

Unless otherwise stated, all defined terms and abbreviations shall carry the same meaning as those defined in the “Definitions” section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.** All enquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia (Tel: +603 7890 4700).

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue. The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue has been obtained from our shareholders at our EGM convened on 17 January 2020. Approval has been obtained from Bursa Securities *vide* its letter dated 13 December 2019 for the admission of the ICPS to the Official List as well as the listing of and quotation for the ICPS and new NOVAMSC Shares to be issued arising from the conversion of the ICPS on the ACE Market of Bursa Securities. The listing of and quotation for the ICPS and new NOVAMSC Shares to be issued arising from the conversion of the ICPS will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounees/transferees, if applicable, have been duly credited with the ICPS allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue and are in no way reflective of the merits of the Rights Issue.

The Documents will only be despatched to our Entitled Shareholders whose names appear in our Record of Depositors at 5.00 p.m. on Wednesday, 26 February 2020 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on Wednesday, 26 February 2020. The Documents are not intended to (and will not be made to) comply with the laws of any countries or jurisdictions other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounees/transferees, if applicable, who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and/or other professional adviser as to whether the acceptance and/or renunciation (as the case may be) of their entitlements to the Rights Issue, application for Excess Rights ICPS, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights ICPS or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue made by any Entitled Shareholders and/or their renounees/transferees, if applicable, is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholders and/or their renounees/transferees, if applicable, are residents.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO THE “RISK FACTORS” AS SET OUT IN SECTION 7 OF THIS ABRIDGED PROSPECTUS.**



## NOVA MSC BERHAD

(Registration No. 200201024235 (591898-H))  
(Incorporated in Malaysia)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,094,173,136 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“RIGHTS ICPS”) IN NOVA MSC BERHAD (“NOVAMSC”) AT THE ISSUE PRICE OF RM0.01 PER RIGHTS ICPS ON THE BASIS OF 8 RIGHTS ICPS FOR EVERY 3 EXISTING ORDINARY SHARES IN NOVAMSC HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 26 FEBRUARY 2020**

### Principal Adviser



## MERCURY SECURITIES SDN BHD

(Registration No. 198401000672 (113193-W))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

### IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Wednesday, 26 February 2020 at 5.00 p.m.
<b>Last day, date and time for:</b>	
Sale of Provisional Allotments	: Wednesday, 4 March 2020 at 5.00 p.m.
Transfer of Provisional Allotments	: Friday, 6 March 2020 at 4.30 p.m.
Acceptance and Payment	: Thursday, 12 March 2020 at 5.00 p.m.
Excess Rights ICPS Application and Payment	: Thursday, 12 March 2020 at 5.00 p.m.

This Abridged Prospectus is dated 26 February 2020

**UNLESS OTHERWISE STATED, ALL DEFINED TERMS AND ABBREVIATIONS SHALL CARRY THE SAME MEANING AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS.**

**OUR BOARD HAS SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.**

**MERCURY SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS, INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.**

**THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.**

**THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.**

## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

<b>Abridged Prospectus</b>	:	This abridged prospectus dated 26 February 2020 in relation to the Rights Issue
<b>Act</b>	:	Companies Act 2016
<b>AI</b>	:	Artificial Intelligence
<b>Amendments</b>	:	Amendments to our Constitution to facilitate the issuance of the ICPS
<b>Bloomberg</b>	:	Bloomberg Finance Singapore L.P. and its affiliates
<b>Board</b>	:	Board of Directors of our Company
<b>Bursa Depository</b> or <b>Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
<b>CAGR</b>	:	Compound annual growth rate
<b>CDS</b>	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
<b>CDS Account</b>	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and dealing in securities by the depositor
<b>Closing Date</b>	:	12 March 2020 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and the Excess Rights ICPS Application
<b>CMSA</b>	:	Capital Markets and Services Act 2007
<b>Constitution</b>	:	Our Company's Constitution
<b>Conversion Price</b>	:	Conversion price for the ICPS to be converted into 1 new NOVAMSC Share of RM0.04
<b>Corporate Exercises</b>	:	Collectively, the Rights Issue, Placement and Amendments
<b>Directors</b>	:	Members of our Board and shall have the same meaning given in Section 2(1) of the CMSA
<b>Documents</b>	:	Collectively, this Abridged Prospectus together with the NPA and RSF
<b>EGM</b>	:	Extraordinary general meeting
<b>Entitled Shareholders</b>	:	Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date

**DEFINITIONS** (Cont'd)

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<b>Entitlement Date</b>	:	26 February 2020 at 5.00 p.m., being the date and time on which our Entitled Shareholders' names must appear in our Record of Depositors in order to be entitled to participate in the Rights Issue
<b>EPS</b>	:	Earnings per Share
<b>ESOS Options</b>	:	Options granted to eligible persons under the Employees' Share Option Scheme of our Company
<b>Excess Rights ICPS</b>	:	Rights ICPS which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounees/transferees, if applicable, by the Closing Date
<b>Excess Rights ICPS Applications</b>	:	Applications for Excess Rights ICPS as set out in Section 11.7 of this Abridged Prospectus
<b>FORNAX System</b>	:	FORNAX ePlanCheck System, an in-house product of our Group
<b>FPE</b>	:	Financial period ended
<b>FYE</b>	:	Financial year ended/ending, as the case maybe
<b>Fund Raising Exercises</b>	:	Collectively, the Rights Issue and Placement
<b>ICPS</b>	:	Irredeemable convertible preference shares in our Company to be issued pursuant to the Fund Raising Exercises
<b>IMR Report</b>	:	Independent market research report on the overview and outlook of the IT software industry in Asia Pacific and Singapore dated 31 January 2020 prepared by PROVIDENCE
<b>Issue Price</b>	:	Issue price of RM0.01 per ICPS
<b>IT</b>	:	Information technology
<b>LAT</b>	:	Loss after tax
<b>LBT</b>	:	Loss before tax
<b>Listing Requirements</b>	:	ACE Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	31 January 2020, being the latest practicable date prior to the printing of this Abridged Prospectus
<b>LPS</b>	:	Loss per Share
<b>LTD</b>	:	22 November 2019, being the last trading day prior to our announcement of the Corporate Exercises on 25 November 2019
<b>Market Day</b>	:	A day between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading

**DEFINITIONS** *(Cont'd)*

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<b>Maximum Scenario</b>	:	Scenario which assumes that:
		(i) all the unexercised ESOS Options are exercised prior to the Entitlement Date;
		(ii) all the Entitled Shareholders and/or their renounees/transferees, if applicable, fully subscribe for their respective entitlements under the Rights Issue; and
		(iii) the Placement ICPS are issued to Stone Villa concurrently with the Rights ICPS
<b>Mercury Securities Principal Adviser</b>	or :	Mercury Securities Sdn Bhd (198401000672 (113193-W))
<b>Minimum Scenario</b>	:	Scenario which assumes that:
		(i) none of the unexercised ESOS Options are exercised prior to the Entitlement Date; and
		(ii) the Rights Issue is implemented on a Minimum Subscription Level basis; and
		(iii) the Placement ICPS are issued to Stone Villa concurrently with the Rights ICPS
<b>Minimum Subscription Level</b>	:	Minimum subscription of 239,447,186 Rights ICPS by the Undertaking Shareholders to raise minimum gross proceeds of approximately RM2.4 million pursuant to the Undertakings
<b>NA</b>	:	Net assets
<b>NOVAMSC or Company</b>	:	Nova MSC Berhad (200201024235 (591898-H))
<b>NOVAMSC Group</b>	or :	Collectively, NOVAMSC and our subsidiaries
<b>NOVAMSC Shares</b>	or :	Ordinary shares in NOVAMSC
<b>NPA</b>	:	Notice of provisional allotment in relation to the Rights Issue
<b>Official List</b>	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
<b>Placement</b>	:	Placement of 420,000,000 new ICPS to Stone Villa at the Issue Price
<b>Placement ICPS</b>	:	420,000,000 new ICPS to be issued in relation to the Placement
<b>PRC</b>	:	People's Republic of China
<b>PAT</b>	:	Profit after tax
<b>PBT</b>	:	Profit before tax
<b>Php</b>	:	Philippine peso

**DEFINITIONS** (Cont'd)

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<b>PROVIDENCE</b>	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A))
<b>Provisional Allotments</b>	:	Rights ICPS provisionally allotted to our Entitled Shareholders
<b>Raden Corporation</b>	:	Raden Corporation Sdn Bhd (199201000673 (232177-H)), a substantial shareholder of our Company
<b>Record of Depositors</b>	:	Record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository
<b>Rights ICPS</b>	:	Up to 2,094,173,136 new ICPS to be issued pursuant to the Rights Issue
<b>Rights Issue</b>	:	Renounceable rights issue of up to 2,094,173,136 new ICPS at the Issue Price on the basis of 8 Rights ICPS for every 3 existing NOVAMSC Shares held on the Entitlement Date
<b>RM and sen</b>	:	Ringgit Malaysia and sen, respectively
<b>RSF</b>	:	Rights subscription form in relation to the Rights Issue
<b>Rules of Bursa Depository</b>	:	Rules of Bursa Depository issued pursuant to SICDA
<b>SC</b>	:	Securities Commission Malaysia
<b>SGD</b>	:	Singapore Dollar
<b>Share Registrar</b>	:	Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) (199601006647 (378993-D))
<b>SICDA</b>	:	Securities Industry (Central Depositories) Act, 1991
<b>Stone Villa</b>	:	Stone Villa Limited (a company incorporated in the British Virgin Islands under the BVI Business Companies Act, 2004 with the registration no. of 1592615), a substantial shareholder of our Company
<b>TEAP</b>	:	Theoretical ex-all price
<b>Tunku Dato' Seri Nadzaruddin</b>	:	Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar, a major shareholder of our Company
<b>Undertakings</b>	:	Irrevocable written undertakings dated 25 November 2019 from the Undertaking Shareholders to subscribe in full for their respective entitlements to the Rights ICPS
<b>Undertaking Shareholders</b>	:	Collectively, Stone Villa, Raden Corporation and Tunku Dato' Seri Nadzaruddin
<b>USD</b>	:	United States Dollar
<b>VWAP</b>	:	Volume weighted average market price

**DEFINITIONS (Cont'd)**

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In this Abridged Prospectus, all references to “our Company” are to NOVAMSC and references to “our Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to “you” and “your” in this Abridged Prospectus are to our Entitled Shareholders and/or where the context otherwise requires, their renounees/transferees, if applicable.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, rules or regulations is a reference to that legislation, statute, guidelines, rules or regulations as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts stated and the totals thereof are due to rounding.

Any reference to a time of day or date in this Abridged Prospectus shall be a reference to Malaysian time and date respectively, unless otherwise stated.

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## ADVISERS' DIRECTORY

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- PRINCIPAL ADVISER** : Mercury Securities Sdn Bhd  
L-7-2, No. 2, Jalan Solaris  
Solaris Mont' Kiara  
50480 Kuala Lumpur  
Wilayah Persekutuan  
Tel: +603 6203 7227  
Fax: +603 6203 7117
- SOLICITORS FOR THE RIGHTS ISSUE** : Messrs Gary Teh & Ngiam  
Advocates & Solicitors  
Unit 1608, 16<sup>th</sup> Floor  
Block A, Damansara Intan  
No. 1, Jalan SS 20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel: +603 7732 9323  
Fax: +603 7733 5326
- SHARE REGISTRAR** : Boardroom Share Registrars Sdn Bhd  
(formerly known as Symphony Share Registrars Sdn Bhd)  
11<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13, 46200 Petaling Jaya,  
Selangor Darul Ehsan  
Tel: +603 7890 4700  
Fax: +603 7890 4670
- INDEPENDENT MARKET RESEARCHER** : Providence Strategic Partners Sdn Bhd  
67-1, Block D, The Suites, Jaya One  
No. 72A, Jalan Universiti  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel: +603 4253 1192
- Person-in-charge : Melissa Lim Li Hua, Executive Director
- Qualification : Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia
- STOCK EXCHANGE** : ACE Market of Bursa Securities



**SUMMARY OF RIGHTS ISSUE**

**This summary of the Rights Issue only highlights the key information from other parts of this Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.**

**(i) Number of Rights ICPS to be Issued and Basis of Allotment**

The Rights Issue entails provisional allotments of up to 2,094,173,136 new Rights ICPS on the basis of 8 Rights ICPS for every 3 existing Shares held by our Entitled Shareholders on the Entitlement Date. Any unsubscribed Rights ICPS will be made available for subscription by other Entitled Shareholders and/or their renounees/transferees, if applicable, *via* Excess Rights ICPS Applications. It is our Board's intention to allot the Excess Rights ICPS, if any, in a fair and equitable manner. Please refer to Sections 2.1 and 11.7 of this Abridged Prospectus for further information.

