



## LKL INTERNATIONAL BERHAD

(Registration No. 201501014673 (1140005-V))

(Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“EGM” or “Meeting”) of LKL International Berhad (“LKL” or the “Company”) will be held on a fully virtual basis and entirely via remote participation and electronic voting via an online meeting platform at <https://rebrand.ly/LKL-EGM> operated by Mlabs Research Sdn Bhd from the Main Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 20 September 2022 at 11:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolutions with or without any modifications:

#### ORDINARY RESOLUTION 1

##### **PROPOSED CONSOLIDATION OF EVERY 10 ORDINARY SHARES IN LKL (“LKL SHARES” OR “SHARES”) INTO 1 LKL SHARE (“CONSOLIDATED SHARE”) (“PROPOSED SHARE CONSOLIDATION”)**

“THAT subject to the passing of Ordinary Resolutions 2 and 3 and the necessary approvals of the relevant authorities and parties (if required) being obtained, approval be and is hereby given to the Company to give effect to the consolidation of every 10 Shares into 1 Consolidated Share;

THAT the Consolidated Shares shall, upon allotment and issuance, rank equally in all respects with one another AND THAT the fractional entitlements arising from the Proposed Share Consolidation shall be disregarded and dealt with by the Board of Directors of the Company (“Board”) in such manner as it is its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of the Company all such documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the Proposed Share Consolidation with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities.”

#### ORDINARY RESOLUTION 2

##### **PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF LKL AND ITS SUBSIDIARIES (“THE GROUP”) TO INCLUDE THE OPERATION OF PHARMACIES INCLUDING RETAILING OF PHARMACEUTICAL, HEALTHCARE AND PERSONAL CARE PRODUCTS (“PROPOSED DIVERSIFICATION”)**

“THAT subject to the passing of Ordinary Resolutions 1 and 3 and the necessary approvals of the relevant authorities and parties (if required) being obtained, approval be and is hereby given to the Board to implement the diversification of the existing business of the Group to include the operation of pharmacies including retailing of pharmaceutical, healthcare and personal care products;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign and deliver or caused to be delivered for and on behalf of the Company, all such documents as it may consider necessary and/or expedient in the best interest of the Company in order to give full effect to the Proposed Diversification with full power to assent to any terms, conditions, modifications, variations and/or amendments in any manner as the Board may deem necessary and/or expedient in the best interest of the Company.”

#### ORDINARY RESOLUTION 3

##### **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 291,480,180 LKL SHARES (“RIGHTS SHARES”) TOGETHER WITH UP TO 194,320,120 FREE DETACHABLE WARRANTS IN LKL (“WARRANTS”) ON THE BASIS OF 3 RIGHTS SHARES TOGETHER WITH 2 FREE WARRANTS FOR EVERY 1 CONSOLIDATED SHARE HELD BY THE ENTITLED SHAREHOLDERS OF LKL ON AN ENTITLEMENT DATE TO BE DETERMINED (“PROPOSED RIGHTS ISSUE WITH WARRANTS”)**

“THAT subject to the passing of Ordinary Resolutions 1 and 2 and the approvals of all relevant authorities or parties being obtained (if required), including but not limited to the approval of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing and quotation of the Rights Shares and Warrants to be issued hereunder and the new Shares to be issued pursuant to the exercise of the Warrants, the Board be and is hereby authorised to undertake the Proposed Rights Issue with Warrants as follows:

- (i) to provisionally allot and issue by way of a renounceable rights issue of up to 291,480,180 Rights Shares together with up to 194,320,120 Warrants to the shareholders of LKL (“**Entitled Shareholders**”) whose names appear in the Register of Depositors of the Company at the close of business on an entitlement date to be determined by the Board (“**Entitlement Date**”) and/or their renounee(s), on the basis of 3 Rights Shares together with 2 free Warrants for every 1 Consolidated Share held on the Entitlement Date at a final issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine;
- (ii) to enter into and execute the deed poll constituting the Warrants (“**Deed Poll**”) and to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company’s common seal, where necessary);
- (iii) to allot and issue the Warrants in registered form to the Entitled Shareholders (and/or their renounee(s)), as the case may be) and the Excess Applicants (as defined below), if any, who subscribe for and are allotted Rights Shares, each Warrant entitling the right to subscribe for 1 new Share at an exercise price to be determined by the Board at a later date, subject to any provisions for adjusting the subscription rights attached to the Warrants in accordance with the provisions of the Deed Poll;
- (iv) to allot and issue such number of new Shares to the holders of the Warrants upon their exercise of the relevant Warrants to subscribe for new Shares during the tenure of the Warrants;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess applications in such manner and to such persons (“**Excess Applicants**”) as the Board shall determine at its absolute discretion;

THAT the Rights Shares, Warrants and the new Shares to be issued pursuant to the exercise of the Warrants shall be listed on the ACE Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 3.1 of the Circular to Shareholders dated 2 September 2022 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

THAT the Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank pari passu in all respects with the then existing issued Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price of the Warrants, rank pari passu in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment of such new Shares to be issued pursuant to the exercise of the Warrants;

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlements of the Rights Shares and the Warrants arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

AND THAT this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants.”

#### ORDINARY RESOLUTION 4

##### **PROPOSED ESTABLISHMENT OF A SHARE ISSUANCE SCHEME (“SIS”) OF UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF LKL (EXCLUDING TREASURY SHARES, IF ANY) TO THE ELIGIBLE DIRECTORS AND ELIGIBLE EMPLOYEES OF THE GROUP (“PROPOSED SIS”)**

“THAT subject to the approvals of all relevant regulatory authorities or parties having been obtained, approval be and is hereby given to the Board to:

- (i) establish, implement and administer the Proposed SIS for the benefit of eligible directors and eligible employees of the Group (“**Eligible Persons**”), excluding the subsidiaries which are dormant in accordance with the by-laws governing the SIS (“**By-laws**”), a draft of which is set out in Appendix II of the Circular, and to give full effect to the SIS with full powers to assent to any conditions, variations, modifications and/or amendments as may be deemed fit or expedient and/or imposed or required by the relevant regulatory authorities or as may be deemed fit or necessary by the Board at its discretion;
- (ii) make the necessary applications to Bursa Securities and to do all the things necessary at the appropriate time or times for the listing and quotation of the new Shares which may from time to time be allotted and issued pursuant to the Proposed SIS;

- (iii) allot and issue and/or procure from time to time such number of new Shares as may be required to be issued pursuant to the exercise of the SIS Options under the Proposed SIS provided that the aggregate number of new Shares to be offered under the Proposed SIS shall not exceed in aggregate of 30% of the total number of issued shares of the Company (excluding treasury shares, if any) at any time during the duration of the SIS;
- (iv) add, delete, modify and/or amend all or any part of the terms and conditions as set out in the By-laws governing the Proposed SIS from time to time as may be required or appointed by the authorities or deemed necessary by the authorities or the Board or any committee of the Proposed SIS established or appointed by it providing that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-laws relating to modifications and/or amendments and to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to such modifications and/or amendments of the SIS;
- (v) extend the duration of the SIS, provided always that such extension of the SIS made pursuant to the By-laws shall not in aggregate exceed a duration of 10 years from the date on which the SIS shall take effect following full compliance of all relevant requirements or such longer period as may be permitted by Bursa Securities or any other relevant regulatory authorities from time to time without having to obtain any further sanction, approval, consent or authorisation of the shareholders of the Company in a general meeting; and
- (vi) do all such acts and things, to execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate its power as may be necessary or expedient in order to give full effect to the Proposed SIS and terms of the By-laws;

THAT pursuant to Section 85 of the Act read together with Clause 54 of the Company’s Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of LKL AND THAT the Board is exempted from the obligation to offer such new LKL Shares first to the existing shareholders of LKL in respect of the allotment and issuance of new LKL Shares to the Eligible Persons pursuant to the Proposed SIS.

AND THAT the Board be and is hereby authorised to give effect to the Proposed SIS with full powers to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required or imposed by the relevant regulatory authorities or as the Board may deem fit or necessary at its absolute discretion.”

#### ORDINARY RESOLUTION 5 - 10

##### **PROPOSED ALLOCATION OF SIS OPTIONS TO DIRECTORS (“PROPOSED ALLOCATION”)**

“THAT, subject to the passing of Ordinary Resolutions 1 and 4 and the approvals of all relevant regulatory authorities (where required) having been obtained, approval be and is hereby given to the Board to authorise the committee appointed and authorised by the Board from time to time to administer the SIS in accordance with the By-laws, to offer and grant, from time to time throughout the duration of the SIS, to each of the Directors as named therein below respectively, such number of Shares in the Company which will be vested to the Directors at a future date and to allot and issue such number of options, Shares and/or the equivalent cash value or combinations thereof comprised in the Proposed SIS granted to the Directors from time to time, provided always that not more than 10% of the total LKL Shares available under the SIS, individually and collectively, shall be allocated to each of the Directors if they, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued share of the Company (excluding treasury shares, if any), subject always to such terms and conditions of the By-laws and the ACE Market Listing Requirements of Bursa Securities, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

THAT pursuant to Section 85 of the Act read together with Clause 54 of the Company’s Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of LKL AND THAT the Board is exempted from the obligation to offer such new LKL Shares first to the existing shareholders of LKL in respect of the allotment and issuance of new LKL Shares to the Eligible Persons pursuant to the Proposed SIS.

THAT the Directors must not participate in the deliberation or discussion of their own allocation, as well as that of the persons connected with them, if any, under the Proposed SIS.

AND THAT subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws, the Board be and is hereby authorised to take such steps as necessary or expedient to implement, finalise or to give full effect to the Proposed Allocation above with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed and/or permitted by the relevant authorities or otherwise thought fit by the Board to be in the best interest of the Company; to execute, sign and deliver on behalf of the Company all such agreements, arrangements and documents as may be necessary to give full effect to, complete and implement the Proposed Allocation as above as well as to deal with all matters relating thereto and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

#### ORDINARY RESOLUTION 5

Datuk Chong Loong Men, Executive Director

#### ORDINARY RESOLUTION 6

Lim Ming Chang, Non-Independent Non-Executive Director

#### ORDINARY RESOLUTION 7

Zulkarnin Bin Ariffin, Executive Director

#### ORDINARY RESOLUTION 8

Ling Chi Hoong, Independent Non-Executive Director

#### ORDINARY RESOLUTION 9

Ng Fun Kim, Independent Non-Executive Director

#### ORDINARY RESOLUTION 10

Chan Jee Peng, Independent Non-Executive Director

#### BY ORDER OF THE BOARD

TEA SOR HUA (MACS 01324) (SSM PC NO.: 201908001272)

Company Secretary

Petaling Jaya, Selangor Darul Ehsan

Date: 2 September 2022

#### Notes:

- (a) A member who is entitled to attend and vote at the EGM shall be entitled to appoint more than one (1) proxy to attend and vote at the EGM in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) For the purpose of determining a member who shall be entitled to attend the EGM, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company’s Constitution to issue the General Meeting Record of Depositors as at 13 September 2022. Only members whose names appear in the General Meeting Record of Depositors as at 13 September 2022 shall be regarded as members and entitled to attend, speak and vote at the EGM.
- (g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the EGM:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the office of the Poll Administrator, Workshire Share Registration Sdn Bhd at A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan (KL).
  - (ii) By electronic form  
The Form of Proxy can be electronically lodged by email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my). Kindly refer to the Administrative Notes on the procedures for electronic lodgement of Form of Proxy.
- (h) All the resolutions set out in the Notice of the EGM will be put to vote by poll.
- (i) The members are advised to refer to the Administrative Notes on the registration and voting process for the EGM.
- (j) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our EGM at short notice. Kindly check Bursa Securities’ website and the Company’s website at <https://www.lklbeds.com> for the latest updates on the status of the EGM.