

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**QES GROUP BERHAD**

[Registration No. 201401042911 (1119086-U)]  
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE  
PROPOSED RENEWAL OF SHARE BUY-BACK UP TO TEN PERCENT (10%)  
OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY  
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The Ordinary Resolution in respect of the above proposal will be tabled as a Special Business at the 10th Annual General Meeting ("10<sup>th</sup> AGM") of QES Group Berhad ("QES" or "the Company") to be held on a 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. The notice of the 10<sup>th</sup> AGM and the Proxy Form are set out in the Annual Report 2023 which are also available to be downloaded from the Company's website at [www.qesnet.com](http://www.qesnet.com).

The Proxy Form must be deposited at the Share Registrar's office at Mega Corporate Service Sdn Bhd's office at 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. The lodging of the Proxy Form will not preclude you from attending and voting in person at the 10<sup>th</sup> AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 29 May 2024 at 10.00 a.m.  
(not less than 48 hours before the time set for the 10<sup>th</sup> AGM or any adjournment thereof)

Date and time of the 10<sup>th</sup> AGM : Friday, 31 May 2024 at 10.00 a.m. or at any adjournment thereof

This Statement is dated 30 April 2024

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## DEFINITIONS

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For the purposes of this Statement, except where the context otherwise requires, the following definitions shall apply:

|                                      |   |
|--------------------------------------|---|
| "Act"                                | : The Companies Act, 2016 and any amendments made thereto from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force  |
| "AGM"                                | : Annual General Meeting  |
| "Board"                              | : The Board of Directors of QES   |
| "Bursa Securities"                   | : Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]   |
| "CMSA"                               | : Capital Markets and Services Act, 2007  |
| "Code"                               | : Malaysia Code on Take-overs and Mergers, 2016 issued by the SC and as may be amended, modified and re-enacted from time to time   |
| "Director"                           | : Shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of QES or any other company which is a subsidiary of QES or a holding of QES |
| "EPS"                                | : Earnings per Share  |
| "LPD"                                | : 29 March 2024 being the Latest Practicable Date prior to the printing and dispatch of this Statement  |
| "Listing Requirements"               | : Main Market Listing Requirements of Bursa Securities  |
| "NA"                                 | : Net assets attributable to ordinary equity holders of QES   |
| "Purchased QES Shares"               | : Shares purchased by QES pursuant to Section 127 of the Act  |
| "Proposed Renewal of Share Buy-Back" | : Proposed Renewal of Share Buy-Back of up to ten percent (10%) of the total number of issued shares of the Company   |
| "QES" or "the Company"               | : QES Group Berhad<br>[Registration No. 201401042911(1119086-U)]  |
| "QES Group" or "the Group"           | : QES and its subsidiaries  |
| "QES Share(s)" or "Share(s)"         | : Ordinary share(s) of QES  |

|                              |   |
|------------------------------|---|
| "RM" and "sen"               | : Ringgit Malaysia and sen, respectively  |
| "SC"                         | : Securities Commission Malaysia  |
| "Shareholders"               | : Shareholders of QES   |
| "Substantial Shareholder(s)" | : A person who has interest or interests in one or more voting shares in the Company and the nominal amount of that share, or aggregate of the nominal amount of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting shares in the Company |
| "VWAP"                       | : Volume-weighted average market price  |

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

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**QES GROUP BERHAD**  
Registration No.: 201401042911(1119086-U)  
(Incorporated in Malaysia)

**Registered Office**  
Lot 4.100, Tingkat 4,  
Wisma Central, Jalan Ampang,  
50450 Kuala Lumpur,  
W.P. Kuala Lumpur

30 APRIL 2024

**Board of Directors: -**

Adnan Bin Zainol (*Independent Non-Executive Chairman*)  
Chew Ne Weng (*Group Managing Director/President*)  
Liew Soo Keang (*Group Executive Director*)  
Hoh Chee Mun (*Independent Non-Executive Director*)  
Maznida Binti Mokhtar (*Independent Non-Executive Director*)  
Wong Pek Yee (*Independent Non-Executive Director*)

**To: The Shareholders of QES**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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**1. INTRODUCTION**

On 15 April 2024, the Board of Directors of QES announced the Company's intention to seek the approval of the shareholders of QES for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 10<sup>th</sup> AGM of the Company.

The purpose of this Statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority, to set out our Board's recommendation thereon and to seek your approval for the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 10<sup>th</sup> AGM. The full text of the ordinary resolution pertaining to the Proposal is set out in the Notice of the Company's 10<sup>th</sup> AGM as set out in the Annual Report 2023.