**(ii) Price of the Rights ICPS**

The Issue Price has been fixed at RM0.01. Please refer to Section 2.2 of this Abridged Prospectus for further information.

**(iii) Shareholders' Undertakings**

The Rights Issue will be undertaken on a Minimum Subscription Level basis. Our Company had procured Undertakings from the Undertaking Shareholders to subscribe in full for their respective entitlements to the Rights ICPS as follows:

<b>Undertaking shareholder</b>	<b>Direct Shareholdings as at the LPD</b>		<b>Entitlement Undertaking</b>		
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Rights ICPS</b>	<b><sup>(i)</sup>%</b>	<b>Amount RM</b>
Stone Villa	45,454,545	6.0	121,212,120	5.8	1,212,121
Raden Corporation	39,178,150	5.2	104,475,066	5.0	1,044,751
Tunku Dato' Seri Nadzaruddin	5,160,000	0.7	13,760,000	0.7	137,600
<b>Total</b>	<b>89,792,695</b>	<b>11.9</b>	<b>239,447,186</b>	<b>11.5</b>	<b>2,394,472</b>

Note:

- (i) Based on the maximum number of 2,094,173,136 Rights ICPS available for subscription pursuant to the Rights Issue.

Please refer to Section 3 of this Abridged Prospectus for further information.

**(iv) Rationale**

The Rights Issue is implemented with the objective to facilitate the delivery of our Group's secured IT contracts and the implementation of our overseas expansion plans as well as to reduce our Group's gearing level.

**SUMMARY OF RIGHTS ISSUE (Cont'd)****(v) Utilisation of Proceeds**

Total proceeds to be raised from the Fund Raising Exercises of up to RM25.1 million, will be utilised in the following manner:

Purpose	Minimum Scenario		Maximum Scenario		Estimated time frame for utilisation of proceeds from the date of listing of the ICPS
	RM'000	%	RM'000	%	
Overseas expansion of FORNAX System	3,000	45.5	9,000	35.8	Within 24 months
Operating and capital expenditures for secured IT contracts	1,894	28.7	7,942	31.6	Within 24 months
Repayment of borrowings	1,000	15.2	7,500	29.8	Within 6 months
Estimated expenses	700	10.6	700	2.8	Within 1 month
<b>Total</b>	<b>6,594</b>	<b>100.0</b>	<b>25,142</b>	<b>100.0</b>	

Please refer to Section 5 of this Abridged Prospectus for further information.

**(vi) Risk Factors**

There are number of risks relating to our business that you should consider before subscribing for or investing in the Rights ICPS, in particular the following:

- (i) our business is predominantly on a project basis and is subject to delays in delivering of secured IT contracts to our customers which would adversely affect our Group's business, results of operations and market reputations; and
- (ii) our Group lacks the track record in the countries which our Group is planning to expand to, namely PRC, Japan and United Arab Emirates. The success of our expansion is uncertain and hinges largely on our ability to clinch market acceptances of the FORNAX System and our ability to predict the competition landscapes, prospects and outlook of the PRC, Japan and United Arab Emirates.

Please refer to Section 7 of this Abridged Prospectus for further information.

**(vii) Procedures for Acceptance and Payment**

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar so as to arrive not later than 5.00 p.m. on Thursday, 12 March 2020.

If you wish to apply for additional Rights ICPS in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights ICPS applied for to our Share Registrar so as to arrive not later than 5.00 p.m. on Thursday, 12 March 2020.

Please refer to Section 11 of this Abridged Prospectus for further information.

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**NOVA MSC BERHAD**  
(Registration No. 200201024235 (591898-H))  
(Incorporated in Malaysia)

**Registered Office:**  
No. 5-1, Jalan Radin Bagus 9  
Bandar Baru Sri Petaling  
57000 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur  
Malaysia

26 February 2020

### **Board of Directors**

Peter Wayne Thompson (*Independent Non-Executive Chairman*)  
Lai Teik Kin (*Executive Director and Group Chief Executive Officer*)  
Lim Hak Min (*Independent Non-Executive Director*)  
David Choo Boon Leong (*Independent Non-Executive Director*)  
Dali Kumar @ Dali Bin Sardar (*Independent Non-Executive Director*)

### **To: Our Entitled Shareholders**

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,094,173,136 NEW ICPS AT THE ISSUE PRICE OF RM0.01 PER RIGHTS ICPS ON THE BASIS OF 8 RIGHTS ICPS FOR EVERY 3 EXISTING NOVAMSC SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 26 FEBRUARY 2020**

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## **1. INTRODUCTION**

On 25 November 2019, Mercury Securities had, on behalf of our Board, announced that our Company proposes to undertake the Corporate Exercises to raise funds for utilisation in the manner as set out in Section 5 of this Abridged Prospectus. The Rights ICPS and Placement ICPS to be issued under the Fund Raising Exercises will be identical in all respects, shall form the same series and will be listed simultaneously. The salient terms of the ICPS is set out in Section 2.3 of this Abridged Prospectus. Please also refer to the ensuing sections for the details of the Rights Issue.

On 13 December 2019, Mercury Securities had, on behalf of our Board, announced that Bursa Securities had *vide* its letter dated 13 December 2019 approved the following:

- (i) admission to the Official List and the listing and quotation of up to 2,515,106,469 ICPS to be issued pursuant to the following:
  - (a) up to 2,095,106,469 Rights ICPS to be issued pursuant to the Rights Issue; and
  - (b) 420,000,000 Placement ICPS to be issued pursuant to the Placement; and
- (ii) listing and quotation of up to 2,515,106,469 new NOVAMSC Shares to be issued arising from the conversion of the ICPS,

subject to the following conditions:

<b>Condition</b>	<b>Status of Compliance</b>
(1) Our Company and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Fund Raising Exercises	To be complied
(2) Our Company and Mercury Securities to inform Bursa Securities upon completion of the Fund Raising Exercises	To be complied
(3) Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Fund Raising Exercises are completed	To be complied
(4) Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of NOVAMSC Shares listed pursuant to the conversion of ICPS as at the end of each quarter together with a detail computation of listing fees payable	To be complied

For information purposes, subsequent to Bursa Securities' approval up to the LPD, the number of outstanding ESOS Options decreased by 350,000 due to the resignation of an employee, leading to the maximum number of Rights ICPS to be issued under the Rights Issue to be reduced to 2,094,173,136.

Our shareholders have approved the Corporate Exercises at our EGM held on 17 January 2020.

On 12 February 2020, Mercury Securities had, on behalf of our Board, announced the Entitlement Date together with the other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or Mercury Securities.

**YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**

## **2. PARTICULARS OF THE RIGHTS ISSUE**

### **2.1 Details of the Rights Issue**

The Rights Issue entails provisional allotments of up to 2,094,173,136 Rights ICPS at the issue price of RM0.01 per Rights ICPS on the basis of 8 Rights ICPS for every 3 existing NOVAMSC Shares held by our Entitled Shareholders on the Entitlement Date. The Rights Issue is implemented with the objective to facilitate the delivery of our Group's secured IT contracts and the implementation of our overseas expansion plans as well as to reduce our Group's gearing level.

The Rights Issue will be undertaken on a Minimum Subscription Level basis, the details of which are set out in Section 3 of this Abridged Prospectus.

The actual number of Rights ICPS to be issued would depend on the total number of issued Shares on the Entitlement Date and the eventual subscription rate of the Rights Issue.

The Rights Issue is renounceable in full or in part. Accordingly, our Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights ICPS in full or in part.

Any unsubscribed Rights ICPS will be made available for excess subscription by other Entitled Shareholders and/or their renounees/transferees, if applicable, *via* Excess Rights ICPS Applications. It is our Board's intention to allocate the Excess Rights ICPS, if any, in a fair and equitable manner in accordance with the procedures set out in Section 11.7 of this Abridged Prospectus.

We will allot the Rights ICPS and despatch the notices of allotment to the successful applicants within 8 Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

The Rights ICPS will be admitted to the Official List and the listing of and quotation for the Rights ICPS will commence 2 Market Days upon the receipt of an application for quotation for the Rights ICPS as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited with the Rights ICPS.

Any fractional entitlements arising from the Rights Issue, if any, will be disregarded and dealt with in such manner as our Board shall at its absolute discretion deems fit, expedient and in the best interest of our Company.

As the Rights ICPS are prescribed securities, your CDS Accounts will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this Abridged Prospectus, the NPA notifying you the crediting of such Provisional Allotments into your CDS Accounts and the RSF to enable you to subscribe for the Provisional Allotments as well as to apply for Excess Rights ICPS if you so choose to. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

Any dealings in our securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights ICPS and new NOVAMSC Shares to be issued arising from the conversion of the Rights ICPS will be credited directly into the respective CDS Accounts of successful applicants and holders of Rights ICPS who convert their Rights ICPS. No physical certificates will be issued to the successful applicants, nor will any physical share certificates be issued for the new NOVAMSC Shares to be issued arising from the conversion of the Rights ICPS.

## **2.2 Basis and Justification for the Issue Price and Conversion Price**

The Issue Price of RM0.01 and Conversion Price of RM0.04 represent a discount of approximately 85.1% and 40.3% respectively to the TEAP of our Shares of RM0.067, based on the 5-day VWAP of our Shares up to and including the LTD of RM0.085.

The Issue Price and Conversion Price were determined by our Board after taking into consideration, *inter-alia*, the following:

- (i) our Group's funding requirements as set out in Section 5 of this Abridged Prospectus;
- (ii) the historical trading prices of our Shares for the past 12 months prior to the LTD;
- (iii) the TEAP of our Shares of RM0.067; and
- (iv) the tenure of the ICPS of 5 years.

Whilst the Issue Price represents a steep discount to the TEAP of our Shares, the Conversion Price only represents a discount of 40.3% to the TEAP of our Shares. Such discounts of the Issue Price and Conversion Price to the TEAP of our Shares are intended to encourage you to subscribe for the Rights ICPS.

### 2.3 Salient Terms of the ICPS

The salient terms of the ICPS to be issued pursuant to the Fund Raising Exercises are set out as follows:

<b>Terms</b>	<b>Details</b>
Issue Size	: Up to 2,514,173,136 ICPS comprising up to 2,094,173,136 ICPS to be issued under the Rights Issue and 420,000,000 ICPS to be issued under the Placement
Issue Price	: RM0.01 per ICPS.
Dividend	: Subject to Section 131 of the Act, our Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be in priority over the NOVAMSC Shares.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the ICPS (" <b>Issue Date</b> ").
Maturity Date	: The day immediately preceding the 5 <sup>th</sup> anniversary of the Issue Date. If such day falls on a non-Market Day, then the maturity date would be the preceding Market Day.
Redemption	: The ICPS is not redeemable for cash.
Board lot	: For the purpose of trading on the ACE Market of Bursa Securities, 1 board lot of ICPS shall comprise 100 units of ICPS or such other denomination as determined by Bursa Securities from time to time.
Form and denomination	: The ICPS shall be issued in registered form and will be constituted by our Constitution.
Conversion Rights	: <ul style="list-style-type: none"> <li>(i) Each ICPS carries the entitlement to be converted into new NOVAMSC Shares at the Conversion Ratio through the surrender of the ICPS.</li> <li>(ii) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.</li> <li>(iii) If the conversion results in a fractional entitlement to the new NOVAMSC Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.</li> </ul>
Conversion Period	: <ul style="list-style-type: none"> <li>(i) The ICPS may be converted into new NOVAMSC Shares on any Market Day commencing on and including the Issue Date up to and including the Maturity Date, as determined by the Conversion Ratio and Conversion Price.</li> <li>(ii) Any remaining ICPS that are not converted by the Maturity Date shall be automatically converted into new NOVAMSC Shares at the conversion ratio of 4 ICPS for 1 new NOVAMSC Share.</li> </ul>



Conversion Price : RM0.04 for each new NOVAMSC Share based on the Conversion Ratio.

