

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE IS FOR THE INFORMATION OF THE HOLDERS OF WARRANTS 2021/2026 OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD) (“WARRANTS”) (“WARRANT HOLDERS”) ONLY. NO ACTION IS REQUIRED TO BE TAKEN IN RESPECT OF THIS NOTICE.

If you have sold or transferred all your Warrants, you should at once hand this Notice to Warrant Holders (“**Notice**”) to the purchaser or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee respectively.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Notice prior to its issuance pursuant to Paragraph 2.1(a) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Notice.



TECHBASE INDUSTRIES BERHAD
(formerly known as Prolexus Berhad)
[Registration No.: 199201019353 (250857-T)]
(Incorporated in Malaysia)

NOTICE TO WARRANT HOLDERS

IN RELATION TO THE

ADJUSTMENT TO THE EXERCISE PRICE OF THE OUTSTANDING WARRANTS IN ACCORDANCE WITH THE PROVISIONS OF THE DEED POLL DATED 14 JUNE 2021 PURSUANT TO THE 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 (“RIGHTS ICULS”) AT 100.0% OF ITS NOMINAL VALUE OF RM0.05 EACH ON THE BASIS OF FIVE (5) RIGHTS ICULS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF TECHBASE INDUSTRIES BERHAD HELD AS AT 5.00 P.M. ON MONDAY, 4 MARCH 2024

Advised by



This Notice is dated 7 March 2024

DEFINITIONS

In this Notice, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“Adjustment”	:	Adjustment to the exercise price of the Warrants in accordance with the provisions of the Deed Poll consequential to the Right Issue
“Auditor”	:	UHY (AF1411), being the auditor of the Company
“Board”	:	Board of Directors of TIB
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd. [Registration No.: 198701006854 (165570-W)]
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]
“CMSA”	:	Capital Markets and Services Act 2007
“Conversion Price”	:	RM0.20, being the conversion price of one (1) ICULS into one (1) new TIB Share
“Deed Poll”	:	The deed poll dated 14 June 2021 constituting the Warrants and governing the rights of the Warrant Holders
“Director(s)”	:	Director(s) of TIB and shall have the meaning given in Section 2(1) of the CMSA
“EGM”	:	Extraordinary general meeting of TIB held on 19 January 2024 in relation to the Rights Issue
“Entitled Shareholders”	:	Shareholders of TIB, whose names appear in the Company’s Record of Depositors as at the close of business on the Entitlement Date
“Entitlement Date”	:	4 March 2024, at 5.00 p.m., being the date and time on which the names of the shareholders must appear in TIB’s Record of Depositors in order to be entitled to participate in the Rights Issue
“Exercise Price”	:	RM0.56, being the price at which one (1) Warrant is exercisable into one (1) TIB Share, subject to such adjustments as may be allowed under the Deed Poll
“ICULS” or “Rights ICULS”	:	Five (5)-year, 0.10%, irredeemable convertible unsecured loan stocks to be issued by the Company pursuant to the Rights Issue
“KAF IB”	:	KAF Investment Bank Berhad [Registration No. 197401003530 (20657-W)]
“Market Day(s)”	:	A day(s) on which Bursa Securities is open for trading in securities
“Notice”	:	This notice to the Warrant Holders dated 7 March 2024
“Official List”	:	A list specifying all securities listed on the Main Market of Bursa Securities
“Record of Depositors”	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue”	:	Renounceable rights issue of 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) Rights ICULS for every one (1) TIB Share held by the Entitled Shareholders on the Entitlement Date
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively

DEFINITIONS (CONT'D)

“Rules of Bursa Depository”	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 as amended from time to time
“TIB” or the “Company”	:	Techbase Industries Berhad (formerly known as Prolexus Berhad) [Registration No.: 199201019353 (250857-T)]
“TIB Share(s)” or “Share(s)”	:	Ordinary share(s) in TIB
“SC”	:	Securities Commission Malaysia
“Shareholder(s)”	:	Ordinary shareholder(s) of TIB
“Warrant(s)”	:	133,585,898 outstanding warrants 2021/2026 of TIB as constituted by the Deed Poll
“Warrant Holder(s)”	:	Holder(s) of the Warrants
“VWAMP”	:	Volume weighted average market price