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 10<sup>th</sup> AGM.**

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Company had during the 9<sup>th</sup> AGM held on 16 June 2023 obtained its shareholders' approval to purchase up to ten percent (10%) of the total number of issued shares of the Company. The approval obtained will continue to be in force until the conclusion of the forthcoming 10<sup>th</sup> AGM of the Company which will be held on 31 May 2024 or at any adjournment thereof unless a renewal is obtained from the shareholders of the Company at the 10<sup>th</sup> AGM. In connection thereto, the Company had on 15 April 2024 announced its intention to seek approval of its shareholders on the Proposed Renewal of Share Buy-Back Authority at the forthcoming 10<sup>th</sup> AGM of the Company.

### 2.1 Maximum number or percentage of QES shares to be acquired

As at the LPD, QES has a total of 834,138,800 shares. Pursuant to the Proposed Renewal of Share Buy-Back Authority, QES may purchase up to 83,413,880 QES Shares, representing up to 10% of its total number of issued Shares as at the LPD.

The computation of the total number of issued QES Shares assuming that the Proposed Renewal of Share Buy-Back Authority is to be implemented in full is illustrated as follows:

|  | <b>Maximum Scenario</b> |
|--|-------------------------|
| Total number of issued Shares as at LPD  | 834,138,800             |
| Less:<br>Maximum number of QES Shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority | (83,413,880)            |
| <b>Resultant Issued Share Capital</b>  | <b>750,724,920</b>      |

### 2.2 Maximum amount of funds to be allocated and the source of funds

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the retained profit of the Company. Accordingly, the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the total retained profit of the Company at the time of purchase.

Based on the latest audited financial statements of QES for the financial year ended 31 December 2023, the Company's retained profit is approximately RM6,249,000.

Notwithstanding the above, the Proposed Renewal of Share Buy-Back Authority may be funded using the internally generated funds of QES and/or external borrowings, the exact proportion/quantum has yet to be determine at this juncture. The source of funding the Proposed Renewal of Share Buy-Back Authority will only be determined at a later stage depending on, amongst others, the availability of internally generated funds, the retained profit and financial resources of the Company at the time of the purchase(s), the actual number of QES Shares to be purchased and other relevant cost factors.

The actual number of QES Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profit and the financial resources available to the Company.

### **2.3 Duration of the Proposed Renewal of Share Buy-Back Authority**

The implementation of the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority by the shareholders of QES at the forthcoming 10<sup>th</sup> AGM. Pursuant to Paragraph 12.07(3) of the Listing Requirements, the Proposed Renewal of Share Buy-Back Authority shall be valid until:-

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

whichever occurs first ("**Authority Period**").

The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its own Shares at any time during the Authority Period.

### **2.4 Treatment of Purchased Shares**

In accordance with Section 127(4) of the Act, the Board may, at their discretion, resolve the Purchased Shares in the following manner:

- i) cancel the Shares so purchased ("Purchased Shares");
- ii) retain the Purchased Shares as treasury shares; or
- iii) retain part of the Purchased Shares as treasury shares and cancel the remainder of the Purchased Shares.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, the Board may, at their discretion: -

- i) distribute the Purchased Shares as dividends to QES shareholders, such dividends to be known as "share dividends";
- ii) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;
- iii) transfer the Purchased Shares or any of the Purchased Shares for the purpose



- of or under an employees' share scheme;
- iv) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;
  - v) cancel the Purchased Shares or any of the Purchased Shares; or
  - vi) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister (as set out in the Act) may by order prescribe.

In the event the Purchased Shares are held as treasury shares, Sections 127(8) and 127(9) of the Act states that the rights attached to them as to voting, dividends and participation in other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be determined by the Board at the appropriate time.

The Company will make an immediate announcement to Bursa Securities of any purchase or resale of QES Shares and whether the Purchased Shares will be cancelled or retained as treasury shares or a combination of both.

## **2.5 Pricing**

Pursuant to Paragraph 12.17 of the Listing Requirements, QES may only purchase its own Shares at a price which is not more than fifteen percent (15%) above VWAP of QES Shares for the 5 market days immediately before the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, QES may only resale or transfer of any treasury shares on Bursa Securities at a price which is: -

- i) not less than the weighted average market price of QES Shares for the 5 market days, immediately before the resale or transfer; or
- ii) a discounted price of not more than 5% to the weighted average market price of QES Shares immediately before the date of resale or transfer, provided that: -
  - a) the resale or transfer takes place not earlier than 30 days from the date of the purchase; and
  - b) the resale or transfer price is not less than the cost of purchase of the QES Shares being resold or transferred.

## **2.6 Public Shareholding Spread of QES**

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of the Company stood at 46.92%. The public shareholding spread would be reduced to approximately 41.02% on the assumption that the Company implements the Proposed Renewal of Share Buy-Back Authority in full and all the Shares purchased are either cancelled or held as Treasury Shares. The Shares purchased are assumed to be from open market.

The Board is mindful of the requirement that any purchase of QES Shares by the Company must not result in the public shareholding spread of QES falling below 25% of the total number of issued Shares.

## **2.7 Previous Purchases, Resale and Cancellation of Treasury Shares**

There were no purchase, resale or cancellation of share made by QES in the previous twelve (12) months preceding the date of this statement.

## **2.8 Implications Relating to the Code**

If as a result of the Proposed Renewal of Share Buy-Back Authority,

- (i) a shareholder who holds less than 33% of the voting shares of QES has inadvertently increased his shareholding to more than 33%; or
- (ii) a shareholder who holds more than 33% but less than 50% of the voting shares of QES has inadvertently increased his shareholding by 2% within a six-months period, the said shareholder will be obliged under Rule 4.01 of the Rules on Take-Overs to make a Mandatory Offer ("MO") for the remaining QES Shares not held by him.

Notwithstanding the above, the said shareholder is allowed to make an application to the Securities Commission Malaysia for a waiver from implementing an MO under Rule 4.15 of the Rules on Take-Overs.

It is not the intention of the Company to cause any shareholder to trigger an obligation to undertake an MO under the Rules on Take-Overs and the Company will be mindful of the above implications of the Rules on Take-Overs in making any purchase of its own shares under the Proposed Renewal of Share Buy-Back Authority.

## **2.9 Potential Advantages and Disadvantages of the Proposed Renewal Share Buy-Back Authority**

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- a) The Proposed Renewal of Share Buy-Back Authority, if implemented, will allow the Company to take preventive measure against speculation which would in

turn, stabilise the market price of QES Shares and hence, enhance investor's confidence.

- b) The Company would have the opportunity to realise potential capital gains if the Purchased Shares are resold at prices higher than the purchase prices and such proceeds may be subsequently utilised for working capital and investment opportunities arising in the future.
- c) The Purchased Shares (if retained as treasury shares) may serve as an alternative to reward the shareholders of the Company in the event the Company distributes the treasury shares as share dividends.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- a) The Proposed Renewal of Share Buy-Back Authority will reduce the amount of resources available for distribution to the shareholders of the Company and may result in the Group having to forego feasible investment opportunities that may surface in the future. However, the financial resources of the Group may increase if the Purchased Shares are resold at prices higher than the acquisition cost.
- b) The Proposed Renewal of Share Buy-Back Authority will reduce the trading liquidity of Shares in the open market as a result of a decrease in the number of outstanding Shares.

The Board does not expect the Proposed Renewal of Share Buy-Back Authority to result in any material disadvantage to the Company and its shareholders as it will be implemented only after taking into consideration that there is adequate cash flow to fund QES Group's working capital requirements prior to allocating the available resources for the Proposed Renewal of Share Buy-Back Authority. The Board, in exercising any decision to purchase any QES Shares will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Renewal of Share Buy-Back Authority.

### **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority will enable QES to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market. With the Share Buy-Back mandate being procured, the Company will be able to stabilise the supply and demand of QES Shares traded on Bursa Securities and thereby support its fundamental value, if required.

In addition, the Purchased Shares may be held as treasury shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, and it will be implemented only after taking into consideration, amongst others, the financial resources of QES Group, and of the resultant impact on the shareholders of the

Company. The Board will be mindful of the best interests of the Company and its shareholders when undertaking the Proposed Renewal of Share Buy-Back Authority.

#### **4. EFFECTS OF THE PROPOSED RENEWAL SHARE BUY-BACK AUTHORITY**

The effects of the Proposed Renewal of Share Buy-Back Authority on issued share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

##### **4.1 Issued Share Capital**

The effect of the Proposed Renewal of Share Buy-Back Authority on the Company's total issued share capital will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

In the event the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the purchased Shares are subsequently cancelled, the pro forma effects on the total issued share capital of the Company as at the LPD are as follows:

| <b>Company Level</b>   | <b>No. of Shares</b> |
|--|----------------------|
| Total issued share capital of QES as at the LPD  | 834,138,800          |
| Less:<br>Assuming if remaining maximum number of Shares are purchased pursuant to the Proposed Renewal of Share Buy-Back Authority | (83,413,880)         |
| <b>Resultant issued share capital</b>  | <b>750,724,920</b>   |

##### **4.2 NA and gearing**

The effects of the Purchased Shares on the NA of the QES Group are dependent on factors such as the number of QES Shares which the Company will buy-back, purchase price of the QES Shares at the time of the buy-back, the treatment of the Shares purchased and the funding cost, if any.

