



KAREX BERHAD

(Registration No: 201201034091 (1018579-U))
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting ("7th AGM") of Karex Berhad ("Karex" or "Company") will be held at Premiere Hotel, Jalan Langat, Bandar Bukit Tinggi 1, 41200 Klang, Selangor Darul Ehsan on Friday, 29 November 2019 at 10:00 a.m. for the purpose of considering the following businesses:

AGENDA

Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of the Directors and the Auditors thereon. **(Refer to Explanatory Note (a))**
- To re-elect Ms Lam Jiuwan Jiuwan who is retiring in accordance with the Article 95 of the Company's Constitution, and being eligible, has offered herself for re-election. **(Ordinary Resolution 1)**
- To re-elect Ms Goh Yen Yen who is retiring in accordance with the Article 95 of the Company's Constitution, and being eligible, has offered herself for re-election. **(Ordinary Resolution 2)**
- To re-elect Professor Dato' Dr. Adeeba binti Kamarulzaman who is retiring in accordance with the Article 100 of the Company's Constitution, and being eligible, has offered herself for re-election. **(Ordinary Resolution 3)**
- To approve the payment of Directors' fees of RM586,667.00 for the financial year ended 30 June 2019. **(Ordinary Resolution 4)**
- To approve the payment of Directors' Benefits (excluding Directors' Fees) payable to the Directors of the Company and its subsidiaries up to an amount of RM56,000.00 for the financial period from 1 December 2019 to 30 November 2020. **(Ordinary Resolution 5)**
- To approve the payment of a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2019. **(Ordinary Resolution 6)**
- 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/Special Resolutions with or without any modifications:

9. Ordinary Resolution

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 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." **(Ordinary Resolution 8)**

10. Special Resolution

Proposed Adoption of the Company's New Constitution

"THAT the existing Memorandum and Articles of Association of the Company be hereby deleted in its entirety and a new Constitution, as set out in Appendix II of the Circular to Shareholders dated 31 October 2019 be replaced thereof and hereby adopted as the Company's Constitution.

THAT henceforth, the Constitution shall bind the Company, the members and the Directors to the same extent as if the Constitution had been signed and sealed by each member and contain covenants on the part of each member and Director to observe all the provisions of the Constitution.

AND THAT the Secretaries be authorised and instructed to do all the necessary and deemed fit to lodge the Constitution as adopted herewith with the Companies Commission of Malaysia on behalf of the Company in accordance with Section 36 of the Companies Act 2016." **(Special Resolution 1)**

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

Notice of Dividend Entitlement and Payment

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the 7th AGM, a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2019, if approved, will be paid on 23 December 2019 to holders of ordinary shares registered in the Record of Depositors of the Company at the close of business on 9 December 2019.

A depositor shall qualify for entitlement to the dividend only in respect of:

- Securities transferred into the Depositor's Securities Account before 4.30 p.m. on 9 December 2019 in respect of transfers; and
- Securities bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

LIM LEE KUAN (MAICSA 7017753)

TEO MEE HUI (MAICSA 7050642)

Company Secretaries

Selangor Darul Ehsan

Dated this 31st day of October 2019

Notes:

- A member entitled to attend and vote at this meeting is entitled to appoint any person as his/her proxy or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his/her place. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- The Form of Proxy shall be in writing under the hand of the appointer or of his/her officer or duly authorised writing. If on its behalf, a corporation, it must be executed under its common seal or under the hand of its officer or its attorney duly authorised on its behalf.
- A member may appoint two or more proxies to attend and vote at the general meeting of the Company. Where a member appoints two or more proxies, the appointment of such proxies shall not be valid unless the Member specifies the proportion of his/her shareholding to be represented by each such proxy.
- The Form of Proxy, together with the power of attorney (if any) under which it is signed or a duly notarial certified copy thereof, 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 not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof.
- Where a member of the Company 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.
- Depositors whose name appear in the Record of Depositors as at 22 November 2019 shall be regarded as members of the Company entitled to attend the 7th AGM or appoint proxies to attend and vote on his/her behalf in accordance with Article 55(6) of the Company's Constitution.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of a poll.

Explanatory notes on Ordinary and Special Business

- Item 1 of the Agenda**
Audited Financial Statements for the financial year ended 30 June 2019.
The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence this item is not put forward for voting.
- Ordinary Resolutions 4 & 5**
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 7th AGM for the payment of Directors' fees and benefit payable to the Directors in two (2) separate resolutions as below:
 - Resolution 4 on the proposed Directors' fees of RM586,667.00 in respect of the financial year ended 30 June 2019;
 - Resolution 5 on the payment of Directors' Benefits (excluding Directors' Fees) payable to the Directors of the Company and its subsidiaries up to an amount of RM56,000.00 for the financial period from 1 December 2019 to 30 November 2020. The benefits comprise the meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors.
- Ordinary Resolution 8**
Authority to Issue and Allot Shares
The proposed Resolution 8 is primarily to seek for the renewal of a general mandate to give flexibility to the Board of Directors to issue and allot shares up to 10% of the issued share capital (excluding treasury shares) of the Company for the time being, at any time in their absolute discretion without convening a general meeting (hereinafter referred to as the "General Mandate").
The Company has been granted a general mandate by its shareholders at the last AGM held on 30 November 2018 (hereinafter referred to as the "Previous Mandate") and it will lapse at the conclusion of the 7th AGM.
As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence, no proceed was raised therefrom.
The purpose to seek the General Mandate is to enable the Directors to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time-consuming and costly to organise a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.
The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), acquisitions, working capital and/or settlement of banking facilities.
- Special Resolution 1**
Proposed Adoption of the Company's New Constitution
The proposed Special Resolution 1 is to seek shareholders' approval to adopt a new Constitution to align with the provisions of the Act, the Main Market Listing Requirements of Bursa Securities and Corporate Governance Requirements ("Proposed New Constitution"). Please refer to Appendix I of the Circular to Shareholders dated 31 October 2019 for detailed information on the Proposed New Constitution.
The Proposed New Constitution shall take effect once the proposed Special Resolution 1 has been passed by a majority of not less than 75% of members who are entitled to vote and do vote in person or by proxy at the 7th AGM.