



PROLEXUS BERHAD
199201019353 (250857-T)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting ("AGM") of Prolexus Berhad will be held at the Conference Room of Honsin Apparel Sdn. Bhd., 531 2½ Miles, Jalan Kluang, 83000 Batu Pahat, Johor on Thursday, 12 December 2019 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 July 2019 together with the Reports of Directors and Auditors thereon.
- To re-elect Mr. Lau Mong Ying, 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.
- To re-elect Mr. Boo Chin Liong, 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.
- To re-elect Mr. Choong Chee Mun, 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.
- To re-elect Mr. Lim Yong Lee, a Director who retires in accordance with Article 84 of the Company's Constitution and who, being eligible, offers himself for re-election.
- To approve the payment of Directors' fees amounting to RM478,500 for the financial year ended 31 July 2019.
- To approve the payment of Directors' benefits up to an amount not exceeding RM150,000 from 12 December 2019 until the conclusion of the next AGM of the Company.
- To approve the payment of a Single Tier First & Final Dividend of 0.3 sen per ordinary share for the financial year ended 31 July 2019.
- 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

Special Business

To consider and if thought fit, to pass with or without any modifications the following ordinary / special resolutions:-

10. AUTHORITY TO ISSUE SHARES

"THAT, subject to the approvals of the regulatory authorities, the Board of Directors of the Company be hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue 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 any Executive Director and/or Secretary of the Company be hereby authorised to obtain the approval from Bursa Securities for the listing and quotation of the additional shares to be issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

Resolution 9

11. PROPOSED CONTINUATION OF ENCIK KHAMUDIN BIN MOHAMED RAFIK IN OFFICE AS INDEPENDENT DIRECTOR

"THAT authority be and is hereby given to Encik Khadmudin Bin Mohamed Rafik who had served as an Independent Director of the Company for a cumulative term of more than 12 years to continue to act as an Independent Director of the Company and to hold office until the next AGM of the Company."

Resolution 10

12. PROPOSED AMENDMENTS OF THE CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix A with immediate effect.

AND THAT the Board of Directors of the Company be hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

Special Resolution 1

- 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 27th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 5 December 2019. Only a depositor whose name appears on the Record of Depositors as at 5 December 2019 shall be entitled to attend the 27th AGM 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

Penang
Date: 13 November 2019

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 48 hours before the time appointed for holding the meeting or at any adjournment thereof and in the case of a poll, not less than 24 hours before the time for taking of the poll.
- 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.
- Pursuant to Paragraph 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.

NOTES ON ORDINARY BUSINESS

- The Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require the shareholders' approval for the Audited Financial Statements. Hence, the Agenda 1 is not put forward for voting.
- The Resolution 6, if passed, will enable the Company to pay meeting allowances to non-executive directors of the Company and other benefits such as directors' indemnity insurance, training, travelling and accommodation expenses payable to the directors in accordance with Section 230(1) of the Companies Act 2016. The total amount of directors' benefits payable is estimated based on number of directors and the scheduled meetings of the Board and Board Committees.

NOTES ON SPECIAL BUSINESS

- The Resolution 9, if passed, will enable the Directors to allot and issue 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 authority, unless revoked or varied by the shareholders of the Company in a 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 this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.
- The Resolution 10 is to seek shareholders' approval through a two tier voting process and, if passed, will enable the Independent Director who had served more than 12 years to be retained and continue to act as Independent Director of the Company to fulfil the requirements of paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to be in line with the practice 4.2 of the Malaysian Code of Corporate Governance. The details of justifications are set out in the Company's Annual Report for the financial year ended 31 July 2019.
- The Special Resolution 1, if passed, will enable the directors to amend the existing Constitution (Memorandum & Articles of Association) of the Company to be in line with the Companies Act, 2016, changes made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to provide clarity to certain provisions therein.
In view of substantial amount of the proposed amendments to the Constitution, the directors proposed that the existing Constitution be altered or amended by the Company in its entirety by the replacement thereof with a new Constitution which incorporated all the proposed amendments (New Constitution) as set out in Appendix A.

ANNUAL REPORT

- The Annual Report for the financial year ended 31 July 2019 is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholder upon request within 4 market days from the date of receipt of the verbal or written request. A copy of the Annual Report can also be downloaded at www.prolexus.com.my. Shareholders who wish to receive the printed Annual Report and who require assistance in viewing the CD-ROM, kindly contact Ms. Veronica Sang at telephone no. 603-79540018 or email your request to veronica.sang@prolexus.com.my