

QES GROUP BERHAD

[Registration No. 201401042911 (1119086-U)]

(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the 10th Annual General Meeting (“AGM”) of QES Group Berhad (“QES” or “the Company”) will be held on fully virtual basis through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities via Vote2U provided by Agmo Digital Solutions Sdn Bhd in Malaysia at <https://web.vote2u.my> (Domain Registration No. with MYNIC – D6A471702) from the Broadcast Venue, QES Group Berhad, No. 2, Jalan Jururancang U1/21, Hicom-Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor, Malaysia, on Friday, 31 May 2024 at 10.00 a.m. or at any adjournment thereof for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon. (Refer to Explanatory Notes a)
2. To approve the payment of Directors’ fees to the Non-Executive Directors up to an amount of RM300,000/- for the period from 1 June 2024 to the next AGM or at any adjournment thereof. **(Ordinary Resolution 1)**
(Refer to Explanatory Notes b)
3. To re-elect the following Directors who retire by rotation pursuant to the Company’s Constitution, and who being eligible, offered themselves for re-election: (Refer to Explanatory Notes c)
 - (i) Mr. Hoh Chee Mun (Clause 115) **(Ordinary Resolution 2)**
 - (ii) Mr. Liew Soo Keang (Clause 115) **(Ordinary Resolution 3)**
4. To re-appoint Messrs. KPMG 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 Resolutions: -

5. **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 5)**
(Refer to Explanatory Notes d)

“**THAT** subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and approvals of any other relevant governmental/regulatory bodies where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue shares in the Company, to such persons, at any time 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 does not exceed ten percent (10%) of the total number of issued shares for the time being of the Company.

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 Bursa Securities.

AND THAT pursuant to Section 85 of the Act to be read together with Clause 16 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new

shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act.

AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a General Meeting.

AND THAT authority be and is hereby given to the Directors to do all acts including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate.”

6. **PROPOSED RENEWAL OF SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK”)**

(Ordinary Resolution 6)
(Refer to Explanatory
Notes e)

“THAT subject to the Act, provisions of the Company’s Constitution, the MMLR of Bursa Securities and the approvals of all relevant regulatory authorities and parties, the Company be and is hereby authorised to purchase such number of ordinary shares in QES on the Main Market of Bursa Securities and/or hold upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares in the Company purchased (“Purchased Share(s)”) and/or held as treasury shares pursuant to this ordinary resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time;
- (ii) the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back shall not exceed the total retained earnings of the Company at the time of the purchase;

THAT upon purchase by the Company, the Board of Directors of QES shall have the absolute discretion to decide whether such Purchased Shares are to be cancelled and/or retained as treasury shares, or dealt with in such manner as provided under Section 127(7) of the Act;

THAT the authority to facilitate the Proposed Renewal of Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by an ordinary resolution passed at that AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the QES Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the Act, rules and regulations made pursuant to the Act, the MMLR and any requirements issued by any other relevant government and/or regulatory authorities;

AND THAT the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to give effect to the Proposed Renewal of Share Buy-Back 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 Renewal of Share Buy-Back.

7. **Retention of Encik Adnan bin Zainol as Independent Non-Executive Director** **(Ordinary Resolution 7)**
(Refer to Explanatory Notes f)
- THAT** Encik Adnan bin Zainol, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM or at any adjournment thereof in accordance with the Malaysian Code on Corporate Governance 2021.
8. **Retention of Mr. Hoh Chee Mun as Independent Non-Executive Director** **(Ordinary Resolution 8)**
(Refer to Explanatory Notes f)
- THAT**, subject to the passing of Ordinary Resolution 2, Mr. Hoh Chee Mun, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM or at any adjournment thereof in accordance with the Malaysian Code on Corporate Governance 2021.
9. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD,

ANDREA HUONG JIA MEI (MIA 36347/ SSM PC NO. 202008003125)

Company Secretary

Kuala Lumpur

30 April 2024

Explanatory Notes on Ordinary Resolutions:

(a) Audited Financial Statements for financial year ended 31 December 2023

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 10th AGM on the Directors remuneration.

(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 allot and issue shares

The Company wishes to renew the mandate on the authority to issue shares of not more than ten per centum (10%) of the total issued shares capital for the time being pursuant to the Act at the 10th AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the 9th AGM of the Company held on 16 June 2023 (hereinafter referred to as the "Previous Mandate").

