

NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 11th Annual General Meeting ("11th AGM") of Karex Berhad ("Karex" or "Company") 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 on Monday, 27 November 2023 at 10:00 a.m. for the purpose of considering the following businesses: -

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and the Auditors thereon.

(Refer to Explanatory Note (a))

2. To re-elect Dato' Dr. Ong Eng Long @ Ong Siew Chuan who is retiring in accordance with Clause 97 of the Company's Constitution, and being eligible, has offered himself for re-election.

(Ordinary Resolution 1)

3. To re-elect Mr Goh Miah Kiat who is retiring in accordance with Clause 97 of the Company's Constitution, and being eligible, has offered himself for re-election.

(Ordinary Resolution 2)

4. To re-elect Dato' Edward Siew Mun Wai who is retiring in accordance with Clause 97 of the Company's Constitution, and being eligible, has offered himself for re-election.

(Ordinary Resolution 3)

5. To re-elect Mr Chew Fook Aun who is retiring in accordance with Clause 104 of the Company's Constitution, and being eligible, has offered himself for re-election.

(Ordinary Resolution 4)

6. To approve the payment of Directors' Fees of RM490,000 for the financial year ended 30 June 2023.

(Ordinary Resolution 5)

7. To approve the payment of Directors' remuneration (excluding Directors' Fees) and benefits payable to the Directors of the Company and its subsidiaries up to an amount of RM61,000 for the period from 1 December 2023 to 30 November 2024.

(Ordinary Resolution 6)

8. To re-appoint Messrs KPMG PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

(Ordinary Resolution 7)

Special Business

To consider and if thought fit, pass the following Ordinary Resolutions with or without any modifications:

9. **Authority to Issue and Allot Shares**

"THAT subject always to the Companies Act, 2016 ("the Act"), Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Act to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Act ("Mandate").

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THAT pursuant to Section 85 of the Companies Act 2016, to be read together with Clause 54 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this Mandate.

AND THAT the new shares to be issued shall upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such new shares."

(Ordinary Resolution 8)

10. Continuation in Office of Independent Non-Executive Director

"THAT approval be and is hereby given to Dato' Dr. Ong Eng Long @ Ong Siew Chuan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 9)

11. To transact any other business of which due notice shall have been given in accordance with the Act.

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

Dated this 27th day of October 2023

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Notes:

- 1) *The Company will continue to leverage on technology to facilitate communications with its shareholders by conducting the 11th AGM 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 Details of the 11th AGM in order to register, participate (including pose questions) and vote remotely via the RPEV facilities.*
- 2) *In compliance with Section 327(2) of the Companies Act 2016, the Chairman shall be present at the main venue of the meeting in Malaysia and in accordance with Clause 59 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that allows all Members of the Company to participate and exercise the members' right to participate and vote at the meeting. Shareholders, proxy(ies) and corporate representatives will not be allowed to be physically present nor enter the Broadcast Venue.*
- 3) *A member entitled to virtually attend and vote at the above Meeting is entitled to appoint a proxy or proxies to exercise all or any of his rights to virtually attend, participate, interact and vote in his/her stead, in accordance with the Administrative Details.*
- 4) *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*
- 5) *Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.*
- 6) *Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("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 the Exempt Authorised Nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of his holdings to be represented by each proxy.*
- 7) *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
- 8) *The instrument appointing a proxy must be deposited at the registered office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> (please follow the procedures as stipulated in the Administrative Details) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
- 9) *Shareholders/proxies/corporate representatives are encouraged to refer to the procedures set out in the Administrative Details in order to participate remotely.*
- 10) *Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and interact at the Annual General Meeting is 20 November 2023.*

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EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

a) *Item 1 of the Agenda*

Audited Financial Statements for the financial year ended 30 June 2023

This Agenda item is meant for discussion only, as the provisions of Section 248 and Section 340 (i)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

b) *Ordinary Resolutions 1, 2, 3 & 4*

Re-election of Directors who retire in accordance with Clause 97 and 104 of the Company's Constitution

No individual is seeking election as a Director at the forthcoming 11th AGM of the Company.

Pursuant to Clause 97 of the Constitution of the Company, Dato' Dr. Ong Eng Long @ Ong Siew Chuan, Mr Goh Miah Kiat and Dato' Edward Siew Mun Wai are standing for re-election as Directors of the Company and being eligible offered themselves for re-election at this 11th AGM of the Company. The profile of the retiring Directors are set out on pages 40, 47 and 42 respectively of the Annual Report. The Board through its Nomination Committee had assessed the retiring Directors, as detailed in the Corporate Governance Overview Statement on page 57 of the Annual Report.

Pursuant to Clause 104 of the Constitution of the Company, Mr Chew Fook Aun is standing for re-election as a Director of the Company and being eligible offered himself for re-election at this 11th AGM of the Company. The profile of the retiring Director is set out on page 43 of the Annual Report. The Board through its Nomination Committee had assessed the retiring Director, as detailed in the Corporate Governance Overview Statement on page 57 of the Annual Report.

c) *Ordinary Resolutions 5 & 6*

Payment of Directors' fees and benefits made payable to the Directors

Section 230(1) of the Act, provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval at the 11th AGM for the payment of Directors' fees and benefits payable to the Directors in two (2) separate resolutions as below: -

- (i) Resolution 5 on the proposed Directors' fees of RM490,000 in respect of the financial year ended 30 June 2023;
- (ii) Resolution 6 on the payment of Directors' Benefits (excluding Directors' Fees) payable to the Directors of the Company and its subsidiaries up to an amount of RM61,000 for the period from 1 December 2023 to 30 November 2024. The benefits comprise the meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors.

d) *Ordinary Resolution 8*

Authority to Issue and Allot Shares

The proposed Ordinary Resolution, if approved, will give flexibility to the Directors of the Company to issue shares up to a maximum of 10% of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

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This is the renewal of the mandate obtained from the shareholders at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and no proceeds were raised. The purpose of this general mandate sought will provide flexibility to the Company for any possible fund-raising activities but not limited for further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

This is also to approve the disapplication of statutory pre-emption rights under Section 85 of the Companies Act 2016, to allot new shares (or to grant rights over shares) without first offering them to the existing shareholders in proportion to their holdings pursuant to the general mandate.

e) *Ordinary Resolution 9*

Continuance in Office as an Independent Non-Executive Director - Dato' Dr. Ong Eng Long @ Ong Siew Chuan

The proposed Ordinary Resolution is subject to two-tier voting, if approved, will allow the named Director to remain as an Independent Director notwithstanding that he has served a cumulative term of more than nine years as an Independent Director.

The Board after the annual assessment of the independence of Dato' Dr. Ong Eng Long @ Ong Siew Chuan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, had recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- 1) He fulfilled the criteria under the definition of Independent Director as set out under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as a check and balance and bring an element of objectivity to the Board;
- 2) He has cumulative knowledge of the Group's business and operations and has made and continue to make valuable contributions to the Group;
- 3) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making by actively participating in board discussions and provided an independent voice to the Board through his vast experience in various industries; and
- 4) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.