

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)

Minutes of the Company's 20th Annual General Meeting held at Saujana Ballroom, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 25 August 2017 at 10.00 a.m.

- Chairman : Tengku Dato' Zainal Rashid Bin Tengku Mahmood (Chairman)
- Present : Dr Chia Song Kun (Dr Chia)
Mr Chieng Ing Huong, Eddy
Mr Chia Seong Pow
Mr Chia Song Swa
Mr Chia Song Kooi
Mr Chia Seong Fatt
Mr Chia Mak Hooi, Mark
Mr Cheah Juw Teck, Eric
Mr Chia Lik Khai
Mr Tan Bun Poo, Robert
Prof. Datin Paduka Dr Aini Binti Ideris
Ms Ng Geok Ping, Yvonne (Company Secretary)
- In attendance : The attendance of shareholders, proxies, corporate representatives, press and invitees are set out as per the attendance list.

1) CALLING OF MEETING TO ORDER

The Chairman welcomed the shareholders and attendees to QL's 20th Annual General Meeting ("Meeting") and called the meeting to order.

2) QUORUM AND NOTICE OF MEETING

There being a quorum present, the Chairman declared the Meeting duly convened.

With the notice taken as read, the Chairman proceeded to the Agenda proper.

3) REGISTER

The Company Secretary informed that the share register and statutory books were in order and available for inspection at the Meeting.

4) PROXIES

The Company Secretary reported that there were 164 proxy forms including certificates of representatives representing approximately 62.19% of the total voting rights received for the Meeting.

5) **VOTING PROCEDURES**

The Chairman informed the shareholders that pursuant to the Main Listing Requirements of Bursa Malaysia Securities Berhad (“MLR”), all resolutions must be voted by poll.

The Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) as the Poll Administrator to conduct the polling voting via electronic devices, and Deloitte Enterprise Risk Services Sdn. Bhd. (“Deloitte”) as an Independent Scrutineer to verify the poll results.

The polling process for all resolutions would be conducted upon completion of the deliberation of all items to be transacted at the Meeting.

6) **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 TOGETHER WITH THE DIRECTORS’ AND AUDITORS’ REPORT (“AFS”)**

The Chairman informed the shareholders that the AFS is meant for discussion only and the Board and/or Management will be pleased to address any questions arising from the said AFS after the following presentations.

The Chairman invited Dr Chia, the Group Managing Director to give the presentation of QL Group’s businesses and outlook, which covered the following areas as set out in “Appendix A” enclosed herein:-

- a) Performance Review of FY 2017 vs FY 2016;
- b) Past Financial Trend & Summary;
- c) Significant operational highlights for FY2017;
- d) Summary of 1st quarter earnings results: Q1FY18 vs Q1FY17; and
- e) Overall outlook for FY2018.

Thereafter, Mr Freddie Yap, QL’s Head - Financial Reporting & Investor Relations was invited to present the Company’s responses as set out in “Appendix A” (slide nos. 18-31) in respect of the questions raised by the Minority Shareholder Watchdog Group via its letter dated 18 August 2017.

After the abovementioned presentations, the Chairman invited the shareholders for questions and comments with regards to the AFS. These were responded by the Board and summarised in “Appendix B” as enclosed.

There being no further questions and comments raised in the Meeting, the AFS were received by the shareholders.

7) PAYMENT OF A FINAL SINGLE TIER DIVIDEND OF 4.25 SEN PER ORDINARY SHARE (“FINAL DIVIDEND”) (RESOLUTION 1)

It was resolved that the final single tier dividend of 4.25 sen per ordinary share in respect of the financial year ended 31 March 2017 be approved.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	802,821,354	100.00
Voted AGAINST	0	0
	<u>802,821,354</u>	<u>100.00</u>

8) RE-ELECTION OF MR CHIENG ING HUONG (RESOLUTION 2)

It was resolved that Mr Chieng Ing Huong who retired be duly re-elected as Director of the Company.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	789,415,169	98.37
Voted AGAINST	13,044,355	1.63
	<u>802,459,524</u>	<u>100.00</u>

9) RE-ELECTION OF MR CHEAH JUW TECK (RESOLUTION 3)

