

PROLEXUS BERHAD

[Registration No. 199201019353 (250857-T)]
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF PROLEXUS BERHAD (“PROLEXUS” OR THE “COMPANY”) HELD AND CONDUCTED BY WAY OF VIRTUAL MEETING ENTIRELY THROUGH LIVE STREAMING VIA REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES ON FRIDAY, 19 JANUARY 2024 AT 2.30 P.M.

Present: As per Attendance List

1.0 CHAIRMAN

- 1.1 As agreed by the Directors, Datuk Au Yee Boon (“**Chairman**”) presided the meeting and welcomed the shareholders and proxy holders (“**Members**”) to the virtual Extraordinary General Meeting (“**EGM**”) of the Company through the virtual platform called Remote Participation and Voting facilities (RPV) operated by Agmo Digital Solutions Sdn Bhd via its Vote2U Online website at <https://web.vote2u.my>, which allows shareholders to access and participate in the meeting virtually.
- 1.2 The Chairman introduced the Company’s Directors and Company Secretary who were present at the EGM.
- 1.3 There being a quorum present at the EGM, the Chairman declared the meeting duly convened at 2.30 p.m.
- 1.4 With the consent of the Members, the notice convening the EGM having been circulated within the prescribed period was taken as read.
- 1.5 The Chairman explained the determination of resolutions and the process of poll voting, which would be conducted after the deliberation of the ordinary resolutions in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Members were informed that Agmo Digital Solutions Sdn Bhd was appointed as the Poll Administrator to conduct the e-polling process, whilst Aegis Communication Sdn Bhd was appointed as the Scrutineers to verify the poll results.
- 1.6 The Chairman informed the Members to submit their questions using the Q&A panel via the RPV facility and the Company will endeavour to respond to the questions upon completion of the deliberation of matters to be transacted at the EGM. Should there be a time constraint, the responses to the questions will be made available on the Company’s website as soon as practicable.
- 1.7 A video guide on e-polling was screened.
- 1.8 The Chairman then proceeded with the business at hand.

2.0 ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO RM102,578,353 NOMINAL VALUE OF 2,051,567,055 FIVE (5)-YEAR, 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AT 100.0% OF ITS NOMINAL VALUE OF RM0.05 EACH ON THE BASIS OF FIVE (5) ICULS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF PROLEXUS ("PROLEXUS SHARE") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")

2.1 The Chairman informed that the first item on the agenda was to approve the proposed renounceable rights issue of up to RM102,578,353 nominal value of 2,051,567,055 five (5)-year, 0.10% irredeemable convertible unsecured loan stocks at 100.0% of its nominal value of RM0.05 each on the basis of five (5) ICULS for every one (1) existing ordinary share in Prolexus held on an entitlement date to be determined later.

2.2 The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:-

"THAT subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and conditional upon the approvals of all relevant authorities/parties, where required, the board of directors of Prolexus ("Board") be and is hereby authorised to:-

- (i) provisionally allot and issue up to RM102,578,353 nominal value of 2,051,567,055 ICULS at 100.0% of its nominal value of RM0.05 each on the basis of five (5) ICULS for every one (1) existing Prolexus Share held 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 by the Board and announced later;*
- (ii) enter into and execute the trust deed to be executed by the Company and the trustee appointed by Prolexus constituting the ICULS ("Trust Deed") and to do all acts, deed and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed;*
- (iii) allot and issue new Prolexus Shares arising from the conversion of the ICULS (including further ICULS arising from any adjustments under the provisions of the Trust Deed); and*
- (iv) such further number of new Prolexus Shares as may be required or permitted to be issued and allotted as a consequence of the adjustments under the provisions of the Trust Deed;*

THAT the proceeds of the Proposed Rights Issue be utilised for the purpose as set out in Section 3.0 of the Circular, and the Board be and is hereby authorised to revise the manner and purpose of the utilisation of proceeds as it may deem fit, expedient and in the best interests of the Company subject to the approval of any relevant authorities (where required);

THAT the new Prolexus Shares to be issued pursuant to the conversion of ICULS shall, upon issuance and allotment, rank equally in all respects with the then existing Prolexus Shares, except that they shall not be entitled to any dividends, rights, allotments and/or any other distribution that may be declared, made or paid where the entitlement date is prior to the date of issuance and allotment of such new Prolexus Shares;

AND THAT any one director of Prolexus be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue.”