Conversion Ratio : The ICPS may be converted into new NOVAMSC Shares at the Conversion Price in the following manner:

- (i) by surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the Conversion Price, subject to a minimum of 1 ICPS and up to a maximum of 4 ICPS for every 1 new NOVAMSC Share; and
- (ii) by paying the difference between the aggregate issue price of the ICPS surrendered and the Conversion Price, if any, in cash for every 1 new NOVAMSC Share,

subject to adjustments in accordance with our Constitution.

Ranking of the ICPS and liquidation preference : The ICPS are unsecured and shall upon allotment and issue, rank *pari passu* in all respect amongst themselves and may rank in priority or equally with other preference shares that may be created in future. The ICPS shall rank in priority to the NOVAMSC Shares, but shall rank behind all secured and unsecured obligations of our Company. The ICPS carry no right to vote at any general meeting of our Company save for voting rights as set out under the "Rights of the holder of ICPS" section herein.

In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:

- (i) the ICPS shall confer on its holders the rights to receive in priority to our shareholders, cash repayment in full of the amount of any non-cumulative preferential dividend that has been declared and remaining in arrears, if any;
- (ii) after payment of the dividends, if any, to the holders of the ICPS, the remaining assets shall be distributed first to holders of the ICPS in full of the amount which is equal to the Issue Price, provided that there shall be no further right to participate in any surplus capital or surplus profits of our Company;
- (iii) in the event that our Company has insufficient assets to permit payment of the full amount of the Issue Price to holders of the ICPS, the assets of our Company shall be distributed *pro rata* on an equal priority to the holders of ICPS in proportion to the amount that each holder of ICPS would otherwise be entitled to receive;
- (iv) in the event of capital being written off on a reduction of capital which is lost or unrepresented by available assets, the amounts paid or credited on the NOVAMSC Shares shall be written off before the amounts paid or credited on the ICPS; and

- (v) in the event of repayment of capital to the shareholders of our Company, the dividends in arrears shall be paid to the holders of ICPS and the remaining ICPS shall then be automatically converted into new NOVAMSC Shares at the conversion ratio of 4 ICPS for 1 new NOVAMSC Share prior to any distribution to be made to our shareholders.

Ranking of new NOVAMSC Shares to be issued pursuant to the conversion of the ICPS : The new NOVAMSC Shares to be allotted and issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing NOVAMSC Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment thereof.

Adjustment to Conversion Price and Conversion Ratio : The Conversion Price and/or Conversion Ratio may be subjected to adjustments from time to time by our Board in consultation with an approved principal adviser and/or certified by the auditors, in all or any of the following events:

- (i) consolidation or subdivision or conversion or capital reduction of NOVAMSC Shares; or
- (ii) issue of NOVAMSC Shares to the members credited as fully paid, either by way of bonus issue or capitalisation of profits or reserves; or
- (iii) capital distribution to the members whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets; or
- (iv) offer or invitation to the members whereunder they may acquire or subscribe for NOVAMSC Shares by way of rights; or
- (v) offer or invitation to the members by way of rights whereunder they may acquire or subscribe for securities convertible into new NOVAMSC Shares or rights to acquire or subscribe for NOVAMSC Shares; or
- (vi) issue either NOVAMSC Shares or securities convertible into NOVAMSC Shares or securities with rights to acquire or subscribe for NOVAMSC Shares and in any such case, the total effective consideration per NOVAMSC Share is less than 90% of the current market price for 1 NOVAMSC Share or, as the case may be, the price at which the NOVAMSC Shares will be issued upon conversion of such securities or exercise of such rights is determined; or
- (vii) any other circumstances that the Directors deems necessary.

In any event, our Board would consult its approved principal adviser and/or auditors before deciding whether such adjustments are required, provided that any adjustment to the Conversion Price will be rounded down to the nearest one sen (RM0.01).

Any adjustment to the Conversion Price or Conversion Ratio which may give rise to the fractional entitlements of 1 new NOVAMSC Share arising from the conversion of the ICPS shall be disregarded.

No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by the external auditors of our Company.

Rights of the holder of the ICPS : The holders of ICPS have the same rights as ordinary shareholders of our Company as regards to receiving notices, reports and audited financial statements and attending general meetings.

The holders of ICPS are however not entitled to any voting rights or participation in any rights, allotments and/or other distribution in our Company until and unless such holders convert their ICPS into new NOVAMSC Shares except in the following circumstances:

- (i) when the dividend or part of the dividends declared on the ICPS is in arrears for more than 6 months;
- (ii) on a proposal to reduce our Company's share capital (excluding any cancellation of share capital which is lost or unrepresented by assets);
- (iii) on a proposal for sanctioning the sale of the whole or substantial portion of our Company's property, business and/or undertaking. For the avoidance of doubt, such disposal shall constitute "Major Disposal" within the meanings as prescribed under the Listing Requirements;
- (iv) on a proposal that affects their rights and privileges attached to the ICPS including, the creation and issuance of further preference shares ranking in priority to the ICPS; and
- (v) on a proposal in respect of the winding-up, liquidation, compromise and/or arrangement of our Company and during the winding-up, liquidation, compromise and/or arrangement of our Company.

Where the ICPS holders are entitled to vote at any general meeting, every ICPS shall on a poll, carry 1 vote for 1 NOVAMSC Share into which the ICPS are convertible, based on the conversion ratio of 4 ICPS for 1 new NOVAMSC Share and every 1 NOVAMSC Share shall, notwithstanding any other provision of our Constitution, carry 1 vote for each such Share.

Listing : The ICPS will be listed and traded on the ACE Market of Bursa Securities.

- Transferability : The ICPS shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository. In the event that the ICPS become unlisted and the ICPS are no longer held under the Bursa Depository, any dealings including transmission of the ICPS are no longer subject to the said rules, the ICPS shall be transferable by instrument in writing in the usual or common form or such other form as our Board or the relevant authorities may approve.
- Modification of Rights : Our Company may from time to time without the consent or sanction of all the holders of the ICPS make modifications to the terms of which in the opinion of our Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.
- Any variation, modification or abrogation of the rights and privileges attached to the ICPS shall require the sanction of a special resolution of the holders of ICPS holding or representing not less than 75% of the outstanding ICPS, present and voting either in person or by proxy or by attorney at the meeting convened for the ICPS holders to sanction such purposes.
- Governing law : The laws of Malaysia.

#### **2.4 Ranking of the ICPS and New NOVAMSC Shares to be Issued Arising from the Conversion of the ICPS**

The ICPS shall rank equally amongst themselves and may rank in priority to, or equally with other preference shares that may be created in the future. The ICPS shall rank in priority to our NOVAMSC Shares, but shall rank behind all our Company's secured and unsecured obligations.

The new NOVAMSC Shares to be issued arising from the conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing NOVAMSC Shares, except that they will not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment thereof.

#### **2.5 Details of Other Corporate Exercises**

On 25 November 2019, Mercury Securities had, on behalf of our Board, announced that our Company proposes to undertake, amongst others, the Placement, which entails the placement of 420,000,000 Placement ICPS at the Issue Price to Stone Villa. The Rights Issue and Placement are to be implemented concurrently and will complete simultaneously.

The Placement will raise gross proceeds of RM4.2 million, which will be utilised in the manner as set out in Section 5 of this Abridged Prospectus.

Our shareholders have approved the Placement at our EGM held on 17 January 2020.

Save for the Rights Issue and the Placement, our Board confirms that there are no other corporate exercises which have been approved by the regulatory authorities but yet to be completed as at the LPD.

### 3. SHAREHOLDERS' UNDERTAKINGS

The Rights Issue will be undertaken on a Minimum Subscription Level basis after due consideration of our Group's funding requirements as set out in Section 5 of this Abridged Prospectus and the funds to be raised under the Placement.

Our Company had procured Undertakings from the Undertaking Shareholders to subscribe in full for their respective entitlements to the Rights ICPS as follows:

Undertaking shareholder	Direct shareholdings as at the LPD		Entitlement Undertaking		
	No. of Shares	%	No. of Rights ICPS	(%)	Amount RM
Stone Villa	45,454,545	6.0	121,212,120	5.8	1,212,121
Raden Corporation	39,178,150	5.2	104,475,066	5.0	1,044,751
Tunku Dato' Seri Nadzaruddin	5,160,000	0.7	13,760,000	0.7	137,600
<b>Total</b>	<b>89,792,695</b>	<b>11.9</b>	<b>239,447,186</b>	<b>11.5</b>	<b>2,394,472</b>

Note:

- (i) Based on the maximum number of 2,094,173,136 Rights ICPS available for subscription pursuant to the Rights Issue.

Pursuant to the Undertakings, the Undertaking Shareholders have:

- (i) irrevocably and unconditionally warranted that they will not dispose of their existing shareholdings in our Company or any part thereof during the period commencing from the date of the Undertakings up to the Entitlement Date; and
- (ii) confirmed that they have sufficient financial means and resources to subscribe in full for their respective entitlements to the Rights ICPS as set out above and Mercury Securities, as the Principal Adviser for the Corporate Exercises, had verified the same.

There will be no underwriting arrangement for the remaining Rights ICPS for which no irrevocable undertaking has been obtained.

For information purpose, upon completion of the Fund Raising Exercises, the resultant shareholdings of the Undertaking Shareholders in our Company will not give rise to any mandatory take-over obligation under the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC.

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#### 4. BRIEF DETAILS OF OUR BUSINESS

Our Group is divided into 2 main business units as follows:

<b>Business Unit</b>	<b>Description</b>
e-Government	<p>Provision of solutions to aid in the digitalisation of government bodies in order to provide effective and efficient operational support between city councils and related regulatory organisations. Our Group's e-Government solutions are currently provided in Singapore, Malaysia and Brunei Darussalam.</p> <p>The main projects currently undertaken by this business unit includes the following:</p> <ul style="list-style-type: none"> <li>(i) a contract by the Building Construction Authority of Singapore to study, revamp, design, develop, supply, deliver, install, test and commission a new Construction and Real Estate Network System 2.0 (CORENET 2.0);</li> <li>(ii) a contract by the Urban Redevelopment Authority of Singapore to supply, install, develop, test and commission an Intelligent Code Checking system (ICCS) which utilises our FORNAX System to perform automated checking of building plans and computing the gross floor area of plans based on existing regulations in Singapore;</li> <li>(iii) a contract by the Public Utilities Board of Singapore to implement our FORNAX System to perform automated checking of submitted building information modelling ("BIM") models for any non-compliance against regulatory requirements for drainage, water and sewerage and to maintain the system for a 20 month period;</li> <li>(iv) a contract by the Urban Redevelopment Authority of Singapore to upgrade and maintain the Development Application Exchange System to digitalise and improve the development application submission and approval process; and</li> <li>(v) a contract by the Legal Aid Bureau, Ministry of Law of Singapore to design, develop, supply, deliver, install, test, train, migrate and commission a fully operational Legal Aid Bureau's case management system.</li> </ul>
Healthcare	<p>Marketed under our brand name "VESALIUS", the system is designed to facilitate information communications which streamlines processes between departments using a single integrated platform. The platform serves wide-ranging needs of hospital administrators, caregivers, para-clinical and patients. In addition, VESALIUS allows healthcare groups to implement a centralised system that can be deployed to multiple hospitals, sharing critical information such as medical records and restricting data access to on a need-only basis.</p> <p>Major hospitals or institutional clients of this business unit include the following:</p> <ul style="list-style-type: none"> <li>(i) National Skin Care Centre, Singapore;</li> <li>(ii) RS Kasih Ibu Denpasar, Bali, Indonesia;</li> <li>(iii) RS Kasih Ibu Kedonganan, Bali, Indonesia;</li> <li>(iv) Cardiac Vascular Sentral Kuala Lumpur (CVSKL), Kuala Lumpur, Malaysia;</li> <li>(v) Island Hospital, Penang, Malaysia;</li> <li>(vi) Health Scan, Kuala Lumpur, Malaysia;</li> </ul>

<b>Business Unit</b>	<b>Description</b>
Healthcare (Cont'd)	(vii) ReGen Healthcare, Selangor, Malaysia; (viii) Medical & Science University Hospital, Selangor, Malaysia; (ix) Singapore Group Medical Centre, Cambodia; (x) Tree Top Hospital, Maldives; (xi) Hong Kong Integrated Oncology Centre; and (xii) Hong Kong Adventist Oncology Centre.

