

Unless otherwise stated, all abbreviations and defined terms contained in this Abridged Prospectus are 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. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.** All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Aldpro Corporate Services Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor (Tel: +603 7890 0638).

This Abridged Prospectus, together with the NPA and RSF (collectively, the “Documents”), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 10 June 2022 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 10 June 2022. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants B, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants 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 Shares with Warrants B or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

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 with Warrants 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 this Rights Issue with Warrants. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 21 March 2022. Approval has been obtained from Bursa Securities via its letter dated 24 January 2022 for the admission of the Warrants B to the Official List as well as the listing and quotation of the Rights Shares, Warrants B and the new Shares to be issued upon exercise of the Warrants B on the Main Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the Rights Shares and Warrants B 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 with Warrants and are not to be taken as an indication of the merits of the Rights Issue with Warrants.

The SC is not liable for any non-disclosure on the part of the 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.

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

# METRONIC

## METRONIC GLOBAL BERHAD

Registration No. 200301029648 (632068-V)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,496,319,636 NEW ORDINARY SHARES IN METRONIC GLOBAL BERHAD (“METRONIC” OR THE “COMPANY”) (“METRONIC SHARES” OR “SHARES”) (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.06 PER RIGHTS SHARE TOGETHER WITH UP TO 498,773,212 FREE DETACHABLE WARRANTS IN THE COMPANY (“WARRANTS B”) ON THE BASIS OF 6 RIGHTS SHARES TOGETHER WITH 2 FREE WARRANTS B FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 10 JUNE 2022**

*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	: Friday, 10 June 2022 at 5.00 p.m.
<b>Last date and time for:</b>	
Sale of Provisional Allotments	: Monday, 20 June 2022 at 5.00 p.m.
Transfer of Provisional Allotments	: Wednesday, 22 June 2022 at 4.30 p.m.
Acceptance and payment	: Tuesday, 28 June 2022 at 5.00 p.m.
Excess Rights Shares with Warrants B Application and payment	: Tuesday, 28 June 2022 at 5.00 p.m.

**This Abridged Prospectus is dated 10 June 2022**

**ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE “DEFINITIONS” SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.**

**THE DIRECTORS OF THE COMPANY HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. 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 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 WITH WARRANTS, 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 WITH WARRANTS.**

**SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. 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 ADVISERS IMMEDIATELY.**

**INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”) FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE 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 WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.**

**THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE “DOCUMENTS”) IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF 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 COUNTRY OR JURISDICTION 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 WITH WARRANTS 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 10 June 2022 in relation to the Rights Issue with Warrants
<b>Act</b>	- Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
<b>Base Case Scenario</b>	- Assuming that none of the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants B
<b>Bloomberg</b>	- Bloomberg Finance Singapore L.P. and its affiliates
<b>Board</b>	- Board of Directors of the Company
<b>Bursa Depository</b>	- Bursa Malaysia Depository Sdn Bhd
<b>Bursa Securities</b>	- Bursa Malaysia Securities Berhad
<b>By-Laws</b>	- By-laws governing the ESOS
<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>	- Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
<b>Circular</b>	- Circular to Shareholders in relation to the Corporate Exercises dated 25 February 2022
<b>Closing Date</b>	- 28 June 2022 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants B
<b>CMSA</b>	- Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
<b>Code</b>	- Malaysian Code on Take-Overs and Mergers, 2016, as amended from time to time
<b>Consolidated Shares</b>	- Shares that have been consolidated after the Share Consolidation
<b>Corporate Exercises</b>	- Collectively, the Diversification, Share Consolidation and Rights Issue with Warrants
<b>COVID-19</b>	- Coronavirus disease 2019
<b>Deed Poll A</b>	- Deed poll constituting the Warrants A dated 1 March 2019
<b>Deed Poll B</b>	- Deed poll constituting the Warrants B to be executed by the Company

## DEFINITIONS (CONT'D)

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<b>Directors</b>	- Directors of the Company
<b>Diversification</b>	- Diversification of the business of the Group to include the Solar Energy Business
<b>E&amp;E</b>	- Electrical and electronic
<b>Earthtech</b>	- Earthtech Energy Sdn Bhd
<b>EGM</b>	- Extraordinary general meeting of the Company
<b>Entitled Shareholders</b>	- Shareholders whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date in order to be entitled to participate in the Rights Issue with Warrants
<b>Entitlement Date</b>	- 10 June 2022, at 5.00 p.m., being the date and time on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue with Warrants
<b>EPS</b>	- Earnings per Share
<b>ESOS</b>	- Existing employees' share options scheme of the Company which took effect on 1 April 2021 for a period of 5 years
<b>ESOS Options</b>	- Options granted under the ESOS pursuant to the By-Laws where each option holder can subscribe for 1 new Share for every 1 ESOS Option held
<b>Excess Rights Shares with Warrants B</b>	- Rights Shares with Warrants B which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) by the Closing Date
<b>Excess Rights Shares with Warrants B Application</b>	- Application for additional Rights Shares with Warrants B in excess of the Provisional Allotments
<b>Exercise Period</b>	- Any time within a period of 3 years commencing from and including the date of issue of the Warrants B to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issue of the Warrants B. Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid
<b>Exercise Price</b>	- RM0.06, being the price at which 1 Warrant B is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll B
<b>GDP</b>	- Gross Domestic Product
<b>GP</b>	- Gross profit
<b>HOA</b>	- Heads of agreement dated 26 April 2021 between the Company and S Tin for the acquisition of 70% of the issued and paid-up share capital of S Tin
<b>IMR Report</b>	- Independent Market Research Report dated 17 May 2022 prepared by SMITH ZANDER
<b>IT</b>	- Information technology

## DEFINITIONS (CONT'D)

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<b>kWp</b>	- Kilowatt peak
<b>LAT</b>	- Loss after taxation
<b>LBT</b>	- Loss before taxation
<b>Listing Requirements</b>	- Main Market Listing Requirements of Bursa Securities, as amended from time to time
<b>LPD</b>	- 11 May 2022, being the latest practicable date prior to the date of this Abridged Prospectus
<b>LPS</b>	- Loss per Share
<b>LTD</b>	- 24 May 2022, being the last trading day prior to the date of fixing the issue price of the Rights Shares and the Exercise Price
<b>M&amp;E</b>	- Mechanical and electrical
<b>Market Day</b>	- Any day on which Bursa Securities is open for trading in securities
<b>Maximum Scenario</b>	- Assuming that all the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants B
<b>MCO</b>	- Movement Control Order issued by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
<b>Mercury Securities or the Principal Adviser</b>	- Mercury Securities Sdn Bhd
<b>Metronic or the Company</b>	- Metronic Global Berhad
<b>Metronic Group or the Group</b>	- Collectively, the Company and its subsidiaries
<b>Metronic Shares or Shares</b>	- Ordinary shares in the Company
<b>Minimum Scenario</b>	- Assuming that none of the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
<b>Minimum Subscription Level</b>	- Minimum subscription level of 166,666,668 Rights Shares based on an issue price of RM0.06 per Rights Share to arrive at RM10.00 million
<b>NA</b>	- Net assets
<b>NPA</b>	- Notice of provisional allotment in relation to the Rights Issue with Warrants
<b>Official List</b>	- Official list of the Main Market of Bursa Securities

## DEFINITIONS (CONT'D)

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<b>Participating Financial Institutions</b>	- Participating financial institutions for the Electronic Applications
<b>Private Placement 2021 – 30% (I)</b>	- Private placement exercise previously undertaken by the Company which involved the issuance of 373,737,000 new Shares (representing 30% of the then existing total number of issued Shares before the private placement), raised a total of RM29.04 million and was completed on 12 March 2021
<b>Private Placement 2021 – 30% (II)</b>	- Private placement exercise previously undertaken by the Company which involved the issuance of 500,428,000 new Shares (representing 30% of the then existing total number of issued Shares before the private placement), raised a total of RM22.71 million and was completed on 30 September 2021
<b>Provisional Allotments</b>	- The Rights Shares with Warrants B provisionally allotted to Entitled Shareholders
<b>PV</b>	- Photovoltaic
<b>Record of Depositors</b>	- A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
<b>Rights Issue with Warrants</b>	- Renounceable rights issue of up to 1,496,319,636 Rights Shares together with up to 498,773,212 free detachable Warrants B on the basis of 6 Rights Shares together with 2 free Warrants B for every 1 Consolidated Share held by the Entitled Shareholders on the Entitlement Date
<b>Rights Shares</b>	- New Shares to be allotted and issued pursuant to the Rights Issue with Warrants
<b>RM and Sen</b>	- Ringgit Malaysia and sen respectively
<b>RMB</b>	- Chinese Renminbi
<b>RSF</b>	- Rights subscription form in relation to the Rights Issue with Warrants
<b>Rules of Bursa Depository</b>	- Rules of Bursa Depository as issued pursuant to the SICDA, as amended from time to time
<b>Rules</b>	- Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time
<b>S Tin</b>	- S Tin Construction Sdn Bhd
<b>SC</b>	- Securities Commission Malaysia
<b>Share Consolidation</b>	- Consolidation of every 10 existing Shares into 1 Consolidated Share, which was completed on 23 May 2022
<b>Share Registrar</b>	- Aldpro Corporate Services Sdn Bhd
<b>Sinaran PPA</b>	- Sinaran PPA Sdn Bhd
<b>SJVA</b>	- Subscription and joint venture agreement dated 15 October 2021 between the Company, Earthtech and Mr. Chew Keng Yaw and the supplemental agreement dated 19 November 2021

## DEFINITIONS (CONT'D)

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<b>SICDA</b>	- Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time and any re-enactment thereof
<b>SMITH ZANDER</b>	- Smith Zander International Sdn Bhd, an independent market researcher
<b>Solar Energy Business</b>	Business involving the design, research and development, installation, engineering, procurement, construction, commissioning and maintenance of solar PV panels, equipment and facilities and other related activities including solar leasing
<b>TEAP</b>	- Theoretical ex-all price
<b>Technology PP</b>	- Technology PP Industries (Northern) Sdn Bhd
<b>TNB</b>	- Tenaga Nasional Berhad
<b>Undertakings</b>	- The written undertakings from the Undertaking Shareholders dated 19 November 2021, details of which are set out in Section 3 of this Abridged Prospectus
<b>Undertaking Shareholders</b>	- Hoo Wai Keong (Executive Director cum Chief Executive Officer of the Company) and Dato' Kua Khai Shyuan (Non-Independent Non-Executive Director of the Company)
<b>USD</b>	- United States Dollar
<b>VWAP</b>	- Volume-weighted average market price
<b>Wang You</b>	- Wang You Polymer Industries Sdn Bhd
<b>Warrants A</b>	- Outstanding Metronic warrants 2019 / 2022 issued by the Company pursuant to the Deed Poll A which expired on 15 April 2022
<b>Warrants B</b>	- Free detachable warrants in the Company to be allotted and issued pursuant to the Rights Issue with Warrants

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

In this Abridged Prospectus, all references to “the Company” are to Metronic and references to “we”, “us”, “our” and “ourselves” are to the Company and, where the context otherwise requires, the subsidiaries of the Company. All references to “you” in this Abridged Prospectus are to the Entitled Shareholders.

Words referring to the singular shall, where applicable, include the plural and *vice versa* and words importing 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 enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures, amounts stated and the totals thereof are, unless otherwise explained, due to rounding.

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

**DEFINITIONS (CONT'D)**

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Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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**ADVISERS' DIRECTORY**

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**COMPANY SECRETARIES** : Tan Tong Lang (MAICSA 7045482 / SSM PC NO.: 202208000250)  
Thien Lee Mee (LS 0009760 / SSM PC NO. 201908002254)  
Boardroom.com Sdn Bhd  
Level 5, Block B, Dataran PHB  
Saujana Resort, Section U2  
40150 Shah Alam  
Selangor Darul Ehsan  
Tel : +603 – 7890 0638  
Fax : +603 – 7890 1032

**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** : Messrs. Ching, Elaine & Co  
Advocates & Solicitors  
A-15-15, Tropicana Avenue  
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47410 Petaling Jaya  
Selangor Darul Ehsan  
Tel : +603 – 7886 9289

**SHARE REGISTRAR** : Aldpro Corporate Services Sdn Bhd  
Level 5, Block B, Dataran PHB  
Saujana Resort, Section U2  
40150 Shah Alam  
Selangor Darul Ehsan  
Tel : +603 – 7890 0638  
Fax : +603 – 7890 1032

**REPORTING ACCOUNTANTS** : CHENGCO PLT  
LLP0017004-LCA & AF 0886  
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**INDEPENDENT MARKET RESEARCHER** : Smith Zander International Sdn Bhd  
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1, Jalan Syed Putra  
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Wilayah Persekutuan  
Tel : +603 – 2732 7537

Director: Stephanie Ng Ee Munn  
(Bachelor of Science (Hons) (major in Chemistry) from Tunku Abdul  
Rahman University, Malaysia)

**STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

**SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS**

This summary of the Rights Issue with Warrants only highlights the key information from other parts of the 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.

Key information	Summary			
(i) Number of Rights Shares to be issued and basis of allotment	Basis: 6 Rights Shares together with 2 free Warrants B for every 1 existing Share held by the Entitled Shareholders. Please refer to Section 2.1 of this Abridged Prospectus for further information.			
		<b>Minimum Scenario</b>	<b>Base Case Scenario</b>	<b>Maximum Scenario</b>
	<b>Number of Rights Shares to be issued</b>	166,666,668	1,301,147,514	1,496,319,636
	<b>Number of Warrants B attached</b>	55,555,556	433,715,838	498,773,212
	The Rights Shares with Warrants B which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants B Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants B, if any, in a fair and equitable manner in the priority as set out in Section 11.8 of this Abridged Prospectus.			
(ii) Pricing	Issue price of the Rights Shares : RM0.06 per Rights Share Exercise Price for the Warrants B : RM0.06 per Warrant B (payable for every 1 new Share)			
	Please refer to Section 2.2 of this Abridged Prospectus for further information.			
(iii) Undertakings	Undertaking Shareholders and undertaking amount : (i) Hoo Wai Keong (Executive Director cum Chief Executive Officer of the Company): RM5.00 million (ii) Dato' Kua Khai Shyuan (Non-Independent Non-Executive Director of the Company): RM5.00 million			
	Minimum Rights Shares to be subscribed for if none of the other Entitled Shareholders and/or their transferees and/or their renounees subscribe for the Rights Shares : 166,666,668 Rights Shares (representing 12.81% of the total number of 1,301,147,514 Rights Shares available for subscription under the Base Case Scenario)			
	<b>Existing direct shareholding as at the LPD (after adjusting for the Share Consolidation)</b>		<b>Total Rights Shares with Warrants B to be subscribed pursuant to the Undertakings</b>	
<b>Undertaking Shareholders</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Rights Shares</b>	<b>No. of Warrants B</b>
Hoo Wai Keong	100,000	0.05	83,333,334	27,777,778
Dato' Kua Khai Shyuan	33,333	0.02	83,333,334	27,777,778
<b>Total</b>	<b>133,333</b>	<b>0.07</b>	<b>166,666,668</b>	<b>55,555,556</b>
	<b>Assuming none of the other Entitled Shareholders and/or their renounee(s) subscribe for their Rights Shares</b>			
<b>Undertaking Shareholders</b>	<b>No. of Shares held after the Rights Issue with Warrants</b>	<b>%</b>	<b>No. of Shares held after the Rights Issue with Warrants and assuming full exercise of the Warrants B</b>	<b>%</b>
Hoo Wai Keong	83,433,334	21.75	111,211,112	25.33
Dato' Kua Khai Shyuan	83,366,667	21.74	111,144,445	25.31
<b>Total</b>	<b>166,800,001</b>	<b>43.49</b>	<b>222,355,557</b>	<b>50.64</b>
	For avoidance of doubt, the Undertaking Shareholders are not obliged to subscribe for the Rights Shares pursuant to the Undertakings if the Minimum Subscription Level has been achieved via subscription by all other Entitled Shareholders and/or their renounees.			
	However, while the Undertaking Shareholders are not obliged to subscribe for the Rights Shares in such event, the Undertaking Shareholders may still choose to do so at their own discretion. At this juncture, the Undertaking Shareholders have not decided on whether they will subscribe for the Rights Shares in the event that the Minimum Subscription Level has been achieved.			
	Please refer to Section 3 of this Abridged Prospectus for further information.			

**SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)**

Key information	Summary																																																																					
(iv) Rationale of the Rights Issue with Warrants	<p>(a) To raise funds mainly for solar leasing projects and start-up costs for the Group's Solar Energy Business as well as for the Group's engineering projects.</p> <p>(b) To raise funds without incurring additional interest expense from borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.</p> <p>(c) The free Warrants B which are attached to the Rights Shares are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares.</p> <p>Please refer to Section 4 of this Abridged Prospectus for further information.</p>																																																																					
(v) Utilisation of proceeds	<p>The gross proceeds to be raised from the Rights Issue with Warrants are intended to be utilised in the following manner:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Intended timeframe for utilisation</th> <th colspan="2">Minimum Scenario</th> <th colspan="2">Base Case Scenario</th> <th colspan="2">Maximum Scenario</th> </tr> <tr> <th>RM'000</th> <th>%</th> <th>RM'000</th> <th>%</th> <th>RM'000</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>(i) Funding for solar leasing projects</td> <td>Within 24 months</td> <td>10,000</td> <td>100.0</td> <td>48,000</td> <td>61.48</td> <td>48,000</td> <td>53.46</td> </tr> <tr> <td>(ii) Funding for engineering projects</td> <td>Within 24 months</td> <td>-</td> <td>-</td> <td>8,000</td> <td>10.25</td> <td>8,000</td> <td>8.91</td> </tr> <tr> <td>(iii) Start up costs for the Solar Business</td> <td>Within 24 months</td> <td>-</td> <td>-</td> <td>20,000</td> <td>25.62</td> <td>20,000</td> <td>22.28</td> </tr> <tr> <td>(iv) Working capital and capital expenditure</td> <td>Within 24 months</td> <td>-</td> <td>-</td> <td>1,319</td> <td>1.69</td> <td>13,029</td> <td>14.51</td> </tr> <tr> <td>(v) Estimated expenses for the Corporate Exercises</td> <td>Immediate</td> <td>-</td> <td>-</td> <td>750</td> <td>0.96</td> <td>750</td> <td>0.84</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>10,000</b></td> <td><b>100.0</b></td> <td><b>78,069</b></td> <td><b>100.0</b></td> <td><b>89,779</b></td> <td><b>100.0</b></td> </tr> </tbody> </table> <p>Please refer to Section 6 of this Abridged Prospectus for further information.</p>									Intended timeframe for utilisation	Minimum Scenario		Base Case Scenario		Maximum Scenario		RM'000	%	RM'000	%	RM'000	%	(i) Funding for solar leasing projects	Within 24 months	10,000	100.0	48,000	61.48	48,000	53.46	(ii) Funding for engineering projects	Within 24 months	-	-	8,000	10.25	8,000	8.91	(iii) Start up costs for the Solar Business	Within 24 months	-	-	20,000	25.62	20,000	22.28	(iv) Working capital and capital expenditure	Within 24 months	-	-	1,319	1.69	13,029	14.51	(v) Estimated expenses for the Corporate Exercises	Immediate	-	-	750	0.96	750	0.84	<b>Total</b>		<b>10,000</b>	<b>100.0</b>	<b>78,069</b>	<b>100.0</b>	<b>89,779</b>	<b>100.0</b>
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(vi) Risk factors	<p>You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-</p> <p>(a) The Group's engineering business is dependent on the performance of the construction sector and the Group's ability to continuously replenish its order book of engineering projects from time to time while competing against other engineering companies.</p> <p>(b) The Group has no prior experience in the solar energy segment and is dependent on its key personnel, details of which are set out in Section 5.3 of this Abridged Prospectus.</p> <p>(c) The Solar Energy Business is dependent on the consistent generation of solar energy all year round.</p> <p>(d) The Solar Energy Business is subject to financing and regulatory risks.</p> <p>Please refer to Section 7 of this Abridged Prospectus for further information.</p>																																																																					
(vii) Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with Warrants B may be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein or by way of Electronic Application in accordance with the terms and conditions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants B is on <b>Tuesday, 28 June 2022 at 5.00 p.m.</b></p> <p>Please refer to Section 11 of this Abridged Prospectus for further information.</p>																																																																					

# **METRONIC**

## **METRONIC GLOBAL BERHAD**

Registration No. 200301029648 (632068-V)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

### **Registered Office**

Level 5, Block B, Dataran PHB  
Saujana Resort, Section U2  
40150 Shah Alam  
Selangor, Malaysia

10 June 2022

### **Board of Directors:-**

Tan Sri Dato' Sri Mohamed Apandi Bin Ali (Independent Non-Executive Chairman)  
Datuk Seri Tan Choon Hwa (Independent Non-Executive Deputy Chairman)  
Hoo Wai Keong (Executive Director cum Chief Executive Officer)  
Doris Wong Sing Ee (Executive Director)  
Dato' Kua Khai Shyuan (Non-Independent Non-Executive Director)  
Muhammad Faliq bin Mohd Redzuan (Independent Non-Executive Director)  
Ong Tee Kein (Independent Non-Executive Director)

### **To: Entitled Shareholders**

Dear Sir / Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,496,319,636 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.06 PER RIGHTS SHARE TOGETHER WITH UP TO 498,773,212 FREE DETACHABLE WARRANTS B ON THE BASIS OF 6 RIGHTS SHARES TOGETHER WITH 2 FREE WARRANTS B FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 10 JUNE 2022**

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### **1. INTRODUCTION**

On 19 November 2021, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

On 24 January 2022, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 24 January 2022, granted its approval for, amongst others, the following:-

- (i) the Share Consolidation;
- (ii) admission of the Warrants B to the Official List;
- (iii) listing and quotation of the Rights Shares<sup>(1)</sup> and Warrants B<sup>(1)</sup>; and
- (iv) listing and quotation of the new Shares to be issued arising from the exercise of Warrants B.