3.0 ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE SCHEME OF UP TO FIFTEEN PERCENT (15%) OF THE TOTAL NUMBER OF ISSUED SHARES OF PROLEXUS (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME TO THE ELIGIBLE DIRECTORS AND EMPLOYEES OF PROLEXUS AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) (“GROUP”) (“PROPOSED ESS”)

3.1 The Chairman moved on to the next item on to the agenda which was to approve the proposed establishment of an employees’ share scheme of up to fifteen percent (15%) of the total number of issued shares of Prolexus (excluding treasury shares) at any point in time to the eligible directors and employees of Prolexus and its subsidiaries (excluding dormant subsidiaries).

3.2 The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:-

“THAT subject to the approvals of all relevant authorities and/or parties, where relevant/required, being obtained for the Proposed ESS, approval be and is hereby given to the Board to:-

- (i) establish, implement and administer the Proposed ESS which comprises a proposed share grant (“Proposed Share Grant”) and proposed issuance of employees’ share option (“Proposed ESOS”) to the eligible directors and employees of the Group (excluding dormant subsidiaries) who fulfil the eligibility criteria for participation in the Proposed ESS as set out in the by-laws governing the Proposed ESS (“By-Laws”) (“Eligible Persons”), a draft of which is set out in Appendix II of the circular to the shareholders of the Company dated 4 January 2024 (“Circular”);*
- (ii) to approve and adopt the By-Laws and to give effect to the Proposed ESS with full power to assent to any conditions, variations, modifications and/or amendments by a resolution of the Board upon recommendation of a committee to be appointed and duly authorised by the Board (“ESS Committee”) from time to time as it shall in its discretion deem fit subject to the By-Laws and compliance with the Listing Requirements and any other approvals as may be required by the relevant regulatory authorities;*
- (iii) allot and issue such number of Shares to the Eligible Persons from time to time as may be required upon the vesting of any award of Shares to the Eligible Persons at no cost (“Share Grants”) and/or exercise of the share options awarded to the Eligible Persons (“ESOS Options”) to subscribe for new Shares at the pre-determined subscription price, PROVIDED THAT the total number of new Shares, which may be made available under the Proposed ESS, shall not in aggregate exceed fifteen (15%) of the total number of issued Shares (excluding treasury shares) at any point in time, subject always to the following:-*

- (a) *the directors and senior management personnel of the Group do not participate in the deliberation or discussion in respect of their own allocation of the Share Grants and/or ESOS Options and allocation of the Share Grants and/or ESOS Options to persons connected to them;*
- (b) *not more than ten percent (10%) of the total number of new Shares to be issued under the Proposed ESS would be allocated to any one (1) of the Eligible Person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued Shares (excluding treasury shares); and*
- (c) *not more than eighty percent (80%) of the total number of new Shares to be issued under the Proposed ESS shall be allocated, in aggregate, to directors and senior management personnel of the Group (excluding dormant subsidiaries) who are Eligible Persons;*
- (iv) *make necessary applications and to do all things necessary at the appropriate time or times, to Bursa Securities for the listing of and quotation for the new Shares which may from time to time be issued and allotted pursuant to the Proposed ESS. Such new Shares will, upon issuance and allotment, rank equally in all respects with the then existing issued Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the existing shareholders of Prolexus, unless the issuance and allotment of such new Shares are made on or prior to the entitlement date of such dividends, rights, allotments and/or other distributions;*
- (v) *extend the duration of the Proposed ESS for a maximum period of an additional five (5) years (the duration of the Proposed ESS would then be for a total period of ten (10) years from the effective date of the Proposed ESS), if the Board deems fit;*
- (vi) *to do all such acts, 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 ESS and the terms of the By-Laws; and*
- (vii) *to appoint and authorise the ESS Committee by which the Proposed ESS will be administered in accordance with the By-Laws by the said ESS Committee, who will be responsible for, amongst others, implementing and administering the Proposed ESS. The members of the ESS Committee shall comprise such number of directors and/or senior management personnel of the Group to be identified from time to time.*

THAT the Directors be and are hereby authorised to give effect to the Proposed ESS with full power to add, modify and/or amend to and/or delete of all or any part of the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to addition, modification, amendment and/or deletion and to assent to any condition, variation, addition, modification, amendment and/or deletion as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities.

