



KAREX BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Karex Berhad (“**Karex**” or “**Company**”) will be conducted on a fully virtual and live-stream from the broadcast venue at Meeting Room TR12-R02, 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia on Tuesday, 22 December 2020 at 10.00 a.m. or at any adjournment therefor, for the purpose of considering and if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF THE REMAINING 30 SHARES OF COMMON STOCK IN GLOBAL PROTECTION CORP. (“GP”) (“GP SHARES”), REPRESENTING 30% OF THE EQUITY INTEREST IN GP, BY KAREX GLOBAL LIMITED (“KG”), A WHOLLY-OWNED SUBSIDIARY OF KAREX, FROM DAVIN WEDEL (“VENDOR”) FOR A PURCHASE CONSIDERATION OF RM42,263,250.18 (“PURCHASE CONSIDERATION”) TO BE SATISFIED ENTIRELY VIA THE ISSUANCE OF UP TO 82,934,164 NEW ORDINARY SHARES IN KAREX (“KAREX SHARES”) (“CONSIDERATION SHARES”) AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED ACQUISITION”)

“THAT, subject to the conditions precedent as stipulated in the option notice issued by KG to the Vendor on 10 November 2020 for the Proposed Acquisition (as accepted by the Vendor on 12 November 2020) (“**Option Notice**”), approval be and is hereby given for the Company to acquire from the Vendor, the 30 GP Shares, representing the remaining 30% equity interest in GP, via KG for the Purchase Consideration to be satisfied entirely via the allotment and issuance of up to 82,934,164 Consideration Shares at an issue price based on the 5-day volume weighted average market price of Karex Shares immediately preceding the date on which the last of the conditions precedent set out in the Option Notice is fulfilled (“**Issue Price**”) in accordance with the terms and conditions of the shareholders’ agreement entered into amongst KG, the Vendor and GP on 2 October 2014 to regulate the affairs of GP and the respective rights of KG and the Vendor as shareholders of GP (“**Shareholders’ Agreement**”), including any modifications, variations, amendments and additions thereto from time to time;

THAT, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to allot and issue from time to time such number of new Karex Shares as may be required to be issued to the Vendor pursuant to the Option Notice AND approval be further given to the Board to determine and vary if it deemed fit, necessary and/or expedient, the Issue Price in accordance with the provisions of the Shareholders’ Agreement and Option Notice;

THAT the new Consideration Shares, when allotted and issued, shall rank in all respects equally with the existing issued Karex Shares, save and except that the new Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the new Consideration Shares;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things to enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate to implement and give full effect to and to complete the Proposed Acquisition with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Acquisition.”

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

Date: 7 December 2020

Notes:

- In support of the Government of Malaysia’s (the “Government”) ongoing efforts to contain the spread of the Coronavirus (“Covid-19”) and the Government’s advice on social distancing and not having mass gatherings, the Company would like to leverage on technology advancement by conducting the Extraordinary General Meeting of the Company (the “Meeting” or “EGM”) on a fully virtual basis through electronic live streaming and online remote voting, pursuant to Section 327(2) of the Companies Act 2016 and Clause 59 of the Company’s Constitution. The Company will be using Boardroom’s LUMI AGM solution at <https://web.lumiagm.com/> or you may download the free “Lumi AGM” app from the Apple Store or Google Play Store. Please follow the procedures as stipulated in the Administrative Details for the Meeting in order to register, participate and vote virtually via the Boardroom’s LUMI AGM solution.*
- The main venue and only venue of the virtual Meeting is strictly to serve as the broadcast venue where the Chairman of the Meeting is physically present and no shareholders/proxies shall be present at the broadcast venue. The Meeting will be in compliance with Section 327(2) of the Companies Act 2016 which provides that the main venue of the EGM shall be in Malaysia and the chairperson must be present at the main venue of the EGM. The electronic means of conducting the EGM on a fully virtual basis will facilitate and enable all shareholders to participate fully in the proceedings by audio and/or video capabilities without the need to be physically present at the Meeting venue, which is advantageous given the current circumstances relating to Covid-19 and best health practices.*
- A member entitled to virtually attend and vote at this 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.*
- Where a member appoints more than one (1) proxy, the appointment of such proxies shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each such proxy.*
- 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.*
- 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.*
- 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.*
- 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 Online Portal at <http://www.boardroomlimited.my> (please refer to the Administrative Details) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
- Shareholders/proxies/corporate representatives are encouraged to refer to the procedures set out in the Administrative Details in order to participate remotely.*
- Date of Record of Depositors for the purpose of determining Members’ entitlement to attend, vote and interact at the EGM is 15 December 2020.*
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote by way of a poll.*