

KAREX BERHAD
[Registration No. 201201034091 (1018579-U)]

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF KAREX BERHAD (“COMPANY”) CONDUCTED ON A FULLY VIRTUAL BASIS AND LIVE-STREAMED FROM ONLINE MEETING PLATFORM AT [HTTPS://MEETING.BOARDROOMLIMITED.MY](https://meeting.boardroomlimited.my) ON THURSDAY, 8 JUNE 2023 AT 10:00 A.M.

PRESENT:

Shareholders and Proxies

As per the Attendance List.

Board of Directors

Dato’ Dr. Ong Eng Long @ Ong Siew Chuan	▪ Chairman, Senior Independent Non-Executive Director
Prof. Dato’ Dr. Adeeba Binti Kamarulzaman	▪ Independent Non-Executive Director
Dato’ Edward Siew Mun Wai	▪ Independent Non-Executive Director
Mr Chew Fook Aun	▪ Independent Non-Executive Director
Madam Lam Juan Juan	▪ Non-Independent Non-Executive Director
Ms Goh Yen Yen	▪ Non-Independent Non-Executive Director
Mr Goh Miah Kiat	▪ Executive Director & Chief Executive Officer
Mr Goh Leng Kian	▪ Executive Director

In Attendance

Ms Elizabeth Allison De Zilva	▪ Company Secretary
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By Invitation

Mr Goh Chok Siang	▪ Chief Financial Officer
Mr Ian Leong	▪ Head of Investor Relations
Mr Wong Your Can	▪ Chief Strategy Officer
Mr Stanley Lee	▪ Representative from RHB Investment Bank Berhad
Ms Cynthia Toh Mei Lee	▪ Representative from Messrs Wong Beh & Toh
Ms Yonita A/P Muniandy	▪ Representative from TMF Administrative Services Malaysia Sdn. Bhd.

1. CHAIRMAN

The Chairman, Dato’ Dr. Ong Eng Long @ Ong Siew Chuan (“Chairman”) welcomed all present to the Extraordinary General Meeting (“EGM”) of the Company and informed the Meeting that the EGM would be conducted on a fully virtual basis and live-streamed from the Online Meeting Platform at <https://meeting.boardroomlimited.my> and using the Remote Participation and Voting Facilities (“RPEV”) provided by Boardroom Share Registrars Sdn. Bhd. The Chairman informed that the virtual EGM was in compliance with Section 327 of the Companies Act 2016 and Clause 59 of the Constitution of the Company.

The registered shareholders, proxies and the corporate representatives were reminded that all discussions that transpired at the Company’s EGM were deemed confidential and any form of visual or audio recording taken whilst the live streaming of the Company’s EGM was conducted, was strictly prohibited unless prior approval from the Company was obtained.

2. QUORUM

The Company Secretary confirmed that a quorum was present for the Meeting. With the requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

The Chairman then introduced the Board members, Company Secretary, Chief Financial Officer and the Company's Principal Adviser, RHB Investment Bank Berhad and Due Diligence Solicitors, Messrs Wong Beh & Toh to the shareholders and proxies accordingly.

3. NOTICE OF MEETING

The Chairman informed the Meeting that the Company's Circular to Shareholders and Administrative Details on the procedures of the Meeting together with the Notice of the EGM dated 5 May 2023 had been circulated to all shareholders and the Notice of the EGM was duly advertised in The Star newspaper on 5 May 2023. With the consent of the Members, the Notice convening the EGM having been circulated within the prescribed period was taken as read.

4. CEO PRESENTATION ON PROPOSAL TO SHAREHOLDERS

The Chairman then invited the Executive Director and Chief Executive Officer of the Company, Mr Goh Miah Kiat to give a presentation on the Company's Proposal to the Meeting.

