



SERN KOU RESOURCES BERHAD
[Registration No. 200001016496 (519103-X)]
(Incorporated in Malaysia)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting ("23rd AGM") of SERN KOU RESOURCES BERHAD ("Company" or "SKRB") will be held at Level 2, Lot PTD 6019 (Lot 8804), Jalan Perindustrian 1, Kawasan Perindustrian Bukit Bakri, Mukim Bakri, 84200 Muar, Johor Darul Takzim on Friday, 24 November 2023 at 10.00 a.m. or at any adjournment thereof, for the following purposes: -

1. To receive the audited financial statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note 1)
2. To re-elect the following Directors who are retiring in accordance with Paragraph 97 of the Company's Constitution: -
 - i) Mr Loo Eng Hua (Ordinary Resolution 1)
 - ii) Ms Siah Chew Peng (Ordinary Resolution 2)
3. To re-elect Mr Onn Kien Hoe, a Director who is retiring in accordance with Paragraph 104 of the Company's Constitution.
(Ordinary Resolution 3)
4. To approve the payment of Directors' Fees amounting to RM705,848.00 for the financial year ended 30 June 2023.
(Ordinary Resolution 4)
5. To approve the payment of Directors' Fees amounting up to RM800,000.00 only for the financial year ending 30 June 2024.
(Ordinary Resolution 5)
6. To approve the payment of Directors' Remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries up to an amount of RM3,100,000.00 for the period from 1 December 2023 until 31 December 2024.
(Ordinary Resolution 6)
7. To re-appoint Messrs BDO PLT [201906000013 (LLP0018825-LCA) & AF 0206] as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.
(Ordinary Resolution 7)

Special Business

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

8. **Ordinary Resolution**
- Proposed Waiver of Statutory Pre-Emptive Rights of the Shareholders and Authority to Issue Shares

"THAT subject always to the Companies Act 2016, 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 Sections 75 and 76 of the Companies Act 2016 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.

THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Regulation 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 with new shares 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 other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

(Ordinary Resolution 8)

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9. To transact any other business for which due notice has been given.

By Order of the Board

NG SALLY (SSM PC No. 202008002702 & MAICSA 7060343)
GOH XIN YEE (SSM PC No. 202008000375 & LS0010359)

Chartered Secretaries
Kuala Lumpur
26 October 2023

Notes:

- (1) A Member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. A proxy may, but need not, be a Member of the Company and there shall be no restriction as to the qualification of the proxy where a Member appoints more than one (1) proxy, he shall specify the proportions of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
- (2) A Member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") 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.
- (3) 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. An Exempt Authorised Nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
- (4) The instrument appointing a proxy shall be in writing executed under the hand of the appointor or of 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.
- (5) The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Lot PTD 6019 (Lot 8804), Jalan Perindustrian 1, Kawasan Perindustrian Bukit Bakri, Mukim Bakri, 84200 Muar, Johor Darul Takzim, not less than forty-eight (48) hours before the time appointed for holding the meeting or 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. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.
- (6) The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 16 November 2023.

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Explanatory Notes:

(i) Item 1 of the Agenda

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 248(1) and Section 340(1)(a) of the Companies Act 2016 (the "Act") does not require a formal approval of the shareholders and hence this Agenda item is not put forward for voting.

(ii) Item 2 and 3 of the Agenda – Ordinary Resolutions 1 to 3

Mr Loo Eng Hua, Ms Siah Chew Peng and Mr Onn Kien Hoe are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 23rd AGM. The profile of the retiring Directors is set out in the Profile of Directors of the Annual Report 2023.

The Directors standing for re-election at the forthcoming 23rd Annual General Meeting of the Company are as: -

i.	Mr Loo Eng Hua	Paragraph 97	Ordinary Resolution 1
ii.	Ms Siah Chew Peng	Paragraph 97	Ordinary Resolution 2
ii.	Mr Onn Kien Hoe	Paragraph 104	Ordinary Resolution 3

The Company's Nomination and Remuneration Committee, having reviewed the performance and contribution of Mr Loo Eng Hua, Ms Siah Chew Peng and Mr Onn Kien Hoe respectively, was satisfied that each of them has performed and contributed to the effectiveness of the Board as a whole during the financial year.

The Board recommends shareholders to vote in favour of the re-election of Mr Loo Eng Hua, Ms Siah Chew Peng and Mr Onn Kien Hoe respectively based on the following consideration:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company; and
- (iii) their ability to act in the best interest of the Company in decision-making.

The profiles of the above retiring Directors are set out in the Annual Report 2023.

(iii) Items 4, 5 and 6 of the Agenda – Ordinary Resolutions 4 to 6

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 agreed that the shareholders' approval shall be sought at the 23rd AGM on the Directors' Remuneration in three (3) separate resolutions as below: -

- Resolution 4 on payment of Directors' Fees for the financial year ended 30 June 2023;
- Resolution 5 on payment of Directors' Fees for the financial year ending 30 June 2024; and
- Resolution 6 on payment of Directors' Remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries for the period ended from 1 December 2023 until 31 December 2024 ("Relevant Period").

The payment of the Directors' Fees in respect of the financial year ending 30 June 2024 will only be made if the proposed Resolution 5 has been passed at the 23rd AGM pursuant to Paragraph 105 of the Company's Constitution and Section 230(1) of the Act.

The estimated total amount of remuneration (excluding Directors' Fees) for the Relevant Period of RM3,100,000.00 comprise the insurance premium.

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(iii) Items 4, 5 and 6 of the Agenda – Ordinary Resolutions 4 to 6 (Continued)

Payment of Directors' Fees in respect of the financial year ending 30 June 2024 and the payment of Directors' Remuneration (excluding Directors' Fees) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Resolutions 5 and 6 has been passed at the 23rd AGM. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' Fees in respect of the financial year ending 30 June 2024 and Directors' Remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the mentioned financial period. In the event, where the payment of Payment of Directors' Fees in respect of the financial year ending 30 June 2024 and Directors' Remuneration (excluding Directors' Fees) payable during the above period exceeded the estimated amount sought at the AGM, a separate shareholders' approval will be sought at the next AGM.

(iv) Item 7 of the Agenda - Ordinary Resolution 7

The Audit Committee ("AC") has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs BDO PLT ("BDO") and was satisfied with the suitability of BDO based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the AC's recommendation on the re-appointment of BDO as the external auditors of the Company be put forward for the shareholders' approval at the forthcoming 23rd AGM.

(v) Item 8 of the Agenda - Ordinary Resolution 8

The proposed Ordinary Resolution 8, if passed, will allow the Company to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate. Accordingly, the Company wishes to seek approval from the shareholders for the Directors to issue shares to any person, whether a member or not, in such numbers or proportions as the Directors may determine under this mandate.

This mandate, if passed, will also empower the Directors from the date of this AGM, to allot and issue up to a maximum of 10% of the issued shares of the Company for the time being (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The rationale for this general mandate is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated with the convening of such meeting(s). The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placement of shares, for the purpose of future investment project(s), working capital, repayment of borrowings and/ or acquisition.

This is the renewal of the mandate obtained from the shareholders at the last AGM held on 25 November 2022 ("the Previous Mandate"). The Previous Mandate was not utilised and no proceeds were raised.