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NETX HOLDINGS BERHAD

(Company No. 533441-W)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of NetX Holdings Berhad ("**NetX**" or the "**Company**") will be held at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, on Thursday, 21 January 2016 at 10.30 a.m. or any adjournment thereof, for the purpose of considering and if thought fit to pass the following resolutions, with or without any modifications:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY VIA THE CANCELLATION OF RM0.05 OF THE PAR VALUE OF THE ORDINARY SHARES OF RM0.10 EACH TO RM0.05 EACH PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 ("PROPOSED PAR VALUE REDUCTION")

"THAT subject to and conditional upon the passing of Ordinary Resolution 3, the confirmation of the High Court of Malaya pursuant to Section 64 of the Companies Act, 1965 and approvals being obtained from the relevant authorities and parties, approval be and is hereby given to the Company to effect the following:

- a reduction in the par value of each of the issued and unissued ordinary shares in the capital of the Company from RM0.10 each to RM0.05 each so that the authorised capital is reduced from RM70,000,000.00 divided into 700,000,000 ordinary shares of RM0.10 each to RM35,000,000.00 divided into 700,000,000 ordinary shares of RM0.05 each by the cancellation of RM0.05 per ordinary share ("**Proposed Par Value Reduction**"); and
- the credit of RM31,277,651.65 arising therefrom shall be utilised to reduce its accumulated losses (at Company level) and any balance arising thereafter will be credited to its retained earnings (at Company level) which may be utilised in such manner as the board of directors of the Company ("**Board**") deems fit and as permitted by relevant and applicable laws; and
- immediately upon completion of the said Proposed Par Value Reduction, the authorised share capital of the Company which has been reduced from RM70,000,000.00 to RM35,000,000.00 shall be increased to RM70,000,000.00 by the creation of 700,000,000 new ordinary shares of RM0.05 each so as to restore the authorised share capital of the Company to its original amount of RM70,000,000.00 comprising 1,400,000,000 ordinary shares of RM0.05 each,

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute, sign and deliver on behalf of the Company all such documents and/or agreement 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 Par Value Reduction with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities and/or the High Court of Malaya."

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 625,553,033 NEW ORDINARY SHARES OF RM0.05 EACH IN NETX ("NETX SHARES" OR "SHARES") ("RIGHTS SHARES") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING NETX SHARE HELD AFTER THE PROPOSED PAR VALUE REDUCTION, TOGETHER WITH UP TO 625,553,033 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED AT AN ENTITLEMENT DATE TO BE DETERMINED LATER

"THAT, subject to the passing of Special Resolution 1 and Ordinary Resolution 3, the completion of the Proposed Par Value Reduction (as defined in Special Resolution 1) and the approvals of all relevant parties and/or authorities being obtained (where required), authority be and is hereby given to the board of directors of the Company ("**Board**") for the following:

- provisionally allot and issue by way of a renounceable rights issue of up to 625,553,033 new ordinary shares of RM0.05 each in NetX ("**NetX Shares**" or "**Shares**") ("**Rights Shares**") on the basis of one (1) Rights Share for every one (1) existing NetX Share held after the Proposed Par Value Reduction as defined in Special Resolution 1, together with up to 625,553,033 free detachable warrants ("**Warrants**") on the basis of one (1) Rights Share subscribed by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board ("**Proposed Rights Issue of Shares with Warrants**");
- to determine the final issue price of the Rights Shares after taking into consideration the following:
 - the theoretical ex-rights price ("**TERP**") of NetX Shares based on the five (5)-day volume weighted average market price ("**5D-VWAP**") of NetX Shares with a discount to the TERP if applicable or deemed appropriate by the Board prior to the price fixing date to be determined later by the Board; and
 - the par value of NetX Shares of RM0.05 each after the Proposed Par Value Reduction,
- to determine the final exercise price of the Warrants after taking into consideration the following:
 - the TERP of NetX Shares based on the 5D-VWAP of NetX Shares with a discount to the TERP if applicable or deemed appropriate by the Board prior to the price fixing date to be determined later by the Board; and
 - the par value of NetX Shares of RM0.05 each after the Proposed Par Value Reduction,
- enter into and execute the deed poll in relation to the Proposed Rights Issue of Shares with Warrants ("**Deed Poll**") and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give full effect to the aforesaid Deed Poll; and
- utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 3 of the circular to shareholders dated 30 December 2015 ("**Circular**") and vary the manner and/or purpose of utilisation of such proceeds as they may deem fit and in the best interest of the Company,