Words incorporating the singular shall, where applicable, include the plural and vice-versa and words incorporating the masculine gender shall, where applicable, include the feminine gender and neuter gender and vice-versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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TECHBASE INDUSTRIES BERHAD
(formerly known as Prolexus Berhad)
[Registration No.: 199201019353 (250857-T)]
(Incorporated in Malaysia)

Registered Office:
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No.1 Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

7 March 2024

BOARD OF DIRECTORS

Datuk Au Yee Boon (Executive Director)
Datin Lim Lee Wheng (Non-Independent Non-Executive Director)
Au Yee Soon (Non-Independent Non-Executive Director)
Lee Boon Siong (Executive Director)
Datuk Low Chin Koon (Independent Non-Executive Director)
Tan Chin Yong (Independent Non-Executive Director)

To: The Warrant Holders

Dear Sir/Madam,

ADJUSTMENT TO THE EXERCISE PRICE OF THE WARRANTS IN ACCORDANCE WITH THE PROVISIONS OF THE DEED POLL PURSUANT TO THE RIGHTS ISSUE

1.0 INTRODUCTION

- 1.1 On 10 August 2023, KAF IB had, on behalf of the Board, announced that the Company proposed to undertake the Rights Issue.
- 1.2 On 12 October 2023, KAF IB had, on behalf of the Board, announced that the SC had, vide its letter dated 12 October 2023, resolved to approve the issuance of the ICULS pursuant to the Rights Issue under subsection 214(1) of the CMSA, subject to the compliance with the standard conditions and continuing obligations as stipulated in Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors issued by the SC.
- 1.3 On 18 December 2023, KAF IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 15 December 2023 (which was received on 18 December 2023), resolved to approve, amongst others, the following:-
 - (i) admission of the ICULS to the Official List and the listing of and quotation for up to RM102,578,353 nominal value of 2,051,567,055 ICULS to be issued pursuant to the Rights Issue; and
 - (ii) the listing of and quotation for up to 2,051,567,055 new TIB Shares to be issued pursuant to the conversion of the ICULS.
- 1.4 On 19 January 2024, the shareholders had, during the EGM held on 19 January 2024, approved the Rights Issue.

1.5 On 15 February 2024, KAF IB had, on behalf of the Board, announced the following:-

- (i) the Conversion Price has been fixed at RM0.20; and
- (ii) the Entitlement Date for the Rights Issue has been fixed at 5.00 p.m. on 4 March 2024.

THE PURPOSE OF THIS NOTICE IS TO PROVIDE THE WARRANT HOLDERS WITH THE RELEVANT INFORMATION PERTAINING TO THE ADJUSTMENT. THIS NOTICE SETS OUT PARTICULARS OF THE EVENTS GIVING RISE TO THE ADJUSTMENT TOGETHER WITH THE COMPUTATION AND THE EFFECTIVE DATE OF THE ADJUSTMENT. NO ACTION IS REQUIRED TO BE TAKEN BY WARRANT HOLDERS IN RESPECT OF THIS NOTICE.

2.0 DETAILS OF THE ADJUSTMENT

As at the Entitlement Date, there are 133,585,898 Warrants in issue with the Exercise Price. For avoidance of doubt, in accordance with the provisions of the Deed Poll, there will be no adjustment to the number of Warrants arising from the Rights Issue.

Pursuant to the Rights Issue and in accordance with the Paragraph 1(C)(iii) of the fourth schedule of the Deed Poll, if and whenever the Company shall make any offer or invitation to the Shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into or rights to acquire or subscribe for new TIB Shares, then the Exercise Price shall be adjusted in the following manner:-

$$\text{Adjusted exercise price} = \frac{S \times (C-D)}{C}$$

where:-

- S = existing Exercise Price of the Warrants;
- C = the 5-day VWAMP of each Share on the Market Day the offer or invitation is publicly announced; and
- D = in the case of an offer or invitation to acquire or subscribe for new Shares or acquire or subscribe for securities convertible into rights to acquire for new Shares, the value of rights attributable to 1 new Share

For the purpose of definition of D above, the “value of the rights attributable to 1 new Share” shall be calculated in accordance with the formula:-

$$\frac{C - E}{F + 1}$$

where:-

- C = as set out above;
- E = the conversion value paid upon conversion of the convertible securities into 1 additional Share; and
- F = the number of Shares which is necessary to hold in order to be offered or invited by way of rights to acquire or subscribe for securities convertible into 1 additional Share.

Based on the above, the adjusted exercise price of the Warrants after the Adjustment is as follows:-

$$\begin{aligned}\text{Adjusted exercise price} &= \frac{\text{Existing Conversion Price} \times (C - D)}{C} \\ &= \frac{RM0.56 \times \left(RM0.397 - \frac{RM0.397 - RM0.20}{0.80 + 1} \right)}{RM0.397} \\ &= \frac{RM0.56 \times (RM0.397 - RM0.1094)}{RM0.397} \\ &= \frac{RM0.56 \times RM0.2576}{RM0.397}\end{aligned}$$

Adjusted Exercise Price = RM0.407

Adjusted Exercise Price = **RM0.410** (rounded up to the nearest one (1) sen pursuant to Section 3(C) under the third schedule of the Deed Poll)

where:-

- C = RM0.397, being the 5-day VWAMP of TIB Shares up to and including 9 August 2023, being the last Market Day prior to the announcement of the Rights Issue;
- E = RM0.20, being the Conversion Price; and
- F = 0.80, being the number of TIB Shares which is necessary to be held by the Entitled Shareholders in order to be offered to subscribe for four (4) ICULS which are convertible into 1 additional Share

The Adjustment was determined and approved by the Board in consultation with KAF IB and certified by the Auditor vide its letter dated 1 March 2024, in accordance with the provisions of the Deed Poll.

3.0 RATIONALE FOR THE ADJUSTMENT

Pursuant to the provisions of the Deed Poll, the Exercise Price of the Warrants will be adjusted if an offer or invitation to the Shareholders is made by the Company by way of rights whereunder they may acquire or subscribe for securities convertible into or rights to acquire or subscribe for new TIB Shares.

In this regard, the Adjustment is made in order to ensure that the status of Warrant Holders would not be prejudiced after the implementation of the Rights Issue.

4.0 EFFECTIVE DATE OF THE ADJUSTMENT

The Adjustment took effect from 5 March 2024, being the next Market Day following the Entitlement Date in accordance with the Paragraph 1(C) of the fourth schedule of the Deed Poll.

5.0 CONSENTS

KAF IB has given and has not subsequently withdrawn its written consent to the inclusion in this Notice of its name and all references thereto in the form and context in which they appear in this Notice.

The Auditor, has given and has not subsequently withdrawn its written consent to the inclusion in this Notice of its name, its certificate dated 1 March 2024 certifying the computation of the Adjustment and all references thereto in the form and context in which they appear in this Notice.

6.0 DIRECTORS' RESPONSIBILITY STATEMENT

This Notice has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement/information in this Notice misleading.

7.0 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the registered office of TIB at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1 Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan during ordinary business hours from Mondays to Fridays (except public holidays), for as long as any of the Warrants remain outstanding and exercisable:-

- (i) the Deed Poll;
- (ii) a letter from the Auditor dated 1 March 2024 certifying the computation of the Adjustment;
- (iii) a statement from the Board setting forth the particulars of the event giving rise to the Adjustment, the adjusted exercise price and the effective date of the Adjustment; and
- (iv) the letters of consent referred to in Section 5.0 above.

Yours faithfully,

For and on behalf of the Board

TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)

DATUK AU YEE BOON

Executive Director