AND THAT pursuant to Section 85(1) of the Companies Act 2016 and Article 59 of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company to be first offered the new Shares to be issued pursuant to the Proposed ESS, which rank equally with the existing issued Shares, to be issued pursuant to the Proposed ESS."

**4.0 ORDINARY RESOLUTION 3 TO 8
PROPOSED ALLOCATIONS OF AWARDS OF PROLEXUS SHARES AND/OR ESOS OPTIONS TO
THE DIRECTORS OF PROLEXUS UNDER THE PROPOSED ESS**

4.1 The Chairman moved on to the next item on the agenda which was to approve the proposed allocations of awards of Prolexus Shares and/or ESOS options to the directors of Prolexus under the Proposed ESS.

4.2 The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:-

“THAT, subject to the passing of Ordinary Resolution 2 above and for so long as this approval remains in force, approval be and is hereby given to the Board to appoint and authorise the ESS Committee to administer the Proposed ESS, at any time, and from time to time, to grant and offer to the following directors of the Company, awards of Prolexus Shares and/or ESOS Options under the Proposed ESS:-

<i>(i) Datuk Au Yee Boon</i>	<i>Ordinary Resolution 3</i>
<i>(ii) Datuk Low Chin Koon</i>	<i>Ordinary Resolution 4</i>
<i>(iii) Tan Chin Yong</i>	<i>Ordinary Resolution 5</i>
<i>(iv) Au Yee Soon</i>	<i>Ordinary Resolution 6</i>
<i>(v) Datin Lim Lee Wheng</i>	<i>Ordinary Resolution 7</i>
<i>(vi) Lee Boon Siong</i>	<i>Ordinary Resolution 8</i>

PROVIDED THAT:-

- (a) he/she must not participate in the deliberation or discussion of his/her own allocation and allocation of the Share Grants and/or ESOS Options to persons connected to them to be issued under the Proposed ESS;*
- (b) not more than ten percent (10%) of the total number of new Prolexus Shares to be issued under the Proposed ESS would be allocated to any one director of the Company who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued Shares (excluding treasury shares); and*
- (c) not more than eighty percent (80%) of the total number of Prolexus Shares to be issued under the Proposed ESS shall be allocated, in aggregate, to directors and senior management personnel of the Group (excluding dormant subsidiaries) who are Eligible Persons.*

AND THAT subject always to such terms and conditions of the Proposed ESS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws and Listing Requirements, or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.”

5.0 QUESTION AND ANSWER SESSION

The Chairman handed the floor to the Executive Director, Mr Lee Boon Siong who responded to the following questions raised by the Members.

5.1 Question 1

What is the total number of new shares to be issued under the Proposed ESS which will be allocated to the directors and senior management personnel of the Group?

The number of new shares to be allocated to directors and senior management personnel of the group shall be up to 80% which comprise up to 30% of shares grant and at least 50% of ESOS options.

Question 2

How much is the cash and bank balances of the Group. What is the objective to undertake the Proposed Rights Issue?

As at 31 July 2023 being the latest audited financial statement, the Group had a total cash and bank balances as well as deposits with financial institutions of approximately RM67.35 million. In essence, approximately RM32.19 million of the Group's total cash and bank balances and unpledged fixed deposits, which could be utilised for its working capital requirements have been substantially earmarked for the Group's expansion of textile and apparel businesses as disclosed in Section 5.3 of the circular to shareholders.

The management anticipated that such expansion of operational production facilities would require additional working capital of approximately RM40 million per annum. Hence, it is significant for the Group to undertake the Proposed Rights Issue to supplement the funding requirements for the Group's expansion plan with lower reliance on financing from banking institutions.

6.0 ANY OTHER BUSINESS

6.1 The Chairman was advised by the Company Secretary that no notice had been received by the Company to transact any other business.

7.0 DECLARATION OF RESULTS

7.1 Upon completion of the e-polling process at 2.52 p.m., the Chairman announced the results of the poll voting and declared that all eight (8) ordinary resolutions as set out in the Notice of EGM dated 4 January 2024 were carried, as attached hereto as Annexure I.

8.0 CLOSURE

8.1 There being no other business, the EGM was closed at 2.55 p.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings held thereat**

- SIGNED -

Chairman