It was resolved that Mr Cheah Juw Teck who retired be duly re-elected as Director of the Company.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	802,182,224	99.96
Voted AGAINST	277,300	0.04
	<u>802,459,524</u>	<u>100.00</u>

10) RE-ELECTION OF MR TAN BUN POO (RESOLUTION 4)

It was resolved that Mr Tan Bun Poo who retired be duly re-elected as Director of the Company.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	802,237,299	99.97
Voted AGAINST	222,225	0.03
	<u>802,459,524</u>	<u>100.00</u>

11) **RE-APPOINTMENT OF YM TENGKU DATO' ZAINAL RASHID BIN TENGKU MAHMOOD (RESOLUTION 5)**

As the Chairman is an interested party to the resolution, he invited Dr Chia to take over the chair of the meeting.

Dr Chia explained to all present that the Companies Act 2016 no longer requires the continuation in office by a director over 70 years of age to be subjected to shareholders' approval at each Annual General Meeting ("AGM").

As such, if the re-appointment of YM Tengku Dato' Zainal Rashid bin Tengku Mahmood ("YM Tengku Zainal Rashid") is passed, his continuation in office will thereafter be subjected to retirement by rotation.

It was resolved that YM Tengku Zainal Rashid who retired be duly re-appointed as Director of the Company.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	788,219,019	98.22
Voted AGAINST	14,240,505	1.78
	<u>802,459,524</u>	<u>100.00</u>

Dr Chia handed over the chairmanship to YM Tengku Zainal Rashid for the next agenda.

12) **RE-ELECTION OF MR CHIA LIK KHAI (RESOLUTION 6)**

The Chairman informed the Meeting that Mr Chia Lik Khai was appointed to the Board on 21 November 2016 and will retire at this Meeting in accordance with Article no. 103 of the Company's Articles of Association.

It was resolved that Mr Chia Lik Khai who retired be duly re-elected as Director of the Company.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	802,182,224	99.96
Voted AGAINST	277,300	0.04
	<u>802,459,524</u>	<u>100.00</u>

13) **DIRECTORS' FEES FOR FY2017 (RESOLUTION 7)**

Mr Ng Aik Pheng asked about the recipients of the proposed directors' fees of about RM1.4 million.

Dr Chia replied that the said proposed directors' fees are paid to all the executive and non-executive directors of the Company including the Chairman, for a period of 17 months commencing from 1 April 2017 until the conclusion of the next annual general meeting. The remuneration (including salary) of the executive directors of the Company has been properly disclosed in the notes to the AFS.

It was resolved 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 AGM of the Company be approved.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	790,178,354	98.42
Voted AGAINST	12,643,000	1.58
	<u>802,821,354</u>	<u>100.00</u>

14) DIRECTORS' BENEFITS (RESOLUTION 8)

The Chairman informed that the Directors' benefits payable comprises of meeting allowances of RM500 per day.

It was resolved that 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 AGM of the Company be approved.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	790,193,354	98.43
Voted AGAINST	12,628,000	1.57
	<u>802,821,354</u>	<u>100.00</u>

15) RE-APPOINTMENT OF MESSRS KPMG AS AUDITORS (RESOLUTION 9)

It was resolved that Messrs KPMG be duly re-appointed as Auditors of the Company for the current year and that the Directors be authorised to fix their remuneration.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	802,739,104	99.99
Voted AGAINST	82,250	0.01
	<u>802,821,354</u>	<u>100.00</u>

16) RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS WHO SERVED MORE THAN 9 YEARS (RESOLUTION 10)

As the Chairman is an interested party to the resolution, he handed over the chair of the meeting to Dr Chia.

Dr Chia informed the Meeting that YM Tengku Zainal Rashid has served the Company for more than 17 years as Independent Non-Executive Director (“INED”) of the Company.

He added that YM Tengku Zainal Rashid met the criteria of an independent director as defined in Chapter 1 of the MLR. YM Tengku Zainal Rashid has performed his duty diligently and in the best interest of the Company as well as provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise.

Therefore, the Board recommended that YM Tengku Zainal Rashid should be retained as Independent Non-Executive Director.