Through EyRIS Pte Ltd, a 42.0%-owned subsidiary of our Company, our healthcare unit also has a licence to market "SELENA+", which was jointly developed by clinicians from the Singapore Eye Research Institute together with computer scientists from the National University of Singapore that utilises AI technology to perform automated image analysis of retinal image for early detection of diabetic retinopathy, glaucoma and age-related muscular degeneration.

## 5. UTILISATION OF PROCEEDS

Based on the Issue Price, our Company expects to raise gross proceeds of up to RM20.9 million from the Rights Issue and RM4.2 million from the Placement.

The total proceeds to be raised from the Fund Raising Exercises of up to RM25.1 million, will be utilised in the following manner:

<b>Purpose</b>	<b>Note</b>	<b>Minimum Scenario</b>		<b>Maximum Scenario</b>		<b>Estimated timeframe for utilisation of proceeds from the date of listing of the ICPS</b>
		<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	
Overseas expansion of FORNAX System	5.1	3,000	45.5	9,000	35.8	Within 24 months
Operating and capital expenditures for secured IT contracts	5.2	1,894	28.7	7,942	31.6	Within 24 months
Repayment of borrowings	5.3	1,000	15.2	7,500	29.8	Within 6 months
Estimated expenses	5.4	700	10.6	700	2.8	Within 1 month
<b>Total</b>		<b>6,594</b>	<b>100.0</b>	<b>25,142</b>	<b>100.0</b>	

Prior to utilisation for the above purposes, the proceeds from the Fund Raising Exercises will be placed in interest-bearing deposits and/or short-term money market instruments with licensed financial institutions as our Board in its absolute discretion deems fit and in the best interest of our Group. Any interest income earned from such deposits and/or instruments will be used, when available, as working capital of our Group to further fund the operating and capital expenditures for our Group's secured IT contracts.

Any additional proceeds raised in excess of RM6.6 million under the Minimum Scenario will be allocated up to its respective maximum allocation under the Maximum Scenario in the following order:

- (i) repayment of borrowings;
- (ii) operating and capital expenditures for secured IT contracts; and
- (iii) overseas expansion of FORNAX System.

In the event that the funds raised from the Rights Issue is insufficient to fund the purposes mentioned in (i) to (iii) above, we would utilise our internally generated funds and/or bank borrowings.

The actual proceeds that may be raised from the conversion of the ICPS are dependent on the value of the cash component accompanied with the surrendering of at least 1 ICPS to be converted for 1 new NOVAMSC Share at the Conversion Price during the conversion period. The maximum proceeds that may be raised from such conversion of the ICPS is RM75.4 million and will be utilised, when available, as working capital of our Group within 24 months from the date of listing of the new NOVAMSC Shares, as follows:

<b>Purpose</b>	<b>%</b>
Operating and capital expenditures for our secured and/or future IT contracts	70
General working capital <sup>(i)</sup>	30
	<b>100</b>

Note:

- (i) The proceeds allocated for general working capital requirements shall be utilised for our Group's day-to-day operations which shall include, but are not limited to, rental, upkeep of office premises, utilities charges and/or other administrative expenses.

## 5.1 Overseas Expansion of FORNAX System

Our FORNAX System is an IT portal system that uses amongst others, AI technology to provide key functionalities such as BIM related documents submission for permit clearance as well as perform automated building codes compliance checking with online viewing of checking results. In addition, our FORNAX System also serves as a BIM collaboration platform for users to share reviews and comment on BIM designs as well as allow users to query BIM data and analytics. Currently, our FORNAX System is mainly marketed to government agencies, architects, engineers, property developers and construction players.

Amongst the benefits of utilising our FORNAX System is a reduction of the time required for inspection of building plans from a matter of weeks to merely a few hours and reduced dependency on subject matter experts to inspect building plans.

Through capitalising on our track record in Singapore, our Group intends to market the FORNAX System to other overseas markets with a focus in Asia Pacific. Accordingly, RM3.0 million (based on the Minimum Scenario) up to RM9.0 million (based on the Maximum Scenario) of the proceeds raised is intended to be utilised for setting up offices in amongst others, the PRC, Japan and/or United Arab Emirates, sales and marketing cost, staff cost including manpower cost to customise our FORNAX System for adoption in line with building plans requirements of the target countries, web hosting costs and administrative expenses. Based on initial estimates, we expect to incur approximately RM3.0 million to set up operations in each country, which may vary depending on circumstances and the country involved.

As at the LPD, our Group has not identified any site and/or building to house our offices in the PRC, Japan and United Arab Emirates. Barring unforeseen circumstances, we expect to commence operations in the PRC by the 4<sup>th</sup> quarter of 2020, whilst the planned expansion in Japan and United Arab Emirates is pending further studies on market readiness. We intend to allocate the proceeds raised to the overseas expansion in the order of the following countries:



- (i) PRC;
- (ii) Japan;
- (iii) United Arab Emirates; and
- (iv) other countries to be identified by our Group.

## 5.2 Operating and Capital Expenditures for Secured IT Contracts

As at the LPD, our Group has an order book of approximately RM104.6 million arising from 92 secured IT contracts which is expected to be realised over a period of 5 years and includes the IT contracts set out in Section 4 of this Abridged Prospectus.

The allocated proceeds of between RM1.9 million (based on the Minimum Scenario) up to RM7.9 million (based on the Maximum Scenario) will be utilised to fund the operational and capital expenditures of the secured IT contracts which, includes amongst others, purchases of system hardware equipment, control and instrumentation devices, application software and other computer related products to be utilised for the secured IT contracts and technical staff costs.

The detailed breakdown of the aforementioned utilisation of proceeds cannot be determined at this juncture as the actual utilisation is subject to, amongst others, the timing and progress of delivery of the secured IT contracts and the quantum of available financing and our Group's internally-generated funds as at the respective timeframe.

## 5.3 Repayment of Borrowings

Our Group intends to allocate between RM1.0 million (based on the Minimum Scenario) up to RM7.5 million (based on the Maximum Scenario) of the proceeds raised to repay our Group's revolving credit facilities. As at the LPD, the outstanding amount of the revolving credit facilities were approximately SGD3.0 million (equivalent to approximately <sup>(i)</sup>RM9.0 million) and has a maturity period of between 3 to 6 months from the date of drawdown. Through the repayment of the banking facility, our Group expects to generate annual interest savings of up to RM0.4 million based on the interest rate of 5.3% per annum.

Note:

- (i) Translated based on the exchange rate of SGD1:RM3.0033, being the middle rates quoted by Bank Negara Malaysia at 5.00 p.m. as at the LPD.

## 5.4 Estimated Expenses

The estimated expenses in relation to the Corporate Exercises include the following:

	<b>RM'000</b>
Professional fees	450
Estimated fees payable to authorities <sup>(i)</sup>	50
Other miscellaneous expenses <sup>(ii)</sup>	200
<b>Total</b>	<b>700</b>

Notes:

- (i) Include fees payable to Bursa Securities, the SC and the Registrar of Companies in respect of the Corporate Exercises.
- (ii) Other miscellaneous expenses include printing costs, advertisement costs as well as expenses to convene the EGM. Any surplus or shortfall of the estimated expenses in relation to the Corporate Exercises will be adjusted accordingly to/from the proceeds allocated for working capital purposes.

## 6. RATIONALE

To facilitate the delivery of our Group's secured IT contracts and the implementation of our overseas expansion plans as well as to reduce our Group's gearing level, our Board is of the opinion that the Fund Raising Exercises, are the most suitable means of raising the required funds, based on the following:

- (i) it will enhance our Company's capital base, lower our Group's gearing level and thereby create headroom for our Group to consider further debt financing for future business expansions, if required;
- (ii) it provides an avenue for our Company to raise funds without having to incur interest costs as compared to bank borrowings and/or other interest-bearing debt instruments, thereby minimizing any potential cash outflows in respect of interest servicing costs;
- (iii) it will not have an immediate dilution effect on our Group's EPS as the ICPS are expected to be converted over the conversion period;
- (iv) the Rights Issue provides you with an opportunity to further increase your equity participation in the prospects and future growth of our Group; and
- (v) the Placement will facilitate the additional commitment in our Group's business and expansion plans into the Asia Pacific Region by Stone Villa.

## 7. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you and/or your renounees/transferees, if applicable, should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue.

### 7.1 Risks Relating to Our Business and the Industry in which We Operate

#### (i) Project delivery risks

Our Group's contracts with clients are generally entered into on a project basis. As at the LPD, our Group has an order book of approximately RM104.6 million arising from 92 secured IT contracts which is expected to be realised over a period of 5 years. To facilitate the delivery of the secured IT contracts, our Group has allocated between RM1.9 million (under the Minimum Scenario) and RM 7.9 million (under the Maximum Scenario) of the proceeds raised from the Fund Raising Exercise to partly fund the operating and capital expenditures of our Group's secured IT contracts.

However, there can be no assurance that our Group would be able to deliver the secured IT contracts within the estimated timeline, costs and customers' expectation due to, amongst others, the following key factors:

- (a) our Group may underestimate the total project costs at the onset of bidding or tendering for a project;
- (b) our Group may underestimate the complexity and resources required to design or develop the relevant application software;
- (c) our Group may experience a delay in delivering the secured IT contracts when there is an unexpected turnover in our key personnel; and
- (d) our Group may experience a shortage in working capital when there is an unforeseen delay in collection of receivables and/or delay or cancellation of projects.

Any delay in delivering the secured IT contracts to our customers would adversely affect our Group's business, results of operations and market reputations.

**(ii) Lack of track record in new countries**

Our Group operates predominantly in Singapore. As part of our expansion plans, our Group is planning to expand our Group's business and operations into new countries such as the PRC, Japan and/or United Arab Emirates, where we believe there is a demand for our FORNAX System. Accordingly, we have allocated between RM3.0 million (under the Minimum Scenario) and RM9.0 million (under the Maximum Scenario) of the proceeds raised from the Fund Raising Exercises to fund such expansion.

However, due to our Group's lack of track record in the PRC, Japan and United Arab Emirates, the success of our expansion plan is uncertain and hinges largely on our ability to clinch market acceptances of our FORNAX System and our ability to predict the competition landscape, prospects and outlook of the PRC, Japan and United Arab Emirates. In addition, any unexpected adverse changes in national policies of the PRC, Japan and United Arab Emirates in which we plan to operate in such as changes to the restrictions in foreign business ownership, monetary policies, currency control policies, policies for repatriation of profits and tax regulations may adversely affect the benefits of our expansion plans.

**(iii) Foreign currency fluctuations**

As our Group expands into the Asia Pacific region and globally, there will be exposure to foreign exchange fluctuation in respect of transactions and overseas investments. Any unfavorable foreign currency fluctuations may adversely and materially affect our Group's financial performance.

Currently, our Group does not use any financial instruments to hedge against transactions denominated in foreign currencies. However, our Group will continue to assess the need to utilise financial instruments to hedge our foreign currency exposure, taking into account factors such as the foreign currency involved, exposure period and transaction costs. In addition, if a decision is made to use financial instruments to hedge our foreign currency exposure in the future, there is no assurance that such hedging activities will prevent our Group from incurring foreign exchange losses.

**(iv) Dependence on our Director, key management personnel and technical personnel**

The IT Software industry is part of the technology industry which is a rapidly growing and fast changing industry. The management and operation of our Group requires the support of skilled personnel, whether in technology or non-technology related fields. Our Board recognises and believes that our Group's continuing success depends, to a significant extent, on the abilities and the continuing efforts and contributions of our current Group Chief Executive Officer namely Lai Teik Kin and the Chief Executive Officer of novaCITYNETS Pte Ltd, wholly-owned subsidiary of NOVAMSC, namely Tan Yew Soon, who have been the key driving forces behind the operations and business of our Group as well as our ability to attract new technical personnel and retain our existing technical personnel.

In particular, the loss of the abovementioned key personnel without suitable and timely replacement could adversely affect our Group's business and operations as well as our Group's expansion plans as set out in Section 7.1 (ii) above.

**(v) Rapid changes in technology**

Our Group operates in a dynamic market where our products and services are prone to evolving industry standards, and frequent new product introductions and enhancements. Our Group's future growth and success would significantly depend on continuing market acceptance of our portfolio of products and services, and our ability to develop new products and services to meet the requirements of our customers.

In the event where our products become outdated, obsolete or insufficient to address the requirements of our customers, our products would need upgrade or we would need to develop a new product with enhanced functionalities to cater for the latest requirements of our customers. It should be noted that the development of new products and services is a complex and uncertain process. To that end, we may experience design, marketing and other operational difficulties that could delay or prevent the development of our new products and services. In addition, we may or may not be able to successfully commercialise the new products and services developed.

However, there can be no assurance that we will be able to successfully anticipate technological changes and to develop new products and services in a timely manner and/or cost effectively. Such circumstances may in turn adversely affect our business operations and financial performance. In addition, there can be no assurance that our research and development activities will be successful. Unsuccessful research and development activities may have a negative impact on our financial performance as the expenses incurred may be substantial *vis-à-vis* our revenue for the relevant financial years.

**(vi) Infringement of intellectual property rights**

A substantial portion of our Group's revenue is derived from our own developed proprietary application software. Hence, our commercial success is dependent, to a certain degree, on our ability to protect our intellectual property rights and trade secrets. Any infringement of such intellectual property rights and illegal copying of our proprietary software may adversely affect our business and market position.

On the other hand, our Group may unknowingly infringe upon the intellectual property rights of third parties and may be held responsible for such infringements. As at the LPD, we have not been the subject of any intellectual property claims. However, any future litigation regarding intellectual property infringements could be costly, time consuming and could divert the focus of our management and key personnel away from our core business operations.

**7.2 Risks Relating to the Rights Issue**

**(i) Investment risk**

The market price of the ICPS, like all other listed securities traded on Bursa Securities, may fluctuate from time to time as a result of, amongst others, changes in market sentiments, volatility of the capital markets, volatility of NOVAMSC Shares, movements in interest rate, outlook of the industry in which we operate in and our future financial performance. In view of this, there can be no assurance that the NOVAMSC Shares will trade at or above the TEAP as set out in Section 2.2 of this Abridged Prospectus.

The ICPS are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the ICPS will develop upon listing on Bursa Securities, or if developed, will be sustainable.

**(ii) Failure or delay in the completion of the Rights Issue**

The Rights Issue may be aborted or delayed if a material adverse change of events or circumstances such as force majeure events, which is beyond the control of our Group and Principal Adviser, arises prior to the completion of the Rights Issue.

In the event the ICPS has been allotted to successful Entitled Shareholders and/or their renounees/transferees, if applicable, and the Rights Issue is subsequently cancelled or terminated other than pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act. Such cancellation may require the approval of our shareholders by way of a special resolution in a general meeting, consent of our Company's creditors (where applicable) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue cannot be implemented or completed due to a stop order issued by the SC pursuant to Section 245 of the CMSA, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights ICPS including the Excess Rights ICPS within 14 days after our Company becomes liable to do so, in accordance with the provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 245(7) of the CMSA.

**(iii) Potential dilution**

Entitled Shareholders who do not or are not able to accept their Provisional Allotments may have their proportionate ownership and voting interests in our Company reduced in the enlarged issued share capital of our Company when the ICPS are converted into Shares. Consequently, their proportionate entitlements to any future distribution, rights and/or allotment that our Company may declare, make or pay after completion of the Rights Issue will correspondingly be diluted.

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## **8. INDUSTRY OVERVIEW AND PROSPECTS**

### **8.1 Overview and Outlook of the Asia Pacific Economy**

The near-term outlook for Asia points to a continued deceleration of growth, mainly due to the protracted uncertainties of global economy policies and slowing growth in the PRC.

Merchandise trade and investment in the region is expected to decelerate mainly due to the trade tensions between the United States of America and the PRC and an uncertain policy environment. Both factors had adversely affected the level of economy activities, particularly in the manufacturing sector. However, broadly accommodative policies, including fiscal stimulus measures in the PRC, India, and Korea and monetary stimulus in many countries across the region are expected to support domestic demand and mitigate the adverse impacts of economy slowdown.

Overall growth in Asia is expected to moderate to 5.0% in 2019 followed by 5.1% in 2020. For advanced economies, economy growth is projected at 1.3% in 2019 and 2020. For emerging market and developing economies, economy growth is projected at 5.9% in 2019 and 6.0% in 2020.

(Source: Regional Economic Outlook (Asia and Pacific) dated October 2019 by the International Monetary Fund)

### **8.2 Overview and Outlook of the Singapore Economy**

Singapore's Gross Domestic Products ("GDP") grew by 0.5% year-on-year in the third quarter of 2019, marginally faster than the 0.2% growth recorded in the second quarter of 2019. While the trade-related cluster continued to contract, growth was supported by the modern services cluster, on the back of digitalisation-related activities. The domestic-oriented cluster also made a positive contribution, attributable to construction and the essential services segment.

External sources of inflation are likely to remain benign amid weak global growth and generally well-supplied commodity markets. Meanwhile, domestic wage growth should ease compared to last year as the labour market softens, while non-labour costs are likely to be subdued. Lacklustre demand could also limit the pass-through of any cost increases to consumers.

The forecast range for GDP growth in 2019 has been narrowed from 0.0–1.0% to 0.5–1.0%.

GDP growth for 2020 is expected to pick up modestly, coming in between 0.5–2.5%. The outlook of the trade-related sectors in the coming quarters remains uncertain and subject to developments in the global electronics cycle and trade disputes.

Some growth moderation is expected in the modern services cluster, although it should remain the main contributor to economic expansion in 2020. Prospects in the information communication technology sector should moderate somewhat, as the previous strong growth momentum in the IT and information services segment is unlikely to be sustained. Further, revenue growth in the telecommunications segment could be capped due to intense competition. Expectations for business services remain mixed with a slightly negative outlook for the real estate segment offsetting the marginally positive outlook of firms in the rest of the sector.

(Source: Recent Economic Developments in Singapore dated 6 December 2019 by the Monetary Authority of Singapore)

### 8.3 Overview and Outlook of the IT Software Industry in Asia Pacific and Singapore

The IT software industry size in Asia Pacific can be measured based on the expenditure on IT software and services in the region. The IT software industry size in Asia Pacific grew from USD439.0 billion (RM1.4 trillion) in 2014 to USD501.0 billion (RM2.0 trillion) in 2018, registering a CAGR of 3.4% during the period. PROVIDENCE forecasts the IT software industry size in Asia Pacific to grow to reach USD536.7 billion (RM2.2 trillion) in 2020, growing at a CAGR of 3.5% between 2019 and 2020.

In Singapore, the IT software industry size, which is measured based on revenue of IT software and service industry players in the country, grew from SGD34.8 billion (RM89.9 billion) in 2014 to SGD41.0 billion (RM127.7 billion) in 2017, recording a CAGR of 5.6%. Between 2018 and 2020, the growth in the IT software industry in Singapore is expected to be largely supported by the Government of Singapore's initiatives (as elaborated below), albeit at a slower rate due to the slowdown in the country's economy. As such, the IT software industry size in Singapore is forecast to grow at a slower CAGR of 4.2% between 2018 and 2020, from an estimated SGD42.7 billion (RM127.7 billion) to SGD46.4 billion (RM138.8 billion).

The growth of the IT software industry in Asia Pacific and Singapore will be largely driven by the following factors:

**(i) The development of economies in Asia Pacific has led to many multinational companies setting up operations in these countries, which is creating constant demand for IT software**

Foreign direct investments into the Asia Pacific grew from approximately RM2.1 trillion in 2014 to RM2.3 trillion in 2018. The shift towards countries in the Asia Pacific has led to a constant growth in business activities in these countries across sectors such as the finance, healthcare and IT sectors. As businesses require the use of IT software in their operations to operate efficiently and competitively, the continuous business activities in these countries are expected to bode well for the IT software industry in Asia Pacific and Singapore.

**(ii) Growing number of businesses, indicating demand potential for the IT software industry**

New businesses registered in the Asia Pacific grew from 863,586 in 2010 to 1.2 million in 2016, at an average of approximately 6.0% each year between 2010 and 2016. Most businesses today have digitalised parts, if not all, of their operations and as such, these businesses will require IT software to operate efficiently and competitively. Thus, the large number of businesses being registered each year provides opportunities for increased demand for IT software in Asia Pacific.

**(iii) Government initiatives to boost the IT sector, would create demand for IT software**

The governments in countries in Asia Pacific have recognised the importance of IT in spurring the development of their nations as IT drives efficiency and reduce excessive costs. As such, these governments have launched initiatives to encourage improvement in IT solutions and provide subsidies to businesses in relation to IT solutions.

The International Telecommunication Union (ITU) Asia-Pacific Regional Development Forum on "Information Communication Technologies ("ICT") for Sustainable Development Goals", which was held in May 2018, provides an opportunity for governments and regulators in the Asia Pacific to assess and discuss strategies to determine the initiatives taken between 2018 and 2021. As a result of the forum, initiatives were introduced with the aim to enhance the regional connectivity in the Asia Pacific through the development of ICT infrastructure. In addition, the initiatives also aimed at developing talent to ensure the region has adequate skills to meet the global ICT industry requirements.

Meanwhile in Singapore, the Small and Medium Enterprises (“SMEs”) Go Digital Programme was launched by Infocomm Media Development Authority of Singapore to assist the digitalisation of various industries in 2017. Under the programme, the Industry Digital Plans, which comprises 3 stages of roadmaps to enable SMEs to assess their technology competency and select the relevant solutions, was introduced. These 3 stages include adopting Enterprise Resource Planning solutions, creating access to e-marketplaces as well as implementing AI into their business operations. In addition, the Government of Singapore also introduced the Productivity Solutions Grant, which provides up to 70% funding support, in order to encourage adoption of IT amongst SMEs. In 2018, the Government of Singapore had also launched the Digital Government Blueprint, where an estimated SGD2.5 billion to SGD2.7 billion worth of ICT contracts will be awarded to SMEs in Singapore between April 2019 and March 2020. The Government of Singapore also unveiled 5 national projects, aimed at the use of AI technology (please refer to Section 8.4 of this Abridged Prospectus for further details).

The IT software industry is expected to benefit from these indirect initiatives taken in the IT sector as IT software will be necessary in the deployment of IT solutions.

(Source: IMR Report)

#### **8.4 Outlook and Prospects of AI in the IT Software Industry in Asia Pacific and Singapore**

Based on the Global Cities AI Disruption Index, which measures a country’s AI readiness, several countries in the Asia Pacific, namely Singapore, Australia, New Zealand, South Korea and the PRC were among the top 20 countries in terms of AI Disruption Index.

Singapore was rated the most prepared city out of 105 cities. Overall, Singapore received a score of 75.8, bolstered by its strong performance in the vision category which measures the presence of plans to respond to technology changes and plans to upgrade labour skills and infrastructure such as mobile networks. Singapore’s readiness for AI technology has been largely driven by the Government of Singapore’s initiatives to encourage the development and adoption of AI technology in the country. As an illustration, a total of SGD500.0 million has been allocated for funding research on AI based technology in the country under the Research, Innovation and Enterprise 2020 plan. The Government of Singapore has also unveiled 5 new national projects in November 2019, aimed at using AI to address key national challenges and deliver social and economic benefits to Singaporeans. The 5 national projects unveiled will cover smart cities and estates, education, healthcare, border clearance, as well as transportation and logistics.

