



NOTICE OF 6TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 6th Annual General Meeting (“AGM”) of QES Group Berhad (“QES” or “the Company”) will be held at Sunway Clio Hotel, Westpoint 1 & 2, Level 8, Jalan PJS 11/15, Bandar Sunway, 47500 Petaling Jaya, Selangor, Malaysia on Thursday, 30 July 2020 at 10.00 a.m. 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 2019 together with the Reports of the Directors and the Auditors thereon. | Refer Notes No. 1(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 January 2020 to the next AGM or at any adjournment thereof. | (Ordinary Resolution 1) |
| 3. To re-elect the following Directors who retire by rotation pursuant to Clause 115 of the Company’s Constitution, and who being eligible, offered themselves for re-election: | |
| (a) Mr. Chew Ne Weng | (Ordinary Resolution 2) |
| (b) Encik Adnan Bin Zainol | (Ordinary Resolution 3) |
| 4. To re-elect Puan Maznida Binti Mokhtar as Director who retire pursuant to Clause 120 of the Company’s Constitution, and who being eligible, offered herself for re-election. | (Ordinary Resolution 4) |
| 5. To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 5) |

AS SPECIAL BUSINESS

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

- | | |
|---|--------------------------------|
| 6. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 | (Ordinary Resolution 6) |
|---|--------------------------------|

“**THAT** subject always to the Companies Act, 2016 (“the Act”), the Company’s Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental or regulatory authorities where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company to such persons, 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 does not exceed 20% of the total number of issued shares of the Company and 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 Bursa Securities **AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company or at any adjournment thereof, notwithstanding Section 76(3) of the Companies Act 2016, duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Companies Act 2016.

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.”

Notice of 6th Annual General Meeting (Cont'd)

7. **PROPOSED GRANTING OF ESOS OPTIONS TO PUAN MAZNIDA BINTI MOKHTAR** (Ordinary Resolution 7)

“THAT, the ESOS Committee of the Company for administering the ESOS be and is hereby authorised at any time, and from time to time, during the existence of the ESOS to offer and grant to Puan Maznida Binti Mokhtar, being the Independent Non-Executive Director of the Company, options to subscribe for such number of ordinary shares of QES under the ESOS **PROVIDED THAT** not more than 10% of the new ordinary shares of QES under the ESOS shall be allocated to her, if she, either singly or collectively through persons connected with her, holds 20% or more of the issued share capital of QES;

AND subject always to such terms and conditions of the ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the ESOS.”

8. 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 JUNE 2020

1. **Explanatory Notes on Ordinary Resolutions:**

(a) Audited Financial Statements for financial year ended 31 December 2019

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 6th 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.

(d) Ordinary Resolution 4

Clause 120 of the Company's Constitution provides that the Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Director. Any Director so appointed shall hold office only until the next AGM of the Company and shall be eligible for re-election.

Notice of 6th Annual General Meeting (Cont'd)

(e) Ordinary Resolution 6 - Authority to allot and issue shares

The proposed Ordinary Resolution 6 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, which was approved by the shareholders at last year's AGM ("the previous mandate"). As at the date of this Notice, the Company did not allot any shares pursuant to the previous mandate.

Bursa Securities had vide its letter dated 16 April 2020 allows listed issuer to seek a higher limit of General Mandate of not more than 20% of the total number of issued shares for issues of new securities ("20% General Mandate"). The 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated ("Extended Utilisation Period")

Having considered the challenging times due to the COVID-19 pandemic and to ensure the long term sustainability and interest of the Company, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the 6th AGM of the Company.

The Board is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. The 20% General Mandate would eliminate any delay arising from and eliminate costs involved in convening a general meeting to obtain approval of the shareholder for such issuance of shares.

The authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company.

(f) Ordinary Resolution 7 - Proposed Granting of ESOS Options

QES had on 1 July 2019 ("Effective Date") implemented the ESOS and shall be in force for a period of 5 years from the Effective Date provided always that on or before the expiry, the ESOS Committee shall have the absolute discretion, without the Company's shareholders approval, to extend the duration of the ESOS for up to another 5 years and shall not in aggregate exceed a duration of 10 years from the Effective Date.

Pursuant to the Scheme, QES is allowed to offer and grant Options to Eligible Employees who meet the criteria of eligibility for participation in the Scheme to subscribe for new Shares in accordance with the provisions of the By-Laws.

Ordinary Resolution 7 is to seek shareholders' approval for the Company to offer and grant ESOS Options to the Director of the Company, Puan Maznida Binti Mokhtar as she was appointed as an Independent Non-Executive Director on 1 August 2019 after our shareholders have approved the establishment of the ESOS (including the grant of the ESOS Options to the Directors) on 25 June 2019.

Puan Maznida Binti Mokhtar is deemed interested in the respective resolution pertaining to the grant of ESOS Options to her and accordingly has abstained and shall continue to abstain from deliberation and voting in respect of her direct and indirect interest in the Company and will ensure that persons connected with her will abstain from voting in respect of her direct and indirect interest in the Company, in the respective allocation to her.

Notice of 6th Annual General Meeting (Cont'd)

Notes :-

- (i) 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.
- (ii) A member may appoint up to 2 proxies. Where 2 proxies are appointed, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) The Proxy Form must be deposited at the Share Registrar's office, Mega Corporate Services Sdn. Bhd at Level 15-2, Bangunan 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.
- (vii) For purposes of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Clause 64 of the Company's Constitution and Rule 7.16(2) of the ACE Market Listing Requirements, a Record of Depositors as at 24 July 2020.
- (viii) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements, all the resolutions set out in the notice of general meeting will be put to vote by way of poll.

Additional Administrative Notes for Shareholders/Proxy Holders participating at the AGM due to the Coronavirus Disease ("COVID-19") Outbreak

Securities Commission Malaysia had on 18 April 2020 (revised on 24 June 2020) issued a Guidance and FAQs on the Conduct of General Meetings for Listed Issuers ("SC Guidance"). The Malaysian National Security Council had on 16 June 2020 issued a Standard Operating Procedures ("SOP") for government and private events, including meetings.

Therefore, the following measures will be taken to reduce COVID-19 transmission at the AGM for Shareholders/Proxy Holders who wish to attend the AGM: -

- (i) Personal attendance is not recommended, and shareholders are encouraged to appoint the Chairman to cast their votes;
- (ii) There will be **NO** distribution of door gifts, lunch and refreshments provided to Shareholders/Proxy Holders who attends the AGM;
- (iii) In the event there shall be any change in venue of the meeting due to any restrictions order from the authority, the Company will make the announcement at the Group's Corporate website at www.qesnet.com;

Notice of 6th Annual General Meeting (Cont'd)

- (iv) Shareholders/Proxy Holders are encouraged to abide by the most current regulations in place and enforced by the Ministry of Health and Government of Malaysia at the time deciding on whether or not to attend the 6th AGM in person;
- (v) All individuals age above 60 years old are allowed to be physically present at the meeting venue, provided they are well and not exhibiting any symptoms;
- (vi) All individuals age below 18 years old, Patient Under Investigation and Person under Surveillance are not allowed to enter the venue;
- (vii) Any person who has fever or exhibits flu-like symptoms like sore throat, flu, cough or shortness of breath, will not be permitted to attend the AGM;
- (viii) As a precautionary measure, we will be conducting temperature checks on all individuals upon arrival at the AGM venue. If any shareholder/proxy holder has a temperature above 37.5 degree celsius, they will not be allowed to enter the venue;
- (ix) Shareholders/Proxy Holders must sanitize their hands and wear a face mask throughout the entire duration of the meeting; and
- (x) Shareholders/Proxy Holders are advised to observe/maintain social distancing throughout the meeting.

STATEMENT ACCOMPANYING NOTICE OF SIXTH (6TH) ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29(2) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Pursuant to Clause 115 of the Company's Constitution the following Directors are standing for re-election at the 6th AGM of the Company:-
 - (a) Mr. Chew Ne Weng
 - (b) Encik Adnan bin Zainol
2. Pursuant to Clause 120 of the Company's Constitution, Puan Maznida Binti Mokhtar is standing for re-election as a Director at the 6th AGM of the Company.
3. No individual is standing for election as a Director at the forthcoming 6th AGM of the Company other than the Directors seeking for re-election and retention as a Director at the 6th AGM.
4. The profiles of the Directors who are standing for re-election at the 6th AGM are set out in the Company's Annual Report 2019.
5. The Company will seek shareholder's approval on the general meeting to allot and issue shares. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of the 6th AGM of the Company for further details.

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PROXY FORM

I/We _____
(FULL NAME AS PER NRIC / CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

_____ Company No./ NRIC No. (new) _____ (old) _____

of _____
(FULL ADDRESS)

being a member(s) of QES GROUP BERHAD hereby appoint: _____

_____ NRIC No. (new) _____ (old) _____

or failing him/her _____ NRIC No. (new) _____ (old) _____

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 6th Annual General Meeting ("AGM") of the Company to be held at Sunway Clio Hotel, Westpoint 1 & 2, Level 8, Jalan PJS 11/15, Bandar Sunway, 47500 Petaling Jaya, Selangor, Malaysia on Thursday, 30 July 2020 at 10.00 a.m. and at any adjournment thereof. (*Strike out whichever is not desired*)

The proportions of my/our holdings to be represented by my/our proxy(ies) are as follows:-

Proxy 1	_____	%
Proxy 2	_____	%
	_____	100%

(Should you desire to direct your proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate an "X" in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

NO.	RESOLUTIONS	FOR	AGAINST
1)	Ordinary Resolution 1 – To approve the payment of Directors' fees		
2)	Ordinary Resolution 2 – Re-election of Mr. Chew Ne Weng as Director		
3)	Ordinary Resolution 3 – Re-election of Encik Adnan Bin Zainol as Director		
4)	Ordinary Resolution 4 – Re-election of Puan Maznida Binti Mokhtar as Director		
5)	Ordinary Resolution 5 – To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
6)	Ordinary Resolution 6 – Authority to allot and issue shares		
7)	Ordinary Resolution 7 – Proposed granting of ESOS Options to Puan Maznida Binti Mokhtar		

Signed this day of 2020

No. of shares held:	
CDS Account No.:	
Tel No. (during office hours):	

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Signature/Common Seal of Member(s)

Notes:-

- (i) 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.
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- (viii) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements, all the resolutions set out in the notice of general meeting will be put to vote by way of poll.*

ADDITIONAL ADMINISTRATIVE NOTES FOR SHAREHOLDERS/PROXY HOLDERS PARTICIPATING AT THE AGM DUE TO THE CORONAVIRUS DISEASE ("COVID-19") OUTBREAK

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AFFIX
STAMP

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

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