



## **QL RESOURCES BERHAD**

(Company No. 428915-X)  
(Incorporated in Malaysia under the Companies Act, 1965)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting ("Meeting") of QL Resources Berhad ("QL" or the "Company") will be held at Emperor Ballroom, Level 2, Empire Hotel Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 14 January 2011, at 10.00 a.m. for the purpose of considering and if thought fit to pass the following resolutions as Special and Ordinary Resolutions:-

#### **ORDINARY RESOLUTION 1**

**PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.50 EACH HELD IN QL ("EXISTING SHARE(S)") INTO TWO (2) ORDINARY SHARES OF RM0.25 EACH IN QL ("QL SHARE(S)" OR "SHARE(S)") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED SHARE SPLIT")**

**"THAT**, subject to the passing of Special Resolution 1, approvals of all relevant authorities or parties (if required) and approvals of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Proposed Share Split as well as for the listing of and quotation for all new ordinary shares of RM0.25 each in the Company ("QL Share(s)" or "Share(s)") on the Main Market of Bursa Securities, approval be and hereby given to the Board of Directors of the Company ("Board") to subdivide each of the existing ordinary shares of RM0.50 each of the Company, held by the registered shareholders of QL whose names appear in the Record of Depositors as at the close of business on a date to be determined by the Board and announced later ("Entitlement Date"), into two (2) ordinary shares of RM0.25 each which will be fully paid-up;

**AND THAT** the Shares shall, upon allotment and issue, rank *pari passu* in all respects with each other;

**AND THAT** the Board be and is hereby empowered and authorised to deal with any fractional entitlement and fraction of a Share that may arise from the Proposed Share Split in such manner as it shall in their absolute discretion deem fit and in the best interest of the Company;

**AND THAT** the Board be and is hereby authorised to give effect to the Proposed Share Split with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as they may consider necessary or expedient in the best interest of the Company to give effect to the Proposed Share Split."

## **ORDINARY RESOLUTION 2**

### **PROPOSED ISSUE OF UP TO 41,600,000 FREE WARRANTS IN QL ("WARRANT(S)") ON THE BASIS OF ONE (1) FREE WARRANT FOR EVERY TWENTY (20) EXISTING QL SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER AFTER THE PROPOSED PRIVATE PLACEMENT AND PROPOSED SHARE SPLIT ("PROPOSED FREE WARRANTS ISSUE")**

"**THAT**, subject to the passing of Special Resolution 1, approvals of all relevant authorities or parties (if required) and the approvals of Bursa Securities for the admission of the Warrants to the Main Market of Bursa Securities as well as for the listing of and quotation for the Warrants and the new QL Shares arising from the exercise of the Warrants on the Main Market of Bursa Securities, authority be and is hereby given to the Board to allot and distribute the Warrants amongst persons who are registered as shareholders of the Company on the Entitlement Date, on the basis of one (1) free Warrant for every twenty (20) existing QL Shares held then by such shareholders after accounting for the Proposed Private Placement and the Proposed Share Split on the Entitlement Date;

**AND THAT** the Board be and is hereby empowered and authorised to deal with any fractional entitlement and fraction of a Warrant that may arise from the Proposed Free Warrants Issue in such manner as it shall in their absolute discretion deem fit and in the best interest of the Company;

**AND THAT** the Board to allot and issue such appropriate number of new QL Shares arising from any exercise by the holders of the Warrants of their rights under any such Warrants in accordance with the provisions of the deed poll constituting the Warrants;

**AND THAT** the Board be and is hereby authorised to give effect to the Proposed Free Warrants Issue with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as they may consider necessary or expedient in the best interest of the Company to give effect to the Proposed Free Warrants Issue.

**AND THAT** the proceeds from the Proposed Free Warrants Issue will be utilised for such purposes as set out in section 2.2.5 of the Circular to Shareholders dated 17 December 2010, and the Board be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Board may deem fit or expedient, subject to (where required) the approval of the relevant authorities."

## **SPECIAL RESOLUTION 1**

### **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL AND CONSEQUENTIAL AMENDMENTS TO THE COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION ("M&A") ("PROPOSED AMENDMENTS")**

"**THAT**, subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2 above, the M&A of the Company be amended as follow:

- (i) To facilitate the Proposed Private Placement

By deleting the existing Clause 5 of the Company's Memorandum of Association and Article 5 of the Company's Articles of Association in their entirety and substituting thereof the following new Clause 5 and Article 5:-

Proposed Clause 5

"The authorised capital of the Company is RM500,000,000/= (Malaysia Ringgit Five Hundred Million) divided into 1,000,000,000 shares of RM0.50 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise."

#### Proposed Article 5

"The authorised share capital of the Company at the date of adoption of these Articles is Ringgit Malaysia Five Hundred Million (RM500,000,000.00) only divided into One Billion (1,000,000,000) ordinary shares of Ringgit Malaysia: Fifty cents (RM0.50) each. The Company may from time to time by Ordinary Resolution change its authorised share capital."

(ii) Following the Proposed Share Split:

By deleting the existing Clause 5 of the Company's Memorandum of Association and Article 5 of the Company's Articles of Association in their entirety and substituting thereof the following new Clause 5 and Article 5:-

#### Proposed Clause 5

"The authorised capital of the Company is RM500,000,000/= (Malaysia Ringgit Five Hundred Million) divided into 2,000,000,000 shares of RM0.25 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise."

#### Proposed Article 5

"The authorised share capital of the Company at the date of adoption of these Articles is Ringgit Malaysia Five Hundred Million (RM500,000,000.00) only divided into Two Billion (2,000,000,000) ordinary shares of Ringgit Malaysia: Twenty five cents (RM0.25) each. The Company may from time to time by Ordinary Resolution change its authorised share capital."

**AND THAT** the Board be and is hereby authorised to give effect to the Proposed Amendments with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as they may consider necessary or expedient in the best interest of the Company to give effect to the Proposed Amendments."

By Order of the Board

**NG GEOK PING (MAICSA 7013090)**

Company Secretary

Shah Alam, Selangor Darul Ehsan

Date: 17 December 2010

**Notes:-**

- 1. A member of the Company entitled to attend and vote at the Meeting may appoint up to two proxies to attend and vote in his place. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.*
- 2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan at least 48 hours before the appointed time of holding the Meeting.*
- 3. In the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.*

#### 4. Explanatory Statement

*The ordinary resolution no. 1 proposed, if passed, will not have any direct impact on the Company's market capitalisation, it will halve the market price of QL shares, hence increasing the affordability of the QL shares and encouraging more retail participation.*

*The ordinary resolution no. 2 aims to reward the existing shareholders of QL for their continuing support by enabling them to have a greater participation in the equity of the Company, to increase their equity in the Company at a pre-determined price during the tenure of the Warrants, to further participate in the future growth of the Company when the Warrants are exercised and will help strengthen the balance sheet and market capitalisation of the Company, and potentially provide new capital to QL as and when the Warrants are exercised into QL Shares.*

*The special resolution no. 1 for the proposed amendments is to accommodate the increase in the number of new shares to be issued pursuant to the Proposed Private Placement and Proposed Free Warrants Issue and any future issuance of new shares and to facilitate the Proposed Share Split as well as to effect the consequential amendments resulting from the increase in authorised share capital.*