



# KARYON INDUSTRIES BERHAD

(Company No. 612797-T)

(Incorporated in Malaysia under the Companies Act, 1965)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 16<sup>th</sup> Annual General Meeting ("AGM") of KARYON INDUSTRIES BERHAD ("the Company") will be held at Ponderosa Golf & Country Resort Berhad, Hop Sing II, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor, Malaysia on Friday, 6 September 2019 at 2.00 pm for the following purposes:

### AGENDA

#### ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 March 2019 and the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Notes No. 1*
- To approve the payment of Directors' Fees amounting to RM464,917-00 for the financial year ended 31 March 2019. *Resolution 1*
- To approve the payment of Directors' benefits payable to the Directors of the Company up to RM80,000-00 from 7 September 2019 until the conclusion of the next AGM in 2020. *Resolution 2*
- To re-elect the following Directors who retire by rotation in accordance with Article 104 of the Articles of Association of the Company, constituting part of the Constitution of the Company:
  - Mr Loh Chen Yook *Resolution 3*
  - Ms Tay Hui-Hui *Resolution 4*
- To re-elect the following Directors who retires pursuant to Article 112 of the Articles of Association of the Company, constituting part of the Constitution of the Company:
  - Mr See Hock Chuan *Resolution 5*
  - Mr Low Chiun Yik *Resolution 6*
  - Ms Chua Shing Yong *Resolution 7*
  - Ms Kok Lee Nee *Resolution 8*
- To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 31 March 2020 and to authorise the Board of Directors to fix their remuneration. *Resolution 9*

#### SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions with or without modifications:

- PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("PROPOSED AUTHORITY")** *Resolution 10*  
 "THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval of the relevant governmental / regulatory authorities (if any), the Directors be and are hereby authorised to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be allotted during the preceding 12 months does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing and quotation for the additional shares so allotted from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by a resolution of the Company at a general meeting."
- PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION ("PROPOSED ALTERATION")** *Special Resolution*  
 "THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution attached hereto as Annexure A with effect from the date of passing this special resolution.  
 THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."
- To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Articles of Association, comprising part of the Constitution of the Company.

By Order of The Board

**KARYON INDUSTRIES BERHAD**

YONG MAY LI (LS NO. 0000295)

Company Secretary

Johor Bahru

29 July 2019

#### Notes:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy. There shall be no restriction as to the qualification of the proxy.
- Where a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provision of subsection 25A (1) of the said Act.
- Where a member or authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholding to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy, in the case of an individual shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than forty eight (48) hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 77 of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), a Record of Depositors as at 28 August 2019 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

#### Explanatory Notes:

##### Ordinary Business:

- Item 1 of the Agenda**  
**To receive the Audited Financial Statement**  
 The Audited Financial Statements under this Agenda is meant for discussion only as the provisions of Sections 248(2) and 340(1) of the Companies Act 2016 do not require a formal approval of the Shareholders. Hence, this Agenda item is not put forward for voting by shareholders of the Company.
- Item 3 of the Agenda**  
**Ordinary Resolution 2**  
**Directors' Benefits from 7 September 2019 until the conclusion of the next AGM in 2020**  
 The total estimated benefits payable comprised of meeting fees and Directors' liability insurance for the Directors of the Company from 7 September 2019 until the conclusion of the next AGM in 2020.
- Item 5 of the Agenda**  
**Ordinary Resolutions 5, 6, 7 and 8**  
**Re-election of Directors**  
 Article 112 of the Articles of Association of the Company, constituting part of the Constitution of the Company, provides that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.  
 Accordingly, Mr See Hock Chuan, Mr Low Chiun Yik and Ms Chua Shing Yong who were appointed as Independent Non-Executive Directors of the Company and Ms Kok Lee Nee who was appointed as Executive Director of the Company on 5 November 2018, shall hold office until the 16<sup>th</sup> AGM and shall then be eligible for re-election.

##### Special Business:

- Item 7 of the Agenda**  
**Ordinary Resolution 10**  
**Proposed Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**  
 This proposed Ordinary Resolution 10 under Agenda 7, if passed will give powers to the Directors to allot and issue up to a maximum ten percent (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and unless earlier revoked and varied by the shareholders of the Company at a subsequent general meeting, expire at the next Annual General Meeting of the Company.  
 The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 5 September 2018. The Company did not utilise the mandate that was approved last year. The purpose of this renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise, including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.
- Item 8 of the Agenda**  
**Special Resolution**  
**Proposed Alteration of the existing Memorandum and Articles of Association by replacing with a new Constitution**  
 This proposed Special Resolution, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016 and other provisions of laws and regulations that are applicable to the Company.  
 For further information on the Proposed Alteration, please refer to the Annexure A enclosed together with the Company's 2019 Annual Report.