It was resolved that approval be and is hereby given to YM Tengku Zainal Rashid 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.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	789,831,194	98.43
Voted AGAINST	12,628,330	1.57
	<u>802,459,524</u>	<u>100.00</u>

YM Tengku Zainal Rashid resumed chairing the Meeting for the next agenda.

17) RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS WHO SERVED MORE THAN 9 YEARS (RESOLUTION 11)

The Chairman informed the Meeting that Mr Chieng Ing Huong, Eddy (“Eddy”) has served the Company for more than 15 years as INED of the Company.

He added that Eddy met the criteria of an independent director as defined in Chapter 1 of the MLR. Eddy has performed his duty diligently and in the best interest of the Company as well as provided independent judgement and broader views and balanced assessments to the proposals from the Management with their diverse experience and expertise.

Therefore, the Board recommended that Eddy should be retained as INED.

It was resolved that approval be and is hereby given to Chieng 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.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	789,831,194	98.43
Voted AGAINST	12,628,330	1.57
	<u>802,459,524</u>	<u>100.00</u>

18) AUTHORITY TO ALLOT AND ISSUE SHARES (RESOLUTION 12)

The Chairman informed the Meeting that the Board shall be seeking shareholders' consent for the renewal of the general authority for the Directors to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 as it will give the Board certain level of flexibility to allot and issue shares, as and when the need arises, hence, shareholders' approval will be appreciated as it will also reduce the time and cost that would be involved in calling for a general meeting.

It was resolved 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.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	786,912,401	98.02
Voted AGAINST	15,905,623	1.98
	<u>802,818,024</u>	<u>100.00</u>

19) PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY (RESOLUTION 13)

The Chairman commented that this resolution will allow the Company to purchase up to 10% of QL's issued and paid-up share capital at the point of purchase on Bursa Malaysia Securities Berhad through the Company's appointed stockbroker(s).

It was resolved 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”);

It was resolved 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;

It was resolved 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;

It was resolved 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 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
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;

It was resolved 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.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	802,821,354	100.00
Voted AGAINST	-	-
	<u>802,821,354</u>	<u>100.00</u>

20) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF RRPT MANDATE") (RESOLUTION 14)

The Company Secretary advised that the interested Directors, interested major shareholders or interested persons connected with them must not vote on this resolution.

It was resolved 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.

It was resolved 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.

It was resolved 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.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	103,011,542	100.00
Voted AGAINST	-	-
	<u>103,011,542</u>	<u>100.00</u>

21) 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”) (RESOLUTION 15)

The Chairman told the Meeting that 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.

Mr Ng Aik Pheng raised the issue of odd lot arising from the Proposed Bonus Issue. Dr Chia replied that the Board had considered this issue and any combination of ratio for bonus issue exercise will lead to odd lot. In this regard, the Board had decided on 3 bonus shares for 10 existing QL’s shares in conjunction with the Company’s 30th anniversary celebration. The members noted.

It was resolved 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;

It was resolved that the 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;

It was resolved 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;

It was resolved 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.

The poll results was noted as follows:-

	<u>Number of Shares</u>	<u>%</u>
Voted FOR	802,821,354	100.00
Voted AGAINST	-	-
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	802,821,354	100.00

22) ANY OTHER BUSINESS

Upon confirmation from the Company Secretary that the Company had not received any notice for transaction of any other business for this meeting, the Chairman declared the meeting be adjourned for poll voting.

23) POLLING PROCEDURES AND CONDUCT FOR ALL RESOLUTIONS

The shareholders/proxies proceeded to cast their vote by way of poll for all resolutions. Tricor and Deloitte conducted the poll and the tabulation of the votes.

At 11.56 a.m., the Meeting was reconvened by the Chairman. The Chairman invited Mr Ramesh Ramanathan of Deloitte to read out the poll results for each resolutions to the Meeting.

With the results being read and duly announced, the Chairman declared that all resolutions tabled were carried.

24) CLOSE OF MEETING

There being no other business to be transacted, the Meeting was closed at 12.05 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record

TENGGU DATO' ZAINAL RASHID
BIN TENGGU MAHMOOD
Chairman

Dated: