Juw Teck<br>Tan Bun Poo   | <b>Ordinary Resolution 2<br/>Ordinary Resolution 3<br/>Ordinary Resolution 4</b> |
| (4) | To re-appoint YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood who retires at the conclusion of the 20th Annual General Meeting of the Company, as a Director of the Company.   | <b>Ordinary Resolution 5</b>   |
| (5) | To re-elect Mr. Chia Lik Khai as a Director who retire in accordance with Article No. 103 of the Company's Articles of Association and being eligible, offers himself for re-election.  | <b>Ordinary Resolution 6</b>   |
| (6) | To approve the payment of total Directors' fees amounting to RM945,333 for the financial year ended 31 March 2017 and proposed total Directors' fees amounting to RM1,428,000 for the period commencing 1 April 2017 until the conclusion of the next Annual General Meeting of the Company, and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. | <b>Ordinary Resolution 7</b>   |
| (7) | To approve the proposed payment of Directors' benefits up to an amount of RM26,000 for the period from 1 February 2017 until the conclusion of the next Annual General Meeting of the Company.  | <b>Ordinary Resolution 8</b>   |
| (8) | To re-appoint Messrs. KPMG PLT as the auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 9</b>   |

#### As Special Business:

- To consider and if thought fit, pass the following resolutions:-
- (9) **Retention of Independent Non-Executive Directors**
- "THAT approval be and is hereby given to YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than seventeen (17) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."
- "THAT approval be and is hereby given to Chiang Ing Huong, Eddy who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than fifteen (15) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."
- (10) **Authority to Directors to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016**
- "THAT pursuant to Section 75 and Section 76 of the Companies Act 2016, and subject to the approval of all relevant authorities being obtained, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."
- (11) **Proposed Renewal for the Company to purchase its own shares of up to 10% of the total number of issued shares ("Proposed Renewal of Share Buy Back Authority")**
- "THAT approval be and is hereby given to the Company to, from time to time, purchase through Bursa Malaysia Securities Berhad ("Bursa Securities") such number of ordinary shares in the Company ("Share(s)") and/or retain such Shares so purchased as treasury shares ("Treasury Share(s)") as may be determined by the Directors of the Company upon such terms and conditions as the Directors may deem fit and expedient in the best interests of the Company provided that the aggregate number of Shares purchased and/or retained as Treasury Shares shall not exceed 10% of the total number of issued shares of the Company at the time of purchase ("Proposed Renewal of Share Buy Back Authority");
- THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy Back Authority shall not exceed the Company's aggregate retained profits;
- THAT upon the purchase by the Company of its own Shares, the Directors of the Company be and are hereby authorised to:-
- (a) cancel all or part of the Shares so purchased; and/or
- (b) retain all or part of the Shares so purchased as Treasury Shares; and/or
- (c) distribute the Treasury Shares as share dividends to the Company's shareholders for the time being; and/or
- (d) transfer the shares, or any of the shares as purchase consideration and/or for the purposes of or under an employees' share scheme; and/or
- (e) to resell the Treasury Shares on Bursa Securities;
- THAT such authority from shareholders of the Company will be effective immediately upon passing of this ordinary resolution and will continue to be in force until:-
- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless by ordinary resolution passed at that meeting the authority is renewed either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;
- whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authority;
- AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary, including the opening and maintaining of a central depositories account(s) and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to and to implement the Proposed Renewal of Share Buy Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/ or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."
- (12) **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of RRPT Mandate")**
- "THAT approval be and is hereby given to the Company and its subsidiaries to renew the shareholders' mandate for the recurrent related party transactions of a revenue or trading nature as set out in Part B, Section 2.2.4 of the Circular to Shareholders dated 28 July 2017 with the related parties described therein which are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not detriment of the minority shareholders;
- THAT such approval shall continue to be in force until:-
- (i) the conclusion of the next annual general meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.
- AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of RRPT Mandate."
- (13) **Proposed bonus issue of 374,408,829 new ordinary shares in QL ("Bonus Share(s)") on the basis of 3 Bonus Shares for every 10 existing Ordinary Shares held in QL on an entitlement date to be determined later ("Proposed Bonus Issue")**
- "THAT, subject to the approvals of all relevant regulatory authorities and parties for the listing of and quotation for the 374,408,829 new ordinary shares in QL ("Bonus Share(s)'), approval be and is hereby given to the Board of Directors of the Company ("Board") to capitalise an amount of RM93,602,207 out of the Company's share premium account, and to apply the same for the purposes of issuing 374,408,829 Bonus Shares in the share capital of the Company, credited as fully paid-up to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the entitlement date to be determined by the Board and announced later on the basis of 3 Bonus Shares for every 10 existing ordinary shares in QL ("QL Share(s)") held by such shareholders;
- THAT fractional entitlements arising from the Proposed Bonus Issue, if any, shall be dealt in such manner as the Board shall in their absolute discretion deems fit and expedient in the best interest of the Company;
- THAT the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing QL Shares, save and except that the Bonus Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the date of allotment and issuance of such Bonus Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue with full powers 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 and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

- (14) To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act 2016.

