



**PROLEXUS BERHAD**

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

**SUMMARY OF KEY MATTERS DISCUSSED**

SUMMARY OF KEY MATTERS DISCUSSED AT THE EXTRAORDINARY GENERAL MEETING OF (“PROLEXUS” OR THE “COMPANY”) HELD VIRTUALLY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT THE CONFERENCE ROOM OF HONSIN APPAREL SDN. BHD., 531 2½ MILES, JALAN KLUANG, 83000 BATU PAHAT, JOHOR ON TUESDAY, 08 JUNE 2021 AT 10.00 AM.

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Key matters discussed at the EGM were summarised as follows:

- 1) I would like to request for face mask manufactured by the company as a token of appreciation for attending this RPV. May I know how much does the Company spend on this virtual EGM?**

Answer: The Company would not be giving any face mask to shareholders who participated in this virtual EGM as the purpose is to establish communication between the Board and shareholders to resolve Board's proposal. The total cost for convening this virtual EGM was less than RM20,000.

- 2) What will be the new bonus warrant exercise price? How will it be determined?**

Answer: With reference to section 2.2.3, page 7 of the Circular to Shareholders dated 24 May 2021, the exercise price of the Warrants B shall be determined and announced by the Board at a later date after obtaining all relevant approvals but prior to the announcement of the Warrant B Entitlement Date.

The Board in determining the exercise price of the Warrants B will take into consideration, amongst others, the prevailing market conditions, the market price of the Shares and the future prospects of the Company. The price-fixing announcement will also include the basis and justification for the exercise price of the Warrants B.

The Board intends to fix the exercise price of the Warrants B at a discount of up to 20% to the Theoretical Ex-bonus Price. The Board is of the view that the said discount range is sufficiently attractive to increase the likelihood of the Warrants B being exercised and by doing so, allow the Company to raise additional funds from the exercise of the Warrants B.

**3) What is/are the reason of the bonus issue?**

Answer: The Chairman had earlier informed members of the rationale/reasons for the proposed bonus issue of shares and the proposed bonus issue of warrants (“Proposals”).

With reference to section 3, page 8 of the Circular to Shareholders dated 24 May 2021, the rationale for the Proposals were as follows:

Proposed Bonus Issue of Shares

- (i) provide the Shareholders with greater participation in the equity of the Company in terms of number of Prolexus Shares held and maintaining their percentage of equity interest in the Company;
- (ii) improve the trading liquidity and marketability of the Prolexus Shares on Bursa Securities in view of the increase in number of Prolexus Shares in circulation in the open market; and
- (iii) attract greater participation from a broader range of investors, with the improved trading liquidity and marketability of the Shares.

Proposed Bonus Issue of Warrants

- (i) reward Shareholders for their continuous support by enabling them to participate in convertible securities of the Company, which are tradeable on Bursa Securities, without incurring any cost;
- (ii) provide Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants B, and to allow Shareholders to further participate in the future growth of the Company when the Warrants B are exercised; and
- (iii) provide the Company with additional working capital when the Warrants B are exercised in the future. The exercise of the Warrants B will allow the Company to obtain proceeds without incurring interest expenses as compared to bank borrowings.