



PROLEXUS BERHAD

(Company No.: 250857-T)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth 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, 29 December 2017 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business:-

1. To receive the Audited Financial Statements for the financial year ended 31 July 2017 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees amounting to RM2,735,000 for the financial year ended 31 July 2017.
3. To approve the payment of Directors' benefits of an amount not exceeding RM200,000 from 01 February 2017 until the conclusion of the next AGM of the Company.
4. To re-elect Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali, a director who retires by rotation in accordance with Article 77 of the Company's Constitution and who, being eligible, offers himself for re-election.
5. To re-elect Encik Khadmudin Bin Hj. Mohamed Rafik, a director who retires by rotation in accordance with Article 77 of the Company's Constitution and who, being eligible, offers himself for re-election.
6. To re-elect Mr. Choong Chee Mun, a director who retires in accordance with Article 84 of the Company's Constitution and who, being eligible, offers himself for re-election.
7. To re-appoint Mr. Lin, Cheng-Lang as a Director of the Company.
8. To approve the payment of a single tier final dividend of 1 sen per ordinary share for the financial year ended 31 July 2017.
9. To re-appoint Messrs. Grant Thornton as auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

Please refer to
Note 7
Resolution 1
Resolution 2
Resolution 3
Resolution 4
Resolution 5
Resolution 6
Please refer to
Note 8
Resolution 7
Resolution 8

As Special Business:-

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

10. PROPOSED CONTINUATION OF ENCIK KHAMMUDIN 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 9
Please refer to
Note 9

11. 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 10
Please refer to
Note 9

12. PROPOSED RENEWAL OF GENERAL MANDATE FOR DIRECTORS TO ALLOT AND ISSUE NEW SHARES IN THE COMPANY

"THAT, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the regulations, guidelines and practice notes issued from time to time by Bursa Securities or any other regulatory authorities, approval be and is hereby given for the Directors of the Company to allot and issue new shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, PROVIDED THAT the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company and that the approval conferred by this resolution shall take effect immediately upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the AGM of the Company held next after the approval was given;
- (b) the expiration of the period within which the next AGM of the Company is required to be held after the approval was given, whichever is earlier; or
- (c) revoked or varied at any time by an ordinary resolution passed by the shareholders in a general meeting, whichever is the earlier;

THAT, the Directors of the Company be hereby authorised to enter into such transactions, arrangements, agreements and documents as are necessary with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors, in their absolute discretion deem fit and in the best interest of the Company.

AND THAT, any Executive Director and/or the Secretary of the Company be hereby authorised to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares to be issued and to do all such acts and things as are necessary to give full effect to such transactions as authorised by this resolution."

Resolution 11

13. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 25th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 14 December 2017. Only a depositor whose name appears on the Record of Depositors as at 14 December 2017 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: 07 December 2017
Penang

NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company.
2. 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.
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.
4. 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 twenty-four (24) hours before the time appointed for the taking of the poll or at any adjournment thereof.
5. 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.
6. Pursuant to 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by poll. The approximate time appointed for the taking of the poll at the forthcoming AGM will be at 10.00 a.m.

EXPLANATORY NOTES ON ORDINARY BUSINESS

7. The Audited Financial Statements in Agenda 1 had been approved by the Board pursuant to Section 251(1) of the Companies Act 2016. Hence, this agenda does not require formal approval of shareholders of the Company and is meant for discussion pursuant to Section 248(2) of the Companies Act 2016.
8. There is no age limit to act as directors in a public company pursuant to the Companies Act 2016 which came into force on 31 January 2017. In this respect, Mr. Lin, Cheng-Lang aged above 70 who was re-appointed pursuant to Section 129 of the Companies Act 1965 at the last AGM of the Company, his term in office will end at the conclusion of the forthcoming 25th AGM of the Company to be held on 29 December 2017.
The proposed Resolution 6, if passed, will enable Mr. Lin, Cheng-Lang, who had offered himself for re-appointment to continue to act as a director of the Company and he shall be subject to retirement by rotation at a later date.

EXPLANATORY NOTES ON SPECIAL BUSINESS

9. The proposed Resolutions 9 and 10 are to seek approval for the independent non-executive directors who had served more than nine (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 the Company's 2017 Annual Report.
10. The proposed Resolution 11, is to seek a renewal of the general mandate for the directors of the Company to allot and issue new shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the directors consider will be in the best interest of the Company. This mandate, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

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

As at the date of notice of AGM, the directors did not issue any shares pursuant to the general mandate granted at the last AGM of the Company and of which, it will lapse at the conclusion of the forthcoming 25th AGM of the Company to be held on 29 December 2017.