THAT the Rights Shares and the new NetX Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing NetX Shares, save and except that the Rights Shares and the new NetX Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distribution, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares and the new NetX Shares arising from the exercise of the Warrants.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF A SHARE ISSUANCE SCHEME OF UP TO THIRTY PERCENT (30%) OF THE COMPANY'S TOTAL ISSUED AND PAID-UP SHARE CAPITAL (EXCLUDING TREASURY SHARES, IF ANY) AT ANY ONE TIME DURING THE DURATION OF THE SHARE ISSUANCE SCHEME FOR THE ELIGIBLE PERSONS OF THE NETX GROUP (EXCLUDING DORMANT SUBSIDIARIES)

"THAT subject to the passing of Special Resolution 1 and Ordinary Resolution 3, the completion of the Proposed Par Value Reduction (as defined in Special Resolution 1) and the approvals of all relevant parties and/or authorities being obtained (where required), authority be and is hereby given to the board of the directors of the Company ("**Board**") for the following:

- establish, implement and administer a share issuance scheme of up to thirty percent (30%) of the Company's total issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the share issuance scheme which involves the granting of options to all eligible employees of the Company and its subsidiaries (excluding dormant subsidiaries) who meet the criteria of eligibility for participation of the share issuance scheme ("**Eligible Persons**") as set out in the Bylaws a draft of which is set out in Appendix II of the Circular ("**Bylaws**") ("**Proposed SIS**");
- allot and issue from time to time such number of new ordinary shares of RM0.05 each ("**NetX Shares**" or "**Shares**") as may be required to be issued pursuant to the exercise of the options under the Proposed SIS provided that the aggregate number of NetX Shares to be allotted and issued shall not exceed thirty percent (30%) of the total issued and paid-up share capital of the Company (excluding treasury shares, if any) at any one time during the duration of the share issuance scheme and such new NetX Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing NetX Shares, save and except that the new NetX Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions, the entitlement date of which is on or before the date of allotment and issuance of such new NetX Shares;
- make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new NetX Shares which may from time to time be allotted and issued pursuant to the Proposed SIS; and
- modify and/or amend the Proposed SIS from time to time provided that such modifications and/or amendments are effected in accordance with the Bylaws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed SIS,

AND THAT the Bylaws which are in compliance with the ACE Market Listing Requirements of Bursa Securities, be and are hereby approved and adopted.

AND THAT the Board be and is hereby authorised to give effect to the Proposed SIS with full power to modify and/or amend the Bylaws from time to time as may be required or deemed necessary in accordance with the provisions of the Bylaws relating to amendments and/or modifications and to assent to any condition, variation, modification and/or amendment as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities."

ORDINARY RESOLUTION 3

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF NETX FROM RM70,000,000 COMPRISING 1,400,000,000 NETX SHARES (AFTER THE PROPOSED PAR VALUE REDUCTION) TO RM250,000,000 COMPRISING 5,000,000,000 NETX SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"THAT subject to the passing of Special Resolution 1 and the completion of the Proposed Par Value Reduction (as defined in Special Resolution 1), the authorised share capital of the Company be and is hereby increased from RM70,000,000.00 divided into 1,400,000,000 ordinary shares of RM0.05 each (after the Proposed Par Value Reduction as defined in Special Resolution 1) to RM250,000,000.00 divided into 5,000,000,000 ordinary shares of RM0.05 each by the creation of 3,600,000,000 new ordinary shares of RM0.05 each AND THAT in consequence thereof the Memorandum of Association of the Company and any other relevant documents be and is hereby altered accordingly."

By Order of the Board

SEOW FEI SAN
LAW MEE POO
Company Secretaries

Petaling Jaya
30 December 2015

Notes:

- Only depositors whose names appear in the Record of Depositors as at 15 January 2016 shall be regarded as members and are entitled to attend, speak and vote at the meeting.
- Each member entitled to attend and vote in person may appoint up to two (2) proxies or attorneys or authorised representatives to attend and vote in its stead.
- A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of such Securities Account.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary share 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 each omnibus account it holds.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar's office at 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting.