

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("EGM") of Karex Berhad will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities from the broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia via online meeting platform at <https://meeting.boardroomlimited.my> on Thursday, 8 June 2023 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF KAREX BERHAD ("KAREX" OR THE "COMPANY") (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE ESOS ("PROPOSED ESOS")

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of Karex ("**Board**") to establish the ESOS of up to 10% of the total number of issued shares of Karex (excluding treasury shares, if any) from time to time for the benefit of eligible directors and employees of Karex and its subsidiaries ("**Karex Group**" or "**Group**") (excluding dormant subsidiaries, if any) who meet the eligibility criteria for participation in the Proposed ESOS ("**Eligible Persons**"), and the Board be and is hereby authorised to

- do all necessary and authorise an ESOS committee ("**ESOS Committee**") to implement and administer the Proposed ESOS for the benefit of the Eligible Persons, in accordance with the rules, terms and conditions of the Proposed ESOS as may be modified, varied and/or amended from time to time ("**By-Laws**") as set out in Appendix I of the Circular. The members of the ESOS Committee shall comprise Directors and/or other persons as shall be appointed and duly authorised from time to time by the Board;
- allot and issue from time to time such number of new ordinary shares in Karex ("**Karex Shares**" or "**Shares**") as may be required to be allotted and issued pursuant to the exercise of the options granted under the Proposed ESOS ("**ESOS Options**"), **PROVIDED THAT** the total number of new Shares to be issued under the Proposed ESOS shall not in aggregate exceed 10% of the total number of issued shares of Karex (excluding treasury shares, if any) at any point in time during the duration of the ESOS **AND THAT** the new Shares to be allotted and issued upon the exercise of any ESOS Options will, upon allotment and issuance, rank equally in all respects with the then existing Karex Shares, save and except that they will not be entitled to any dividend, right, allotment, and/or other distribution, that may be declared, made or paid prior to the date of allotment and issuance of such new Shares to be issued arising from the exercise of the ESOS Options;
- do all necessary and make such applications as may be necessary at the appropriate time or times to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the new Shares which may from time to time be allotted and issued arising from the exercise of the ESOS Options;
- add, modify, vary and/or amend the By-Laws from time to time as may be required or permitted by the authorities or deemed necessary by the authorities or the Board **PROVIDED THAT** such modifications, variations and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications, variations and/or amendments, deeds or undertakings, to deliver and/or impose such terms and conditions and/or delegate part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed ESOS;
- extend the duration of the ESOS, if the Board deems fit, for up to a maximum period of an additional 5 years ("**Extension**") upon the recommendation by the ESOS committee, **PROVIDED ALWAYS** that the initial ESOS period of 5 years and such Extension made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years or such other period as may be prescribed by Bursa Securities, and that the Board be and is hereby authorised to implement the Extension and do all such acts and things and to execute all necessary documents to give full effect to and complete the Extension with full power to assent to or make any modifications, variations and/or amendments as may be required by the relevant authorities and to take all steps and actions as may be required by the relevant authorities and as the Board may deem necessary and/or expedient to finalise, implement and give full effect to and complete the Extension; and
- to make the necessary application to Bursa Securities for the listing and quotation of the new Shares (as adjusted or modified from time to time pursuant to the By-Laws) that may hereafter from time to time be allotted and issued pursuant to the Proposed ESOS.

THAT pursuant to Section 85(f) of the Companies Act 2016 which must be read together with Clause 54 of the Constitution of the Company ("**Constitution**"), approval be hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered any new Karex Shares ranking equally to the existing issued Karex Shares arising from any allotment and issuance of new Shares to the Eligible Persons pursuant to the Proposed ESOS;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute all such documents and enter into all such arrangements, agreements, deeds and/or undertakings with any parties as they may deem fit necessary, expedient and/or appropriate in order to finalise, implement and/or give full effect to the Proposed ESOS and terms of the By-Laws with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Board may deem fit or necessary or expedient in the best interest of the Company.

AND THAT the draft By-Laws, as set out in Appendix I of the Circular, be and is hereby approved and adopted."

ORDINARY RESOLUTIONS 2 TO 11

PROPOSED ALLOCATION OF ESOS OPTIONS TO DIRECTORS OF KAREX AND PERSONS CONNECTED TO THEM UNDER THE PROPOSED ESOS

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board to authorise the ESOS committee, at any time throughout the duration of the ESOS, to offer and grant to the following persons, ESOS Options to subscribe for new Shares under the Proposed ESOS:

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| (i) Dato' Dr. Ong Eng Long @ Ong Siew Chuan (Chairman/Senior Independent Non-Executive Director) | Ordinary Resolution 2 |
| (ii) Professor Dato' Dr. Adeeba binti Kamarulzaman (Independent Non-Executive Director) | Ordinary Resolution 3 |
| (iii) Dato' Edward Siew Mun Wai (Independent Non-Executive Director) | Ordinary Resolution 4 |
| (iv) Chew Fook Aun (Independent Non-Executive Director) | Ordinary Resolution 5 |
| (v) Lam Juiuan Juiuan ^(a) (Non-Independent Non-Executive Director) | Ordinary Resolution 6 |
| (vi) Goh Yen Yen ^(b) (Non-Independent Non-Executive Director) | Ordinary Resolution 7 |
| (vii) Goh Leng Kian ^(c) (Executive Director) | Ordinary Resolution 8 |
| (viii) Goh Miah Kiat ^(d) (Executive Director/Chief Executive Officer) | Ordinary Resolution 9 |
| (ix) Boong Siew Choon ^(e) (Supply Chain Director) | Ordinary Resolution 10 |
| (x) Goh Mui Gek ^(f) (Sales Director) | Ordinary Resolution 11 |

Notes:

- Lam Juiuan Juiuan is the spouse of Lam Yiu Pang, Albert, the sibling of Goh Yen Yen, Goh Leng Kian, Goh Ai Noi and Goh Yin as well as the aunt of Goh Miah Kiat and Goh Mui Gek.
- Goh Yen Yen is the sibling of Lam Juiuan Juiuan, Goh Leng Kian, Goh Ai Noi and Goh Yin as well as the aunt of Goh Miah Kiat and Goh Mui Gek.
- Goh Leng Kian is the spouse of Boong Siew Choon, the sibling of Lam Juiuan Juiuan, Goh Yen Yen, Goh Ai Noi and Goh Yin as well as the uncle of Goh Miah Kiat and Goh Mui Gek.
- Goh Miah Kiat is the sibling of Goh Mui Gek and the nephew of Lam Juiuan Juiuan, Goh Yen Yen, Goh Leng Kian, Goh Ai Noi and Goh Yin.
- Boong Siew Choon is the spouse of Goh Leng Kian.
- Goh Mui Gek is the sibling of Goh Miah Kiat and the niece of Lam Juiuan Juiuan, Goh Yen Yen, Goh Leng Kian, Goh Ai Noi and Goh Yin.

Provided always that:

- the abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation;
- not more than 10% of the total number of new Shares to be issued under the Proposed ESOS would be allocated to any one of the abovementioned persons who, either singly or collectively through persons connected to them, holds 20% or more of the total number of issued shares of the Company; and
- the allocation of ESOS Options to the abovementioned persons shall be subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Main Market Listing Requirements of Bursa Securities, or any prevailing guideline issued by Bursa Securities, as amended from time to time.

THAT at any one time during the duration of the Proposed ESOS, not more than 70% of the total number of ESOS Options available under the Proposed ESOS could be allocated, in aggregate to the directors and senior management of Karex Group (excluding dormant subsidiaries, if any) pursuant to the Proposed ESOS.

THAT pursuant to Section 85(f) of the Companies Act 2016 which must be read together with Clause 54 of the Constitution, approval be and is hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered new Karex Shares ranking equally to the existing issued Karex Shares.

AND THAT the Board is also authorised to allot and issue the corresponding number of new Shares arising from the exercise of the ESOS Options that may be granted to them under the Proposed ESOS."

By Order of the Board

LIM LEE KUAN (SSM PC NO. 202008001079) (MAICSA 7017753)

TEO MEE HUI (SSM PC NO. 202008001081) (MAICSA 7050642)

ELIZABETH ALLISON DE ZILVA (SSM PC NO. 202008002112) (MAICSA 7030086)

Company Secretaries

Selangor Darul Ehsan

5 May 2023

Notes:

- The Company will continue to leverage on technology to facilitate communications with its shareholders by conducting the EGM on a virtual basis where shareholders are only allowed to participate remotely through live streaming and online remote voting using RPEV facilities via online meeting platform available at <https://meeting.boardroomlimited.my>. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate (including to pose questions) and vote remotely via RPEV facilities.
- The conduct of a virtual EGM is in line with the Guidance Note and Frequently Asked Questions ("**the Revised Guidance Note and FAQ**") by the Securities Commission Malaysia on 7 April 2022.
- Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), and exempt authorised nominees which holds ordinary shares in the Company for multiple owners in one securities account ("**omnibus account**"), is entitled to appoint another person as his proxy to exercise all or any of his rights to participate and vote instead of him at the EGM, and that such proxy need not be a member.
- Where a member appoints more than 1 proxy (subject always to a maximum of 2 proxies at each meeting), the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in an 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. Where a member is an authorised nominee as defined under SICDA, it may appoint 1 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 instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation under its common seal or the hand of its officer or attorney.
- The instrument appointing the proxy may be made in a hard copy form or by electronic means, not less than 48 hours before the time appointed for holding the EGM, as follows:
 - In hard copy form**
The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at the Company's Registered Office at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.
 - By electronic means**
The Form of Proxy can also be lodged electronically with the Company's Share Registrar through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or email to bsr.helpdesk@boardroomlimited.com. Please follow the procedures provided in the Administrative Guide for the EGM in order to deposit the Form of Proxy electronically.
- If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the electronic EGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) at least 48 hours before this meeting.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this Notice will be put to vote on a poll.
- Only a depositor whose name appears on the Record of Depositors as at 1 June 2023 shall be entitled to participate and vote at this meeting or appoints a proxy or proxies to participate and vote on his behalf.

Explanatory Notes:

Section 85(f) of the Companies Act 2016 states that:

"Subject to the Constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 54 of the Constitution states that:

"54. Subject to any direction to the contrary that may be given by the Company in general meeting, all new Shares or other convertible Securities shall, before issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

In order for the Board to issue any new Shares without any pre-emptive rights, such pre-emptive rights must be waived. By approving the resolutions in relation to the Proposed ESOS which entail the allotment and issuance of new Karex Shares (including the new Shares to be issued arising from the exercise of the ESOS Options) in the Company, the shareholders of the Company are waiving their pre-emptive rights pursuant to Section 85(f) of the Companies Act 2016 which must be read together with Clause 54 of the Constitution to first be offered the Karex Shares which, upon waiving the same, will result in a dilution to their shareholding percentage in the Company.