Mr. Goh Miah Kiat welcomed all the members to the Meeting and informed that Karex Berhad will be celebrating its 10-year anniversary in 2023. He briefed on Karex's achievements for the past 10 years and informed that the Management believed that the Group is poised for growth that will be reflected in its upcoming financial performances. He added that it would be timely for Karex to launch the Employees Share Option Scheme ("ESOS") to commemorate Karex's 10-year anniversary and to provide staff with an opportunity to participate in the next phase of Karex's journey and that the ESOS would be an extra tool for Karex to attract and motivate its existing and future talent.

5. VOTING PROCEDURES

Before proceeding to the agenda of the Meeting, the Chairman informed the Meeting that pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Company's Notice of the EGM would be voted by poll.

The Chairman informed that the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. ("Boardroom"), had been appointed to act as the Poll Administrator to conduct the poll voting electronically and SKY Corporate Services Sdn. Bhd. had been appointed to act as the Scrutineers to verify the poll results at the Meeting. He then invited the Poll Administrator to brief the Meeting on the procedures for the electronic and remote poll voting process via a video presentation.

Upon the conclusion of the video presentation by the Poll Administrator, the Chairman informed that the voting session was available and would remain open until the closure of the voting session to be announced later and the results of the poll voting would be announced after the Scrutineers had verified the poll results.

The Meeting was informed that questions on the proposed resolutions could be posted online and would be addressed during the Question and Answer ("Q&A") session later in the meeting.

6. ORDINARY RESOLUTION 1

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

The Chairman informed the Meeting that the first item on the Agenda was to obtain the members' approval for the Proposed ESOS. The full text of the motion on the Proposed ESOS was set out in the Notice of Meeting and the details of the Proposed ESOS had been set out in the Circular to Shareholders dated 5 May 2023 and was taken as read.

The Chairman then put aside the motion to vote by poll at a later stage and proceeded to the next item on the Agenda.

7. ORDINARY RESOLUTIONS 2 TO 11

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

The Chairman informed the Meeting that the proposed Ordinary Resolutions 2 to 11 were on the Proposed allocation of ESOS Options to the Directors of Karex Berhad and persons connected to them under the Proposed ESOS and the full text of the motions were set out in the Notice of Meeting and the details of the Proposed allocation of ESOS Options to the Directors of Karex Berhad persons connected to them under the Proposed ESOS had been set out in the Circular to Shareholders dated 5 May 2023 and were taken as read.

The Chairman proposed the following motions:

ORDINARY RESOLUTION 2

PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' DR. ONG ENG LONG @ ONG SIEW CHUAN (CHAIRMAN/SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR)

As the Proposed Ordinary Resolution 2 was in relation to the Proposed Allocation of ESOS Options to the Chairman pursuant to the Proposed ESOS, the Chairman then handed over the Chair to the Executive Director/Chief Executive Officer, Mr Goh Miah Kiat, for this Agenda.

Mr Goh Miah Kiat informed the Meeting that Ordinary Resolution 2 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Dato' Dr. Ong Eng Long @ Ong Siew Chuan (Chairman/Senior Independent Non-Executive Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Dato' Ong Eng Long @ Ong Siew Chuan and persons connected to him shall abstain from deliberating, approving and voting on the Proposed Resolution.

Mr Goh Miah Kiat then handed over the Chair back to Dato' Ong Eng Long @ Ong Siew Chuan.

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF ESOS OPTIONS TO PROFESSOR DATO' DR. ADEEBA BINTI KAMARULZAMAN (INDEPENDENT NON-EXECUTIVE DIRECTOR)

The Chairman informed the Meeting that Ordinary Resolution 3 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Professor Dato' Dr. Adeeba Binti Kamarulzaman (Independent Non-Executive Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Professor Dato' Dr. Adeeba Binti Kamarulzaman and persons connected to her shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 4
PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' EDWARD SIEW MUN WAI
(INDEPENDENT NON-EXECUTIVE DIRECTOR)**

The Chairman informed the Meeting that Ordinary Resolution 4 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Dato' Edward Siew Mun Wai (Independent Non-Executive Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Dato' Edward Siew Mun Wai and persons connected to him shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 5
PROPOSED ALLOCATION OF ESOS OPTIONS TO CHEW FOOK AUN (INDEPENDENT NON-EXECUTIVE DIRECTOR)**

The Chairman informed the Meeting that Ordinary Resolution 5 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Chew Fook Aun (Independent Non-Executive Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Chew Fook Aun and persons connected to him shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 6
PROPOSED ALLOCATION OF ESOS OPTIONS TO LAM JIUAN JIUAN (NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)**

The Chairman informed the Meeting that Ordinary Resolution 6 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Lam Jiuan Jiu (Non-Independent Non-Executive Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Lam Jiuan Jiu and persons connected to her shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 7
PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH YEN YEN (NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)**

The Chairman informed the Meeting that Ordinary Resolution 7 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Goh Yen Yen (Non-Independent Non-Executive Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Goh Yen Yen and persons connected to her shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 8
PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH LENG KIAN (EXECUTIVE DIRECTOR)**

The Chairman informed the Meeting that Ordinary Resolution 8 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Goh Leng Kian (Executive Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Goh Leng Kian and persons connected to him shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 9
PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH MIAH KIAT (EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER)**

The Chairman informed the Meeting that Ordinary Resolution 9 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Goh Miah Kiat (Executive Director/Chief Executive Officer). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

The interested Director, Goh Miah Kiat and persons connected to him shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 10
PROPOSED ALLOCATION OF ESOS OPTIONS TO BOONG SIEW CHOON (SUPPLY CHAIN DIRECTOR)**

The Chairman informed the Meeting that Ordinary Resolution 10 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Boong Siew Choon (Supply Chain Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

Boong Siew Choon and persons connected to her shall abstain from deliberating, approving and voting on the Proposed Resolution.

**ORDINARY RESOLUTION 11
PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH MUI GEK (SALES DIRECTOR)**

The Chairman informed the Meeting that Ordinary Resolution 11 was to obtain the members' approval for the Proposed Allocation of ESOS Options to Goh Mui Gek (Sales Director). The full text of the motion was set out in the Notice of the Meeting and the details of the proposal had been set out in the Circular to Shareholders dated 5 May 2023.

Goh Mui Gek and persons connected to her shall abstain from deliberating, approving and voting on the Proposed Resolution.

The Chairman then put aside the motions to vote by poll at a later stage and proceeded to the next item on the Agenda.

8. QUESTIONS AND ANSWERS SESSION

The Chairman informed that similar questions would be grouped and combined, to avoid repetition and may be summarised for expediency. He also added that if there were any questions that were not answered at the Meeting, the Management would answer the questions via the Member's registered email or post it on the Company's Website.

The questions raised by the Minority Shareholders Watchdog Group, and shareholders/proxies together with the responses from the Board of Directors and Management are set out in Appendix 1 as attached to the Minutes.

Upon the conclusion of the Questions and Answers session, the Chairman then proceeded with the voting process.

9. POLLING

The Chairman announced that the Members were given approximately 10 minutes to complete the casting of their votes and immediately after, the Meeting would be adjourned for about 20 minutes for the Poll Administrator to compute and for the Scrutineer to verify the casted votes respectively.

Accordingly, following the completion of computation of the votes and being verified by the Scrutineers, the Chairman called the Meeting to order and announced the poll results as detailed hereunder: -

Resolution	For		Against	
	No. of Votes	%	No. of Votes	%
Ordinary Resolution 1 ▪ Proposed ESOS	630,489,634	91.6787	57,226,593	8.3213
Ordinary Resolution 2 ▪ Proposed Allocation of ESOS Options To Dato' Dr. Ong Eng Long @ Ong Siew Chuan	629,546,534	91.6562	57,309,693	8.3438
Ordinary Resolution 3 ▪ Proposed Allocation of ESOS Options To Professor Dato' Dr. Adeeba Binti Kamarulzaman	630,384,897	91.6635	57,331,330	8.3365
Ordinary Resolution 4 ▪ Proposed Allocation of ESOS Options To Dato' Edward Siew Mun Wai	630,387,897	91.6640	57,328,330	8.3360
Ordinary Resolution 5 ▪ Proposed Allocation of ESOS Options To Chew Fook Aun	630,396,847	91.6653	57,319,380	8.3347
Ordinary Resolution 6 ▪ Proposed Allocation of ESOS Options To Lam Jiuan Jiuan	127,153,925	68.9390	57,290,093	31.0610

Resolution	For		Against	
	No. of Votes	%	No. of Votes	%
Ordinary Resolution 7 <ul style="list-style-type: none"> Proposed Allocation of ESOS Options To Goh Yen Yen 	127,154,825	68.9395	57,289,193	31.0605
Ordinary Resolution 8 <ul style="list-style-type: none"> Proposed Allocation of ESOS Options To Goh Leng Kian 	127,155,025	68.9396	57,288,993	31.0604
Ordinary Resolution 9 <ul style="list-style-type: none"> Proposed Allocation of ESOS Options To Goh Miah Kiat 	392,876,687	87.2839	57,237,093	12.7161
Ordinary Resolution 10 <ul style="list-style-type: none"> Proposed Allocation of ESOS Options To Boong Siew Choon 	399,832,019	87.4762	57,242,993	12.5238
Ordinary Resolution 11 <ul style="list-style-type: none"> Proposed Allocation of ESOS Options To Goh Mui Gek 	392,833,112	87.2805	57,247,893	12.7195

Thereafter, the Chairman declared the results as follows: -

Resolutions	Outcome of Poll Results
Ordinary Resolution 1	Carried
Ordinary Resolution 2	Carried
Ordinary Resolution 3	Carried
Ordinary Resolution 4	Carried
Ordinary Resolution 5	Carried
Ordinary Resolution 6	Carried
Ordinary Resolution 7	Carried
Ordinary Resolution 8	Carried
Ordinary Resolution 9	Carried
Ordinary Resolution 10	Carried
Ordinary Resolution 11	Carried

The following resolutions were resolved at the Extraordinary General Meeting of the Company :

It was RESOLVED :

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:

- (i) establish, appoint 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;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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

- (vi) 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(1) 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 RESOLUTION 2

PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' DR. ONG ENG LONG @ ONG SIEW CHUAN (CHAIRMAN/SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR)

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 Dato' Dr. Ong Eng Long @ Ong Siew Chuan (Chairman/Senior Independent Non-Executive Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF ESOS OPTIONS TO PROFESSOR DATO' DR. ADEEBA BINTI KAMARULZAMAN (INDEPENDENT NON-EXECUTIVE DIRECTOR)

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 Professor Dato' Dr. Adeeba Binti Kamarulzaman (Independent Non-Executive Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF ESOS OPTIONS TO DATO' EDWARD SIEW MUN WAI (INDEPENDENT NON-EXECUTIVE DIRECTOR)

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 Dato' Edward Siew Mun Wai (Independent Non-Executive Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF ESOS OPTIONS TO CHEW FOOK AUN (INDEPENDENT NON-EXECUTIVE DIRECTOR)

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 Chew Fook Aun (Independent Non-Executive Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF ESOS OPTIONS TO LAM JUAN JUAN (NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)

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 Lam Juan Juan (Non-Independent Non-Executive Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH YEN YEN (NON-INDEPENDENT NON-EXECUTIVE DIRECTOR)

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 Goh Yen Yen (Non-Independent Non-Executive Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 8

PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH LENG KIAN (EXECUTIVE DIRECTOR)

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 Goh Leng Kian (Executive Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 9

PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH MIAH KIAT (EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER)

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 Goh Miah Kiat (Executive Director/Chief Executive Officer), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 10

PROPOSED ALLOCATION OF ESOS OPTIONS TO BOONG SIEW CHOON (SUPPLY CHAIN DIRECTOR)

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 Boong Siew Choon (Supply Chain Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

ORDINARY RESOLUTION 11 **PROPOSED ALLOCATION OF ESOS OPTIONS TO GOH MUI GEK (SALES DIRECTOR)**

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 Goh Mui Gek (Sales Director), ESOS Options to subscribe for new Shares under the Proposed ESOS.

