

PEGASUS HEIGHTS BERHAD
[Registration No. 197401002677 (19727-P)]

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF PEGASUS HEIGHTS BERHAD HELD VIRTUALLY FROM THE BROADCAST VENUE AT 1-40-2, MENARA BANGKOK BANK, BERJAYA CENTRAL PARK, NO. 105 JALAN AMPANG, 50450 KUALA LUMPUR, W.P. KUALA LUMPUR, MALAYSIA ON FRIDAY, 30 JUNE 2023 AT 11.30 A.M. OR IMMEDIATELY FOLLOWING THE CONCLUSION OF THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON THE SAME DAY AT THE SAME VENUE AT 10.33 A.M. (WHICHEVER IS LATER) OR ANY ADJOURNMENT THEREOF.

Present : Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar (Chairman)
Dato' Sri Lee See Yang
Mr Toh Hong Chye
Mr Andrew Ho Tho Kong
Ms Low Yen Hoon

In Attendance : Mr Chin Wai Yi

Shareholders and Proxies participate via Remote Participation and Voting facility : As per attendance list

By Invitation : As per attendance list

1.0 CHAIRMAN

1.1 The Chairman, Dato' Abdel Aziz @ Abdul Aziz Bin Abu Bakar welcomed all shareholders and guests to the Extraordinary General Meeting ("EGM") of the Company at 10.33 a.m.

1.2 The Chairman thereafter informed the meeting that the members of the Board of Directors, the Company Secretary and management team were attending the meeting virtually.

2.0 QUORUM

2.1 The Chairman informed that based on the report issued by the Poll Administrator of the Company, a total of 61 members, comprising shareholders, proxies and corporate representatives, for a total of 3,333,648,861 ordinary shares representing 30.81% of the total issued shares of the Company have registered via the remote participation and voting ("RPV") facilities for participation at the EGM.

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- 2.2 The Company had received in total 11 proxy forms from shareholders for a total of 2,429,901,427 shares representing 22.45% of the total issued shares of the Company. Out of those, there were 6 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at 2,429,755,327, representing 22.45% of the total issued shares of the Company.
- 2.3 The Chairman added that a quorum was present pursuant to Clause 77 of the Constitution of the Company and declared the EGM duly convened.

3.0 NOTICE OF MEETING

- 3.1 With the consent of the shareholders and proxies present, the Notice convening the meeting having been circulated within the prescribed period was taken as read.

4.0 POLLING

- 4.1 In line with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the EGM would be conducted by poll.
- 4.2 The Chairman informed that the Company had appointed Digerati Technologies Sdn. Bhd. as Poll Administrator to conduct the poll voting process and Quantegic Services Sdn. Bhd. as Scrutineer to verify the poll results.
- 4.3 The Chairman encouraged all shareholders and proxies present to participate in the meeting and further informed that the shareholders and proxies would cast their votes after the resolutions set out in the Notice of the EGM had been tabled and attended to the question and answer session.

**5.0 SPECIAL RESOLUTION
PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF PHB
PURSUANT TO SECTION 115(A) READ TOGETHER WITH SECTION 116
OF THE COMPANIES ACT 2016**

- 5.1 The Chairman informed that special resolution on the agenda is to approve the Proposed Reduction of the Issued Share Capital of PHB pursuant to Section 115(A) read together with Section 116 of the Companies Act 2016 and details of which were set out in the Circular dated 8 June 2023.

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**6.0 ORDINARY RESOLUTION 1
PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS
ACTIVITIES OF PHB AND ITS SUBSIDIARIES TO INCLUDE THE
MONEYLENDING BUSINESS**

6.1 The Chairman informed that Ordinary Resolution 1 is to approve the proposed diversification of the existing business activities of PHB and its subsidiaries to include the Moneylending Business and details of which were set out in the Circular dated 8 June 2023.

**7.0 ORDINARY RESOLUTION 2
PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN
ORDINARY SHARES**

7.1 The Chairman informed that the third resolution on the agenda is to approve the Proposed authority for the Company to purchase its own ordinary shares which details and rationale were set out in the Circular dated 8 June 2023.

8.0 ANY OTHER BUSINESS

8.1 The Chairman informed that there was no other business to be transacted of which due notice had been given in accordance with the Constitution of the Company and CA 2016.

9.0 QUESTION AND ANSWER SESSION

9.1 After tabling the resolutions set out in the Notice of EGM, the Chairman invited Tiew Chee Ming, the Group Accountant to present the Company's responses to the questions in relation to the operation and financial submitted by the Minority Shareholders Watch Group ("MSWG") prior to the EGM, details of which were set out in Appendix A attached.

9.2 The Chairman then invited Chin Wai Yi, the Company Secretary to present the Company's responses to the questions in relation to Corporate Governance matters submitted by the MSWG prior to the EGM, details of which were set out in Appendix A attached.

9.3 After having addressed all the questions raised prior to the EGM, the Chairman proceeded to address further questions from shareholders and proxies via typed text or live response, to which there was none.

9.4 After having addressed all the questions raised, the Chairman informed the Meeting to proceed with voting. Shareholder and proxies were given another five (5) minutes to vote if they have not done so earlier.

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- 9.5 The Chairman further conveyed that in his capacity as Chairman of the meeting, he has been appointed as proxy by some shareholders and will be voting in accordance with their instructions.
- 9.6 The Chairman declared the polling closed at 10.47 a.m. for the votes to be tabulated by the Poll Administrator and verified by the Scrutineers. The meeting resumed at 10.52 a.m. for the declaration of the results of the poll.

10.0 ANNOUNCEMENT OF POLL RESULT ON SPECIAL RESOLUTION PROPOSED REDUCTION OF THE ISSUED SHARE CAPITAL OF PHB PURSUANT TO SECTION 115(A) READ TOGETHER WITH SECTION 116 OF THE COMPANIES ACT 2016

- 10.1 The Special Resolution was voted by poll and the results of the poll were present to the meeting as follows:

| Votes For | | Votes Against | |
|---------------|---------|---------------|--------|
| No. of Votes | % | No. of Votes | % |
| 3,330,974,959 | 99.9964 | 121,400 | 0.0036 |

- 10.2 Based on the above result, the Chairman declared that the Special Resolution was carried. Accordingly, it was RESOLVED:
- 10.3 THAT subject to all approvals being obtained from the relevant authorities and/ or parties, if applicable, including but not limited to the confirmation by the High Court of Malaya pursuant to Section 115(a) of the Act read together with Section 116 of the Act, approval be and is hereby given to the Company to implement the Proposed Capital Reduction and reduce the issued share capital of the Company via the cancellation of RM180.00 million of the issued share capital of the Company and that the credit arising from such share capital reduction shall be used to eliminate the accumulated losses of the Company.

THAT the surplus credit that is in excess of what is required towards offsetting the accumulated losses of the Company after the elimination of the Company's accumulated losses pursuant to the Proposed Capital Reduction, if any, shall be credited to the retained earnings account of the Company which may be utilised in such manner as the board of directors of PHB ("Board") deems fit, as permitted by the relevant and applicable laws, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the Company's Constitution.

AND THAT the Board be and is hereby authorised to with full powers to take all such steps as they may deem necessary to:

- (i) assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities and/ or the High Court of Malaya;

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- (ii) lodge the order of the High Court of Malaya referred to in this Special Resolution with the Registrar of Companies on such date the Board may determine; and
- (iii) approve, sign and execute all documents, do all things and acts as the Board may consider necessary or expedient to implement, finalise and give full effect to the Proposed Capital Reduction in the best interest of the Company with full power to assent to any conditions, variation, modifications and/ or amendments in any manner as may be required by any relevant authorities and/ or the High Court of Malaya, the
- (iv) relevant and applicable laws or deemed necessary or desirable by the Board.

**11.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 1
PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS
ACTIVITIES OF PHB AND ITS SUBSIDIARIES TO INCLUDE THE
MONEYLENDING BUSINESS**

- 11.1 The Ordinary Resolution 1 was voted by poll and the results of the poll were present to the meeting as follows:

| Votes For | | Votes Against | |
|---------------|---------|---------------|--------|
| No. of Votes | % | No. of Votes | % |
| 3,330,972,959 | 99.9963 | 123,400 | 0.0037 |

Based on the above result, the Chairman declared that the Ordinary Resolution 1 was carried. Accordingly, it was RESOLVED:

THAT subject to the approvals of all relevant authorities and/ or parties being obtained, approval be and is hereby given to diversify its existing principal activities to include the moneylending business;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to the Proposed Diversification with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as it may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Diversification.

**12.0 ANNOUNCEMENT OF POLL RESULT ON ORDINARY RESOLUTION 2
PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN
ORDINARY SHARES**

- 12.1 The Ordinary Resolution 2 was voted by poll and the results of the poll were present to the meeting as follows:

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| Votes For | | Votes Against | |
|---------------|---------|---------------|--------|
| No. of Votes | % | No. of Votes | % |
| 3,330,975,159 | 99.9964 | 121,200 | 0.0036 |

- 12.2 Based on the above result, the Chairman declared that the Ordinary Resolution 2 was carried. Accordingly, it was RESOLVED:
- 12.3 THAT subject to the provisions of the Act, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:
- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);
 - (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
 - (c) the authority conferred by this resolution shall continue to be in force until:
 - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting.

whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant governmental and/or regulatory authorities (if any).

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THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) cancel all the ordinary shares so purchased; and/or
- (b) retain the ordinary shares so purchased as treasury shares; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company.

13.0 CLOSURE OF MEETING

- 13.1 There being no other business, the Chairman, on behalf of the Board thanked all present for their attendance at the Meeting and declared the EGM duly closed at 10.57 a.m.

CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS THEREAT

CHAIRMAN



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| No. | Questions | Answers |
|-----|--|---|
| 1. | <p>The Company has injected RM10 million into the money lending business in 2019 via PHB Capital. The money lending business generated low revenue of RM0.162 million in FY 2021 and RM0.389 million in FY 2022. It recorded pretax losses of RM0.217 million in FY 2021 and RM0.054 million in FY 2022. (Page 4 of the Circular)</p> <p>(a) Kindly explain why the money lending business recorded such low revenue in the past two years.</p> <p>(b) What were the challenges faced by PHB Capital in expanding its business in the past.</p> <p>(c) What strategies has PHB Capital deployed to increase its revenue and how successful are the strategies in terms of the growth of its revenue.</p> | <p>a) As the money lending was a new business for PHB, the Company was very stringent on selecting its customers to minimise the risk of bad debt and to understand the market better. Moving forward, the Company intends to scale-up its moneylending activities due to the increase in demand from both small medium enterprises ("SMEs") and non-SMEs in Malaysia.</p> <p>b) The COVID-19 outbreak had led to the implementation of national lockdown policies in many countries worldwide, including Malaysia, which had restricted many businesses from operating as usual. The COVID-19 pandemic affected PHB Capital operationally as overall businesses were curtailed during the periods where MCO was implemented.</p> <p>c) The Company is preparing an approval matrix to facilitate and streamline the loan application and approval processes.</p> |
| 2. | <p>The Group has intention to scale-up its moneylending activities, the Board expects that the moneylending business may contribute more than 25% of the total net profit of the Group or cause a diversion of more than 25% of its NA moving forward. (Page 4 of the Circular)</p> <p>When does the Group expect PHB Capital to contribute more than 25% of the total net profit to the Group?</p> | <p>Notwithstanding the Group's loss-making position, the Board expects the moneylending business to contribute more than 25% of the total net profit of the Group moving forward.</p> |