In the PRC, the PRC’s State Council released the “Next Generation AI Development Plan” which sets out the long-term strategic goal for AI development in the country. This plan aims for the PRC’s overall technology and application of AI to be at an advanced level globally and the AI ethical norms, policies, and laws and regulations to be established by 2020. In order to implement this, the PRC’s Ministry of Industry and Information Technology (MIIT) issued the “Three-Year Action Plan for Promoting Development of a New Generation Artificial Intelligence Industry” which focuses on intelligent network vehicles, intelligent service robots, intelligent unmanned aerial vehicles, medical imaging diagnosis systems, video image identification systems, intelligent voice interactive systems and intelligent translation systems. Further, the PRC is also building a video surveillance system that uses AI enabled facial recognition technology. In cities such as Shenzhen, in Guangdong Province, the traffic police have introduced facial recognition technology and light-emitting diodes screens to deter jaywalkers.

As such, the prospects of AI technology in Asia Pacific and Singapore are expected to be promising in light of the initiatives that the respective governments have put in place and the readiness of the countries for AI technology.

(Source: IMR Report)



## 8.5 Prospects of Our Group

As mention in Section 5.2 of this Abridged Prospectus, our Group has an order book of approximately RM104.6 million as at the LPD, mainly consist of IT contracts for the development, commissioning, testing and maintenance of IT system which is expected to be realised over a period 5 years and contribute positively to our Group's future financial performance.

As part of our Group's strategies to further enhance our prospects, we intend to embark on, amongst others, the following measures:

- (i) build on our Group's success with our FORNAX System and leverage on our Group's experience to expand the e-Government business unit, especially our FORNAX System, to other overseas countries; and
- (ii) expand our Group's AI and automation solutions which is part of our Group's e-Government business unit, *via* strategic investments in complementary solutions. This will enable our Group to stay in-line with the new wave of technological trends, which includes AI and automation solutions that our Group aims through such strategic investments, to evolve our Group's solutions in order to be in-line with rapidly shifting technologies as well as to increase our Group's competitive advantage.

Premised on the above and the positive outlook of the IT software industry in Asia Pacific including Singapore, our Board is optimistic that the utilisation of the proceeds from the Fund Raising Exercises as set out in Section 5 of this Abridged Prospectus will enhance our Group's prospects.

(Source: Our Management)

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## 9. EFFECTS OF THE FUND RAISING EXERCISES

The Fund Raising Exercises are intended to be implemented concurrently and as such, the pro forma effects of the Rights Issue and Placement are illustrated together, as set out in the ensuing sections.

### 9.1 Share Capital

The pro forma effects of the Fund Raising Exercises on our Company's issued share capital are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	751,564,905	87,619,015	751,564,905	87,619,015
To be issued upon full exercise of the ESOS Options	-	-	<sup>(i)</sup> 33,750,021	<sup>(i)</sup> 5,858,348
	751,564,905	87,619,015	785,314,926	93,477,363
To be issued upon full conversion of the ICPS	<sup>(ii)</sup> 164,861,796	<sup>(ii)</sup> 6,594,472	<sup>(iii)</sup> 2,514,173,136	<sup>(iii)</sup> 100,566,925
<b>Enlarged issued share capital</b>	<b>916,426,701</b>	<b>94,213,487</b>	<b>3,299,488,062</b>	<b>194,044,288</b>

Notes:

- (i) Assuming full exercise of 33,750,021 ESOS Options together with the corresponding transfer of RM2.3 million share option reserve to share capital.
- (ii) Assuming full conversion of 659,447,186 ICPS issued under the Minimum Scenario by surrendering for cancellation 4 ICPS for 1 new NOVAMSC Share.
- (iii) Assuming full conversion of 2,514,173,136 ICPS issued under the Maximum Scenario by surrendering for cancellation 1 ICPS and paying RM0.03 in cash for 1 new NOVAMSC Share.

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## 9.2 NA and Gearing

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of our Group since our Group's latest unaudited financial statements for the 6-month FPE 30 September 2019. The pro forma effects of the Fund Raising Exercises on our Group's NA per Share and gearing are as follows:

	Minimum Scenario		Maximum Scenario	
	(i) After the Fund Raising Exercises	(ii) After (i) and assuming full conversion of ICPS	(i) Assuming full exercise of ESOS Options	(ii) After (i) and the Fund Raising Exercises
<b>Unaudited as at 30 September 2019</b>				
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	87,619	(ii) 94,213	93,477	93,477 (iii) 194,044
Share option reserve	2,272	2,272	-	-
ICPS	-	-	-	25,142
Foreign currency translation	9,961	9,961	9,961	9,961
Accumulated losses	(41,819)	(42,519)	(41,819)	(i) (42,519)
<b>Shareholders' funds / NA</b>	<b>58,033</b>	<b>63,927</b>	<b>61,619</b>	<b>86,061</b>
No. of Shares in issue ('000)	751,565	916,427	785,315	785,315
<b>NA per Share (RM)</b>	<b>0.08</b>	<b>0.07</b>	<b>0.08</b>	<b>0.11</b>
Total borrowings	8,901	7,901	8,901	(iv) 1,401
<b>Gearing (times)</b>	<b>0.15</b>	<b>0.12</b>	<b>0.14</b>	<b>0.02</b>
				(v) -

Notes:

- (i) After deducting estimated expenses of approximately RM0.7 million in relation to the Corporate Exercises.
- (ii) Assuming full conversion of 659,447,186 ICPS issued under the Minimum Scenario by surrendering for cancellation 4 ICPS for 1 new NOVAMSC Share.
- (iii) Assuming full conversion of 2,514,173,136 ICPS issued under the Maximum Scenario by surrendering for cancellation 1 ICPS and paying RM0.03 in cash for 1 new NOVAMSC Share.

- (iv) Assuming repayment of borrowings from proceeds from the Fund Raising Exercises was effected as at 30 September 2019.  
 (v) Less than 0.01.

### 9.3 Earnings and EPS

The Fund Raising Exercises will not have any immediate material effect on the earnings of our Group for the FYE 31 March 2020 as the Fund Raising Exercises are expected to be completed towards the end of the FYE 31 March 2020.

Notwithstanding, the Fund Raising Exercises are expected to contribute positively to the future earnings of our Group when the benefits of utilisation of the proceeds as detailed Section 5 of this Abridged Prospectus are realised.

However, it should be noted that future conversion of the ICPS into new Shares will have a corresponding dilutive impact on our Group's EPS due to the proportionate increase in the number of Shares in issue.

For illustrative purpose, assuming the Fund Raising Exercises had been completed on 1 April 2018, being the beginning of the FYE 31 March 2019, the pro forma effects of the Fund Raising Exercises on the EPS of our Group are as follows:

	Minimum Scenario		Maximum Scenario		
	(i)	(ii)	(i)	(ii)	(iii)
	After the Fund Raising Exercises	After (i) and assuming full conversion of ICPS	Assuming full exercise of ESOS Options	After (i) and the Fund Raising Exercises	After (ii) and assuming full conversion of ICPS
<b>Audited as at 31 March 2019</b>					
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net income attributable to owners of our Company	8,234	(i) (ii) 7,587	8,234	(i) (ii) 7,934	(i) (ii) 7,934
Weighted average no. of NOVAMSC Shares ('000)	736,028	(iii) 900,890	769,778	769,778	(iv) 3,283,951
<b>Basic EPS (sen)</b>	<b>1.12</b>	<b>0.84</b>	<b>1.07</b>	<b>1.03</b>	<b>0.24</b>

Notes:

- (i) After deducting estimated expenses of approximately RM0.7 million in relation to the Corporate Exercises.

- (ii) After taking into consideration the expected annual gross interest savings of approximately RM53,000 (Minimum Scenario) and RM0.4 million (Maximum Scenario) arising from the repayment of borrowings set out in Section 5 of this Abridged Prospectus.
- (iii) Assuming full conversion of 659,447,186 ICPS issued under the Minimum Scenario by surrendering for cancellation 4 ICPS for 1 new NOVAMSC Share.
- (iv) Assuming full conversion of 2,514,173,136 ICPS issued under the Maximum Scenario by surrendering for cancellation 1 ICPS and paying RM0.03 in cash for 1 new NOVAMSC Share.

## 10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

### 10.1 Working Capital

Our Group's current working capital is funded through a combination of internal and external sources of funds such as cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as our Group's existing cash and bank balances.

As at the LPD, we recorded cash and bank balances of RM2.92 million.

Our Board is of the opinion that after taking into account the proceeds to be raised from the Fund Raising Exercises as well as our existing cash and bank balances and available banking facilities, our Group will have sufficient working capital to meet our operational requirements for a period of 12 months from the date of this Abridged Prospectus.

### 10.2 Borrowings

As at the LPD, our Group's total outstanding borrowings (all of which are interest bearing) are set out as follows:

<b>Borrowings</b>	<b>Amount</b>	<b>Equivalent in RM</b>
	<b>SGD'000</b>	<b>RM'000</b>
Short term loans	3,000	<sup>(1)</sup> 9,010

Note:

- (i) Translated based on the exchange rate of SGD1:RM3.0033, being the middle rates quoted by Bank Negara Malaysia at 5.00 p.m. as at the LPD.

Our Group has not defaulted on payments of either interest and/or principal sums on any of our Group's borrowings for the FYE 31 March 2019 and the subsequent financial periods up to the LPD.

### 10.3 Contingent Liabilities

As at the LPD, our Board confirmed there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on our Group's financial position or business.

### 10.4 Material Commitments

As at the LPD, there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on our Group's financial position or business.

## **11. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATIONS**

### **11.1 General**

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights ICPS provisionally allotted to you, as well as to apply for Excess Rights ICPS if you choose to do so. This Abridged Prospectus and the RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

We shall make an announcement to Bursa Securities on the outcome of the Rights Issue after the Closing Date.

### **11.2 NPA**

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA. Therefore, all dealings in such Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renounees/transferees, if applicable, are required to have valid and subsisting CDS Accounts when making your applications.

### **11.3 Procedures for Full Acceptance and Payment**

Acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained in the Documents or which are illegible may not be accepted at the absolute discretion of our Board.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEES/TRANSFEREES, IF APPLICABLE, WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL ALLOTMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

**YOU AND/OR YOUR RENOUNCEES/TRANSFEREES, IF APPLICABLE, ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.**

You and/or your renounees/transferees, if applicable, who wish to accept the Provisional Allotments either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar at the following address:

Boardroom Share Registrars Sdn Bhd  
(formerly known as Symphony Share Registrars Sdn Bhd)  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Tel: +603 7890 4700  
Fax: +603 7890 4670

so as to arrive no later than **5.00 p.m. on Thursday, 12 March 2020**, being the last time and date for acceptance of and payment for the Provisional Allotments.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our registered office, our Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights ICPS subscribed for will be credited into your respective CDS Accounts as stated in the completed RSFs.

A reply envelope is enclosed with this Abridged Prospectus. In order to facilitate the processing of the RSFs by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

If acceptance of and payment for the Provisional Allotments (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on Thursday, 12 March 2020, being the last time and date for acceptance and payment for the Provisional Allotments, you and/or your renounees/transferees, if applicable, will be deemed to have declined the Provisional Allotments and it will be cancelled. Proof of time of postage will not constitute proof of time of receipt by our Share Registrar.

Our Board will then have the right to allot such Rights ICPS not taken up or not validly taken up to applicants who have applied for the Excess Rights ICPS in the manner as set out in Section 11.7 of this Abridged Prospectus. Our Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE PROVISIONAL RIGHTS ICPS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "NOVAMSC RIGHTS ISSUE ACCOUNT", CROSSED "A/C PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.**

**APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS ICPS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**YOU SHOULD NOTE THAT ALL RSF(S) AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.**

#### **11.4 Procedures for Part Acceptance**

You are entitled to accept part of your Provisional Allotments that can be subscribed/applied for provided always that the minimum number of Rights ICPS that can be subscribed for or accepted is 1 ICPS. Fractions of a Rights ICPS arising from the Rights Issue shall be disregarded and be dealt with as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company. You and/or your renounees/transferees, if applicable, should take note that a trading board lot comprises 100 units of ICPS.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights ICPS which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 11.3 of this Abridged Prospectus.

