

NOTICE OF 7TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 7th Annual General Meeting (“AGM”) of QES Group Berhad (“QES” or “the Company”) will be held on a fully virtual basis at the Broadcast Venue QES Conference Room, No. 9 Jalan Juruukur U1/19, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor, Malaysia, on Wednesday, 23 June 2021 at 10.00 a.m. or any adjournment thereof via Remote Participation and Voting facilities (“RPV”), for the following businesses:

AS ORDINARY BUSINESSES

- To receive the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2020 together with the Reports of the Directors and the Auditors thereon. **Refer Notes No. 1(a)**
- To approve the payment of Directors’ fees to the Non-Executive Directors up to an amount of RM228,000 from 24 June 2021 till the next AGM of the Company or any adjournment. **(Ordinary Resolution 1)**
- To re-elect the following Directors who retire by rotation pursuant to Clause 115 of the Company’s Constitution and, being eligible, offer themselves for re-election: **(Ordinary Resolution 2)**
(Ordinary Resolution 3)
 - Mr. Chia Gek Liang
 - Mr. Liew Soo Keang
- To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary resolution: -

- Authority to issue and allot shares** **(Ordinary Resolution 5)**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed 20% General Mandate”).

THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021.

THAT with effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Rule 6.04 of the Listing Requirements provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed 10% General Mandate”).

THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:

- the conclusion of the next Annual General Meeting of the Company held after the approval was given;
 - the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
 - revoked or varied by resolution passed by the shareholders of the Company in a general meeting,
- whichever is the earlier.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as “Proposed General Mandate”)

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

- To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD,

ANDREA HUONG JIA MEI (MIA 36347)

Company Secretary
Kuala Lumpur
30 April 2021

MODE OF MEETING

In light of the COVID-19 outbreak and as part of our safety measures, the 7th AGM of QES Group Berhad (“Company”) will be conducted on a fully virtual basis via live streaming and online voting from the Broadcast Venue. This is in line with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 (subsequently revised on 5th March 2021).

The Broadcast Venue is strictly to comply with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the Meeting. No shareholders/proxies should be physically present at the Broadcast Venue on the day of the 7th AGM.

Kindly ensure that you are connected to the internet at all times to participate and vote when our virtual 7th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

You may email your questions, in relation to the matters of discussion of the AGM, in advance to the Company.

REGISTRATION AND DIGITAL BALLOT FORM (“DBF”) VOTING PROCEDURES

As no shareholder/proxies should be physically present at the Broadcast Venue, shareholders/proxies who wish to participate in the 7th AGM will have to register online and participate remotely. Kindly follow the steps below to ensure that you can obtain your DBF and details to log in to the Webinar session to participate at the 7th AGM online:

- Open this link <https://vps.megacorp.com.my/R2tmYQ> or scan the QR code on page 138 and submit all the details requested not less than forty-eight (48) hours before the time of the 7th AGM.
- Only shareholders are allowed to register their details online. Shareholders can also appoint proxy/Chairman via online, as in Step 1 above. Please ensure that your details are accurate as any non-compliance may result in you not being able to receive your DBF.
- Alternatively, you may deposit your Form of Proxy at the office of Poll Administrator, Mega Corporate Services Sdn Bhd (“MegaCorp”) at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or email agm-support.QESG@megacorp.com.my not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote or, and in default of the instrument of proxy shall not be treated as valid.
- For corporate shareholders / Nominee Accounts, please follow Step 3 above.
- The Poll Administrator will e-mail a copy of your DBF to you to participate and vote at the meeting once they have verified your details.
- Registered shareholders/proxies would receive two (2) emails:
 - Webinar session link (to join the virtual meeting); and
 - DBF (for remote voting purposes).

POLL VOTING

The voting will be conducted by a poll in accordance with Rule 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed MegaCorp as Poll Administrator to conduct the poll by way of electronic voting and Cygnus Technology Solutions Sdn Bhd as Scrutineers to verify the poll results.

For the purpose of the 7th AGM, e-voting will be carried out via your digital devices (e.g., Computer/Mobile Phone/Tablets). The DBF itself is self-explanatory. Please carefully read the instructions on the e-mail from Webinar Master to familiarise yourself with the steps needed to exercise your rights at the 7th AGM.

Shareholders/proxies can proceed to vote on the resolutions and submit your votes during the voting period as stipulated on the DBF. Upon completion of the voting session at the 7th AGM, the Scrutineers will verify the poll results after which the Chairman of the 7th AGM will announce the results of the resolutions.

RECORD OF DEPOSITORS FOR THE AGM

The date of Record of Depositors for the 7th AGM is 17 June 2021. As such, only members whose names appear in the Record of Depositors as at 17 June 2021 shall be eligible to participate, speak and vote at the 7th AGM.

NO REFRESHMENTS AND NO DOOR GIFTS

There will be no distribution of refreshments and door gifts for the 7th AGM of the Company.

NOTES ON THE APPOINTMENT OF PROXY

- A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint any person as his/her proxy to attend, speak and vote instead of him/her. There shall be no restriction as to the qualification of proxy.
- A member may appoint up to 2 proxies. Where 2 proxies are appointed, the member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of 2 or more proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee (“EAN”) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“omnibus account”), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- In the case of a corporate body, the proxy appointed must be in accordance with the Company’s Constitution, and the instrument appointing a proxy shall be the Company’s Common Seal or signed by the officer or attorney so authorised.

1. Explanatory Notes on Ordinary Resolutions:

(a) Audited Financial Statements for financial year ended 31 December 2020

The Audited Financial Statements are for discussion only under Agenda item No. 1, as it does not require shareholders’ approval under the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, this Agenda is not being put forward for voting by the shareholders of the Company.

(b) Ordinary Resolution 1

Section 230(1) of the Companies Act, 2016 provides amongst others, that “the fees” of the Directors and “any benefits” payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders’ approval shall be sought at the 7th AGM on the Directors fees.

(c) Ordinary Resolutions 2 and 3

Clause 115 of the Company’s Constitution provides that 1/3 of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size, 2 Directors are to retire pursuant to Clause 115 of the Company’s Constitution.

Explanatory Notes to Special Business

(d) Ordinary Resolution 5 - Authority to issue and allot shares

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being (“Proposed 20% General Mandate”) up to 31 December 2021. With effect from 1 January 2022, the Proposed 20% General Mandate will be reinstated to a 10% limit (“Proposed 10% General Mandate”) according to Rule 6.04 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The authority for the Proposed 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting (“AGM”) or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year’s mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, the Company had allotted 75,830,800 new ordinary shares via private placement under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the Sixth Annual General Meeting of the Company held on 30 July 2020 and the 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.