



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting ("AGM") of Prolexus Berhad ("Prolexus" or "the Company") will be held at the Conference Room of Honsin Apparel Sdn. Bhd., 531 2½ Miles, Jalan Kluang, 83000 Batu Pahat, Johor on Friday, 16 December 2016 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business:-

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| 1. To receive the Audited Financial Statements for the financial year ended 31 July 2016 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 6 |
| 2. To approve the increase and payment of Directors' fees for the financial year ended 31 July 2016. | Resolution 1 |
| 3. To re-elect Mr. Lau Mong Ying, the director who retires by rotation in accordance with Article 77 of the Company's Articles of Association and who, being eligible, offer himself for re-election. | Resolution 2 |
| 4. To re-elect Mr. Boo Chin Liong, the director who retires by rotation in accordance with Article 77 of the Company's Articles of Association and who, being eligible, offer himself for re-election. | Resolution 3 |
| 5. To consider and if thought fit, to pass the following special resolution in accordance with Section 129(6) of the Companies Act, 1965:- "That Mr. Lin, Cheng-Lang, retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next AGM of the Company." | Resolution 4 |
| 6. To approve the payment of a single tier final dividend of 1.75 sen per ordinary share for the financial year ended 31 July 2016. | Resolution 5 |
| 7. To re-appoint Messrs. Grant Thornton as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 6 |

As Special Business:-

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:-

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| 8. PROPOSED CONTINUATION OF ENCIK KHADMUDIN BIN HJ. MOHAMED RAFIK IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR "That, authority be and is hereby given to Encik Khadmudin Bin Hj. Mohamed Rafik who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company." | Resolution 7 |
| 9. PROPOSED CONTINUATION OF MR. LIN, CHENG-LANG IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR "That, authority be and is hereby given to Mr. Lin, Cheng-Lang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM of the Company." | Resolution 8 |
| 10. PROPOSED RENEWAL OF GENERAL MANDATE FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 "That, subject always to provisions of the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue new shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares to be issued." | Resolution 9 |
| 11. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965. | |

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 24th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 30 November 2016. Only a depositor whose name appears on the Record of Depositors as at 30 November 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board,

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Company Secretaries

Date: 24 November 2016
Penang

NOTES ON APPOINTMENT OF PROXY

- A proxy may but need not be a member of the Company.
- A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- 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.
- For a proxy to be valid, the proxy form, duly completed, must be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
- In the case of corporate member, the proxy form must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.

EXPLANATORY NOTES ON ORDINARY BUSINESS

- The Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders of the Company. Hence, the Agenda 1 is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- The proposed Resolutions 7 and 8 are to seek approval for the independent non-executive directors who had served more than 9 years to be retained and continue to act as independent directors to fulfill the requirements of paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to be in line with the recommendation 3.3 of the Malaysian Code of Corporate Governance 2012. The details of justifications are set out in the Statement of Corporate Governance in page 14 to 26 of the Company's 2016 Annual Report.
- The proposed Resolution 9, is to seek a renewal of the general mandate for the directors of the Company to allot and issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next AGM of the Company.
As at the date of notice of meeting, no new shares has been issued pursuant to the general mandate granted at the last AGM of the Company held on 10 December 2015.

The general mandate for issue of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.