The portion of the Provisional Allotments that has not been accepted or renounced will be made available to the applicants for Excess Rights ICPS Applications.

#### **11.5 Procedures for Sale or Transfer of Provisional Allotments**

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account(s). You may sell such entitlement on Bursa Securities or transfer to such person(s) as may be allowed under the Rules of Bursa Depository, both for the period up to the last date and time for transfer of the Provisional Allotments.

If you have sold or transferred only part of your Provisional Allotments, you may still accept the balance of your Provisional Allotments by completing Parts I(A) and II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar. Please refer to Section 11.3 of this Abridged Prospectus for the procedures for acceptance and payment.



**YOU ARE ADVISED TO READ, UNDERSTAND AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. HOWEVER, YOU ARE ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT(S) THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.**

#### **11.6 Procedures for Acceptance by Renounees/Transferees**

As a renounee/transferee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for Excess Rights ICPS and/or payment is the same as that which is applicable to our Entitled Shareholders as described in Sections 11.3, 11.4, 11.5 and 11.7 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or the RSF, you can request the same from your stockbroker, our Registered Office, our Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

**RENOUNCEES/TRANSFEREES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.**

#### **11.7 Procedures for Excess Rights ICPS Applications**

If you wish to apply for additional Rights ICPS in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it together with a separate remittance in RM for the full and exact amount payable in respect of the Excess Rights ICPS applied for, to our Share Registrar so as to arrive no later than **5.00 p.m. on Thursday, 12 March 2020**, being the last time, day and date for Excess Rights ICPS Applications.

Payment for the Excess Rights ICPS Applications should be made in the same manner as set out in Section 11.3 of this Abridged Prospectus except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia must be made payable to "**NOVAMSC EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name, contact number, address and your CDS Account number in block letters, so as to be received by our Share Registrar by the Closing Date. The payment must be made for the full and exact amount payable for the Excess Rights ICPS Applications. Any excess or insufficient payment may be rejected at the absolute discretion of our Board.

It is our Board's intention to allot the Excess Rights ICPS, if any, in a fair and equitable manner and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights ICPS, calculated based on their respective shareholdings in our Company as per their CDS Account as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights ICPS, calculated based on the quantum of their respective Excess Rights ICPS Applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the renounees/transferees, if applicable, who have applied for Excess Rights ICPS, calculated based on the quantum of their respective Excess Rights ICPS Applications.

In the event of any balance Excess Rights ICPS after the above allocations are completed, the balance will be allocated again through the same sequence of allocations as set out in (ii) to (iv) above until all Excess Rights ICPS are allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights ICPS applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above is achieved.

**APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS ICPS APPLICATIONS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS ICPS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**EXCESS RIGHTS ICPS APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**WHERE AN EXCESS RIGHTS ICPS APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.**

#### **11.8 CDS Account**

Bursa Securities has already prescribed our Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue are prescribed securities and as such, all dealings in such said securities will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights ICPS. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights ICPS shall signify your consent to receive such Rights ICPS as deposited securities which will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights ICPS shall be credited directly into the CDS Account of the successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights ICPS that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

## 11.9 Laws of Foreign Jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdictions and have not been (and will not be) lodged, registered or approved pursuant to or under any legislations (or with or by any regulatory authority or other relevant bodies) of any jurisdictions other than Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Accordingly, the Documents have not been (and will not be) sent to foreign Entitled Shareholders and/or their renounees/transferees, if applicable, who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renounees/transferees, if applicable, may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

The foreign Entitled Shareholders and/or their renounees/transferees, if applicable, may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. Our Company, our Board and officers, our Share Registrar, Mercury Securities and/or other experts ("**Parties**") would not, in connection with the Rights Issue, be in breach of the laws of any jurisdictions to which the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are or may be subject.

The foreign Entitled Shareholders and/or their renounees/transferees, if applicable, shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation or sale or transfer made by any foreign Entitled Shareholders and/or their renounees/transferees, if applicable, is or shall become unlawful, unenforceable, voidable or void in any such countries or jurisdictions.

The foreign Entitled Shareholders and/or their renounees/transferees, if applicable, will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdictions and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounees/transferees, if applicable, for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such foreign Entitled Shareholders and/or their renounees/transferees, if applicable, should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing the RSF, the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any countries or jurisdictions to which the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are or may be subject;
- (ii) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotments;

- (iii) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are not nominees or agents of any person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisionally Allotments, be in breach of the laws of any jurisdiction to which that person is or may be subject;
- (iv) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are aware that the Rights ICPS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been provided the opportunity to ask such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights ICPS; and
- (vi) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights ICPS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights ICPS.

Persons receiving the Documents (including without limitation, custodians, nominees and trustees) must not, in connection with the offer, distribute or send the Documents into any foreign jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such jurisdictions, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights ICPS from any such application by foreign Entitled Shareholders and/or their renounees/transferees, if applicable, in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights ICPS as invalid if we believe that such acceptance may violate applicable legal or regulatory requirements.

**NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS ICPS UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS OF SUCH TERRITORY.**

**12. TERMS AND CONDITIONS**

The issuance of the Rights ICPS pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus and the accompanying NPA and RSF enclosed herein.

**13. FURTHER INFORMATION**

Please refer to the attached appendix for further information.

Yours faithfully  
For and on behalf of the Board of  
**NOVA MSC BERHAD**



**LAI TEIK KIN**  
Executive Director and Group Chief Executive Officer

**APPENDIX I - INFORMATION ON OUR COMPANY**

**1. SHARE CAPITAL**

As at the LPD, our Company's issued share capital is RM87,619,015 comprising 751,564,905 NOVAMSC Shares.

**2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

The pro forma effects of the Fund Raising Exercise on the shareholdings of our Company's substantial shareholders as at the LPD, calculated based on the number of issued Shares set out in Section 9.1 of this Abridged Prospectus are as follows:

**(i) Minimum Scenario**

Substantial shareholder	As at the LPD			(i) Assuming full conversion of ICPS		
	Direct	Indirect		Direct	Indirect	
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Stone Villa	45,454,545	-	6.0	180,757,575	-	19.7
Raden Corporation	39,178,150	-	5.2	65,296,917	-	7.1
Tunku Dato' Seri Nadzaruddin	5,160,000	<sup>(1)</sup> 45,178,150	0.7	8,600,000	<sup>(1)</sup> 71,296,917	0.9
						7.8

**(ii) Maximum Scenario**

Substantial shareholder	As at the LPD			(i) Assuming full exercise of ESOS Options			(ii) After (i) and assuming full conversion of ICPS		
	Direct	Indirect		Direct	Indirect		Direct	Indirect	
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Stone Villa	45,454,545	-	6.0	45,454,545	-	5.8	586,666,665	-	17.8
Raden Corporation	39,178,150	-	5.2	39,178,150	-	5.0	143,653,216	-	4.4
Tunku Dato' Seri Nadzaruddin	5,160,000	<sup>(1)</sup> 45,178,150	0.7	5,160,000	<sup>(1)</sup> 45,178,150	0.7	18,920,000	<sup>(1)</sup> 165,653,216	0.6
						5.8			5.0

**APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)**

Note:

- (i) Deemed interested by virtue of his directorship and substantial shareholding in Raden Corporation, by virtue of his directorship and substantial shareholding in Syarikat Pesaka Antah Sdn Bhd which owns the entire issued share capital of Pesaka Antah Holdings Sdn Bhd and by virtue of the shares held by his brother Y.A.M. Tunku Naquiyuddin Ibni Almarhum Tuanku Ja'afar pursuant to Sections 8(4) and 8(5) of the Act.

**3. DIRECTORS**

The details of our Board as at the LPD are set out in the table below:

<b>Name</b>	<b>Designation</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>
Peter Wayne Thompson	Independent Non-Executive Chairman	63	17 Dalray Court, Darling Downs, Perth WA 6122, Australia	Australian
Lai Teik Kin	Executive Director and Group Chief Executive Director	55	3 Pandan Valley #09-308 Chempaka Court Singapore 597627 Singapore	Singaporean
Lim Hak Min	Independent Non-Executive Director	47	Block 212 Bishan Street 23, 08-523, 570212 Singapore	Singaporean
David Choo Boon Leong	Independent Non-Executive Director	55	10 Jalan Bunga Anggerik 2, Dataran Ukay, 68000 Ampang, Selangor Darul Ehsan, Malaysia	Malaysian
Dali Kumar @ Dali Bin Sardar	Independent Non-Executive Director	60	C-15-02, Block C1, Tropicana Grande Condo, 3 Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Malaysian

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**APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)**

The pro forma effects of the Fund Raising Exercises on the shareholdings of our Directors in our Company as at the LPD are as follows:

**(i) Minimum Scenario**

Director	As at the LPD		(i)			
	Direct	Indirect	Assuming full conversion of ICPS		Indirect	No. of Shares
			No. of Shares	%		
Peter Wayne Thompson	-	-	-	-	-	-
Lai Teik Kin	4,623,170	0.6	-	4,623,170	0.5	-
Lim Hak Min	-	-	-	-	-	-
David Choo Boon Leong	50,000	<sup>(i)</sup>	-	50,000	<sup>(i)</sup>	-
Dali Kumar @ Dali Bin Sardar	-	-	-	-	-	-

**(ii) Maximum Scenario**

Director	As at the LPD		(i)				(ii)				
	Direct	Indirect	Assuming full exercise of ESOS Options		Indirect	After (i) and assuming full conversion of ICPS		Direct	Indirect	No. of Shares	%
			No. of Shares	%		No. of Shares	%				
Peter Wayne Thompson	-	-	-	-	-	-	-	-	-	-	-
Lai Teik Kin	4,623,170	0.6	-	10,623,170	1.4	-	38,951,623	1.2	-	-	-
Lim Hak Min	-	-	-	-	-	-	-	-	-	-	-
David Choo Boon Leong	50,000	<sup>(i)</sup>	-	50,000	<sup>(i)</sup>	-	183,333	<sup>(i)</sup>	-	-	-
Dali Kumar @ Dali Bin Sardar	-	-	-	-	-	-	-	-	-	-	-

Note:

(i) Less than 0.01%.



**APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)**

**4. HISTORICAL FINANCIAL INFORMATION**

Our Group's historical financial performance for the FYE 31 March 2017 to FYE 31 March 2019 as well as the 6-month FPE 30 September 2019 are summarised below:

**4.1 Historical Financial Performance**

	Audited			Unaudited
	FYE 31 Mar 2017	FYE 31 Mar 2018	FYE 31 Mar 2019	6-Month FPE 30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	96,811	35,491	53,019	22,806
Other income	848	1,018	455	73
Employee benefit expenses	(50,341)	(19,059)	(22,934)	(10,593)
Hardware and material costs	(37,534)	(4,452)	(14,811)	(3,979)
Office rental	(2,421)	(1,399)	(1,304)	(52)
Other expenses	(19,401)	(8,294)	(7,058)	(2,593)
Depreciation and amortisation	(7,539)	(4,454)	(4,441)	(2,868)
Loss of remeasurement	(3,834)	-	-	-
Interest income	35	6	1	-
Finance cost	(165)	(245)	(271)	(879)
Share of results of associates	93	(45)	9	(39)
<b>PBT/(LBT)</b>	<b>(23,448)</b>	<b>(1,433)</b>	<b>2,665</b>	<b>1,876</b>
Taxation	1,021	-	(14)	-
Profit/(Loss) from continuing operations	(22,427)	(1,433)	2,651	<b>1,876</b>
<b>Discontinued operations</b>				
Profits/(Loss) from discontinued operations, net of tax	-	(3,041)	3,916	-
<b>PAT/(LAT) for the financial year/period</b>	<b>(22,427)</b>	<b>(4,474)</b>	<b>6,567</b>	<b>1,876</b>
Foreign currency translation gain/(loss)	4,703	(3,415)	529	56
<b>Comprehensive income/(loss) for the financial year/period</b>	<b>(17,724)</b>	<b>(7,889)</b>	<b>7,096</b>	<b>1,932</b>
PAT/(LAT) margin (%)	(23.2)	(12.6)	12.4	8.2
Weighted average no. of NOVAMSC Shares ('000)	664,617	683,241	736,028	736,215
Basic EPS/(LPS) (sen)	(3.07)	(0.38)	1.12	0.27

**APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)****4.2 Historical Financial Position**

	Audited			Unaudited
	As at 31 Mar 2017	As at 31 Mar 2018	As at 31 Mar 2019	As at 30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
Non-current assets	29,681	23,883	23,777	27,859
Current assets	49,001	55,199	57,356	55,828
<b>Total assets</b>	<b>78,682</b>	<b>79,082</b>	<b>81,133</b>	<b>83,687</b>
Share capital	80,787	80,787	87,619	87,619
Share option reserve	279	279	2,272	2,272
Accumulated losses	(49,488)	(52,112)	(43,879)	(41,819)
Foreign currency translation reserve	12,460	9,418	9,906	9,961
<b>Equity attributable to owners of the Company</b>	<b>44,038</b>	<b>38,372</b>	<b>55,918</b>	<b>58,033</b>
Non-controlling interests	4,552	2,329	346	163
<b>Total equity</b>	<b>48,590</b>	<b>40,701</b>	<b>56,264</b>	<b>58,196</b>
Non-current liabilities	417	17,407	-	1,248
Current liabilities	29,675	20,974	24,869	24,243
<b>Total liabilities</b>	<b>30,092</b>	<b>38,381</b>	<b>24,869</b>	<b>25,491</b>
<b>Total equity and liabilities</b>	<b>78,682</b>	<b>79,082</b>	<b>81,133</b>	<b>83,687</b>

**4.3 Historical Cash Flows**

	Audited			Unaudited
	FYE 31 Mar 2017	FYE 31 Mar 2018	FYE 31 Mar 2019	6-Month FPE 30 Sep 2019
	RM'000	RM'000	RM'000	RM'000
Net cash from/(used in):				
Operating activities	306	(5,777)	(9,265)	271
Investing activities	(5,846)	(6,834)	(10,161)	(4,287)
Financing activities	8,137	21,177	9,246	377
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,597</b>	<b>8,566</b>	<b>(10,180)</b>	<b>(3,639)</b>
Cash and cash equivalents at beginning of the financial year/period	3,238	6,143	15,071	6,344
Foreign exchange difference on opening balance	308	362	1,453	22
<b>Cash and cash equivalents at end of the financial year/period</b>	<b>6,143</b>	<b>15,071</b>	<b>6,344</b>	<b>2,727</b>

## APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)

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### 4.4 Financial Commentaries

#### (a) FYE 31 March 2019

During the FYE 31 March 2019, the revenue of our Group recorded an increase of 49.4% as compared to the revenue for the FYE 31 March 2018, mainly due to higher revenue recognition in line with higher delivery project milestones coupled with revenue contribution from new contract, including Singapore's Public Utilities Board contract amounting to RM7.8 million.

Our Group recorded a PAT of RM6.6 million in FYE 31 March 2019 as compared to LAT in the previous financial year, mainly due to recognition of gain on disposal of investment amounting to RM3.9 million arising from the disposal of the entire equity interest in PrimusTech Pte Ltd coupled with higher revenue achieved.

Despite the improvement in the PAT, our Group recorded a net decrease in cash and cash equivalents of RM10.2 million during the said financial year mainly due to higher expenditure on contract assets incurred which is in line with higher delivery project milestones, development expenditures of approximately RM6.6 million for the development of our Group's in-house IT software, and net cash outflow arising from the disposal of PrimusTech Pte Ltd, a subsidiary of our Company.

Our Group's financing activities decreased during the financial year mainly due to the absence of funds raised from convertible bonds issued by a subsidiary in the previous financial year of approximately RM18.0 million.

Our Group's NA increased to RM55.9 million as at 31 March 2019 from RM38.4 million as at 31 March 2018, mainly as a result of the PAT achieved during the FYE 31 March 2019 and issuance of new Shares amounting to RM6.8 million.

#### (b) FPE 30 September 2019

During the FPE 30 September 2019, our Group recorded lower revenue of RM22.8 million as compared to FPE 30 September 2018 of RM24.2 million. The decrease was mainly due to lower recognition as a result of lower delivery project milestone achieved during the financial period.

Our Group recorded a lower PBT of RM1.9 million as compared to the PBT recorded in FPE 30 September 2018 of RM4.3 million. The decrease was mainly due to lower revenue achieved as a result of lower delivery project milestones achieved, and higher depreciation and interest cost as a result of the adoption of the new Malaysian Financial Reporting Standards 16 which was partly offset by lower operating expenses incurred.

Our Group recorded a net decrease in cash and cash equivalents of RM3.6 million during the FPE 30 September 2019 mainly due to development expenditures for the development of in-house IT software of the Group incurred of approximately RM4.0 million.

Our Group's financing activities decreased during the financial period by RM5.9 million mainly due to the absence of funds raised by our Company from a private placement exercise of RM6.8 million in the previous corresponding financial period.

Our Group's NA increased to RM58.0 million from RM55.9 million as at 31 March 2019, mainly as a result of the PAT incurred during the FYE 30 September 2019.

**APPENDIX I - INFORMATION ON OUR COMPANY** (Cont'd)

**5. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months up to and including January 2020 (being the last full trading month prior to the date of this Abridged Prospectus) are as follows:

	<u>High</u>	<u>Low</u>
	RM	RM
<b><u>2019</u></b>		
February	0.150	0.110
March	0.130	0.115
April	0.135	0.115
May	0.120	0.090
June	0.105	0.095
July	0.115	0.095
August	0.100	0.085
September	0.095	0.080
October	0.100	0.075
November	0.100	0.050
December	0.065	0.045
<b><u>2020</u></b>		
January	0.070	0.045
Last transacted market price as at the LTD		0.085
Last transacted market price as at the LPD		0.050
Last transacted market price on 24 February 2020, being the last Market Day prior to the ex-date for the Rights Issue		0.055

(Source: Bloomberg)

## APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)

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### 6. OPTION TO SUBSCRIBE FOR NOVAMSC SHARES

As at the LPD, save for the Provisional Allotments, Excess Rights ICPS and the ESOS Options, no option to subscribe for our NOVAMSC Shares has been granted or is entitled to be granted to any person.

Under the scheme of the ESOS Options ("**ESOS Scheme**"), our Company may grant ESOS Option to subscribe for new NOVAMSC Shares up to 30% of our Company's total issued NOVAMSC Shares at any point in time during the 10 years duration from the effective date of the ESOS Scheme of 18 November 2015. As at the LPD, 33,750,021 ESOS Options have been granted and are unexercised. The exercise prices of these outstanding ESOS Options are between RM0.09 and RM0.17.

For the purpose of implementing the Rights Issue, our Board has undertaken not to grant any further ESOS Options to eligible directors and/or employees under the ESOS Scheme until completion of the Rights Issue.

### 7. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Board confirmed there are no other contracts which are material to our Group (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the 2 years preceding the date of this Abridged Prospectus:

- (i) On 29 June 2018, our Company has entered into a finder fees agreement with Projek Semborneo Sdn Bhd to engage Projek Semborneo Sdn Bhd to search for a buyer for our Company's 51% shareholdings in PrimusTech Pte Ltd, at a fee equivalent to 6% of the purchase consideration of the said 51% shareholdings by the buyer. The agreement has been completed on 1 August 2018.
- (ii) On 12 July 2018, our Company has entered into a sale and purchase agreement with Japan Asia Group Limited for the sale of 31,875 ordinary shares in PrimusTech Pte Ltd (representing 51% of the total number of issued shares of PrimusTech Pte Ltd) held by our Company to Japan Asia Group Limited at a consideration of SGD3,000,000. The sale and purchase agreement has been completed on 25 July 2018.
- (iii) On 6 August 2018, novaSOLUTIONS (Philippines), Inc., a subsidiary of our Company, has entered into a contract of lease with DBP Service Corp to rent the demised premise known as Unit 1802 of Antel Global Corporate Center, Julia Vargas Avenue, Ortigas Center, Pasig City, Philippines from DBP Service Corp for a term of 3 years from 23 August 2018 to 22 August 2021 at a monthly rental of Php149,896.30 for 1<sup>st</sup> and 2<sup>nd</sup> year and Php164,885.93 for the 3<sup>rd</sup> year. As at the LPD, the agreement is in effect.
- (iv) On 17 August 2018, novaHEALTH Pte Ltd, a wholly-owned subsidiary of our Company, has entered into a shareholders agreement with Lai Teik Kin, Wong Tien Yin, Ting Shu Wei, Wynne Hsu, Janice Lee Mong Li, Haslina Binte Hamzah and Gilbert Lim Yong San for the purpose of governing their relationship as shareholders of EyRIS Pte Ltd. novaHEALTH Pte Ltd had pursuant to the agreement subscribed for 41,999 ordinary shares in EyRIS Pte Ltd at a subscription price of SGD203,227. The subscription of shares by the parties as per the shareholders agreement have been completed on 1 October 2018.
- (v) On 15 November 2018, novaCITYNETS Pte Ltd, a wholly-owned subsidiary of NOVAMSC, has entered into a lease agreement with HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Ascendas Real Estate Investment Trust) to rent the demised premise known as Block 1 #05-08, Siemens Centre, 60, MacPherson Road Block 1, Siemens Centre Singapore 348615 from HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Ascendas Real Estate Investment Trust) for a term of 36 months from 10 September 2018 to 9 September 2021 at a monthly rental of SGD35,873.34. As at the LPD, the agreement is in effect.

**APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)**

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- (vi) On 8 February 2019, novaSOLUTIONS (Philippines), Inc., a subsidiary of our Company, has entered into a renewal of contract of sub-lease with John T. Quimson, JR., Angeles Q. Feliciano, Ana Maria Q. De Castro, Enrique T. Quimson and Jose T. Quimson (collectively the "**Sub-lessor**") to rent the demised premise known as Unit A and B, 11<sup>th</sup> Floor, JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City, Philippines from the Sub-lessor for a term of 3 years from 1 February 2019 to 31 January 2022 at a monthly rental of Php283,002.50 with an increase of 5% on rental for the 3<sup>rd</sup> year from 1 February 2021 to 31 January 2022. As at the LPD, the agreement is still in effect.
- (vii) On 25 November 2019, our Company has entered into a conditional subscription agreement with Stone Villa for the subscription by Stone Villa of 420,000,000 ICPS to be issued by our Company under the Placement at a total subscription price of RM4,200,000. As at the LPD, the agreement is pending fulfilment of the conditions precedent.

**8. MATERIAL LITIGATION**

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant which may have a material effect on the financial position or business of our Group, and our Board is not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

**9. CONSENTS**

- (i) The written consents of our Principal Adviser, Solicitors and Share Registrar for the Fund Raising Exercises for the inclusion in this Abridged Prospectus of their name and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of our Independent Market Researcher for the Fund Raising Exercises for the inclusion in this Abridged Prospectus of its name, extract of the IMR Report and all references thereto in the form and context in which it appears has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.
- (iii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

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**APPENDIX I - INFORMATION ON OUR COMPANY (Cont'd)**

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**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at No. 5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (i) our Constitution;
- (ii) letters of undertaking by the Undertaking Shareholders;
- (iii) IMR Report;
- (iv) material contracts referred to in Section 7 of this Appendix; and
- (v) letters of consent as referred to in Section 9 of this Appendix.

**11. RESPONSIBILITY STATEMENT**

Our Board has seen and approved this Abridged Prospectus, together with the NPA and RSF in the Documents. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries and to the best of their knowledge and belief, they confirmed that there is no false or misleading statement or other facts, which if omitted, would make any statement in the Documents false or misleading.

Mercury Securities, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue.

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