The Purchased Shares that are retained as treasury shares would decrease the consolidated NA by the acquisition cost of the treasury shares as the treasury shares are required to be carried at cost and would offset against the equity. The acquisition costs for future shares buy-back are unknown at this juncture. If the treasury shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on the consolidated NA of QES.

In the event that the Purchased Shares that are retained as treasury shares are resold in the open market on Bursa Securities, the consolidated NA of QES will be affected by the resale value of the Shares. In the event the resale value is higher than the cost, there would be a net increase in the consolidated NA of QES. On the contrary, in the event the cost is higher than the resale value, there would be a net decrease on the consolidated NA of the Company.

If the Purchased Shares are retained as treasury shares, cancelled and/or distributed as share dividends, the consolidated NA will decrease if the purchase price of QES Shares exceeds the consolidated NA, and if the consolidated NA exceeds the purchase price of QES Shares, the consolidated NA will increase. On the contrary, the converse effect would apply in the event the treasury shares are resold on Bursa Securities.

#### **4.3 Earnings and EPS**

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of the Group are dependent on the purchase price of QES Shares and the effective funding cost of such purchases or loss in interest income to the Group, if internally generated funds are utilised.

Furthermore, the Proposed Renewal of Share Buy-Back Authority, regardless if the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Shares being used for the purposes of computing the EPS. Hence, the Proposed Renewal of Share Buy-Back Authority will improve the EPS of QES, which in turn is expected to have a positive influence on the market price of QES Shares.

In the event the Purchased Shares which are retained as treasury shares and subsequently resold, the extent of the effect on the earnings of QES Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or the interest savings arising from the exercise.

#### **4.4 Working Capital**

The Proposed Renewal of Share Buy-Back Authority will result in cash outflow, thereby reducing the working capital of the QES Group, the quantum of which is dependent on the purchase prices of the Purchased Shares, the quantity of Purchased Shares, and the funding costs, if any. Nevertheless, the Board will take into consideration the interests of QES and its shareholders as well as assess the working capital requirements of the Group prior to the Proposed Renewal of Share Buy-Back Authority.

#### **4.5 Dividends**

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, dividends can be paid on the remaining issued share capital of the Company. However, the Proposed Renewal of Share Buy-Back Authority may reduce the amount of distributable reserves available for payment of dividend in the immediate future.

Nonetheless, if the Purchased Shares are retained as treasury shares, they may be distributed as dividends to the shareholders of the Company, if the Company so decides.

#### 4.6 Directors' and Substantial Shareholders' Shareholdings

For illustration purposes only, based on the Record of Directors' Shareholding and Substantial Shareholders as at the LPD and assuming the Purchased Shares by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority is carried out in full, the pro forma effects of such purchase on the shareholdings of the substantial shareholders and directors' of QES are as follows: -

|   | Shareholdings as at the LPD |       |                            |       | After the Proposed Renewal of Share Buy-Back Authority |       |                            |       |
|---|-----------------------------|-------|----------------------------|-------|--|-------|----------------------------|-------|
|   | Direct                      |       | Indirect                   |       | Direct   |       | Indirect                   |       |
|   | No. of Shares               | %     | No. of Shares              | %     | No. of Shares  | %     | No. of Shares              | %     |
| <b>Substantial Shareholders/Major Shareholders</b>                |                             |       |                            |       |  |       |                            |       |
| CIMSEC Nominees (Tempatan) Sdn Bhd<br>CIMB For WA Capital Sdn Bhd | 218,000,000                 | 26.13 | -                          | -     | 218,000,000  | 29.04 | -                          | -     |
| Liew Soo Keang  | 190,751,105                 | 22.87 | -                          | -     | 190,751,105  | 25.41 | -                          | -     |
| Chew Ne Weng  | 33,270,895                  | 3.99  | 218,000,000 <sup>(1)</sup> | 26.13 | 33,270,895   | 4.43  | 218,000,000 <sup>(1)</sup> | 29.04 |
| Zhou Fu (L) Foundation  | -                           | -     | 218,000,000 <sup>(2)</sup> | 26.13 | -  | -     | 218,000,000 <sup>(2)</sup> | 29.04 |

|                       | Shareholdings as at the LPD |       |                            |       | After the Proposed Renewal Share Buy-Back Authority |       |                            |       |
|-----------------------|-----------------------------|-------|----------------------------|-------|---|-------|----------------------------|-------|
|                       | Direct                      |       | Indirect                   |       | Direct  |       | Indirect                   |       |
|                       | No. of Shares               | %     | No. of Shares              | %     | No. of Shares                                       | %     | No. of Shares              | %     |
| <b>Directors</b>      |                             |       |                            |       |   |       |                            |       |
| Chew Ne Weng          | 33,270,895                  | 3.99  | 218,000,000 <sup>(1)</sup> | 26.13 | 33,270,895  | 4.43  | 218,000,000 <sup>(1)</sup> | 29.04 |
| Liew Soo Keang        | 190,751,105                 | 22.87 | -                          | -     | 190,751,105   | 25.41 | -                          | -     |
| Hoh Chee Mun          | 90,000                      | 0.01  | -                          | -     | 90,000  | 0.01  | -                          | -     |
| Adnan Bin Zainol      | 40,000                      | 0.00  | -                          | -     | 40,000  | 0.01  | -                          | -     |
| Maznida Binti Mokhtar | -                           | -     | -                          | -     | -   | -     | -                          | -     |
| Wong Pek Yee          | -                           | -     | -                          | -     | -   | -     | -                          | -     |

Note:-

<sup>(1)</sup> Deemed interested pursuant to Section 8 of the Companies Act, 2016

<sup>(2)</sup> Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through WA Capital Sdn. Bhd.

## 5. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to and conditional upon the shareholders' approval being obtained at the 10<sup>th</sup> AGM of QES to be convened.

The Proposed Renewal of Share Buy-Back Authority is not conditional upon any other proposals undertaken or to be undertaken by the Company.

## 6. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors' Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of shares or resale of treasury shares, if any in the future.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of QES Shares traded on Bursa Securities for the past twelve (12) months are as follows:

|             | <b>Highest<br/>RM</b> | <b>Lowest<br/>RM</b> |
|-------------|-----------------------|----------------------|
| <b>2023</b> |                       |                      |
| April       | 0.67                  | 0.58                 |
| May         | 0.59                  | 0.51                 |
| June        | 0.63                  | 0.53                 |
| July        | 0.64                  | 0.57                 |
| August      | 0.64                  | 0.57                 |
| September   | 0.61                  | 0.54                 |
| October     | 0.56                  | 0.51                 |
| November    | 0.55                  | 0.49                 |
| December    | 0.53                  | 0.49                 |
| <b>2024</b> |                       |                      |
| January     | 0.55                  | 0.49                 |
| February    | 0.54                  | 0.46                 |
| March       | 0.61                  | 0.51                 |

The last transacted price of QES Shares on 29 March 2024, being the LPD, was RM0.6200. (Source: <https://finance.yahoo.com/quote/0196.KL/history/>)

## 8. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, including the rationale and the effects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution in respect of the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 10<sup>th</sup> AGM.

## 9. 10<sup>th</sup> AGM

The 10<sup>th</sup> AGM will be held on a 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 purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Renewal of Share Buy-Back Authority.

If you are unable to attend and vote in person at the 10<sup>th</sup> AGM, you should complete, sign and return the Proxy Form in accordance with the instructions provided thereon so as the forms shall arrive at the office of our Company's Share Registrar at Mega Corporate Service Sdn. Bhd.'s office at Level 15-2, Faber Imperial Court, Jalan Sultan Ismail 50250 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 10<sup>th</sup> AGM or any adjournment thereof.

The lodging of the Proxy Form does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## 10. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of  
**QES GROUP BERHAD**

**ADNAN BIN ZAINOL**  
INDEPENDENT NON-EXECUTIVE CHAIRMAN

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**APPENDIX I – FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Directors of QES who individually and collectively accept full responsibility for the accuracy of the information contained in this Statement and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION**

The Board has confirmed that as at the LPD, neither QES nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against QES Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of QES Group.

**3. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by the shareholders of QES at the Registered Office of QES at Lot 4.100, 4<sup>th</sup> Floor, Wisma Central 50450 Jalan Ampang Kuala Lumpur during normal office hours between Monday to Friday (except public holidays) from the date of this Statement for a period of not less than 2 weeks:

- (i) The Constitution of QES; and
- (ii) The audited financial statements of QES for the past two (2) financial years ended 31 December 2022 and 2023 respectively.