As at the date of this notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

Resolution No. 5 is to seek a renewal of the general mandate for the issue of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016. The proposed Resolution No. 5, if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time and for such purposes as the Directors considered would be in the interests of the Company up to an aggregate not exceeding ten percent (10%) of the total number of issued shares of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

The renewed mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding investment project(s), working capital and/or acquisition.

Pursuant to Section 85 of the Act read together with Clause 16 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 5, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue new shares to any person without having to offer the said new shares equally to all existing shareholders of the Company prior to issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

(e) Ordinary Resolution 6 – Proposed Share Buy-Back

This proposed Ordinary Resolution 6, if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next AGM of the Company. Further information on the Proposed Share Buy-Back is set out in the Statement to Shareholders which is dispatched together with the Notice of 10th AGM.

(f) Ordinary Resolutions 7 and 8 - Retention of Encik Adnan bin Zainol and Mr. Hoh Chee Mun as Independent Non-Executive Directors

Pursuant to the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), it is recommended that approval of the shareholders be sought in the event the Company intends to retain an Independent Non-Executive Directors who have served in that capacity for more than nine (9) years.

Encik Adnan bin Zainol and Mr. Hoh Chee Mun were appointed to the Board on 11 May 2015 and therefore would have served the Company for nine (9) years on 10 May 2024, after this Notice of the 10th AGM.

The Board of Directors has vide the Nomination Committee ("NC") assessed the independence of Encik Adnan bin Zainol and Mr. Hoh Chee Mun, recommended that they continue to act as Independent Non-Executive Directors of the Company. Details of the Board's justification and recommendation for the retention of Encik Adnan bin Zainol and Mr. Hoh Chee Mun are set out in the Corporate Governance Overview Statement of the Annual Report 2023.

Encik Adnan bin Zainol and Mr. Hoh Chee Mun will continue to act as Independent Non-Executive Directors of the company if the proposed ordinary resolution 7 and 8 is passed via a two-tier voting process.

RECORD OF DEPOSITORS FOR THE AGM

The date of Record of Depositors for the 10th AGM is 27 May 2024. As such, only members whose names appear in the Record of Depositors as at 27 May 2024 shall be eligible to participate, speak and vote at the 10th AGM.

Notes :-

1. The Tenth Annual General Meeting ("10th AGM") of the Company will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities available on Vote2U Online website at <https://web.vote2u.my>. Please follow the procedures provided in the 'Administrative Details' section of the 10th AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 10th AGM is strictly for the purpose of complying with Section 327(2) of the Act and Clause 58 of the Company's Constitution which stipulate that the Chairman shall be at the main venue. Member(s)/proxy(ies)/corporate representative(s) **WILL NOT BE ALLOWED** to attend the 10th AGM in person at the broadcast venue on the day of the meeting.
3. For the purpose of determining who shall be entitled to attend this General Meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 27 May 2024 at 10.00 a.m. Only a member whose name appears on this Record of Depositors shall be entitled to attend in this 10th AGM via RPV.
4. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
5. The Proxy Form must be deposited at the Share Registrar's office at Mega Corporate Services Sdn. Bhd. of Level 15-2, Faber Imperial Court Jalan Sultan Ismail, 50250 Kuala Lumpur, not less than 48 hours before the time set for the meeting or any adjournment thereof.
6. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
7. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
8. Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
10. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

STATEMENT ACCOMPANYING NOTICE OF TENTH (10th) ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27 (2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Pursuant to the Company's Constitution the following Directors are standing for re-election at the 10th AGM of the Company:-
 - (a) Mr. Hoh Chee Mun (Clause 115)
 - (b) Mr. Liew Soo Keang (Clause 115)
2. No individual is standing for election as a Director at the forthcoming 10th AGM of the Company other than the Directors seeking for re-election and retention as a Director at the 10th AGM.
3. The profiles of the Directors who are standing for re-election at the 10th AGM are set out in the Company's Annual Report 2023.
4. The Company will seek shareholder's approval on the general meeting to allot and issue shares. Please refer to the proposed Ordinary Resolution 5 as stated in the Notice of the 10th AGM of the Company for further details.