#### Notice of Dividend Entitlement and Payment

**NOTICE IS ALSO HEREBY GIVEN** that the final single tier dividend, if approved, will be paid on 20 September 2017 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 12 September 2017.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 12 September 2017 in respect of transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

#### BY ORDER OF THE BOARD

Ng Geok Ping  
(MAICSA 7013090)  
Company Secretary

Shah Alam, Selangor Darul Ehsan  
28 July 2017

#### NOTES:-

##### PROXY:

- A member of the Company entitled to attend and vote at the Meeting may appoint up to two proxies to attend and vote in his place. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy can be any person and there shall be no restriction as to the qualification of the proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depository) 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.
- Only members whose name appears on the Register of Depositors as at 17 August 2017 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, at least 48 hours before the appointed time of holding the Meeting.
- In the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

##### EXPLANATORY NOTES ON ORDINARY / SPECIAL BUSINESS:

- Item 1 of the Agenda**  
This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
- Ordinary Resolution 1**  
With reference to Section 131 of the Companies Act 2016, a company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. On 29 May 2017, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.  
  
The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 20 September 2017 in accordance with the requirements under Section 132(2) and (3) of the Companies Act 2016.
- Ordinary Resolution 5**  
YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood ("Tengku") was re-appointed as a Director of the Company at the 19th AGM held on 25 August 2016 pursuant to Section 129(2) of the Companies Act, 1965 to hold office until the conclusion of the 20th AGM. Ordinary Resolution 5, if passed, will enable him to continue his office as a Director of the Company following the conclusion of the 20th AGM.  
  
The Companies Act 2016 (which repealed the Companies Act, 1965) no longer requires the continuation in office by a director over 70 years of age to be subjected to shareholders' approval at each AGM. Accordingly, if Ordinary Resolution 5 is passed, Tengku's continuation in office will thereafter be subjected to retirement by rotation.  
  
The Ordinary Resolution 5 shall take effect if the proposed Ordinary Resolution 10 has been passed by a majority of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at the 20th AGM.
- Ordinary Resolution 7**  
The actual total Directors' fees incurred for financial year 2017 was RM945,333. With respect to the proposed total Directors' fees for financial year 2018 until the conclusion of the next AGM of the Company in 2018, assuming that the total number of Directors remain the same, the total amount is expected to increase to RM1,428,000 as the newly appointed Directors in financial year 2018 are expected to have served a full financial year in 2018 until the conclusion of the next AGM in 2018, despite the entitled amount being the same as per previous years. This resolution, if passed, will facilitate the payment of Directors' fees on current financial year basis.
- Ordinary Resolution 8**  
The proposed Directors' benefits payable comprises of meeting allowances of RM500 per day.  
  
The proposed estimated amount of Directors' benefits to its Non-Executive Directors is calculated based on number of scheduled Board/Board Committees meeting from 1 February 2017 until the next AGM assuming the total number of Non-Executive Directors remain the same.
- Ordinary Resolution 10**  
YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood was appointed as an Independent Non-Executive Director of the Company on 3 January 2000, and has, therefore served the Company for more than seventeen (17) years. He met the criteria of an Independent Director as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has performed his duty diligently and in the best interest of the Company and has provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise. The Board, therefore recommends that he should be retained as an Independent Non-Executive Director.
- Ordinary Resolution 11**  
Mr Chiang Ing Huong, Eddy was appointed as an Independent Non-Executive Director of the Company on 24 December 2001, and has, therefore served the Company for more than fifteen (15) years. He met the criteria of an Independent Director as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has performed his duty diligently and in the best interest of the Company and has provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise. The Board, therefore recommends that he should be retained as an Independent Non-Executive Director.
- Ordinary Resolution 12**  
The proposed resolution is a renewal of the general authority for the Directors to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016. If passed will empower the Directors from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.  
  
The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate which was approved at the 19th AGM of the Company held on 25 August 2016 and which will lapse at the conclusion of the 20th AGM. A renewal of this authority is being sought at the 20th AGM.  
  
The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares.
- Ordinary Resolution 13**  
The proposed resolutions, if passed, will empower the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting of the Company. For further information, please refer to Part B of the Circular to Shareholders dated 28 July 2017.
- Ordinary Resolution 14**  
The proposed resolutions pertains to the shareholders' mandate required under Part E, Chapter 10.09(2) of the Listing Requirements of the Bursa Malaysia Securities Berhad. The said Proposed Renewal of RRPT Mandate if passed, will mandate the Company and/or its subsidiaries to enter into categories of recurrent transactions of a revenue or trading nature and with those related parties as specified in Part B, Section 2.2.2 of the Circular to Shareholders dated 28 July 2017. The mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year. The interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to him abstain from voting on the resolutions approving the transactions.
- Ordinary Resolution 15**  
The rationale for the Proposed Bonus Issue is to utilise the amount standing in credit in the Company's share premium account within 24 months from 31 January 2017, the date of the commencement of the new Companies Act 2016 ("Act") pursuant to Section 74 of the Act.