Provided always that:

- (a) the abovementioned person(s) must not participate in the deliberation and/or discussion of their own respective allocation;
- (b) 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 person(s) 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
- (c) the allocation of ESOS Options to the abovementioned person(s) 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(1) 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.

10. CLOSURE

There being no other business, the Meeting concluded at 11.30 a.m. with a vote of thanks to the Chairman and all present thereat.

CONFIRMED AS CORRECT RECORD OF THE PROCEEDINGS THEREAT

-SIGNED-

CHAIRMAN
DATO' DR. ONG ENG LONG @ ONG SIEW CHUAN

KAREX BERHAD
[Registration No. 201201034091 (1018579-U)]
(Incorporated in Malaysia)

**QUESTIONS AND ANSWERS DISCUSSED AT THE
EXTRAORDINARY GENERAL MEETING (“EGM”) HELD ON THURSDAY, 8 JUNE 2023**

The Chairman welcomed questions from the floor and the following questions were raised and discussed:

A. Questions raised by the Minority Shareholders Watch Group (“MSWG”)

The Chairman informed the Meeting that the Company had received a letter from the MSWG prior to the EGM on the following questions and the Executive Director and Chief Executive Officer, Mr Goh Miah Kiat responded as follows:

Proposed ESOS and Proposed Allocation of ESOS Options

1. The term “Employees” in Employees’ Share Option Scheme (ESOS) explicitly signifies that the scheme is intended for the benefit and participation of employees of the company. It is crucial to acknowledge that Independent Non-Executive Directors (INEDs), who serve in a non-executive capacity, are not classified as employees of the company.

MSWG discourages the participation of INEDs in any form of share options due to their non-executive management roles and responsibilities in overseeing the allocation of share options to executive directors and employees.

The inclusion of four INEDs – Dato’ Dr. Ong Eng Long @ Ong Siew Chuan, Professor Dato’ Dr. Adeeba binti Kamarulzaman, Dato’ Edward Siew Mun Wai and Chew Fook Aun – in the Proposed ESOS raises concerns regarding potential conflicts of interest, dilution of independence, impaired objectivity and shareholder value preservation. These risks arise due to the possibility of INEDs being influenced by personal financial interests aligned with share price performance, compromising their objectivity in oversight duties and decision-making processes.

a) Considering that the INEDs do not have executive responsibilities and are already adequately compensated through directors' fees and other benefits, what is the compelling justification for their inclusion in the Proposed ESOS?

The Proposed ESOS is extended to the INEDs to recognise their contribution in respect of their responsibilities as non-executive directors and to enable them to participate in the future growth of the Group. The INEDs have been able to advise and provide valuable insight in board deliberations drawn from their experience and expertise in the aspects of terms of corporate governance, internal controls, risk management and finance-related matters which form the foundation to protect the interests of all stakeholders. Their participation in the equity of the Company is not expected to impair their independence and level of commitment and contribution to the Group.

Although the INEDs would primarily continue to be remunerated for their services by way of directors' fees, the Company intends to allow the INEDs to participate in the Proposed ESOS in recognition for their contribution. In the event that any of the INEDs is a member of the ESOS Committee to be established upon the implementation of the Proposed ESOS, such INEDs shall not participate in the deliberation or discussion of his/her own allocation of the ESOS Options or persons connected with him/her. In addition, there will also be a retention period imposed on the INEDs in which they must not sell, transfer or assign the new Karex Shares obtained through the exercise of the ESOS Options granted to him/her for a period of 1 year from the Date of Offer or such other period as may be prescribed by Bursa Securities.

b) It is stated in the Circular that the Proposed ESOS is extended to the non-executive directors Karex Group to recognize their contribution in respect of their responsibilities as non-executive directors and to enable them to participate in the future growth of the Group.

To ensure transparency and fairness in the allocation of the ESOS Options, what measures are in place to ensure that the allocation is directly tied to their performance and the value they bring to the Group?

There are no performance measures in place at this juncture to ensure that the allocation is directly tied to the INEDs' performance and the value they bring to the Group. However, the ESOS Committee shall be guided by the aspects of contribution, individual knowledge and experience, caliber and skill sets that the INEDs in the aspects of terms of corporate governance, internal controls, risk management and finance-related matters. It should also be noted that the INEDs will continue to abstain from all deliberations and voting in respect of any specific allocation to themselves at the relevant Board meetings.

B. Issues raised by other shareholders/proxies

The following questions were raised by the shareholders/proxies at the Extraordinary General Meeting ("EGM") of the Company and the Executive Director and Chief Executive Officer, Mr Goh Miah Kiat responded as follows:

1. Whether the Company would consider providing e-Vouchers at the Company's General Meetings?

Management's response:

There would be no e-Vouchers or door gifts provided for attending the EGM. The Company would take the request into consideration in the coming years and subject to the Covid-19 pandemic situation/risks, the Company may consider hybrid/physical General Meetings in the future and provide some Karex products or vouchers at the Company's future General Meetings.

2. Would Karex increase its revenue after the business diversification?

Management's response:

The financial results for the last three quarters for the financial year ending 30 June 2023 ("FYE 2023") have been good and the financial results for the Fourth Quarter of FYE2023 were forecasted to be encouraging as evidenced by a historical high revenue for Karex during its 35 years in business. The condom manufacturing and personal lubricant businesses in the sexual wellness division specifically have seen double digit year-on-year growth and have been buoyed by the exit of several global condom manufacturers due to the business challenges faced during the Covid-19 pandemic and the increase in manufacturing costs arising from the strengthening of regulations in the industry.

The medical segment business is also expected to continue to recover post-pandemic due to a shift towards a heightened sense of personal hygiene, as well as the fact that many elective surgeries that were postponed during the pandemic were due to be performed during the upcoming months.

- 3. Although there was an increase in revenue, there have also been two continuous years of increased losses. When will the Company start delivering sustainable growth and profits that could result in increased dividend payments? What new initiatives can the Company institute to deliver profits without waiting for improvements in the economy itself?**

Management's response:

While the growth in revenue was very positive, there were global supply chain disruptions and multiple cost increases during the Covid-19 pandemic such as substantial price hikes to key raw materials such as silicon oil, packaging and freight rates. This compounded with the Covid-19 associated costs and disruptions resulted in a substantial increase to the cost of manufacturing that ultimately reduced profit margins.

In order to help alleviate the disruptions and insulate the business from future price volatility, Karex implemented several strategies including installing several new IT systems and expediting the development of several new products.

In the meantime, Karex continued to deliver products to customers and at times suffered losses in doing so, but in return solidified the trust that it had earned from customers over the years. This proved invaluable in allowing the business to survive the pandemic whilst so many other global manufacturers were not able to do so. In the short term, this leaves Karex poised to benefit from an improvement in margins as the effects of the disruptions from pandemic subside. In the long term, the innovation and investment in new product development is expected to further set Karex apart from its peers allowing it to deliver sustainable profitability to its shareholders.

- 4. What process is taken to check the eligibility of employees for ESOS and the results are reported to who?**

Management's response:

The eligibility of employees for the ESOS options would be monitored by Karex's Human Resource teams whilst the allocation of ESOS options would be independently deliberated by the ESOS Working Committee and further governed impartially by the ESOS Committee comprising of Independent Non-Executive Directors.