**Note:-**

- (1) Bursa Securities had approved the issuance of up to 1,742,433,306 Rights Shares and 580,811,102 Warrants B based on the maximum scenario at that point in time, which took into account the then outstanding 410,253,977 Warrants A. However, the Warrants A have since expired on 15 April 2022. As such, this has resulted in a reduction in the maximum number of Rights Shares with Warrants B that may be issued under the Maximum Scenario as further disclosed in Section 2.1 of this Abridged Prospectus.

The approval of Bursa Securities for the above is subject to the following conditions:-

Conditions imposed by Bursa Securities	Status of compliance
(a) Metronic and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises;	To be complied
(b) Metronic and Mercury Securities to inform Bursa Securities upon the completion of the Share Consolidation and Rights Issue with Warrants;	To be complied
(c) Metronic and Mercury Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the respective Corporate Exercises are completed;	To be complied
(d) Metronic / Mercury Securities to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at the extraordinary general meeting for the Corporate Exercises;	To be complied
(e) Metronic to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants B as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied
(f) Metronic / Mercury Securities is required to make the relevant announcements pursuant to Paragraph 13.20(2) of the Listing Requirements;	Complied
(g) Metronic is required to do quarterly updates via Bursa LINK (simultaneous with the submission of Quarterly Report) on the following:-  (a) the status on each of the event, project or purpose for which the total proceeds raised from the Rights Issue with Warrants are utilized for, including but not limited to, the percentages of completion of projects / initiatives;  (b) where relevant, details on where the balance of proceeds raised is being placed (pending utilization). If it is parked with asset management company / fund manager, to disclose the name of the asset management company / fund manager; and	To be complied
(h) To incorporate Bursa Securities' comments in the draft circular to shareholders.	Complied

On 21 March 2022, the Shareholders had approved the Corporate Exercises at the EGM of the Company.

On 25 May 2022, Mercury Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the Rights Shares at RM0.06 per Rights Share as well as the Exercise Price at RM0.06 per Warrant B.

On 25 May 2022, Mercury Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 10 June 2022 together with the other important relevant dates pertaining to the Rights Issue with Warrants.

**YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

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

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

The Rights Issue with Warrants entails a provisional allotment of up to 1,496,319,636<sup>(1)</sup> Rights Shares together with up to 498,773,212<sup>(1)</sup> free Warrants B on a renounceable basis of 6 Rights Shares together with 2 free Warrants B for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.06 per Rights Share.

Note:-

(1) Bursa Securities had approved the issuance of up to 1,742,433,306 Rights Shares and 580,811,102 Warrants B based on the maximum scenario at that point in time, which took into account the then outstanding 410,253,977 Warrants A. However, the Warrants A have since expired on 15 April 2022. As such, this has resulted in a reduction in the maximum number of Rights Shares with Warrants B that may be issued under the Maximum Scenario as further disclosed in Section 2.1 of this Abridged Prospectus.

The actual number of Rights Shares and Warrants B to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date after taking into consideration any new Shares that may be issued arising from the exercise of any granted ESOS Options as well as the eventual subscription level for the Rights Issue with Warrants.

As at the LPD, the Company has 2,168,594,679 Shares in issue as well as up to 325,289,201 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS. Upon completion of the Share Consolidation on 23 May 2022, the Company has 216,857,919 Shares in issue as well as up to 32,528,687 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS.

Assuming that none of the 32,528,687 ESOS Options are granted and exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants B, the Rights Issue with Warrants would entail the issuance of up to 1,301,147,514 Rights Shares together with 433,715,838 Warrants B.

As the Rights Shares and Warrants B are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants B if Entitled Shareholders so choose to.



However, only Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided the Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus together with the NPA and RSF.

The Warrants B are attached to the Rights Shares without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the Rights Shares. The Warrants B are exercisable into new Shares and each Warrant B will entitle the Warrant B Holder to subscribe for 1 new Share at the Exercise Price. The Warrants B will be immediately detached from the Rights Shares upon issuance and traded separately. The Warrants B will be issued in registered form and constituted by the Deed Poll B. The salient terms of the Warrants B are set out in Section 2.5 of this Abridged Prospectus.

Any dealings in the Company's 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 Shares, Warrants B and new Shares to be issued arising from the exercise of the Warrants B will be credited directly into the respective CDS Accounts of successful applicants and Warrant B Holders who exercise their Warrants B (as the case may be). No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants B, nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants B.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue with Warrants. However, the Rights Shares and Warrants B cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their Rights Shares entitlements will not be entitled to the Warrants B. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants B in proportion to their acceptance of the Rights Shares entitlements.

The Rights Shares and Warrants B which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) shall be made available for Excess Rights Shares with Warrants B Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants B, if any, in a fair and equitable manner in the priority as set out in Section 11.8 of this Abridged Prospectus.

Fractional entitlements arising from the Rights Issue with Warrants, if any, shall be disregarded and/or dealt with by the Board in such manner and on such terms and conditions as the Board in its absolute discretion may deem fit or expedient and in the best interest of the Company.

Notices of allotment will be despatched to the successful applicants of the Rights Shares with Warrants B within 8 Market Days from the last date for acceptance and payment of the Rights Shares with Warrants B or such other period as may be prescribed by Bursa Securities.

The Warrants B will be admitted to the Official List and the listing and quotation of Warrants B on the Main Market of Bursa Securities will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities 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 successful applicants have been duly credited with the Rights Shares and Warrants B.

## 2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price

### (i) Issue price of the Rights Shares

The Board had fixed the issue price of the Rights Shares at RM0.06 per Rights Share after taking into consideration, amongst others, the following:-

- (a) the funding requirements of the Group as set out in Section 6 of this Abridged Prospectus;
- (b) the TEAP<sup>(1)</sup> of RM0.0656 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1102 per Share (after adjusting for the Share Consolidation); and
- (c) the rationale for the Rights Issue with Warrants, as set out in Section 4 of this Abridged Prospectus.

The issue price of RM0.06 per Rights Share represents a discount of 8.54% to the TEAP of RM0.0656 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1102 per Share (after adjusting for the Share Consolidation) and the Exercise Price of RM0.06 per Warrant B.

Note:-

(1) TEAP is computed as follows:-

$$\text{TEAP} = \frac{(A \times X) + (B \times Y) + (C \times Z)}{A + B + C}$$

where:-

A = Number of Rights Shares

B = Number of Warrants B

C = Number of existing Shares

X = Issue price of the Rights Shares

Y = Exercise Price

Z = 5-day VWAP of the Shares

and the ratio of A:B:C is 6:2:1, in accordance with the entitlement basis of 6 Rights Shares together with 2 free Warrants B for every 1 existing Share held.

### (ii) Exercise Price

The Board had fixed the Exercise Price at RM0.06 per Warrant B after taking into consideration, amongst others, the TEAP of RM0.0656 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1102 per Share (after adjusting for the Share Consolidation).

The exercise price of RM0.06 per Warrant B represents a discount of 8.54% to the TEAP of RM0.0656 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1102 per Share and the issue price of RM0.06 per Rights Share.

## **2.3 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants B**

### **(i) Rights Shares**

The Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of such Rights Shares.

### **(ii) New Shares to be issued arising from exercise of the Warrants B**

The new Shares to be issued pursuant to the exercise of the Warrants B shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants B, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

## **2.4 Last date and time for acceptance and payment**

The Closing Date is **5.00 p.m. on Tuesday, 28 June 2022.**

## **2.5 Salient terms of the Warrants B**

Issuer	:	Metronic
Issue size	:	Up to 498,773,212 Warrants B
Form and detachability	:	The Warrants B will be issued in registered form and constituted by the Deed Poll B. The Warrants B which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants B shall be 100 units of Warrants B, or such other number of units as may be prescribed by Bursa Securities.
Tenure of the Warrants B	:	3 years commencing on and including the date of issuance of the Warrants B
Exercise Period	:	The Warrants B may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants B to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 3 <sup>rd</sup> anniversary from the date of issuance of the Warrants B (" <b>Exercise Period</b> "). Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

- Exercise Price : RM0.06 per Warrant B.
- The Exercise Price and/or the number of Warrants B in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
- Subscription rights : Each Warrant B shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the provisions of the Deed Poll B.
- Mode of exercise : The holders of the Warrants B are required to lodge a subscription form with the Company's share registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or by way of internet bank transfer for the electronic submission of subscription form via email to admin@aldpro.com.my or fax to +603-7890 1032 for the aggregate of the Exercise Price payable when exercising their Warrants B to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
- Adjustments to the Exercise Price and/or the number of Warrants B : Subject to the provisions of the Deed Poll B, the Exercise Price and/or the number of unexercised Warrants B in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants B, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll B. Any adjustment to the Exercise Price will be rounded up to the nearest 1 sen.
- Rights of the Warrant B holders : The Warrants B do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants B exercise their Warrants B for new Shares in accordance with the provisions of the Deed Poll B and such new Shares have been allotted and issued to such holders.
- Ranking of the new Shares to be issued pursuant to the exercise of the Warrants B : The new Shares to be issued pursuant to the exercise of the Warrants B in accordance with the provisions of the Deed Poll B shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants B, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares to be issued pursuant to the exercise of the Warrants B.

- Rights of the Warrant B holders in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants B (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants B; and
- (ii) in any other cases, every Warrant B holder shall be entitled to exercise his / her Warrants B at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant B holder credited as fully paid subject to the prevailing laws, and such Warrant B holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants B shall lapse and cease to be valid for any purpose.
- Modification of rights of Warrant B holders : Save as otherwise provided in the Deed Poll B, a special resolution of the Warrant B holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant B holders.
- Modification of Deed Poll B : Any modification to the terms and conditions of the Deed Poll B may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll B. Any of such modification shall however be subject to the approval of Bursa Securities (if so required).

No amendment or addition may be made to the provisions of the Deed Poll B without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant B holders.

- Listing : The Warrants B will be listed and traded on the Main Market of Bursa Securities. The listing and quotation of the Warrants B on the Main Market of Bursa Securities is subject to a minimum of 100 holders of Warrants B.
- Transferability : The Warrants B shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
- Deed Poll B : The Warrants B shall be constituted by the Deed Poll B.
- Governing laws : The Warrants B and the Deed Poll B shall be governed by the laws and regulations of Malaysia.

## **2.6 Details of other corporate exercises**

As at the date of this Abridged Prospectus, save for the Rights Issue with Warrants, the Board confirmed that there are no other corporate exercises which have been approved by the regulatory authorities but are pending completion.

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### 3. MINIMUM SUBSCRIPTION LEVEL AND THE UNDERTAKINGS

The Company intends to raise a minimum of RM10.00 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the utilisation as set out in Section 6 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level. To meet the Minimum Subscription Level, the Company has procured the Undertakings from the Undertaking Shareholders, namely Hoo Wai Keong (Executive Director cum Chief Executive Officer of the Company) and Dato' Kua Khai Shyuan (Non-Independent Non-Executive Director of the Company), to apply and subscribe in full for their entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by the Company arising from the subscription by all Entitled Shareholders and/or their renouncee(s) (including the Undertaking Shareholders, if necessary) amount to not less than RM10.00 million.

For avoidance of doubt, the subscription of Rights Shares (including excess Rights Shares, where applicable) by each of the Undertaking Shareholders pursuant to the Undertakings is for an amount of up to RM5.00 million each only.

Details of the Undertakings under the Minimum Scenario as at the LPD are as follows:-

Undertaking Shareholders	Existing direct shareholding upon completion of the Share Consolidation		Minimum Rights Shares with Warrants B to be subscribed pursuant to the Undertakings							
	No. of Shares	<sup>(1)</sup> %	Subscription based on entitlement				Subscription based on excess application			
			No. of Rights Shares	<sup>(2)</sup> %	No. of Warrants B	<sup>(3)</sup> %	No. of Rights Shares	<sup>(2)</sup> %	No. of Warrants B	<sup>(3)</sup> %
Hoo Wai Keong	100,000	0.05	600,000	0.36	200,000	0.36	82,733,333	49.64	27,577,778	49.64
Dato' Kua Khai Shyuan	33,333	0.02	199,998	0.12	66,666	0.12	83,133,336	49.88	27,711,112	49.88

	Total Rights Shares with Warrants B to be subscribed pursuant to the Undertakings				Assuming none of the other Entitled Shareholders and/or their renouncee(s) subscribe for their Rights Shares			
	No. of Rights Shares	(2)%	No. of Warrants B	(3)%	No. of Shares held after the Rights Issue with Warrants	(4)%	No. of Shares held after the Rights Issue with Warrants and assuming full exercise of the Warrants B	(5)%
Hoo Wai Keong	83,333,334	50.00	27,777,778	50.00	83,433,334	21.75	111,211,112	25.33
Dato' Kua Khai Shyuan	83,333,334	50.00	27,777,778	50.00	83,366,667	21.74	111,144,445	25.31

**Notes:-**

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.
- (2) Based on the total number of 166,666,668 Rights Shares to be subscribed by the Undertaking Shareholders pursuant to their collective Undertakings under the Minimum Scenario.
- (3) Based on the total number of 55,555,556 free Warrants B attached to the Rights Shares to be subscribed by the Undertaking Shareholders.
- (4) Based on the enlarged issued share capital of 383,524,587 Shares under the Minimum Scenario.
- (5) Based on the enlarged issued share capital of 439,080,143 Shares under the Minimum Scenario and assuming full exercise of the Warrants B.

Pursuant to the Undertakings, the Undertaking Shareholders have confirmed that they have sufficient financial means and resources to fulfil their obligations under their respective Undertakings.

Mercury Securities has verified the sufficiency of financial resources of the Undertaking Shareholders for the purpose of subscribing for the Rights Shares and excess Rights Shares pursuant to the Undertakings.

The Undertaking Shareholders' subscription for the Rights Shares pursuant to the Undertakings will not give rise to any consequence of mandatory take-over offer obligation under the Code and the Rules immediately after completion of the Rights Issue with Warrants.

The Undertaking Shareholders have also confirmed that they will observe and comply at all times with the provision of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

As the Minimum Subscription Level will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.



For avoidance of doubt, the Undertaking Shareholders are not obliged to subscribe for the Rights Shares pursuant to the Undertakings if the Minimum Subscription Level has been achieved via subscription by all other Entitled Shareholders and/or their renounees. However, while the Undertaking Shareholders are not obliged to subscribe for the Rights Shares in such event, the Undertaking Shareholders may still choose to do so at their own discretion. At this juncture, the Undertaking Shareholders have not decided on whether they will subscribe for the Rights Shares in the event that the Minimum Subscription Level has been achieved.

The Undertakings are not expected to result in any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, the Company does not hold any treasury shares.

The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:-

Particulars	Existing direct shareholding as at the LPD (after adjusting for the Share Consolidation)		(I) After the Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants B	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>
Issued share capital	216,857,919	100.00	383,524,587	100.00	439,080,143	100.00
<b>Less:</b>						
Directors <sup>(4)</sup> , substantial shareholders and their associates						
- Cita Realiti Sdn Bhd	15,034,188	6.93	(6)-	-	(6)-	-
- Dato' Sri Dr. Pang Chow Huat	<sup>(5)</sup> 14,981,699	6.91	(6)-	-	(6)-	-
- Sanichi Technology Berhad	12,723,810	5.87	(6)-	-	(6)-	-
- Datuk Seri Tan Choon Hwa	1,863,700	0.86	1,863,700	0.49	1,863,700	0.42
- Hoo Wai Keong	100,000	0.05	83,433,334	21.75	111,211,112	25.33
- Dato' Kua Khai Shyuan	33,333	0.02	83,366,667	21.74	111,144,445	25.31
<b>Public shareholding spread</b>	<b>172,121,189</b>	<b>79.37</b>	<b>214,860,886</b>	<b>56.02</b>	<b>214,860,886</b>	<b>48.93</b>

**Notes:-**

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.
- (2) Based on the enlarged issued share capital of 383,524,587 Shares under the Minimum Scenario.
- (3) Based on the enlarged issued share capital of 439,080,143 Shares under the Minimum Scenario and assuming full exercise of the Warrants B.
- (4) Includes directors of subsidiaries of the Company. For information, save for Datuk Seri Tan Choon Hwa, Hoo Wai Keong and Dato' Kua Khai Shyuan, none of the directors of subsidiaries of the Company hold any Shares as at the LPD.
- (5) Includes his spouse's shareholdings in the Company.
- (6) Their shareholdings would be diluted to less than 5% after the Rights Issue with Warrants. Hence, they will no longer be classified as substantial shareholders of the Company.

#### **4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS**

The Rights Issue with Warrants will enable the Company to raise funds and channel them towards the utilisation as set out in Section 6 of this Abridged Prospectus.

After due consideration of the various options available, the Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for the Company for the following reasons:-

- (i) it will involve the issuance of new Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants B subsequently;
- (ii) it provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis; and
- (iii) it will enable the Company to raise the requisite funds without incurring interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants B which are attached to the Rights Shares are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants B will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at the Exercise Price during the tenure of the Warrants B and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants B are exercised.

The exercise of the Warrants B in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, the exercise of Warrants B will increase Shareholders' funds, thereby strengthening the financial position of the Company and providing the Company with flexibility in terms of the options available to meet its funding requirements.

#### **5. DETAILS OF THE DIVERSIFICATION**

##### **5.1 Details of the Diversification**

Currently, the Group is principally involved in the engineering business, mainly in relation to the provision of building automation services specialising in the field of intelligent building management system and integrated security management system, e-project management of M&E services as well as supply of engineering systems and equipment.

Leveraging on its experience in the engineering segment, the Group now plans to venture into the Solar Energy Business after taking into consideration the favourable outlook and prospects for the solar PV industry in Malaysia, further details of which are set out in Section 8.2 of this Abridged Prospectus.

In respect of the above, the Company had on 15 October 2021 entered into the SJVA with Earthtech and Mr. Chew Keng Yaw. This would mark the Group's foray into the Solar Energy Business.

Pursuant to the SJVA, the Company and Earthtech shall undertake the Solar Energy Business. In particular, the Company and Earthtech plan to focus primarily on solar leasing activities, details of which are set out in Section 5.2 of this Abridged Prospectus. In turn, this is expected to provide an additional source of revenue to the Group that is recurrent in nature, thus complementing the project-based revenue of the Group's current engineering business.

For the purposes of the SJVA, a new joint-venture company, namely Sinaran PPA, has been incorporated and, upon completion of the restructuring<sup>(1)</sup> of Sinaran PPA and subscription<sup>(2)</sup> of such ordinary shares in Sinaran PPA by Metronic, the Company and Earthtech have become 70% and 30% shareholders of Sinaran PPA respectively.

Notes:-

- (1) As at the date of the SJVA, Sinaran PPA is wholly-owned by Mr. Chew Keng Yaw, who in turn is the sole shareholder of Earthtech. The restructuring entails the transfer of 1 ordinary share in Sinaran PPA (representing the entire issued share in Sinaran PPA) held by Mr. Chew Keng Yaw to Earthtech and thereafter the split of such share into 30 ordinary shares. The restructuring has been completed on 30 November 2021.
- (2) Upon completion of the above, Metronic shall subscribe for 70 ordinary shares in Sinaran PPA for a subscription consideration of RM1.0 million only, such that the shareholdings of Metronic and Earthtech represent 70% and 30% respectively of the entire issued shares of Sinaran PPA. The subscription has been completed on 30 November 2021.
- (3) For avoidance of doubt, the establishment of joint venture pursuant to the SJVA is not deemed a transaction pursuant to Chapter 10 of the Listing Requirements as it does not involve a related party.

However, the subscription by Metronic of new ordinary shares in Sinaran PPA pursuant to the SJVA is deemed a transaction pursuant to Chapter 10 of the Listing Requirements. Nevertheless, the subscription does not require shareholders' approval as the highest percentage ratio applicable to the subscription does not meet the threshold for the requirement of shareholders' approval.

For avoidance of doubt, Earthtech as 30% shareholder of Sinaran PPA is not expected to provide any funding for Sinaran PPA. Instead, Earthtech via its sole director and shareholder, Mr. Chew Keng Yaw, will be providing its knowledge and experience coupled with contacts of clients and vendors in the solar energy industry.

In conjunction with the Diversification, the Group plans to undertake the Rights Issue with Warrants. As set out in Section 6 of this Abridged Prospectus, the proceeds to be raised from the Rights Issue with Warrants are intended to be utilised mainly to fund the solar leasing activities to be undertaken by Sinaran PPA, details of which are set out in Section 5.2 of this Abridged Prospectus.

The Diversification has been approved by Shareholders at the EGM on 21 March 2022.

Notwithstanding the Diversification, the Board intends to continue with the Group's existing businesses in the same manner.

## **5.2 Details of Sinaran PPA's plans**

Sinaran PPA plans to embark on the Solar Energy Business<sup>(1)</sup> by focusing primarily on solar leasing activities.

Note:-

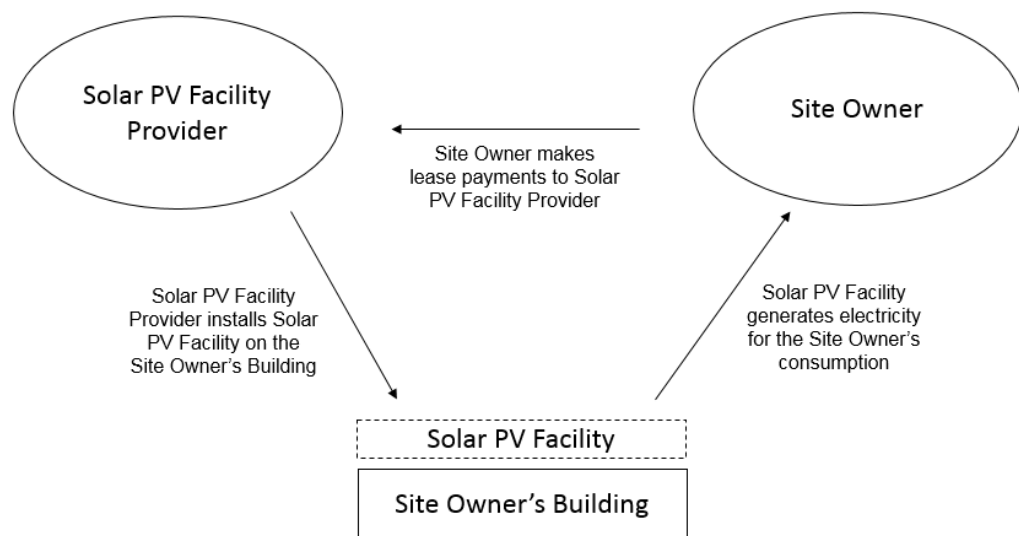
- (1) For avoidance of doubt, to undertake the Solar Energy Business, Sinaran PPA requires the approval of Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia.

As at the LPD, Sinaran PPA is still in the midst of setting up its full operations and has not submitted the applications to relevant authorities (i.e. Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia). Sinaran PPA plans to obtain the requisite approvals by July 2022.

Until such approvals are obtained, Sinaran PPA would not be able to fully commence its Solar Energy Business as it would not be able to proceed with the solar leasing contracts.

Solar leasing typically involves the following:-

- (i) the solar PV facility provider conducts a site visit to determine the feasibility of solar energy generation from the site (e.g. on the rooftop of the building) whereby factors such as sun exposure, roof angle and accessibility are evaluated;
- (ii) if feasible, the solar PV facility provider will proceed to design, procure and install a solar PV facility on the site; and
- (iii) the electricity generated from the solar PV facility is leased to the site owner at a specified rate for a specified tenure under the terms of a power purchase agreement between the solar PV facility provider and the site owner.



Under this arrangement:-

- (i) site owners are able to save costs on their electricity consumption as the electricity rates charged by the solar PV facility provider are expected to be lower than the electricity rates charged by the national energy provider;
- (ii) site owners do not need to pay anything to the solar PV facility provider for the installation of the solar PV facility on their site; and
- (iii) the ownership of the solar PV facility remains with the solar PV facility provider throughout the tenure of the power purchase agreement, which typically can be up to 25 years. Upon expiry of the power purchase agreement and unless there is an extension of the existing power purchase agreement or entry into a new power purchase agreement, the ownership of the existing solar PV facility will be transferred to the site owner.

Meanwhile, the solar PV facility provider will be able to earn long-term recurring income from the leasing of the electricity generated from the solar PV facility to the site owner throughout the tenure of the power purchase agreement.

To simplify and ease the Group's engagement and negotiation with potential customers for the solar leasing arrangements, the Group has prepared a standardised draft template of a power purchase agreement., to be entered into between Sinaran PPA and the site owner ("**Customer**") (collectively, the "**Parties**") is expected to have the following salient terms:-

**Term** : Subject to the fulfilment or waiver of the conditions precedent for the construction and installation of the solar PV generating facility ("**Facility**") and the commercial operation of the Facility as set out below, the power purchase agreement shall take effect for a specified period of years (typically 25 years) from the commercial operation date of the Facility ("**Commercial Operation Date**") ("**Term**")<sup>(1)</sup>.

Note:-

(1) For avoidance of doubt, Sinaran PPA shall be responsible for the maintenance and repair of the Facility throughout the Term at its own costs and expenses.

**Construction and installation** : The commencement of the construction and installation of the Facility shall be conditional upon the following conditions precedent having been fulfilled:-

- (i) all corporate authorisations (e.g. resolution, approval or consent required under the constituent documents of a Party) and/or relevant approvals and consents which are required to have been obtained by the Parties in connection with the execution and delivery of the power purchase agreement have been obtained and are in full force;
- (ii) the Customer having obtained all authorisations from all relevant government entities required for the successful construction and installation of the Facility;
- (iii) Sinaran PPA and its personnel having obtained all authorisations from all relevant government entities required<sup>(1)</sup> for the successful construction and installation of the Facility;

Note:-

(1) To undertake the Solar Energy Business, Sinaran PPA requires the approval of Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia.

As at the LPD, Sinaran PPA is still in the midst of setting up its full operations and has not submitted the applications to relevant authorities (i.e. Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia). Sinaran PPA plans to obtain the requisite approvals by July 2022.

Until such approvals are obtained, Sinaran PPA would not be able to fully commence its Solar Energy Business as it would not be able to proceed with the solar leasing contracts.

Construction and installation (cont'd) : (iv) Sinaran PPA and its personnel having been granted access to the Customer's property ("**Site**") including the portion of the Site on which the Facility shall be constructed and installed at ("**Premises**");

(v) a confirmation that the Site and/or the Premises are suitable for the construction and installation of the Facility through a due diligence and a physical inspection of the Site and/or Premises ("**Site Audit**").

Upon execution of the power purchase agreement, Sinaran PPA shall, at its own costs and expenses, commence and conduct a Site Audit to confirm the suitability of the Site and/or Premises for the purposes of the construction and installation of the Facility.

If the Site Audit confirms that the Site and/or Premises are not suitable for the construction and installation of the Facility and the Customer wishes to proceed with the construction and installation of the Facility, the Customer shall undertake strengthening and reparation works to improve and strengthen the structural integrity of the Site and/or Premises in a timely manner at its costs and expenses to the satisfaction of Sinaran PPA.

Either Party shall be entitled to terminate the power purchase agreement in the event of:-

- (a) the conditions precedent not being satisfied by the date falling 6 months from the date of the power purchase agreement (or such other later date as may be mutually agreed by the Parties for the Parties to satisfy or waive the conditions precedent) ("**Effective Date**");
- (b) any of the conditions precedent to be satisfied by a Party is not waived by the other Party;
- (c) Parties do not mutually agree to extend the Effective Date; and/or
- (d) Parties fail to resolve any issue in relation to the conditions precedent within a period mutually agreed by both Parties.

In such event, the power purchase agreement shall cease to have effect and no Party shall have any claim of whatsoever nature against the other Party, save for any other rights and remedies that each Party may have at law or in equity against the other arising from antecedent breach.

- Commercial operation : The commercial operation of the Facility shall be subject to the following conditions precedent being fulfilled:-
- (a) completion of the construction and installation of the Facility;
  - (b) the license under Section 9 of the Electricity Supply Act 1990 has been obtained by Sinaran PPA; and
  - (c) the Parties having obtained all the necessary authorisations from all relevant government entities required in respect of the Facility.
- The Parties shall use its best endeavour to render assistance to one another to satisfy the conditions precedent to commercial operation date (unless any condition is mutually waived by the Parties) failing which Sinaran PPA shall be entitled to issue a written notice to Customer to terminate the power purchase agreement.
- Sale and purchase obligation : With effect from the Commercial Operation Date and until the expiry of the Term or earlier termination of the power purchase agreement (as the case may be), Sinaran PPA shall sell and deliver to the Customer all actual net energy generated by the Facility (as measured by a standard revenue quality PV meter) and delivered to a specified energy delivery point (typically for the Customer's use on its Site and/or Premises) ("**Energy Output**"), in any given period of time at a purchase price to be calculated based on the tariff rate as set out below ("**Purchase Price**").
- Tariff rate : A rate to be negotiated and determined between the Parties, which is expected to be below the relevant prevailing rate charged by TNB.
- Invoices and payment terms : The Customer shall pay the Purchase Price including any other sum due and payable to Sinaran PPA in accordance with the following terms:-
- (i) Sinaran PPA's monthly invoice to the Customer shall be made by the fourth business day of the following calendar month, stating, inter alia, the Energy Output delivered to the Customer during the preceding calendar month and the Purchase Price due and payable. The invoice shall, if required by law, also reflect all relevant taxes which, for the avoidance of doubt, will be deemed to be exclusive of the Purchase Price and/or any other amounts due and payable to Sinaran PPA; and
  - (ii) the Customer shall make payment within the period as specified in the power purchase agreement (typically 30 days from the date of Sinaran PPA's invoice), failing which Sinaran PPA shall have the right to impose interest at a specified default rate on the sum stated in the invoice.

Minimum energy output : Save and except due to the relevant clauses of the power purchase agreement or any other event not directly and solely attributable to Sinaran PPA where such events render it impossible for Sinaran PPA to meet the minimum energy output specified in the power purchase agreement ("**Minimum Energy Output**"), Sinaran PPA shall provide the Minimum Energy Output, failing which Sinaran PPA shall be liable to compensate the Customer based on the shortfall volume of the Minimum Energy Output and the tariff rate specified in the power purchase agreement.

The Minimum Energy Output shall be negotiated and determined between the Parties. This is expected to depend on, amongst others, the maximum potential energy output of the Site and/or Premises to be assessed by an energy consultant.

Downtime : In the event of a downtime (i.e. a period where there is a cessation or reduction of energy output below the Minimum Energy Output due to the occurrence of certain events as set out in the power purchase agreement such as adverse effect on the structural integrity of the Site and/or the Premises due to any work, activity or action undertaken by the Customer), the Minimum Energy Output shall be revised in accordance with the relevant clause of the power purchase agreement. If the downtime period is continuous for 3 days, there shall be a downtime adjustment and the Customer shall compensate Sinaran PPA in an amount to be calculated in accordance with a specified formula in the power purchase agreement.

Ownership of the Facility : Legal and beneficial rights and interests including rightful possession of the Facility shall, throughout the Term, at all times be wholly vested and remain with Sinaran PPA or its financier (as the case may be).

Notwithstanding the above, the Customer may request for the transfer of ownership of the Facility from Sinaran PPA commencing from the 3<sup>rd</sup> year from the Commercial Operation Date. The Customer shall notify Sinaran PPA in writing at least 60 days prior and shall compensate Sinaran PPA the value prescribed to the Facility in relation to the Customer's right to own the Facility ("**Prescribed Value**") to be specified in the power purchase agreement.

At the expiration of the Term, the Customer shall take the ownership of the Facility on an as-is-where-is basis from Sinaran PPA and all legal and beneficial title of the Facility shall be transferred to the Customer, at the Customer's cost.

In the event the Customer anticipates there will be a change or transfer of the legal and/or beneficial interest and rights of the Site and/or Premises from the Customer to any third party during the Term, the Customer shall provide Sinaran PPA a minimum of 6 months of prior notice. The Customer procures to novate the power purchase agreement to the transferee or the beneficiary of the the Site and/or Premises on the same terms and conditions herein.



- Extension upon expiry : 6 months prior to the expiry of the Term, the Parties shall discuss in good faith on the extension of the Term based on mutually agreed terms and conditions which shall include but not limited to the Tariff Rate.
- Carbon credits : Any benefits, credits, emission reductions, offsets, allowances or incentives which are available or may become available due to the reduction of “greenhouse gas” emissions or adoption of green and renewable technology (“**Green Attributes**”) arising from the generation of solar PV energy by the Facility shall be for the benefit of Sinaran PPA. The Customer undertakes to assist Sinaran PPA to obtain the Green Attributes and all costs and expenses arising therefrom shall be borne by Sinaran PPA.
- Customer’s events of default and termination : **Customer’s Events of Default (Remediable)**
- Each of the following events shall constitute an event of default by the Customer (“**Customer’s Events of Default**”) unless provided otherwise in the power purchase agreement:-
- (a) any warranty, representation or covenant made by the Customer in the power purchase agreement is false or inaccurate in any material respect;
  - (b) Customer fails to make payment of any amount due and payable under the power purchase agreement continuously for 60 calendar days;
  - (c) Customer fails to provide the Deposit (2 months of the equivalent of Minimum Energy Output for Year One x Tariff Rate to secure the Customer’s performance) in accordance with the power purchase agreement;
  - (d) Customer commits any material breach of the terms of the power purchase agreement;
  - (e) Customer’s failure to novate the power purchase agreement in accordance with the provisions of the power purchase agreement (in the event the Customer anticipates there will be a change or transfer of the legal and/or beneficial interest and rights of the Site and/or Premises from the Customer to any third party during the Term and after providing Sinaran PPA a minimum of six (6) months of prior notice); and/or
  - (f) Customer abandons the Premises and/or Site,

In any of such cases, without prejudice to any other rights or remedies that Sinaran PPA may have at law and in equity against the Customer, it shall be lawful for Sinaran PPA at any time thereafter to serve a notice requiring the Customer to remedy the breach or default (if the same is capable of being remedied) within a period of time deemed as reasonable by Sinaran PPA based on the severity of the breach or default (but which in any event shall be no more than 30 days) ("**Sinaran PPA's Default Notice**"), failing which Sinaran PPA shall have the right to forthwith terminate the power purchase agreement upon expiry of Sinaran PPA's Default Notice. Such rights and remedies may include compensation for monetary damages, injunctive relief and specific performance.

#### **Customer's Events of Default (Non-Remediable)**

Each of the following events shall also constitute Customer's Events of Default, but cannot be remedied by the Customer, unless provided otherwise in the power purchase agreement:-

- (a) the Customer becomes insolvent or compounds with or makes arrangement with its creditors;
- (b) the Customer, being a company, has a winding up order (other than for the purpose of amalgamation or reconstruction) made against the Customer; and/or
- (c) a provisional liquidator, receiver or manager of the Customer's business or undertaking has been duly appointed, or possession has been taken by or on behalf of creditors or debenture holders secured by a floating charge of any property of the Customer comprised in or is a subject of the said floating charge.

In any of such cases, without prejudice to any other rights or remedies that Sinaran PPA may have at law and in equity against the Customer, Sinaran PPA shall have the absolute right to forthwith terminate the power purchase agreement.

#### **Consequences of Termination by Sinaran PPA**

In the event Sinaran PPA terminates the power purchase agreement due to a Customer's Events of Default, the followings shall apply:-

- (a) Sinaran PPA shall forfeit the Deposit;
- (b) Sinaran PPA shall cease to provide any services or works related to the project or under the power purchase agreement;
- (c) Customer shall pay Sinaran PPA all amounts due and owing within 14 calendar days;
- (d) Customer shall purchase the Facility at the Prescribed Value at the time of termination; and
- (e) Sinaran PPA shall transfer ownership of the Facility to the Customer.

For avoidance of doubt, unless otherwise provided above, termination of the power purchase agreement pursuant to this clause does not affect any obligation that Parties may have against each other prior to termination.

Sinaran PPA's events of default and termination : **Sinaran PPA's Events of Default (Remediable)**

Each of the following events shall constitute an event of default by Sinaran PPA ("**Sinaran PPA's Events of Default**") unless provided otherwise in the power purchase agreement:

- (a) Sinaran PPA fails to commence the development, finance, procurement, design, construction, installation, testing, commissioning, operation and maintenance of the Facility ("**Works**") in accordance with the terms of the power purchase agreement;
- (b) Sinaran PPA unlawfully abandons the project and fails to resume activities within a mutually agreed period;
- (c) any warranty, representation or covenant made by Sinaran PPA in the power purchase agreement is false or inaccurate in any material respect; or
- (d) Sinaran PPA commits any material breach of the terms of the power purchase agreement.

In any of such cases, without prejudice to any other rights or remedies that the Customer may have at law and in equity against Sinaran PPA, it shall be lawful for the Customer at any time thereafter to serve a notice requiring Sinaran PPA to remedy the breach or default (if the same is capable of being remedied) within a period of time deemed as reasonable by the Customer based on the severity of the breach or default (but which in any event shall be no more than thirty (30) days) ("**Customer's Default Notice**"), failing which the Customer shall have the right to forthwith terminate the power purchase agreement upon expiry of the Customer's Default Notice. Such rights and remedies may include compensation for monetary damages, injunctive relief and specific performance.

#### **Sinaran PPA's Events of Default (Non-Remediable)**

Each of the following events shall also constitute Sinaran PPA's Events of Default, but cannot be remedied by Sinaran PPA, unless provided otherwise in the power purchase agreement:-

- (a) Sinaran PPA becomes insolvent or compounds with or makes arrangement with its creditors;
- (b) Sinaran PPA, being a company, has a winding up order (other than for the purpose of amalgamation or reconstruction) made against Sinaran PPA; or

- (c) a provisional liquidator, receiver or manager of Sinaran PPA's business or undertaking has been duly appointed, or possession has been taken by or on behalf of creditors or debenture holders secured by a floating charge of any property of Sinaran PPA comprised in or is a subject of the said floating charge,

In any of such cases, without prejudice to any other rights or remedies that the Customer may have at law and in equity against Sinaran PPA, the Customer shall have the absolute right to forthwith terminate the power purchase agreement.

#### **Consequences of Termination by the Customer**

In the event the Customer terminates the power purchase agreement due to Sinaran PPA's Events of Default, the followings shall apply:-

- (a) Sinaran PPA shall cease to provide any services or works related to the project or under the power purchase agreement;
- (b) Sinaran PPA shall return the Deposit without interest;
- (c) Customer shall purchase the Facility at 90% of the Prescribed Value at the time of termination. For the avoidance of doubt, in such event, ownership of the Facility shall be transferred to the Customer; and
- (d) Customer shall pay Sinaran PPA all amounts due and owing within 14 calendar days.

For avoidance of doubt, unless otherwise provided above, termination of the power purchase agreement pursuant to this clause does not affect any obligation that Parties may have against each other prior to termination.

Notwithstanding any provision in the power purchase agreement, Sinaran PPA shall, upon termination of the power purchase agreement under these clauses, have the absolute right to remove the Facility from the Premises and/or Site within a period as Sinaran PPA reasonably determines necessary in the event the Prescribed Value is not paid by the Customer.

On 13 January 2022, the Company announced that Sinaran PPA had entered into 2 power purchase agreements dated 7 December 2021 with Technology PP<sup>(1)</sup> and Wang You<sup>(2)</sup> for buildings<sup>(3)</sup> located in Sungai Petani and Gurun, Kedah with estimated minimum contract values of RM16.15 million (capacity of 3,121 kWp) and RM5.18 million (capacity of 1,000 kWp) respectively for a term of 25 years based on a tariff rate of RM0.23/kWh. As at the LPD, Sinaran PPA is currently in the midst of engaging with the suppliers for the purchase of solar panels and other related materials. The construction and installation of solar PV facilities pursuant to these power purchase agreements are expected to commence in the 3<sup>rd</sup> quarter of 2022 (upon the approval of Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia for Sinaran PPA to undertake the Solar Energy Business) and be completed in the 4<sup>th</sup> quarter of 2022 with commencement of operations immediately thereafter.

Notes:-

- (1) Based on a search with the Companies Commission of Malaysia on 23 May 2022, the background information on Technology PP is set out below:-
- (i) History and principal activities  
Technology PP was incorporated in Malaysia on 12 April 2017.  
  
Its nature of business is stated as “manufacture of semi-manufactures of plastic products”.
  - (ii) Directors  
The directors of Technology PP are Ang Yong Chai, Li Sining and Shen Xueqing.
  - (iii) Shareholders  
The shareholders of Technology PP are Ang Yong Chai, Semda Dy Limited and Shen Xueqing.
- (2) Based on a search with the Companies Commission of Malaysia on 23 May 2022, the background information on Wang You is set out below:-
- (i) History and principal activities  
Wang You was incorporated in Malaysia on 19 April 2018. Its nature of business is stated as “investment holdings”.
  - (ii) Directors  
The directors of Wang You are Lim Ka Sing and Kor Yeak Tong.
  - (iii) Shareholders  
The shareholders of Wang You are Ko Yeak Tong, Li JinCheng and Lim Ka Sing.
- (3) These buildings comprise double-storey factories owned by Technology PP and Wang You respectively.

Although Sinaran PPA has only secured 2 solar leasing contracts as at the LPD, the Group has sought Shareholders' approval for the Diversification now as it intends to commit resources to eventually grow and make the Solar Energy Business as one of its core businesses moving forward. In turn, this is eventually likely to result in the Solar Energy Business contributing 25% or more of the NA and/or net profits of the Group.

In this respect, the Group's plan to venture into the Solar Energy Business is premised on the favourable outlook and prospects for the solar PV industry in Malaysia, further details of which are set out in Section 8.2 of this Abridged Prospectus. The long-term recurring income to be generated from the leasing of the electricity generated from the solar PV facility to the site owners under the solar leasing activities to be undertaken by Sinaran PPA is also expected to contribute positively to the future earnings of the Group.

Moreover, apart from the 2 solar leasing contracts mentioned above, as at the LPD, Sinaran PPA is in the midst of procuring the following potential solar leasing contracts with owners of buildings at various locations in Selangor, Kedah, Penang and Perak:-

Location	No. of contracts	Proposed size (kWp)
Selangor	5	16,710
Kedah	8	10,727
Penang	3	1,323
Perak	1	500
<b>Total</b>	<b>17</b>	<b>29,260</b>

These contracts are currently at an advanced stage of negotiations and are expected to be signed in the near term.

The total cost of procuring and installing the solar panels as well as other related costs and expenses for the abovementioned contracts is estimated to be RM48.00 million, the basis and detailed breakdown of which are set out in Section 6(i) of this Abridged Prospectus. This is expected to be funded via the proceeds to be raised from the Rights Issue with Warrants, internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken (if required).

Although Sinaran PPA has only secured 2 solar leasing contracts as at the LPD, the Group plans to undertake the Rights Issue with Warrants to raise the requisite funds now to prepare Sinaran PPA to potentially undertake up to a further 17 solar leasing contracts currently in the midst of being procured as set out in the table above. Such funds are also expected to strengthen Sinaran PPA's financial position moving forward thus enabling it to approach bigger and more potential clients for solar leasing contracts in the future.

The solar panels and related materials for the above are expected to be procured from suppliers in Malaysia and China, leveraging on Earthtech's existing contacts in the solar PV industry.

For information, Earthtech has undertaken the following solar PV contracts for a term of 25 years with owners of buildings at various locations in Penang, Kedah and Perak since its incorporation:-

Location	No. of contracts	Size (kWp)	Estimated contract value (RM'000)
Penang	8	6,025	16,479
Kedah	3	494	1,348
Perak	1	376	978
<b>Total</b>	<b>12</b>	<b>6,895</b>	<b>18,805</b>

As at the LPD, Earthtech has completed the construction and installation of the solar PV facilities for all the above contracts.

For avoidance of doubt, Earthtech will no longer undertake any future solar leasing contracts and will instead carry on the business of supplying solar panels and other related materials.

Moreover, Sinaran PPA is expected to be eligible for investment tax allowance and income tax exemption<sup>(1)</sup> for the purchase of green technology assets and on the use of green technology services and system including solar PV.

**Note:-**

(1) Under Budget 2020, the Malaysian Government has extended the investment tax allowance and income tax exemption for the purchase of green technology assets and on the use of green technology services and system including solar PV. The income tax exemption extension also applies for companies involved in solar leasing activities. The incentives under this initiative include:-

- (i) Green Investment Tax Allowance (GITA) of 100% of qualifying capital expenditure incurred on a green technology energy project for three years. The allowance can be offset against 70% of statutory income in the year of assessment; and
- (ii) Green Income Tax Exemption (GITE) of 70% of statutory income derived from qualifying green services for three years, and 70% of statutory income derived from solar leasing activities for up to 10 years.

### **5.3 Key management personnel**

#### **5.3.1 Mr. Chew Keng Yaw**

Sinaran PPA shall be spearheaded by its director, namely Mr. Chew Keng Yaw, who is also a director and sole shareholder of Earthtech. His profile is set out below:-

##### **Mr. Chew Keng Yaw**

Mr. Chew Keng Yaw, a Malaysian aged 47, has been a director and the sole shareholder of Earthtech since its incorporation on 20 August 2021. He has also been a director and the sole shareholder of Sinaran PPA since its incorporation on 28 May 2021.

Earthtech is principally involved in the trading of solar panels and related equipment. The background information on Earthtech is set out in Section 5.6 of this Abridged Prospectus. In Earthtech, he is currently responsible for its day-to-day operations which include engaging suppliers and conducting physical site inspections as well as sales and marketing initiatives such as approaching prospective clients and preparing solar leasing proposals.

As at the LPD, the principal activities of Sinaran PPA are listed as solar investment, project financing consultancy and general trading. The background information on Sinaran PPA is set out in Section 5.5 of this Abridged Prospectus. In Sinaran PPA, he is currently responsible for its day-to-day operations as well as sales and marketing.

He obtained a Bachelor's Degree in Business and Law from Griffith College, Ireland in 2000. Subsequently, he has garnered 25 years of working experience, including 2 years in the solar energy and renewable energy industries.

Prior to his role in Earthtech, he has held the following roles:-

Year	Designation and companies	Roles and responsibilities
2020 - 2021	Corporate Strategy Advisor – Dehui Solar Power Sdn Bhd	Providing consulting services such as advising on cost effective measures in green energy, especially solar power system to local manufacturing industries.
2019 - 2020	Director – Zhonghe Energy Sdn Bhd	Promoting and developing energy saving systems to existing manufacturing industries.
2018 - 2019	Consultant – Binnacle Investment Limited	Providing consulting services and investment opportunities to listed companies.
2013 - 2017	Director - Southasia Advisory Sdn Bhd	Providing consulting services and investment opportunities to listed companies.
2013 - 2017	Business Development Director - Biomax Rubber Industries Sdn Bhd	In charge of the business development for glove manufacturing.
2011 - 2013	Consultant – Hitric Resources Private Limited	Providing consulting services in trading of mineral resources.
2009 - 2011	Business Development Manager and Appointed Managing Director – PT CVM Iron Ore and PT CVM Coal	Managing the trading of mineral resources in Indonesia.
2004 - 2008	Operation Director – Northern Minerals Sdn Bhd	In charge of the business development for mining activities.
1996 - 2004	Manager – Garland Limited	Managing the trading of food and beverages.

For information, Mr. Chew Keng Yaw was previously involved in short 1-year stints in his previous 3 employments mainly to garner more experience in multiple roles and expand his network of customers and suppliers.

From these roles, he has garnered experience in business development, management and consulting. In addition, through his 2 years experience in the solar energy and renewable energy industries via stints in Dehui Solar Power Sdn Bhd and Zhonghe Energy Sdn Bhd, he has garnered experience in the operational as well as sales and marketing aspects in the solar energy industry. This includes site inspection, design of solar PV facilities, preparation of proposals, networking and engagement with prospective customers as well as procurement, installation and commissioning of solar PV facilities.

On top of his 2 years experience in the solar energy industry, he is also expected to leverage on his experience in business development, management and consulting garnered throughout his 20-year career to spearhead the Solar Energy Business. Thus, with his knowledge and experience coupled with his contacts of clients and vendors in the solar energy industry, he is expected to provide the requisite experience, management capability and networking to contribute to the success of Sinaran PPA.



### 5.3.2 En. Mohd Dzamirhafiz bin Dzulkifli

The Company also plans to assign its Operations & Business Development Manager, En. Mohd Dzamirhafiz bin Dzulkifli, to assist Mr. Chew Keng Yaw in the day-to-day operations of Sinaran PPA as well as to contribute in the planning of Sinaran PPA's strategic direction on behalf of Metronic. His profile is set out below:-

#### **En. Mohd Dzamirhafiz bin Dzulkifli**

En. Mohd Dzamirhafiz bin Dzulkifli, a Malaysian aged 37, has been an Operations & Business Development Manager of the Company since March 2021. Under this role, he is primarily responsible for researching, planning and executing solar business projects to be undertaken by the Group pursuant to the Diversification.

He obtained a Bachelor's Degree in Science and Business Administration from the University of Lincoln in Nebraska, United States of America in 2010. Subsequently, he has garnered 12 years of working experience in various industries including the energy industry.

Prior to joining the Company, he has held the following roles:-

Year	Designation and companies	Roles and responsibilities
2016 - 2020	Director – Axcelligent Solutions Sdn Bhd	Providing business management software services.
2012 - 2020	Director – DzaDzu Engineering Sdn Bhd	Providing contract services such as maintenance to TNB.
2010 – 2012	Director – Ironclad Sdn Bhd	Trading of palm oil and asphalt.
2009 - 2012	Business Development Manager – WW Engineering Sdn Bhd	Providing High Voltage Electrical works for TNB.
2009 - 2012	Business Development Manager – Melur Mesra Sdn Bhd	Providing civil contracting services.
2009 - 2012	Business Development Manager – Makarmas Tenaga Sdn Bhd	Providing High Voltage Electrical works for oil and gas companies.

From these roles, he has garnered experience in strategic business planning, management and development as well as engineering projects involving TNB as the client.

Despite not having any direct relevant experience in solar energy and renewable energy industries, he is expected to leverage on his knowledge and experience in strategic business planning, management and development while seeking guidance from Mr. Chew Keng Yaw from time to time to handle the Solar Energy Business' operations and business development division. In turn, he is expected to contribute to the success of Sinaran PPA and, in turn, the Group's venture into the Solar Energy Business.

### 5.3.3 Other employees

Currently, Sinaran PPA's operations are minimal and are being conducted by Earthtech's personnel together with some assistance from the Company's personnel.

Premised on the 2 solar leasing contracts secured and the 17 potential solar leasing contracts in the midst of being procured as set out in Section 5.2 of this Abridged Prospectus, the Group plans to assemble a team for Sinaran PPA comprising up to 46 employees to undertake various roles involving procurement, sales and marketing, project-coordination, installation, and administration.

However, this team size is an indication only at this juncture which is estimated based on the current scale of solar leasing contracts to be undertaken in the foreseeable future. The actual size of the team to be hired may differ depending on the progress and needs of Sinaran PPA moving forward.

Thereafter, the personnel will be recruited in stages over the next 18 months in tandem with the progress of Sinaran PPA's business.

In view that the funding for Sinaran PPA to undertake the Solar Energy Business is expected to be sourced mainly from the proceeds to be raised from the Rights Issue with Warrants, the hiring process is therefore dependent on the completion of the Rights Issue with Warrants. In this regard, the hiring process is expected to commence within 6 months from completion of the Rights Issue with Warrants. Thereafter, the personnel will be recruited in stages over the next 18 months in tandem with the progress of Sinaran PPA's business.

## 5.4 Salient terms of the SJVA

### 5.4.1 Conditions Precedent

The SJVA is subject to and conditional upon the following conditions precedent being fulfilled within 5 months from the date of the SJVA or such other period as the parties may mutually agree in writing ("**Conditional Period**"):-

- (i) the approval by the shareholders of Metronic in an EGM in respect of the diversification of the existing business of Metronic and its subsidiaries to include the Solar Energy Business;
- (ii) the completion of the restructuring of Sinaran PPA whereby one share in Sinaran PPA held by Mr Chew representing the entire issued share of Sinaran PPA shall be transferred to Earthtech and thereafter such share shall be split into 30 ordinary shares ("**Proposed Restructuring**") – this was completed on 30 November 2021;
- (iii) the completion of the subscription of 70 shares ("**Subscription Shares**") by paying a total consideration of RM1.00 million only to Sinaran PPA and in exchange thereof, Mr. Chew Keng Yaw and Earthtech shall cause Sinaran PPA to complete the subscription by allotting and issuing the Subscription Shares to Metronic as well as issuing and delivering to Metronic the share certificate in respect of such Subscription Shares ("**Proposed Subscription**") – this was completed on 30 November 2021.

The parties have further agreed to only proceed with the Subscription after the completion of the Restructuring such that the shareholdings of Metronic and Earthtech represent 70% and 30% respectively of the entire issued shares of Sinaran PPA upon completion of the Subscription; and

- (iv) such other waivers, consents or approvals as may be required (or deemed necessary by the parties) from any third party (including financial institution) or governmental, regulatory body or relevant authorities having jurisdiction over any part of the transactions contemplated under the SJVA.

If on the expiry of any of the Conditional Period, any of the conditions precedent above set out have not been fulfilled, then either of the parties shall be entitled to terminate the SJVA by giving a written notice of termination to other party and upon termination thereof, the parties shall not have any further rights under the SJVA, except those stated in the SJVA.

#### **5.4.2 Objective, rights and obligations**

Metronic hereby agrees, covenants and undertakes with Earthtech as follows:-

- (i) Manpower - Notwithstanding that the Solar Energy Business shall be spearheaded by Mr. Chew Keng Yaw, Metronic shall be responsible for selection, hiring and/or provision of the manpower to undertake the Solar Energy Business.
- (ii) Financing - Metronic shall provide such financing required for Sinaran PPA to undertake the business for an amount of up to RM10.00 million subject to such terms and conditions to be agreed between Metronic and Earthtech.

For avoidance of doubt, Earthtech as 30% shareholder of Sinaran PPA is not expected to provide any funding for Sinaran PPA. Instead, Earthtech via its sole director and shareholder, Mr. Chew Keng Yaw, will be providing its knowledge and experience coupled with contacts of clients and vendors in the solar energy industry.

Earthtech and Mr. Chew Keng Yaw hereby agrees, covenants and undertakes with Metronic as follows:-

- (i) Application for Approvals in Malaysia - Earthtech shall primarily assist Sinaran PPA in the application for all relevant approvals, certification, licenses and/or permits from such relevant authorities<sup>(1)</sup> including but not limited to Sustainable Energy Development Authority Malaysia under the Renewable Energy Act 2011 and/or Energy Commission Malaysia under the Electricity Supply Act 1990 or such other authorities as may be required under the laws and regulation of Malaysia for Sinaran PPA to carry on the business in Malaysia within 6 months from the date of the SJVA or such other period as mutually agreed in writing between Earthtech and Metronic, failing which Metronic shall have the option to acquire such shares held by Earthtech in Sinaran PPA at no consideration.

Note:-

- (1) To undertake the Solar Energy Business, Sinaran PPA requires the approval of Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia.

As at the LPD, Sinaran PPA is still in the midst of setting up its full operations and has not submitted the applications to relevant authorities (i.e. Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia). Sinaran PPA plans to obtain the requisite approvals by end of June 2022.

Until such approvals are obtained, Sinaran PPA would not be able to fully commence its Solar Energy Business as it would not be able to proceed with the solar leasing contracts.

- (ii) Approvals, Certificates, Licences – Earthtech shall primarily assist Sinaran PPA to comply with all terms and conditions imposed by such approvals, certification, licenses and/or permits obtained by Sinaran PPA to carry on the business.
- (iii) Observance of Laws and Intellectual Property Rights – In carrying out its obligations under the SJVA, Earthtech shall observe all relevant laws, regulations, bylaws, rules and intellectual property rights.
- (iv) Intellectual Property – Earthtech hereby agree that intellectual property relating to business shall vest in and belong exclusively to Sinaran PPA and shall do such necessary action(s) to transfer and/or vest and/or register such intellectual property to Sinaran PPA, if required. Earthtech further undertakes not interfere with such intellectual property in whatsoever manner including but not limited to selling or manipulating such intellectual property to its benefits or otherwise.
- (v) Procurement – Earthtech shall be responsible to procure such PV modules and related equipment for solar electric systems required for the business.
- (vi) Sales, Marketing and Distribution – Earthtech shall be responsible for procurement of business opportunities, branding, marketing and distribution under the business.

#### 5.4.3 Equity participation

Subject to Section 5.4.4 below and unless otherwise varied in accordance with the provisions of the SJVA, the parties agreed that the shareholdings in Sinaran PPA shall be maintained at all times in the following proportions as set out below (“**Equity Participation**”):-

Shareholders	Percentage of shareholding in Sinaran PPA
Metronic	70%
Earthtech	30%
<b>Total</b>	<b>100%</b>

#### 5.4.4 Additional capital

If additional capital is required by Sinaran PPA, such additional capital may be provided by way of subscription of further ordinary shares (“**Further Shares**”) in Sinaran PPA for cash, in such manner and at such time as may be decided by the Board provided always that the Further Shares shall be available for subscription by Metronic and Earthtech in proportion to their Equity Participation.

In the event any party does not wish to subscribe to such further issue of share of Sinaran PPA as offered to it pursuant to the above, then the Board of Directors of Sinaran PPA shall have the right to make such portion of shares refused to be taken up by the first party to any other shareholder or third party and the first party shall have its shareholdings in Sinaran PPA diluted accordingly.

#### **5.4.5 Transfer of shares or assets of Sinaran PPA**

Metronic may transfer its ordinary shares to any party without the consent of Earthtech provided that the transferee shall execute the deed of adherence.

Earthtech may not, without the prior written consent of Metronic, deal in whatsoever manner with the ordinary shares held by it in Sinaran PPA (“**Remaining Shares**”) including disposing to any party or create encumbrances over such shares. Earthtech further undertakes to transfer the Remaining Shares to Metronic without costs in the event of default by Earthtech.

Earthtech may not, without the prior written consent of Metronic, permit any change of its shareholdings or capital structure.

#### **5.4.6 Board of Directors**

The Board of Directors of Sinaran PPA shall consist of 3 directors, 2 of which shall be nominated by Metronic and 1 of which shall be nominated by Earthtech.

#### **5.4.7 Duration of the SJVA**

The SJVA shall come into force and effect as from the date of the SJVA and shall continue in full force and effect until the first occurrence of any of the following events:-

- (a) the termination of the SJVA by the consent of all the shareholders of Sinaran PPA; or
- (b) the winding up of Sinaran PPA;

provided that any such termination shall be without prejudice to the other provisions of the SJVA.

### **5.5 Background information on Sinaran PPA**

#### **5.5.1 History and principal activities**

Sinaran PPA was incorporated in Malaysia under the Act on 28 May 2021 as a private limited company.

As at the LPD, the principal activities of Sinaran PPA are listed as solar investment, project financing consultancy and general trading. The intended principal activities of Sinaran PPA are solar leasing and related activities.

#### **5.5.2 Share capital**

As at the LPD, the issued share capital of Sinaran PPA is RM1,000,030 comprising 100 ordinary shares.

At this juncture, the Group has not fixed or a target for the enlarged issued share capital and number of issued ordinary shares for Sinaran PPA.

#### **5.5.3 Director**

As at the LPD, the directors of Sinaran PPA are Mr. Hoo Wai Keong (Executive Director cum Chief Executive Officer of the Company), Dato’ Kua Khai Shyuan (Non-Independent Non-Executive Director of the Company) and Mr. Chew Keng Yaw.

**5.5.4 Shareholder**

As at the LPD, the shareholders of Sinaran PPA are Metronic and Earthtech, holding 70% and 30% equity interest in Sinaran PPA respectively.

**5.6 Background information on Earthtech**

**5.6.1 History and principal activities**

Earthtech was incorporated in Malaysia under the Act on 20 August 2021 as a private limited company.

As at the LPD, Earthtech is principally involved in the trading of solar panels and related equipment.

**5.6.2 Share capital**

As at the LPD, the issued share capital of Earthtech is RM100,000 comprising 100,000 ordinary shares.

**5.6.3 Director**

As at the LPD, the sole director of Earthtech is Mr. Chew Keng Yaw.

**5.6.4 Shareholder**

As at the LPD, Mr. Chew Keng Yaw is the sole shareholder of Earthtech.

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## 6. UTILISATION OF PROCEEDS

As disclosed in the Circular, the Rights Issue with Warrants was expected to raise indicative gross proceeds of RM91.08 million under the Base Case Scenario and RM121.97 million under the Maximum Scenario, based on an illustrative issue price of RM0.07 per Rights Share.

Subsequently, on 25 May 2022, the Board had resolved to fix the issue price at RM0.06 per Rights Share. Pursuant thereto, the Rights Issue with Warrants is now expected to raise indicative gross proceeds of RM78.07 million and RM89.78 million under the Base Case Scenario and Maximum Scenario respectively.

The abovementioned proceeds are intended to be utilised in the following manner:-

Utilisation of proceeds	Intended timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		Base Case Scenario		Maximum Scenario	
		RM'000	%	RM'000	%	RM'000	%
(i) Funding for solar leasing projects	Within 24 months	10,000	100.0	48,000	61.48	48,000	53.46
(ii) Start-up costs	Within 24 months	-	-	8,000	10.25	8,000	8.91
(iii) Funding for engineering projects	Within 24 months	-	-	20,000	25.62	20,000	22.28
(iv) Working capital and capital expenditure	Within 24 months <sup>(6)</sup>	-	-	1,319	1.69	13,029	14.51
(v) Estimated expenses for the Corporate Exercises	Immediate	(1)-	-	(3)750	0.96	(3)750	0.84
<b>Total</b>		<b>(2)10,000</b>	<b>100.00</b>	<b>78,069</b>	<b>100.00</b>	<b>(5)(6)89,779</b>	<b>100.00</b>

Notes:-

- (1) Under the Minimum Scenario, the expenses for the Corporate Exercises shall be funded via internally generated funds.
- (2) Any additional proceeds raised in excess of this amount beyond the Minimum Scenario will be allocated up to its respective maximum allocation in the following order:-
  - (i) estimated expenses for the Corporate Exercises;
  - (ii) funding for solar leasing projects;
  - (iii) start-up costs for the Solar Business;
  - (iv) funding for engineering projects; and
  - (v) working capital (e.g. operating and administrative expenses, the indicative breakdown of which is set out in Section 6(iv) of this Abridged Prospectus) and capital expenditure.
- (3) If the actual expenses incurred are higher than this budgeted amount, the deficit will be funded via the amount earmarked for working capital and capital expenditure and/or internally generated funds. Conversely, any surplus of funds following payment of expenses will be utilised in the order as set out in Note (2) above.
- (4) The Board wishes to highlight that this illustrative amount that would be raised under the Maximum Scenario is based on the assumption that all the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date.

The Board is of the view that based on the timeline for implementation of the Rights Issue with Warrants, it is unlikely for all the ESOS Options to be granted and exercised into new Shares prior to the Entitlement Date in view that the ESOS was only implemented on 1 April 2021 and is effective for a period of 5 years.

- (5) If the Company is unable to fully utilise the proceeds raised from the Rights Issue with Warrants in accordance with the intended timeframes set out herein, the timeframe for utilisation of proceeds that has been allocated for the respective purposes will be extended and announced as well as disclosed in the Company's quarterly financial results announcements as well as annual reports until the Company has fully utilised the proceeds.

Alternatively, the Company may also consider to revise the utilisation of proceeds, whether partly or wholly, to another purpose depending on the Group's requirements at that point in time. In such event, details of the proposed revision shall be announced and, if required under the Listing Requirements, Shareholders' approval will be obtained accordingly.

- (6) The timeframe for utilisation for working capital and capital expenditure is set at 24 months to cater for the anticipated gradual increase in the Group's working capital requirements and capital expenditure in tandem with the growth of its business, including the new Solar Energy Business, over the next 24 months. For avoidance of doubt, the balance unutilised proceeds raised from the Group's previous fund raising exercises as set out in Section 8.4(v) of this Abridged Prospectus have already been earmarked for specific purposes and thus cannot be utilised for working capital and capital expenditure.

Pending the utilisation of the proceeds from the Rights Issue with Warrants, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments with licensed financial institutions. Any interest earned from interest-bearing deposits and/or money market financial instruments will be utilised for working capital.

**(i) Funding for solar leasing projects**

As set out in Section 5.2 of this Abridged Prospectus, Sinaran PPA requires funding of RM48.00 million to undertake the procurement and installation of solar panels in relation to solar leasing contracts to be secured.

To this end, the Group intends to utilise proceeds of up to RM48.00 million from the Rights Issue with Warrants to meet the above funding requirement.

The proceeds are expected to be utilised for the purchase of solar panels and other related materials and works as shown below:-

<b>Estimated breakdown of utilisation</b>		<b>Amount<sup>(4)</sup> RM'000</b>
(a)	Purchase of solar panels and other related materials <sup>(1)</sup>	34,500
(b)	Sub-contracting works and engineering expenses <sup>(2)</sup>	10,000
(c)	Contingency costs <sup>(3)</sup>	3,500
<b>Total</b>		<b>48,000</b>

Notes:-

- (1) The solar panels and other related materials are expected to be purchased from suppliers in Malaysia and China, leveraging on Earthtech's existing contacts in the solar PV industry. Some of the other related materials include racking equipment and components such as aluminium railings and clamps.
- (2) Sinaran PPA plans to hire third party sub-contractors to carry out some of the installation works. Some of the engineering expenses include inspection fees of the sites, general construction equipment and tools, research and plot surveying expenses to ensure that solar panels to be installed are at a safe a viable location.
- (3) These include provision for fees to the relevant authorities and contingency sums set aside to cover unexpected or underestimation of costs.



- (4) These are based on the Group's estimation of the actual cost required, some of which are supported by preliminary quotations provided by suppliers. The final cost will be subject to the prevailing market price at the time of order and payment as well as any further negotiations with the suppliers from time to time.

Although Sinaran PPA has only secured 2 solar leasing contracts as at the LPD, the Group's funding requirement of RM48.00 million set out above is also premised on the 17 solar leasing contracts currently in the midst of being procured<sup>(1)</sup> as set out in Section 5.2 of this Abridged Prospectus. In addition, this is also premised on the Group's intention to strengthen Sinaran PPA's financial position to enable it to approach bigger and more potential clients for solar leasing contracts in the future.

Note:-

- (1) For avoidance of doubt, we wish to highlight that there is no assurance that the Group will be able to secure all 17 of the solar leasing contracts that it is currently procuring. In this regard, please refer to Section 7.1.2(ii) of this Abridged Prospectus for further details on the risk factors pertaining to the Group's commencement of the Solar Energy Business.

The minimum proceeds of RM10.00 million that would be raised under the Minimum Scenario is sufficient to meet the Group's funding requirements for the 2 secured solar leasing contracts. However, such proceeds would not be sufficient if the Group secures all of the 17 solar leasing contracts currently in the midst of being procured.

In the event that the proceeds raised from the Rights Issue with Warrants are insufficient for the Group's funding requirement for the solar leasing projects (e.g. if the Minimum Scenario is achieved), the shortfall is intended to be met via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken by the Group (if required). The exact funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as the availability and suitability of other funding alternatives at the relevant time. Conversely, any surplus shall be allocated to fund future solar leasing projects.

**(ii) Start-up costs**

The Group plans to allocate proceeds of up to RM8.00 million from the Rights Issue with Warrants to fund the initial start-up costs for Sinaran PPA to commence its business activities.

In this regard, the start-up funding will be utilised for the establishment of a corporate headquarters, purchase of vehicles, tools and equipment, marketing expenses, professional fees as well as the setting up of infrastructure for IT systems as follows:-

Estimated breakdown of utilisation		Amount <sup>(6)</sup> RM'000
(a)	Renovation, fixtures, fittings and other miscellaneous items <sup>(1)</sup>	5,100
(b)	Purchase of vehicles, tools and equipment <sup>(2)</sup>	1,000
(c)	Marketing expenses <sup>(3)</sup>	1,000
(d)	Professional fees <sup>(4)</sup>	500
(e)	Infrastructure for IT systems <sup>(5)</sup>	400
<b>Total</b>		<b>8,000</b>

Notes:-

- (1) Previously, Sinaran PPA's operations were conducted primarily through Earthtech's office. Currently, Sinaran PPA's operations are conducted primarily through Metronic's existing headquarters in Shah Alam.

Moving forward, Sinaran PPA plans to rent and renovate an office space in the Klang Valley with a gross floor area of around 15,000 square feet for its corporate headquarters. The corporate headquarters is expected to contain an administrative office, a showroom and a customer service area. To this end, Sinaran PPA has set a budget of RM5.00 million towards the renovation, fixtures, fittings and other miscellaneous items such as purchase furniture and office equipment.

As at the LPD, Sinaran PPA has identified an office space to be rented in Shah Alam and is currently in the midst of negotiating and finalising the tenancy agreement. The tenancy agreement is expected to be executed by the 3<sup>rd</sup> quarter of 2022. In the meantime, Sinaran PPA will continue to operate within Metronic's existing headquarters in Shah Alam.

- (2) Sinaran PPA plans to purchase vehicles such as vans and lorries which in turn are expected to be used mainly to transport solar panels and related materials for its day-to-day operations. Apart from that, Sinaran PPA plans to purchase other tools and equipment such as forklifts, solar panel installation tools and electrical metering system.
- (3) Sinaran PPA plans to allocate an initial budget of RM1.00 million towards marketing. This will be used to, amongst others, develop small-scale sample prototypes of solar PV systems for demonstration to prospective customers to procure more solar leasing contracts or any other solar related projects including engineering, procurement and commissioning (EPC) contracts.
- (4) This comprises fees payable to an external consultant, Angkasa Jurutera Perunding Sdn Bhd. Angkasa Jurutera Perunding Sdn Bhd is principally involved in the provision of a comprehensive range of engineering consultancy services to the public and private sectors in civil, structural, mechanical and electrical engineering fields for project scopes which include knowledge in solar PV and storage systems.
- (5) Sinaran PPA plans to allocate a budget of RM0.40 million to set up customary IT systems for its business operations.
- (6) These are based on the Group's budget and its estimation of the actual cost required. The final cost will be subject to the prevailing market price at the time of order and payment as well as any further negotiations with the suppliers from time to time.

Although Sinaran PPA has only secured 2 solar leasing contracts as at the LPD, the Group's funding requirement of RM8.00 million set out above is necessary in order to establish the initial operations of Sinaran PPA. In turn, this will allow Sinaran PPA to undertake the Solar Energy Business, starting with the 2 solar leasing contracts secured as set out in Section 5.2 of this Abridged Prospectus.

In the event that the proceeds raised from the Rights Issue with Warrants are insufficient for the Group's funding requirement for the start-up costs, the shortfall is intended to be met via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken by the Group (if required). The exact funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as the availability and suitability of other funding alternatives at the relevant time. Conversely, any surplus shall be allocated for working capital and capital expenditure in the manner set out in Section 6(iv) of this Abridged Prospectus.

### **(iii) Funding for engineering projects**

The Group intends to utilise part of the proceeds to be raised from the Rights Issue with Warrants as funding for engineering projects secured by the Group as well as future engineering projects to be secured. Such proceeds are expected to be utilised for, amongst others, security deposit for bank guarantees, purchases of building automation equipment and parts such as network controller units, direct digital controllers and field sensors, labour costs, purchase of raw materials such as cables and racking systems and miscellaneous site office expenses such as upkeep costs and purchase of office supplies.

As at the LPD, the Group's order book of engineering projects, which translates into a balance contract value to be realised of approximately RM81.50 million, comprises the following:-

Contract value	No. of contracts	Engineering systems <sup>(1)</sup>	Estimated value of unbilled book order (RM'million)	Expected completion date <sup>(1)</sup>
More than RM20 million	2	AV, IT System and BMS	41.9	July 2022 – September 2022
Between RM5 million and RM20 million	5	AV, IT System and ELV	37.5	Sept 2022 – Jan 2023
Less than RM5 million	7	IT System and BMS	2.0	Jul 2022 – Jan 2023
<b>Total</b>			<b>81.5</b>	

Note:-

- (1) For avoidance of doubt, although these projects have less than 1 year remaining with regards to their expected completion dates, the balance funding requirements for these projects are still substantial, given that their estimated value of unbilled book order still stands at a substantial RM81.5 million. As such, the Group still requires funding from the Rights Issue with Warrants to complete the balance work for these projects.

As at the LPD, the Group has submitted tenders for the following engineering projects with a total contract sum of RM75.20 million:-

Contract value	No. of contracts	Engineering systems <sup>(1)</sup>	Estimated contract sum (RM'million)	Expected commencement date (if successful)
More than RM20 million	1	IMS	45.0	Jul 2022 - Sept 2022
Between RM5 million and RM20 million	2	BMS and ELV	22.8	Oct 2022 – Dec 2022
Less than RM5 million	4	BMS and ELV	7.4	Jun 2022 – Dec 2022
<b>Total</b>			<b>75.2</b>	

Note:-

- (1) The types of engineering systems being provided by the Group for these projects are as follows:-
- (i) IMS: Integrated Management System (comprising, amongst others, high level integration and security system for all M&E systems)
  - (ii) BMS: Building Management System (comprising, amongst others, Integrated BMS, Chiller Plant Optimization and Energy Management System)
  - (iii) ELV: Extra Low Voltage System (comprising, amongst others, Public Address System, Audio / Video Intercom System, Parking Management System, Guidance System and Guard Tour System)
  - (iv) ICT: Information and Communication Technology System (comprising, amongst others, Private Automatic Branch Exchange ("PABX") & Internet Protocol PABX System, Network Switch, Structured Cabling and Active Network)
  - (v) AV: Audio Visual (comprising, amongst others, Sound Reinforcement System, Background Music, Digital Information Display and Audio Video System)
  - (vi) SS: Security System (comprising, amongst others, Closed-circuit Television System and Card Access System)

The exact amount of proceeds to be allocated between these engineering projects cannot be determined at this juncture as it will depend on the ongoing progress of the engineering works, the actual proceeds raised from the Rights Issue with Warrants as well as the suitability and availability of other funding options at the relevant time.

Any surplus proceeds will be utilised for any future engineering projects to be secured by the Group. Conversely, any shortfall will be funded via progress billings to be received, internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken (if required).

For information, the Group had in March 2021 completed a private placement exercise to raise funds mainly for its engineering projects, further details of which are set out in Section 8.4(v)(b) of this Abridged Prospectus. However, the proceeds raised from the said private placement exercise have already been fully utilised.

**(iv) Working capital and capital expenditure**

The Group intends to utilise the balance proceeds to be raised from the Rights Issue with Warrants for working capital and capital expenditure purposes in the following manner:-

Utilisation	Base Case Scenario RM'000	Maximum Scenario RM'000
Refurbishment, renovation and office upkeep <sup>(1)</sup>	300	2,500
Operating and administrative expenses <sup>(2)</sup>	490	5,300
Staff salaries <sup>(3)</sup>	529	5,229
<b>Total</b>	<b>1,319</b>	<b>13,029</b>

Notes:-

(1) The Group plans to refurbish and renovate their existing corporate headquarters in Shah Alam, Selangor as it anticipates an expansion of business activity following its venture into the Solar Energy Business.

(2) The indicative breakdown of these expenses is set out below:-

	Base Case Scenario RM'000	Maximum Scenario RM'000
(a) Utilities	150	600
(b) Professional fees <sup>(a)</sup>	150	2,500
(c) COVID-19 related expenses <sup>(b)</sup>	30	200
(d) Others <sup>(c)</sup>	160	2,000
<b>Total</b>	<b>490</b>	<b>5,300</b>

Subnotes:-

(a) Includes audit fees, corporate secretarial fees and consultancy fees.

(b) Includes costs for periodic COVID-19 testing (i.e. self-test kits and polymerase chain reaction (PCR) tests) for the Group's staff.

(c) This includes miscellaneous expenses such as rental costs, transportation costs, staff medical expenses and other miscellaneous items. The breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of the Group at the relevant time.

As the above breakdown is an indication only, any surplus or shortfall in the actual utilisation / requirement of the categories listed above will be adjusted against each other.

(2) As at the LPD, the Group's staff headcount stood at 115.

The Group plans to allocate part of the proceeds towards staff salaries in tandem with the anticipated growth in its staff headcount. Apart from the gradual growth of its existing engineering business, the Group's staff headcount is also expected to increase through the new Solar Energy Business.

Premised on the 2 solar leasing contracts secured and the 17 potential solar leasing contracts in the midst of being procured as set out in Section 5.2 of this Abridged Prospectus, the Group plans to assemble a team for Sinaran PPA comprising up to 46 employees to undertake various roles involving procurement, sales and marketing, project-coordination, installation and administration.

However, this team size is an indication only at this juncture which is estimated based on the current scale of solar leasing contracts to be undertaken in the foreseeable future. The actual size of the team to be hired may differ depending on the progress and needs of Sinaran PPA moving forward.

In view that the funding for Sinaran PPA to undertake the Solar Energy Business is expected to be sourced mainly from the proceeds to be raised from the Rights Issue with Warrants, the hiring process is therefore dependent on the completion of the Rights Issue with Warrants. In this regard, the hiring process is expected to commence within 6 months from completion of the Rights Issue with Warrants. Thereafter, the personnel will be recruited in stages over the next 18 months in tandem with the progress of Sinaran PPA's business.

Any shortfall between the actual proceeds raised and the Group's working capital and capital expenditure requirements shall be funded via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken (if required). However, the funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as the availability and suitability of other funding alternatives at the relevant time.

**(v) Estimated expenses for the Corporate Exercises**

The breakdown of the estimated expenses for the Corporate Exercises is illustrated below:-

<b>Estimated expenses</b>	<b>RM'000</b>
Professional fees <sup>(1)</sup>	570
Fees to the relevant authorities	115
Printing, despatch, advertising and meeting expenses	40
Miscellaneous expenses and contingencies	25
<b>Total</b>	<b>750</b>

Note:-

(1) These include advisory fees payable to the Principal Adviser and other professional fees payable to the Company Secretary, Share Registrar, Solicitors, Independent Market Researcher and Reporting Accountants for the Corporate Exercises.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants B would depend on the actual number of Warrants B exercised as well as the exercise price of the Warrants B, which shall be determined by the Board at a later date. The proceeds from the exercise of the Warrants B will be received on an "as and when basis" over the tenure of the Warrants B.

Strictly for illustrative purposes, based on the Exercise Price of RM0.06 per Warrant B, the Company will raise gross proceeds of up to RM29.93 million upon full exercise of the Warrants B under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants B in the future will be used to finance the future working capital requirements such as those described above. The exact breakdown of the utilisation of proceeds for each component of working capital are subject to the actual requirements of the Group at the relevant time and the timeframe for full utilisation from the date of receipt of the proceeds cannot be determined at this juncture.

## 7. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-

### 7.1 Risks relating to the Group

#### 7.1.1 Risks relating to the Group's engineering business

##### (i) Dependence on the performance of the construction sector

The Group is principally involved in the engineering business, mainly in relation to the provision of building automation services specialising in the field of intelligent building management system and integrated security management system, e-project management of M&E services as well as supply of engineering systems and equipment.

For the above, the Group is usually appointed as a sub-contractor for M&E engineering services and building management systems either by the main contractor or project owner of a particular building or construction project. Hence, the Group's business and financial performance is dependent on the performance of the construction sector.

In turn, the performance of the construction sector is dependent on several key factors such as economic growth, government policies on infrastructure and development spending, performance of the property market and cost of building materials as well as labour. Further details on the industry overview and prospects of the construction industry in Malaysia are set out in Section 8.3 of this Abridged Prospectus.

There is no assurance that the construction industry in Malaysia will continue to grow moving forward without any risk of slowdown. Any significant or prolonged downturn in the construction sector may have a material adverse effect on the performance of the Group's engineering business as there may be lesser engineering contracts available to bid for.

##### (ii) Competition risk

The sustainability of the Group's engineering business is dependent on its ability to continuously replenish its order book of engineering projects from time to time.

In turn, this is dependent on the Group's ability to successfully tender for engineering projects from contract awarders by competing against other engineering companies in terms of pricing, timely delivery and performance. Some of these competitors may have strategic advantages in terms of having larger financial resources, more established track record and/or better expertise and technologies.

As set out in Section 6(iii) of this Abridged Prospectus, as at the LPD, the Group's order book of engineering projects has a balance unrealised contract value of approximately RM81.50 million. All of these projects are expected to be completed within less than 1 year. In addition, the Group has submitted tenders for engineering projects with a total contract sum of RM75.20 million.

In relation to the above, there is no assurance that the Group will be able to secure all these tenders to replenish its current order book which, if no new contracts are secured, would be depleted within the next 1 year. In this regard, there is no assurance that the Group will be able to consistently succeed in competitive bidding for engineering projects moving forward, or that the Group will not suffer substantial erosion in profit margin in order to maintain competitive pricing for its bids.

#### **7.1.2 Risks relating to the Group's Solar Energy Business**

**(i) No prior experience in the Solar Energy Business and dependency on key personnel**

The Group is principally involved in the M&E engineering segment. While the Group has existing experience and resources in the engineering line, the Group does not have any prior experience specifically in the solar energy segment. In particular, the specific technical expertise, operational processes and marketing strategies that may be required for the success of the Solar Energy Business may be unique and distinct from the Group's existing M&E business.

To this end, the Group is reliant on the key personnel for the Solar Energy Business, namely Mr. Chew Keng Yaw who shall spearhead Sinaran PPA's day-to-day operations as well as sales and marketing. Mr. Chew Keng Yaw has 25 years of working experience, including 2 years in the solar energy and renewable energy industries.

There is no assurance that Mr. Chew Keng Yaw will continue to remain employed with the Group for the long term. In the event that the Group is unable to retain his continued employment, the Group will have to incur time and cost to search and hire a new manager with relevant experience in the solar energy industry to spearhead the Solar Energy Business. In the meantime, the growth of the Solar Energy Business may be stalled and the progress of existing solar leasing projects may be negatively affected without an experienced project manager at the helm.

**(ii) Sinaran PPA may not be able to secure all the solar leasing contracts that it procures**

As set out in Section 5.2 of this Abridged Prospectus, Sinaran PPA has only secured 2 solar leasing contracts as at the LPD, with another 17 solar leasing contracts still in the midst of being procured.

There is no assurance that Sinaran PPA would be able to secure all 17 of those solar leasing contracts. If Sinaran PPA fails to secure a substantial amount of these solar leasing contracts or encounters difficulty in securing other solar leasing contracts moving forward, the expected profits to be derived from the Solar Energy Business may be lower than expected. To this end, the Group may expect a longer payback period on the start-up costs to be incurred for the Solar Energy Business (further details of which are set out in Section 6(ii) of this Abridged Prospectus).

**(iii) The success of the solar leasing activities to be undertaken by the Group is dependent on the consistent generation of solar energy**

The Group intends to venture into the Solar Energy Business via Sinaran PPA. As set out in Section 5.2 of this Abridged Prospectus, Sinaran PPA plans to embark on the Solar Energy Business by focusing primarily on solar leasing activities.

Under such solar leasing activities, Sinaran PPA shall first conduct a site visit to determine the feasibility of solar energy generation from the site. If feasible, Sinaran PPA shall proceed to design, procure and install a solar PV facility on the site. Thereafter, the solar energy generated from the solar PV facility will be leased to the site owner at a tariff rate to be specified in a power purchase agreement to be entered into between Sinaran PPA and the site owner.

In view of the above, the revenue to be generated by Sinaran PPA from the solar PV facility is dependent on the generation of solar energy for the site owner all year round.

Although the feasibility of solar energy generation on the site will be determined and confirmed upfront prior to the signing of the power purchase agreement, there is no assurance that the solar PV facility will be able to generate the anticipated level of solar energy in a consistent manner.

To this end, the generation of solar energy is subject to various unpredictable factors which may be beyond the Group's control such as adverse weather conditions. For example, prolonged cloudy or rainy days may lead to fewer hours of sunlight being received. In turn, this may lead to lower generation of solar energy thus translating into lower revenue to the Group.

**(iv) Financing risks**

As set out in Section 6 of this Abridged Prospectus, the Group's funding requirement for the Solar Energy Business is estimated to be RM48.00 million, premised on the 2 solar leasing contracts secured and the 17 solar leasing contracts currently in the midst of being procured as at the LPD, as set out in Section 5.2 of this Abridged Prospectus. Such funding requirement is expected to be funded via proceeds to be raised from the Rights Issue with Warrants, internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken by the Group (if required).

In the event that the Group is successful in securing all 17 of the said solar leasing contracts, the Group may not be able to raise the necessary funding required to undertake all of these contracts.

If the proceeds to be raised from the Rights Issue with Warrants are not enough to meet the Group's funding requirement for the Solar Energy Business (e.g. due to suboptimal subscription rate for the Rights Issue with Warrants), the Group may have to seek for alternative sources of funds.



The Rights Issue with Warrants is also exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events), which is beyond the control of the Group and the Principal Adviser, prior to the completion of the Rights Issue with Warrants.

Furthermore, if the Group obtains borrowings, the Group will be subject to periodical repayment and interest commitments. In this regard, the Group may be exposed to fluctuations in interest rates. In addition, there is no assurance that the borrowings will be available in amounts or on terms acceptable to the Group.

If the Group embarks on further fund raising exercises, there is no assurance that the Group will be able to raise the requisite funds in a timely manner as this would be dependent on the prevailing market conditions at the relevant time.

If the Group is unable to identify other sources of funds, the Group's plans to venture into the Solar Energy Business may be delayed or may only be implemented partially, thus resulting in suboptimal efficiency due to lack of scale. In turn, this may translate into lower return on investment or longer payback period.

**(v) Regulatory risk**

The Group's Solar Energy Business will be subject to various laws, regulations and policies set by the relevant government authorities relating to renewable energy.

In addition, while the Malaysian Government has set supportive policies for renewable energy and green technology (e.g. investment tax allowance and income tax exemption) to encourage their adoption, such policies may be modified or withdrawn in the future.

In the event of any adverse changes in the various laws, regulations and policies which the Group's Solar Energy Business would be subject to, the Solar Energy Business may be adversely affected. For example, any new restrictions or tightening of regulations for the installation of new solar PV facilities may affect the Group's Solar Energy Business in terms of higher regulatory compliance cost and/or slower business growth.

As set out in Section 5.2 of this Abridged Prospectus, as at the LPD, Sinaran PPA is still in the midst of setting up its full operations and has not submitted the applications to relevant authorities (i.e. Sustainable Energy Development Authority Malaysia and Energy Commission Malaysia).

In the event that Sinaran PPA encounters a prolonged delay in obtaining the necessary approvals for the Solar Energy Business, the Group's venture into the Solar Energy Business will be delayed accordingly. In turn, this may affect the Group's ability to retain existing secured contracts or secure new solar leasing contracts moving forward.

## 7.2 Risks relating to the Rights Issue with Warrants

### (i) Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of the Group and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants.

If you have acquired the Provisional Allotments via the open market, you may not be able to recover your investment cost in the event the Rights Issue with Warrants is terminated or delayed.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants.

In the event the Rights Shares and Warrants B have been allotted to the successful Entitled Shareholders and/or their transferee(s) and/or their renouncee(s), if applicable and:-

- (i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Rights Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Rights Issue is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders may only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either:-
  - (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or
  - (b) a solvency statement from the directors.

There can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

### (ii) Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which the Company operates in.

In view of the above, there can be no assurance that the Rights Shares (together with any new Shares issued pursuant to the exercise of the Warrants B) will trade at or above the TEAP disclosed in Section 2.2 of this Abridged Prospectus after completion of the Rights Issue with Warrants.

The Warrants B are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the Warrants B will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants B will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants B will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants B.

**(iii) Potential dilution of existing Shareholders' shareholding**

Those Entitled Shareholders who do not subscribe for their entitlement of Rights Shares with Warrants B under the Rights Issue with Warrants will experience dilution in their existing shareholding in the Company as a result of the issuance of the Rights Shares arising from the subscription by other Entitled Shareholders and/or their transferees and/or their renounees. In addition, the issuance of new Shares arising from the exercise of the Warrants B in the future will lead to further such dilution.

Consequently, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that the Company may declare, make or pay after completion of the Rights Issue with Warrants will correspondingly be diluted.

**(iv) Forward-looking statements and other information**

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All statements, other than statements of historical data, included in this Abridged Prospectus, including without limitation, those regarding the financial position, risk factors, prospects and future plans of the Group are forward-looking statements.

Such forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and/or other advisers in relation to the Rights Issue with Warrants that the plans and objectives of the Group will be achieved.

## 8. INDUSTRY OVERVIEW AND PROSPECTS

### 8.1 Malaysian economy

The Malaysian economy registered a positive growth of 5.0% in the first quarter of 2022 (fourth quarter of (“Q4”) 2021: 3.6%). This was mainly supported by improving domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the job market, with the unemployment rate declining further to 4.1% (Q4 2021: 4.3%), as well as continued policy support. Strong external demand amid the continued upcycle in global technology provided further lift to growth. On the supply side, services and manufacturing sectors continued to drive economic growth, expanding by 6.5% and 6.6% respectively. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 3.9% (Q4 2021: 4.6%).

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2022, Bank Negara Malaysia, 13 May 2022)

The Malaysian economy experienced the full adverse impact of the COVID-19 pandemic in 2020, with real GDP contracting by 5.6%. However, signs of recovery emerged in late 2020, followed by a significant increase in GDP growth of 16.1% in the second quarter of 2021 compared to a plunge of 17.2% in the corresponding quarter last year. The growth was attributed to the low base effect, recovery in external demand and the gradual reopening of economic sectors amid various MCOs to contain the viral infections. The implementation of eight stimulus and assistance packages totalling RM530 billion since 2020 and 2021 Budget measures to mitigate the impact on households and businesses also contributed to the growth. The growth momentum is expected to continue in the second half of the year with the implementation of the National Recovery Programme (NRP), an exit strategy from the health and economic crisis. The NRP entails opening up the economy in stages in line with the progress made in managing the pandemic. The acceleration of the National COVID-19 Immunisation Programme, an integral component of the NRP, is expected to enable the economy to fully open in the fourth quarter. With the favourable outlook for the fourth quarter, the economy is expected to grow between 3% – 4% in 2021.

The growth trajectory for 2022 is based on further expansion in global and domestic economic activities, fuelled by broader vaccine coverage and a further improvement in goods trade amid a slower recovery in services trade. The domestic demand recovery is projected to continue in 2022, anchored by private consumption, following the gradual improvement in labour market conditions amid a relaxation of containment measures, improved consumer sentiments and spending from the vaccine rollout as well as targeted policy support for vulnerable households. Rapid progress in the vaccination programme is also expected to release pent-up demand, particularly for domestic travel and leisure, further supporting the recovery. Stronger external demand, especially for E&E products and major commodities, is expected to support the surge in exports, thus helping to maintain a surplus in the current account of the balance of payments (BOP).

Almost all economic sectors are projected to expand on the supply side, led by the services and manufacturing sectors, accounting for more than 80% of the economy. However, the mining sector is forecast to decline partly due to scheduled maintenance works. The normalisation of economic activities underpinned by mass vaccination is anticipated to boost wholesale and retail trade subsector and domestic tourism-related activities. The projected higher volume of manufactured products is also in line with the expected rising demand from export- and domestic-oriented industries. Positive consumer and business sentiments and expected improvement in earnings will support the recovery in the labour market, albeit at a more modest level than the pre-pandemic period.

The continuation of various initiatives to stabilise the labour market and high vaccination rates are expected to provide some relief for employers in retaining their workers. Thus, the nation's GDP is forecast to expand in the range of 5.5% – 6.5% in 2022.

(Source: Economic Outlook 2022, Ministry of Finance Malaysia, 29 October 2021)

## 8.2 Solar PV industry in Malaysia

### 8.2.1 Renewable energy programmes

In the Eight Malaysia Plan (2001-2005), the Government of Malaysia (“**Government**”) announced renewable energy as the fifth fuel in the new Five Fuel Strategy in Malaysia’s energy supply mix, with an aim to guide the country’s national mix towards five fuels, namely oil, gas, coal, hydropower and renewable energy.

Further, the Government enforced the Renewable Energy Act 2011 (Act 725) and Sustainable Energy Development Authority (“**SEDA**”) Act 2011 (Act 726) in December 2011 to enhance the renewable energy supply and development in Malaysia.

As Malaysia targets to generate 31% and 40% of its electricity from renewable energy by 2025 and 2035 respectively, the Government has over the years launched several initiatives to encourage investment in solar power generation, beginning with the establishment and implementation of the Feed-in-Tariff (“**FiT**”) mechanism. The Government introduced the Net Energy Metering (“**NEM**”) programme in 2016 to continue to encourage the use of solar power for electricity generation.

The Government also introduced Large Scale Solar (“**LSS**”) in 2016, a competitive bidding programme with the aim to drive down the cost of energy through the development of large scale solar PV plants. Since the introduction of LSS, approximately 2,326.82 megawatts (MW) have been awarded up to 2021.

In 2017, the Government launched New Enhanced Dispatch Arrangement (“**NEDA**”) a programme which allows power generators such as co-generators and renewable energy generators/producers without power purchase agreements and/or service level agreements to operate and sell energy to the Single Buyer.



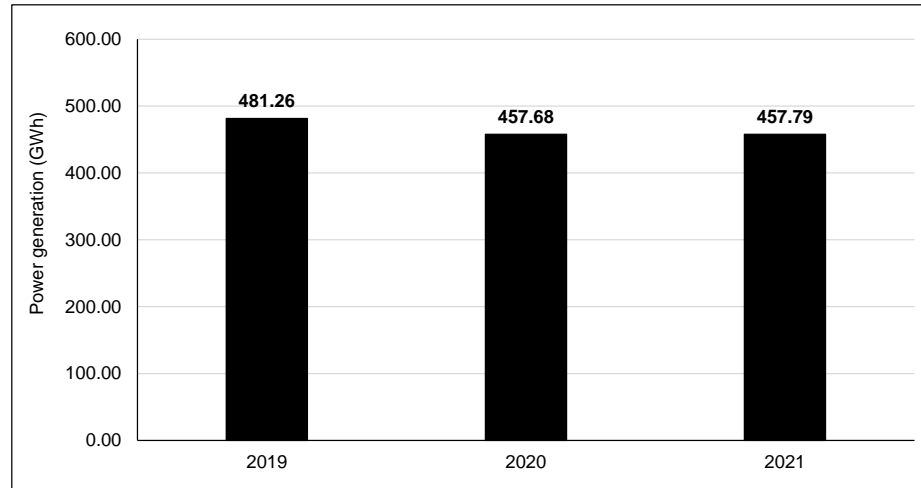
Sources: SEDA, SMITH ZANDER

### 8.2.2 Solar PV system

The computation of the industry size in this section takes into consideration the power generation of solar PV installations in Malaysia that has commenced operation.

From 2019 to 2021, the power generation of solar PV installations under the FiT mechanism in Malaysia decreased from 481.26 gigawatt-hour (“GWh”) to 457.79 GWh at a Compound Annual Growth Rate (“CAGR”) of -2.47%.

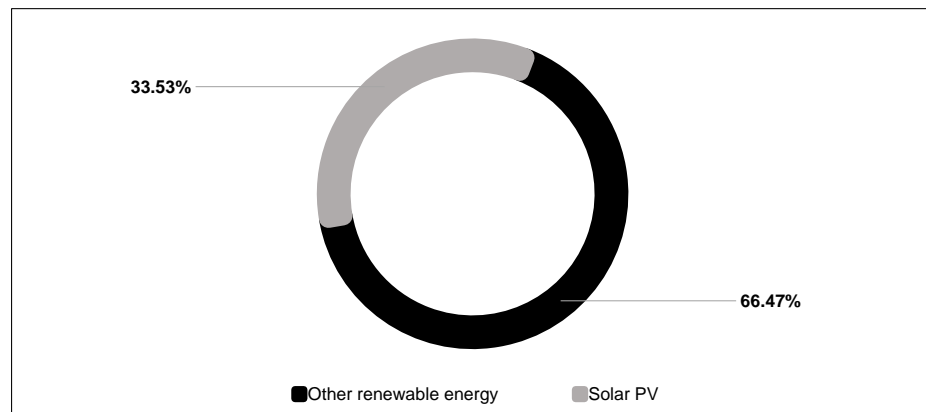
#### Power generation of solar PV in Malaysia (FiT mechanism), 2019-2021



Sources: SEDA, SMITH ZANDER analysis

In 2021, the share of power generated by solar PV under the FiT mechanism in Malaysia was 33.53% while the remaining 66.47% of power was generated by other renewable energy.

#### Share of power generated by solar PV in Malaysia (FiT mechanism), 2021



**Note:-**

- Other renewable energy comprises biogas, biomass, and small hydropower.

Sources: SEDA, SMITH ZANDER analysis

The Government introduced other renewable energy programmes such as NEM and LSS programmes in 2016 and NEDA in 2017. Since then, quotas for solar PV have been granted under the new programmes instead of the FIT mechanism. However, the power generated by solar PV under the NEM, LSS and NEDA programmes in 2021 is not publicly available.

In view of the outbreak of the coronavirus disease (“COVID-19”) pandemic since early 2020, the Government has imposed various degrees of movement restrictions (i.e. Movement Control Order (“MCO”), conditional MCO, recovery MCO and enhanced MCO) since 18 March 2020 to curb the spread of the virus, depending on the severity of the COVID-19 infections in the respective states, federal territories and areas.

Since the imposition of the first MCO in March 2020, businesses in the renewable energy industry, including the solar PV industry, particularly in relation to construction activities of renewable energy power plants, have faced disruptions to operations due to, amongst others, mandatory temporary closure of operations, limitations on working capacity at power plant construction sites, and/or temporary closure of construction sites in the event of COVID-19 case detections.

Further, these businesses also faced disruptions in the receipt of raw materials and subcontracted services due to global supply chain disruptions as a result of lockdowns and/or other precautionary measures in place in other countries.

Following the resurgence of COVID-19 cases in the first half of 2021, the Government had implemented a four-phase recovery plan, known as the National Recovery Plan (NRP), which is a re-imposition of nationwide lockdown beginning 1 June 2021. This has further affected the progress of renewable energy power plant projects, including solar PV projects due to temporary suspensions or delays in the progress of on-going projects as well as delays in the commencement of planned renewable energy projects.

Nevertheless, in October 2021, the Government had announced easing of COVID-19 movement and business operation restrictions which allowed economic activities to resume. With the resumption of on-going solar PV projects, completion and commencement of planned solar PV projects, the power generated by solar PV under the FIT mechanism in 2021 is expected to remain around the same level as 2020 as the new allocations of quota for solar PV installed capacities have been granted under other programmes such as NEM and LSS programmes since 2016, and NEDA since 2017. Due to limited publicly available information on the installed capacities and power generated by solar PV under the NEM, LSS and NEDA programmes, the forecast power generated under these programmes cannot be estimated.

### **8.2.3 Key market driver**

Moving forward, the solar PV industry in Malaysia will be driven by the following key market drivers:

#### **(i) Recovery and future growth in the economy drive demand for electricity**

Electricity is an integral infrastructural element for economic growth and a main input for commercial and production activities. Electricity underpins a wide range of products and services that improve the quality of life, increases productivity and promotes entrepreneurial activity. Thus, electricity consumption is positively and highly correlated with per capita GDP. Further economic development in a nation leads to higher electricity consumption per capita.

Malaysia's per capita electricity consumption increased from 4,662 kilowatt-hour ("kWh") to 4,871 kWh as a result of population growth, progressive urbanisation and globalisation trends over the period of 2016 to 2019. However, in view of the slowdown of activities in the commercial sector due to the impact of the COVID-19 pandemic, SMITH ZANDER estimates that Malaysia's per capita electricity consumption to have declined to 4,632 kWh in 2020, which is in line with Malaysia's economic contraction in 2020 as witnessed by the declines in GDP and GDP per capita at 5.65% and 5.82% respectively.

In the fourth quarter of 2021, the Malaysian economy expanded by 3.60% which lead to the GDP growth of 3.10% for 2021 as a whole. The economic recovery in the fourth quarter of 2021 was driven by the easing of nationwide business operation restrictions and movement restrictions due to the COVID-19 pandemic. With that, SMITH ZANDER estimates Malaysia's per capita electricity consumption to have improved by 1.23% to 4,689 kWh in 2021.

Additionally, in the longer term, continuing economic development in Malaysia is expected to lead to higher electricity consumption given that electricity plays a key role in powering commercial and production activities for economic development. This will in turn drive the demand for electricity in Malaysia including electricity generated from solar PV plants, thereby supporting the growth of the solar PV industry in Malaysia.

**(ii) Government-driven initiatives to promote renewable energy, including solar PV**

Economic growth shares a strong correlation with the consumption of utilities such as electricity. As a country develops, the pace of development and its growth trajectory determine the pattern with which demand for electricity changes. Economic and infrastructural development increases demand for electricity as it is required to power new residential and commercial property developments, industrial activities, as well as public amenities such as street lighting and public transportation networks.

Malaysia is blessed renewable energy resources such as solar, biogas, biomass and small hydropower resulting from its strategic geographical location and natural landscape. These renewable energy sources can be leveraged to enhance sustainability of energy supply.

Over the years, the Government has launched several initiatives to encourage investments in solar power generation, such as FiT mechanism, NEM programme, LSS programme and NEDA. The growth in solar PV installations is largely driven by attractive rates and guaranteed captive demand for generated electricity by the national grid over a period of 10 years to 21 years depending on the terms of the programme. This arrangement provides a secure revenue stream for solar PV power producers, encourages development of solar PV technologies and increases the attractiveness of solar PV ventures.

Additionally, under Budget 2020, the Government has extended the Investment Tax Allowance and Income Tax Exemption, for the purchase of green technology assets and on the use of green technology services and system including solar PV, respectively. The Income Tax Exemption extension also applies for companies involved in solar leasing activity.



The scope on the purchase of qualifying green technology assets and on the use of green technology services are expanded to include Rainwater Harvesting System (RHS) projects in Budget 2022. The incentives under this initiative include:-

- (a) Green Investment Tax Allowance (GITA) of 100% of qualifying capital expenditure incurred on a green technology energy project for three years. The allowance can be offset against 70% of statutory income in the year of assessment; and
- (b) Green Income Tax Exemption (GITE) of 70% of statutory income derived from qualifying green services for three years, and 70% of statutory income derived from solar leasing activities for up to 10 years.

Further, in Budget 2021, the Government has launched Green Technology Financing Scheme 3.0 (GTFS 3.0), a financing scheme valued at RM2.00 billion which is open for application until 31 December 2022 to Malaysian companies involved in projects that contribute towards Malaysia's sustainable development agenda.

The Government's efforts to promote renewable energy including solar power aim at ensuring energy security for the country as Malaysia strives to achieve the status of high-income economy. This will lead to a lower dependency on fossil fuels while increasing the nation's power generation capacity. This move towards ensuring that Malaysia's energy future is green, sustainable and diverse will bode well for the solar PV industry in Malaysia.

**(iii) Technology advancement in E&E products, digitalisation and e-commerce activities continue to drive demand for electricity**

E&E products have a varied and wide application in consumer, commercial and industrial environments. In the recent decade alone, E&E products have evolved in terms of technology and functionality, and are key components in consumer retail, medical, manufacturing, and telecommunications industries. For example, technological advancement has given rise to smart E&E products which are incorporated with Internet of Things (IoT) technology that allows these smart E&E products to be operated remotely. Product innovation and replacement, technology migration and low cost of product ownership of existing E&E products in the market shall lead to greater adoption and penetration of E&E products, where electricity supply will be key in ensuring the operability of these devices and/or machinery, which subsequently, may drive the demand for solar power.

As the nation embark into Industry 4.0, digital transformations are taking place in many industries to leverage on technology and machines to enhance workplace productivity by centralising, automating and improving business and production processes. Further, COVID-19 pandemic has accelerated the digital transformation in many businesses, forcing businesses to digitalise their operations to enable employees to work remotely and carry out their tasks online, and/or venture into e-commerce to capture the shift in consumer shopping preference due to the movement restrictions imposed. Electricity is critical to support these activities in ensuring all the devices, machinery and equipment required to facilitate digitalisation and e-commerce activities can operate smoothly. Hence, as the demand for electricity increase, the demand for solar power is also expected to increase in tandem.

(Source: IMR Report prepared by SMITH ZANDER)

### 8.3 Construction industry in Malaysia

The Group is principally involved in the engineering business, mainly in relation to the provision of building automation services specialising in the field of intelligent building management system and integrated security management system, e-project management of M&E services as well as supply of engineering systems and equipment.

For the above, the Group is usually appointed as a sub-contractor for M&E engineering services and building management systems either by the main contractor or project owner of a particular building or construction project. Hence, the prospects of the Group is dependent on the prospects of the construction sector in Malaysia as set out below.

The construction sector contracted at a smaller pace of 6.2% (4Q 2021: -12.2%). Progress in new and existing commercial and industrial projects continued to support activity in the non-residential subsector. Meanwhile, the implementation of small-scale projects under the Budget 2022 sustained growth in special trade activities. Growth in the civil engineering and residential subsectors improved but remained subdued.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2022, Bank Negara Malaysia, 13 May 2022)

The construction sector registered a strong growth of 8.3% in the first half of 2021, supported by an improvement in specialised construction activities, non-residential buildings and residential buildings subsectors. The better performance was also attributed to the low base effect following a significant drop in construction works during the corresponding period last year. However, the civil engineering subsector contracted due to the temporary suspension of infrastructure projects following stringent COVID-19 virus containment measures. In contrast, the sector is forecast to decline by 8.4% in the second half of the year, weighed down by civil engineering, non-residential buildings and residential building subsectors, despite the resumption of construction activities. Nevertheless, the decline is being cushioned by a rebound in the specialised construction activities subsector. Overall, the sector is expected to record a marginal contraction of 0.8% during the year compared to a double-digit decline in 2020.

The construction sector is projected to turn around by 11.5% in 2022 on account of better performance in all its subsectors. The civil engineering subsector is anticipated to regain its positive growth, following the continuation and acceleration of major infrastructure projects, such as Light Rail Transit Line 3 (LRT3), Mass Rail Transit Line 3 (MRT3), Johor-Singapore Rapid Transit System (RTS) as well as the Pan Borneo highways in Sabah and Sarawak. Utility projects, including Baleh Hydroelectric, Sarawak Water Supply Grid Programme and Large-Scale Solar 3 plant, are also projected to spur growth. Similarly, the residential buildings subsector is expected to expand further in line with the Government's measures to address the shortage of affordable houses. The measures, among others, are the continuation of the Rent-to-Own scheme and full stamp duty exemptions for first-time home buyers as well as Rumah Mesra Rakyat and People's Housing programmes. In addition, the non-residential buildings subsector is anticipated to improve, backed by ongoing commercial projects, namely Kwasa Damansara, Tun Razak Exchange and KLIA Aeropolis.

(Source: Economic Outlook 2022, Ministry of Finance Malaysia, 29 October 2021)

#### 8.4 Prospects and future plans of the Group

During the past few years, the Group had undertaken various steps to improve its financial condition. Some of the steps undertaken by the Group include the following:-

- (i) On 6 August 2019, Metronic Engineering Sdn Bhd (“**MESB**”), a wholly-owned subsidiary of the Company, had entered into a joint venture agreement (“**JV Agreement**”) with Zhuhai Singyes New Materials Technology Co. Ltd. (“**Singyes**”) for the development of smart city solutions which will enable commercial building managers, local transportation authorities and local tourism boards to implement smart city solutions such as smart bus stop and waiting area, smart tourism booth as well as smart shelter in Malaysia and abroad.

These smart solutions are equipped with, amongst others, solar power system, mobile phone charging station, 4G / 5G and WiFi connectivity, as well as facial recognition surveillance camera and security alarm system.

The JV Agreement represents part of the Group’s initiative to seek out for value accretive investments while leveraging on its existing engineering capabilities. In this regard, the Group has identified smart solutions as a new area that the Company could potentially branch out into.

The growth in adoption of smart solutions moving forward is expected to be driven by increased usage of internet and various initiatives by the government to support the adoption of smart solutions including smart city initiatives. It is also the intention of the Group in the future to extend its smart city solutions to cover other regions worldwide such as Europe, the United States, Middle East and South East Asia. Hence, the JV Agreement is expected to provide an additional source of income and contribute positively to the future earnings of the Company.

As at the LPD, MESB and Singyes are in the midst of developing the prototype for the smart city model. In view of the global travel restriction imposed by governments worldwide, both parties have agreed to extend the JV Agreement until 31 August 2022 and may be expected to extend the JV Agreement further until the end of 2022. Subject to the loosening of global travel restrictions, both MESB and Singyes expect to complete work on the prototype by end of 2022.

- (ii) On 1 October 2020, Metronic Smart Tech Sdn Bhd (“**MSTSB**”), a wholly-owned subsidiary of the Company, had entered into a joint venture agreement with JF Strategic Management Pte Ltd (“**JFSM**”) to undertake the design, research, development and production of an automated storage and retrieval system based on technologies of Industry 4.0 to be used for smart factories within the estate of Jurong Town Corporate. This is in line with the Group’s intention to expand its business into the provision of smart solutions services.

On 9 December 2020, a new 80% subsidiary of Metronic, Metronic JF System Pte Ltd, had been incorporated in Singapore for the joint venture. This joint venture is expected to provide an additional source of income and contribute positively to the future earnings of the Company.

In mid-December 2020, MSTSB and JFTM have commenced work on this project and are currently in the midst of preparing proposals to be marketed to manufacturing companies operating in Singapore and expect to approach their first potential customers by the 3<sup>rd</sup> quarter of 2022. As at the LPD, no cost has been incurred for the project as MSTSB was not able to travel to Singapore to conduct the preliminary site visit due to the closure of international borders. Due to the uncertainty brought about by the COVID-19 pandemic, the Group is unable to determine the expected investment to be made at this juncture.

The Group may only be able to determine the expected investment amount once MSTSB and JFTM approaches their first potential customers by the 3<sup>rd</sup> quarter of 2022 to obtain customer feedback and reception to their proposals.

- (iii) On 2 February 2021, Metronic Medicare Sdn Bhd (“**MMSB**”), a wholly-owned subsidiary of the Company, entered into a joint research and development agreement with Joysbio (Tianjin) Biotechnology Co. Ltd (“**Joysbio**”) to undertake a research program for SARS-CoV-2 Neutralizing Antibody Test Kits (“**Test Kits**”). The Test Kits are expected to be able to analyse a patient’s level of immunity against future COVID-19 infections post-vaccination, and are anticipated to be more efficient than traditional test kits which are currently available in the market.

On 9 February 2021, the Company announced that a periodical test report from Joysbio for the Test Kit showed an accuracy of 100%, pursuant to which, a final test on the Test Kit will be undertaken in a lab in Italy. In view of the global travel restriction imposed by governments worldwide, both parties are in the midst of extending the joint research and development agreement and the final test is expected to be carried out by the first quarter of 2023.

On 23 February 2021, the Company announced that MMSB had been awarded Letters of Intent from MTPS Innotech Company Limited (“**MTPS**”) (a company incorporated in Thailand principally involved in trading of medical devices and distribution of medical glove) and Genesprint Limited (“**Genesprint**”) (a company incorporated in Hong Kong principally involved in genetic test analysis and trading of medical products) for the proposed purchase of the Test Kits, valued at USD210.0 million and USD140.0 million respectively.

On 18 May 2021, Genesprint executed a sale and purchase agreement for the supply of 20 million units of COVID-19 immune system test kit to Genesprint for a contract sum of USD140.0 million.

On 20 May 2021, MTPS executed a sale and purchase agreement for the supply of 30 million units of COVID-19 immune system test kit to MTPS for a contract sum of USD210.0 million.

On 28 April 2022, the Company had obtained Good Distribution Practice For Medical Device (GDPMD) certification from the Medical Device Authority (MDA) - Registered Certification Body for medical devices. As at the LPD, the Company is in the midst of registering the product with the MDA based on the periodical test report as mentioned above and is expected to successfully register the product by the 3<sup>rd</sup> quarter of 2022. Thereafter, the Company shall proceed with the sales and marketing of the test kits to their potential distributors.

- (iv) On 26 April 2021, the Company entered into the HOA with S Tin for the acquisition of 70% of the issued and paid-up share capital of S Tin.

S Tin is principally involved in construction, electrical and mechanical engineering and plumbing works.

The total purchase consideration for the acquisition shall be determined at a later stage. As at the LPD, the Company is in the midst of conducting the necessary due diligence on S Tin before entering into a definitive agreement for the acquisition. Currently, the HOA is valid until July 2023. The prolonged period undertaken in respect of the potential acquisition of S Tin is mainly due to the lengthy negotiations between the relevant parties on the purchase consideration and other salient terms of the acquisition, taking into consideration the business prospects of S Tin moving forward. The Company shall make the necessary announcements as and when there is an update to the status of the HOA.

The Group intends to utilise part of the proceeds from the Private Placement 2021 – 30% (II) to fund the abovementioned acquisition.

- (v) The Group had undertaken the following equity fund-raising exercises in the past 5 years:-

**(a) Private Placement 2021 – 30% (II)**

On 30 September 2021, the Company completed a private placement exercise which involved the issuance of 500,428,000 new Shares (representing 30% of the then existing total number of issued Shares before the private placement) and raised a total of RM22.71 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 30 September 2021	Proposed utilisation RM'000	Actual utilisation as at LPD RM'000	Balance unutilised RM'000
(i) Acquisitions and/or investments in suitable and/or complementary businesses and/or assets	Within 24 months	21,789	-	<sup>(1)</sup> 21,789
(ii) Expenses in relation to the private placement	Immediate	920	855	65
<b>Total</b>		<b>22,709</b>	<b>855</b>	<b>21,854</b>

Note:-

- (1) The Group intends to utilise part of the proceeds from the Private Placement 2021 – 30% (II) to fund the acquisition of 70% of the issued and paid-up share capital of S Tin pursuant to the HOA entered into between the Company and S Tin on 26 April 2021.

S Tin is principally involved in construction, electrical and mechanical engineering and plumbing works.

The total purchase consideration for the acquisition shall be determined at a later stage. As at the LPD, the Company in the midst of conducting the necessary due diligence on S Tin before entering into a definitive agreement for the acquisition. The definitive agreement is expected to be entered into upon satisfactory completion of the due diligence by the 4<sup>th</sup> quarter of 2022. To accommodate this, the stipulated timeframe for parties to enter into the definitive agreement in the HOA has been mutually extended to 8 July 2023. The Company shall make the necessary announcements as and when there is an update to the status of the HOA.

The balance proceeds, if any, shall be utilised for any future acquisitions and/or investments in suitable and/or complementary businesses and/or assets. As at the LPD, the Group has not identified any other suitable targets for acquisition and/or investment.

**(b) Private Placement 2021 – 30% (I)**

On 12 March 2021, the Company completed a private placement exercise which involved the issuance of 373,737,000 new Shares (representing 30% of the then existing total number of issued Shares before the private placement) and raised a total of RM29.04 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 12 March 2021	Proposed utilisation RM'000	Actual utilisation as at LPD RM'000	Balance unutilised RM'000
(i) Funding for existing and future engineering projects	Within 24 months	27,752	<sup>(1)</sup> 27,752	-
(iii) Expenses in relation to the private placement	Immediate	1,285	1,285	-
<b>Total</b>		<b>29,037</b>	<b>29,037</b>	<b>-</b>

Note:-

(1) The proceeds have been utilised to fund the following engineering projects:-

- (i) subcontractor works for the installation, testing and commissioning of ELV and BMS system for PNB 118 Tower in Kuala Lumpur;
- (ii) subcontractor works for the installation, testing and commissioning of ELV and BMS system for MRT 2 in Kuala Lumpur; and
- (iii) subcontractor works for the installation, testing and commissioning of ELV and BMS system for KL Metropolis in Kuala Lumpur.

**(c) Private placement – 10% in 2019**

On 15 October 2019, the Company completed a private placement exercise which involved the issuance of 113,250,000 new Shares (representing 10% of the then existing total number of issued Shares before the private placement) and raised a total of RM5.11 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 15 October 2019	Proposed utilisation RM'000	Actual utilisation as at LPD RM'000	Balance unutilised RM'000
(i) Development of smart city solutions in Malaysia	Within 36 months	4,948	<sup>(1)</sup> 3,232	<sup>(2)</sup> 1,716
(ii) Expenses in relation to the private placement	Immediate	160	160	-
<b>Total</b>		<b>5,108</b>	<b>3,392</b>	<b>1,716</b>

Notes:-

- (1) The proceeds have been utilised for consultation fees in designing and building the prototype for the smart city solutions project. As at the LPD, the Company is in the research and development ("R&D") stage for the set up of a data center, which includes a security system (camera, door access, fingerprint and facial recognition), renovation, environment control system and software for the project.
- (2) The balance unutilised proceeds have not been utilised as at the LPD as they are intended to be utilised amongst others, for the purchase of an integrated software system together with its hardware and software systems during the finalisation of the R&D stage for the data center which is expected to be completed by first half of 2023.

**(d) Rights issue with warrants in 2019**

On 23 April 2019, the Company completed a rights issue with warrants exercise which involved the listing and quotation of 641,821,340 Rights Shares and 481,365,866 Warrants and raised a total of RM41.72 million.

Utilisation of proceeds	Intended timeframe for utilisation from 23 April 2019	Proposed utilisation RM'000	Actual utilisation as at LPD RM'000	Balance unutilised RM'000
(i) Funding for Phase 1 of the Kuala Krai Project	Within 24 months	22,400	22,400	-
(ii) Funding for existing and future engineering projects	Within 36 months	18,488	<sup>(1)</sup> 18,488	-
(iii) Expenses in relation to the rights issue	Immediate	830	830	-
<b>Total</b>		<b>41,718</b>	<b>41,718</b>	-

**Note:-**

- (1) The proceeds have been utilised to fund the following engineering projects:-
- (i) supply, delivery, installation, testing of the AV system for Lot 91 Convention Centre Podium, Kuala Lumpur City Centre (KLCC) in Kuala Lumpur;
  - (ii) subcontractor works for the installation, testing and commissioning of ELV system for Lot 91 Convention Centre Podium, Kuala Lumpur City Centre (KLCC) in Kuala Lumpur; and
  - (iii) subcontractor works for the installation of security system for a 30-storey serviced apartment in the Klang Valley.

**(e) Private placement – 10% in 2017**

On 28 April 2017, the Company completed a private placement exercise which involved the issuance of 67,200,000 new Shares (representing 10% of the then existing total number of issued Shares before the private placement) and raised a total of RM4.70 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 28 April 2017	Proposed utilisation RM'000	Actual utilisation as at LPD RM'000	Balance unutilised RM'000
(i) General working capital	Within 36 months	4,544	<sup>(1)</sup> 4,544	-
(iii) Expenses in relation to the private placement	Immediate	160	160	-
<b>Total</b>		<b>4,704</b>	<b>4,704</b>	-

**Note:-**

- (1) The proceeds have been utilised to partially fund the consultation service costs for the upgrade of the Company's software solution intended for internal use and website development costs.

Apart from the above, the Group's engineering segment is currently occupied with various projects. The largest of these projects is the design, supply, installation, testing and commissioning of building management system for underground works for the MRT2 project, which was awarded to the Group in March 2018 for a total contract sum of RM50 million. As at the LPD, about 79% of the Company's work for the MRT2 project has been completed. The Company's work for the MRT2 project is expected to be completed by the second half of 2022.

As at the LPD, the Group's existing order book translates into a balance contract value to be realised of approximately RM81.50 million. The Group is also in the midst of tendering for several other engineering projects, which are collectively worth a total contract sum of approximately RM75.20 million.

Premised on the above as well as the future prospects of the solar energy and construction sectors in Malaysia as set out in Sections 8.2 and 8.3 of this Abridged Prospectus, the Board is optimistic of the future prospects of the Group moving forward.

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## 9. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

### 9.1 Share capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of the Company are as follows:-

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	Share capital RM	No. of Shares	Share capital RM	No. of Shares	Share capital RM
Issued share capital upon completion of the Share Consolidation on 23 May 2022	216,857,919	191,096,502	216,857,919	191,096,502	216,857,919	191,096,502
New Shares to be issued assuming full granting and exercise of the ESOS Options	-	-	-	-	32,528,687	<sup>(1)</sup> 4,228,729
	<b>216,857,919</b>	<b>191,096,502</b>	<b>216,857,919</b>	<b>191,096,502</b>	<b>249,386,606</b>	<b>195,325,231</b>
New Shares to be issued pursuant to the Rights Issue with Warrants	166,666,668	<sup>(2)</sup> 10,000,000	1,301,147,514	<sup>(2)</sup> 78,068,851	1,496,319,636	<sup>(2)</sup> 89,779,178
New Shares to be issued assuming full exercise of the Warrants B	55,555,556	<sup>(3)</sup> 3,333,333	433,715,838	<sup>(3)</sup> 26,022,950	498,773,212	<sup>(3)</sup> 29,926,393
<b>Enlarged issued share capital</b>	<b>439,080,143</b>	<b>204,429,835</b>	<b>1,951,721,271</b>	<b>295,188,303</b>	<b>2,244,479,454</b>	<b>315,030,802</b>

Notes:-

- (1) Assuming all the 32,528,687 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD (after adjusting for the Share Consolidation which was completed on 23 May 2022) are granted and exercised into new Shares at an illustrative exercise price of RM0.13 each (based on 10% discount to the 5-day VWAP of the Shares up to and including the LPD of RM0.1440 (after adjusting for the Share Consolidation which was completed on 23 May 2022) and rounded up to the nearest Sen).
- (2) Based on the issue price of RM0.06 per Rights Share.
- (3) Based on the exercise price of RM0.06 per Warrant B.

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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 the Group since the Group's latest unaudited 9-month FPE 31 March 2022.

The pro forma effects of the Rights Issue with Warrants on the NA and gearing of the Group are as follows:-

### Minimum Scenario

	Unaudited as at 31 March 2022 RM'000	(I) After subsequent events <sup>(1)</sup> RM'000	(II) After (I) and the Rights Issue with Warrants <sup>(2)(3)</sup> RM'000	(III) After (II) and assuming full exercise of the Warrants B <sup>(4)</sup> RM'000
Share capital	191,091	191,097	201,097	204,430
Other reserve	(206)	(206)	(415)	(206)
Revaluation reserve	5,669	5,669	5,669	5,669
Fair value reserve	(249)	(249)	(249)	(249)
Warrants reserve	16,796	16,796	17,006	16,796
Foreign currency translation reserve	(330)	(330)	(330)	(330)
Accumulated losses	(98,478)	(98,478)	(99,228)	(99,228)
<b>Shareholders' equity / NA</b>	<b>114,293</b>	<b>114,299</b>	<b>123,550</b>	<b>126,882</b>
Non-controlling interest	566	566	566	566
<b>Total equity</b>	<b>114,859</b>	<b>114,865</b>	<b>124,116</b>	<b>127,448</b>
No. of Shares in issue ('000)	2,168,523	216,858	383,525	439,081
NA per Share (RM)	0.05	0.53	0.32	0.29
Total borrowings (RM'000)	8,877	8,877	8,877	8,877
Gearing (times)	0.08	0.08	0.07	0.07

#### Notes:-

- (1) After accounting for the following:-
  - (i) conversion of 71,600 Warrants A between 1 April 2022 up to the expiry of the Warrants A on 15 April 2022; and
  - (ii) Share Consolidation which was completed on 23 May 2022.
- (2) Based on the issuance of 166,666,668 Rights Shares at an issue price of RM0.06 each together with 55,555,556 Warrants B.
- (3) After accounting for the creation of warrant reserve based on the issuance of 55,555,556 Warrants B at an allocated fair value of RM0.0038 per Warrant B and estimated expenses incidental to the Corporate Exercises of RM0.75 million.
- (4) Based on an illustrative exercise price of RM0.06 per Warrant B and after accounting for the reversal of warrant reserve.

**Base Case Scenario**

	Unaudited as at 31 March 2022 RM'000	(I) After subsequent events <sup>(1)</sup> RM'000	(II) After (I) and the Rights Issue with Warrants <sup>(2)(3)</sup> RM'000	(III) After (II) and assuming full exercise of the Warrants B <sup>(4)</sup> RM'000
Share capital	191,091	191,097	269,165	295,188
Other reserve	(206)	(206)	(1,842)	(206)
Revaluation reserve	5,669	5,669	5,669	5,669
Fair value reserve	(249)	(249)	(249)	(249)
Warrants reserve	16,796	16,796	18,433	16,796
Foreign currency translation reserve	(330)	(330)	(330)	(330)
Accumulated losses	(98,478)	(98,478)	(99,228)	(99,228)
<b>Shareholders' equity / NA</b>	<b>114,293</b>	<b>114,299</b>	<b>191,618</b>	<b>217,640</b>
Non-controlling interest	566	566	566	566
<b>Total equity</b>	<b>114,859</b>	<b>114,865</b>	<b>192,184</b>	<b>218,206</b>
No. of Shares in issue ('000)	2,168,523	216,858	1,518,006	1,951,722
NA per Share (RM)	0.05	0.53	0.13	0.11
Total borrowings (RM'000)	8,877	8,877	8,877	8,877
Gearing (times)	0.08	0.08	0.04	0.04

**Notes:-**

- (1) After accounting for the following:-
  - (i) conversion of 71,600 Warrants A between 1 April 2022 up to the expiry of the Warrants A on 15 April 2022; and
  - (ii) Share Consolidation which was completed on 23 May 2022.
- (2) Based on the issuance of 1,301,147,514 Rights Shares at an issue price of RM0.06 each together with 433,715,838 Warrants B.
- (3) After accounting for the creation of warrant reserve based on the issuance of 433,715,838 Warrants B at an allocated fair value of RM0.0038 per Warrant B and estimated expenses incidental to the Corporate Exercises of RM0.75 million.
- (4) Based on an illustrative exercise price of RM0.06 per Warrant B and after accounting for the reversal of warrant reserve.

**Maximum Scenario**

	Unaudited as at 31 March 2022 RM'000	(I) After subsequent events <sup>(1)</sup> RM'000	(II) After (I) and assuming full exercise of ESOS Options <sup>(2)</sup> RM'000	(III) After (II) and the Rights Issue with Warrants <sup>(3)(4)</sup> RM'000	(IV) After (III) and assuming full exercise of the Warrants B <sup>(5)</sup> RM'000
Share capital	191,091	191,097	195,745	285,524	315,450
Other reserve	(206)	(206)	(206)	(2,087)	(206)
Revaluation reserve	5,669	5,669	5,669	5,669	5,669
Fair value reserve	(249)	(249)	(249)	(249)	(249)
Warrants reserve	16,796	16,796	16,796	18,679	16,796
Foreign currency translation reserve	(330)	(330)	(330)	(330)	(330)
Accumulated losses	(98,478)	(98,478)	(98,898)	(99,648)	(99,647)
<b>Shareholders' equity / NA</b>	<b>114,293</b>	<b>114,299</b>	<b>118,527</b>	<b>207,558</b>	<b>237,483</b>
Non-controlling interest	566	566	566	566	566
<b>Total equity</b>	<b>114,859</b>	<b>114,865</b>	<b>119,093</b>	<b>208,124</b>	<b>238,049</b>
No. of Shares in issue ('000)	2,168,523	216,858	249,387	1,745,707	2,244,480
NA per Share (RM)	0.05	0.53	0.48	0.12	0.11
Total borrowings (RM'000)	8,877	8,877	8,877	8,877	8,877
Gearing (times)	0.08	0.08	0.07	0.04	0.04

**Notes:-**

- (1) After accounting for the following:-
  - (i) conversion of 71,600 Warrants A between 1 April 2022 up to the expiry of the Warrants A on 15 April 2022; and
  - (ii) Share Consolidation which was completed on 23 May 2022.
- (2) Assuming all the 32,528,687 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD (after adjusting for the Share Consolidation which was completed on 23 May 2022) are granted and exercised into new Shares at an illustrative exercise price of RM0.13 each (based on 10% discount to the 5-day VWAP of the Shares up to and including the LPD of RM0.1440 (after adjusting for the Share Consolidation which was completed on 23 May 2022) and rounded up to the nearest Sen).
- (3) Based on the issuance of 1,496,319,636 Rights Shares at an issue price of RM0.06 each together with 498,773,212 Warrants B.
- (4) After accounting for the creation of warrant reserve based on the issuance of 498,773,212 Warrants B at an allocated fair value of RM0.0038 per Warrant B and estimated expenses incidental to the Corporate Exercises of RM0.75 million.
- (5) Based on an illustrative exercise price of RM0.06 per Warrant B and after accounting for the reversal of warrant reserve.

### 9.3 Substantial Shareholders' shareholdings

The pro forma effects of the Rights Issue with Warrants on the substantial Shareholders' shareholdings in the Company based on the register of substantial Shareholders of the Company as at the LPD are as follows:-

#### Minimum Scenario

Substantial shareholders	As at the LPD (after adjusting for the Share Consolidation)				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Cita Realiti Sdn Bhd	15,034,188	6.93	-	-	15,034,188	3.92	-	-
Dato' Sri Dr. Pang Chow Huat	13,984,365	6.45	<sup>(4)</sup> 997,333	0.46	13,984,365	3.65	<sup>(4)</sup> 997,333	0.26
Sanichi Technology Berhad	12,723,810	5.87	-	-	12,723,810	3.32	-	-
Hoo Wai Keong	100,000	0.05	-	-	83,433,334	21.75	-	-
Dato' Kua Khai Shyuan	33,333	0.02	-	-	83,366,667	21.74	-	-

Substantial shareholders	(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Cita Realiti Sdn Bhd	15,034,188	3.42	-	-
Dato' Sri Dr. Pang Chow Huat	13,984,365	3.18	<sup>(4)</sup> 997,333	0.23
Sanichi Technology Berhad	12,723,810	2.90	-	-
Hoo Wai Keong	111,211,112	25.33	-	-
Dato' Kua Khai Shyuan	111,144,445	25.31	-	-

#### Notes:-

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.
- (2) Based on the enlarged issued share capital of 383,524,587 Shares.
- (3) Based on the enlarged issued share capital of 439,080,143 Shares.
- (4) Deemed interest by virtue of his spouse's shareholdings in the Company.

### Base Case Scenario

Under the Base Case Scenario, the Undertaking Shareholders will not emerge as substantial Shareholders.

Substantial shareholders	As at the LPD (after adjusting for the Share Consolidation)				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Cita Realiti Sdn Bhd	15,034,189	6.93	-	-	90,205,134	5.94	-	-
Dato' Sri Dr. Pang Chow Huat	13,984,366	6.45	(4)997,333	0.46	83,906,196	5.53	(4)997,333	0.07
Sanichi Technology Berhad	12,723,810	5.87	-	-	76,342,860	5.03	-	-

Substantial shareholders	(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Cita Realiti Sdn Bhd	120,273,504	6.16	-	-
Dato' Sri Dr. Pang Chow Huat	111,874,920	5.73	(4)997,333	0.05
Sanichi Technology Berhad	101,790,480	5.22	-	-

Notes:-

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.
- (2) Based on the enlarged issued share capital of 1,518,005,433 Shares.
- (3) Based on the enlarged issued share capital of 1,951,721,271 Shares.
- (4) Deemed interest by virtue of his spouse's shareholdings in the Company.

### Maximum Scenario

Under the Maximum Scenario, the Undertaking Shareholders will not emerge as substantial Shareholders.

Substantial shareholders	As at the LPD (after adjusting for the Share Consolidation)				(I) Assuming full granting and exercise of the ESOS Options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Cita Realiti Sdn Bhd	15,034,189	6.93	-	-	15,034,188	6.03	-	-
Dato' Sri Dr. Pang Chow Huat	13,984,366	6.45	(4)997,333	0.46	13,984,365	5.61	(5)997,333	0.40
Sanichi Technology Berhad	12,723,810	5.87	-	-	12,723,810	5.10	-	-

Substantial shareholders	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Cita Realiti Sdn Bhd	90,205,128	5.17	-	-	120,273,504	5.36	-	-
Dato' Sri Dr. Pang Chow Huat	83,906,190	4.81	(5)997,333	0.06	111,874,920	4.98	(5)997,333	0.04
Sanichi Technology Berhad	76,342,860	4.37	-	-	101,790,480	4.54	-	-

Notes:-

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.
- (2) Based on the enlarged issued share capital of 249,386,606 Shares after assuming all the 32,528,687 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD (after adjusting for the Share Consolidation which was completed on 23 May 2022) are granted and exercised into new Shares.
- (3) Based on the enlarged issued share capital of 1,745,706,242 Shares after the Rights Issue with Warrants.
- (4) Based on the enlarged issued share capital of 2,244,479,454 Shares assuming the full exercise of the Warrants B.

#### 9.4 Losses and LPS

The potential effects of the Rights Issue with Warrants on the future consolidated earnings / losses of the Company will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants as set out in Section 6 of this Abridged Prospectus.

For illustration, the pro forma effects of the Rights Issue with Warrants on the consolidated losses and LPS of the Company are as follows:-

	Audited FYE 31 June 2021	(I) After the Share Consolidation <sup>(1)</sup>			(II) After (I) and the Rights Issue with Warrants		
		Minimum Scenario	Base Case Scenario	Maximum Scenario	Minimum Scenario	Base Case Scenario	Maximum Scenario
LAT attributable to owners of the Company (RM'000)	(20,715)	(20,715)	(20,715)	(20,715)	<sup>(3)</sup> (21,465)	<sup>(3)</sup> (21,465)	<sup>(3)</sup> (21,465)
Weighted average no. of Shares ('000)	2,079,778	207,978	207,978	<sup>(2)</sup> 211,231	374,644	1,509,125	1,707,550
LPS (sen)	(1.00)	(9.96)	(9.96)	(9.81)	(5.73)	(1.42)	(1.26)

	(III) After (II) and assuming full exercise of the Warrants B		
	Minimum Scenario	Base Case Scenario	Maximum Scenario
LAT attributable to owners of the Company (RM'000)	<sup>(3)</sup> (21,465)	<sup>(3)</sup> (21,465)	<sup>(3)</sup> (21,465)
Weighted average no. of Shares ('000)	430,200	1,942,841	2,206,324
LPS (sen)	(4.99)	(1.10)	(0.97)

Notes:-

- (1) After accounting for the consolidation of every 10 Shares into 1 Consolidated Share pursuant to the Share Consolidation which was completed on 23 May 2022.
- (2) After assuming all the 32,528,687 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD (after adjusting for the Share Consolidation which was completed on 23 May 2022) are granted and exercised into new Shares prior to the Entitlement Date.
- (3) After accounting for estimated expenses incidental to the Corporate Exercises of RM0.75 million.



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

### 10.1 Working capital and sources of liquidity

The Group's working capital is funded through the Group's existing cash and bank balances, cash generated from operating activities, credit extended by suppliers, bank borrowings as well as the proceeds from the issuance of equity securities.

As at the LPD, the Group's cash and bank balances stood at RM70.33 million (including fixed deposits pledged as securities of RM6.46 million).

Apart from the sources of liquidity described above, the Group does not have access to other material unused sources of liquidity as at the LPD.

The Board confirmed that, after taking into consideration the Group's existing cash and bank balances, the banking facilities available to the Group, the Group's near term future plans, planned investments and commitments for its existing engineering business as well as its venture into the Solar Energy Business and the proceeds to be raised from the Rights Issue with Warrants, the Group has sufficient working capital for its current level of operations for a period of 12 months from the date of this Abridged Prospectus.

### 10.2 Borrowings

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

<b>Borrowings</b>	<b>Total (RM'000)</b>
<u>Short term borrowings (secured)</u>	
- Bankers' acceptances	1,792
- Bank overdraft	5,165
<b>Total</b>	<b>6,957</b>

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

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### 10.3 Contingent liabilities

As at the LPD, the Board confirmed that, save as disclosed below, there are no other contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group:-

<b>Contingent liabilities</b>	<b>Amount (RM'000)</b>
<u>Secured</u>	
- Performance and financial guarantees issued by licensed banks to third parties for engineering projects secured by MESB, a wholly-owned subsidiary of the Company	8,897
<u>Unsecured</u>	
- Corporate guarantees given to licensed banks for credit facilities granted to MESB, a wholly-owned subsidiary of the Company	39,804
<b>Total</b>	<b>48,701</b>

### 10.4 Material commitments

As at the LPD, the Board confirmed that, save as disclosed below, there are no other material commitments incurred or known to be incurred by the Group:-

<b>Capital commitments</b>	<b>Amount (RM'000)</b>
<u>Approved and contracted for:</u>	
- Establishment of a joint venture company pursuant to a joint venture agreement entered into between the Group and Zhuhai Singyes New Materials Technology Co. Ltd. on 6 August 2019	<sup>(1)</sup> 25,152
<b>Total</b>	<b>25,152</b>

Note:-

- (1) As set out in Section 8.4 of this Abridged Prospectus, this capital commitment is derived based on the expenses to be incurred for development of smart city solutions which include staff costs, prototype expenses, cost to set up a data center and marketing expenses.

The abovementioned material commitments shall be funded via internally generated funds and/or external financing.

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## 11. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants B Applications and the procedures to be followed should you and/or your transferee(s) and/or your renouncee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renouncee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

### 11.1 General

As an Entitled Shareholder, your CDS Account 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 and conditions of the Rights Issue with Warrants. 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 Shares with Warrants B that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants B if you choose to do so.

This Abridged Prospectus and the RSF are also available at the registered office of the Company, the Share Registrar or on Bursa Securities' website (<https://www.bursamalaysia.com>).

### 11.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your transferee(s) and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

### 11.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants B and the Excess Rights Shares with Warrants B Application is **Tuesday, 28 June 2022 at 5.00 p.m.** An announcement shall be made on the subscription rate of the Rights Issue with Warrants after the Closing Date.

### 11.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares with Warrants B, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

## 11.5 Procedures for full acceptance and payment

### 11.5.1 By way of RSF

Acceptance and payment for the Provisional Allotment to you as an Entitled Shareholder and/or your renounees and/or your transferees (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the 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 AND/OR YOUR TRANSFEREES (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN. 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 RENOUNCEES AND/OR YOUR TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.**

If you and/or your renounees and/or transferees (if applicable) wish to accept all or part of your entitlement to the Provisional Allotments, please complete Part I(A) and Part II of the RSF in accordance with the notes and instructions provided therein. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to the Share Registrar at the following address:-

**Aldpro Corporate Services Sdn Bhd**

Level 5, Block B, Dataran PHB  
Saujana Resort, Section U2  
40150 Shah Alam  
Selangor Darul Ehsan  
Tel : +603 – 7890 0638  
Fax : +603 – 7890 1032

so as to arrive not later than **5.00 p.m. on Tuesday, 28 June 2022**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by the Board.

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 Shares with Warrants B subscribed by you and/or your renounees and/or transferees (if applicable) will be credited into the respective CDS Accounts where the Provisional Allotments are standing to the credit.

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

You and/or your renounees and/or your transferees (if applicable) should take note that a trading board lot for the Rights Shares with Warrants B will comprise 100 Rights Shares and 100 Warrants B each respectively. Successful applicants of the Rights Shares will be given free Warrants B on the basis of 1 Warrant B for every 3 Rights Shares successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share. Fractional entitlements arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

If acceptance and payment for the Rights Shares with Warrants B provisionally allotted to you and/or your renounees and/or your transferees (if applicable) is not received by the Share Registrar by **Tuesday, 28 June 2022 at 5.00 p.m.**, being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by the Board at their discretion, you and/or your renounees and/or your transferees (if applicable) will be deemed to have declined the Provisional Allotments made to you and/or your renounees and/or your transferees (if applicable) and it will be cancelled. Such Rights Shares with Warrants B not taken up will be allotted to the applicants applying for Excess Rights Shares with Warrants B.

The Board reserves the right not to accept or to accept in part only any application without providing any reasons. You and/or your renounees and/or your transferees (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, Bursa Securities' website (<https://www.bursamalaysia.com>), the Share Registrar at the address stated above or its website at <https://www.aldpro.com.my> or at the Company's registered office.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT 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 CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "METRONIC RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY THE SHARE REGISTRAR BY TUESDAY, 28 JUNE 2022 AT 5.00 P.M.**

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

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AND/OR YOUR RENOUNNEES AND/OR YOUR TRANSFEREES (IF APPLICABLE) AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN 8 MARKET DAYS FROM THE CLOSING DATE.**

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES LODGED WITH THE SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

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

**ALL RIGHTS SHARES AND WARRANTS B TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES AND WARRANTS B INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES AND/OR THEIR TRANSFEREES (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.**

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

#### **11.5.2 By way of Electronic Application**

The electronic submission of the e-RSF is available to you upon your login to the Share Registrar's Investor Portal at <https://www.aldpro.com.my>. You are advised to read the instructions as well as the terms and conditions of the electronic submission of the e-RSF.

The electronic submission of the e-RSF is available to all Entitled Shareholders.

Entitled Shareholders who wish to subscribe for the Rights Shares with Warrants B and apply for the Excess Rights Shares with Warrants B by way of electronic submission of the e-RSF, shall take note of the following:-

- (a) the electronic submission of the e-RSF will be closed at 5.00 p.m on Tuesday, 28 June 2022. All valid electronic submission of the e-RSF received by the Share Registrar is irrevocable and cannot be subsequently withdrawn;
- (b) the electronic submission of the e-RSF must be made in accordance with the procedures and terms and conditions of the electronic submission of the e-RSF, this Abridged Prospectus and the notes and conditions contained in the RSF. Any incomplete or incorrectly completed e-RSF submitted via the Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of the Board.
- (c) your application for the Rights Shares and Excess Rights Shares with Warrants B must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:-

Name of bank : MALAYAN BANKING BERHAD  
Name of account : METRONIC RIGHTS ISSUE ACCOUNT  
Bank account no. : 5123 6153 2965

You are required to pay an additional fee of RM15.00 being the stamp duty and handling fee for each electronic submission of the e-RSF.

- (d) All Entitled Shareholders who wish to submit by way of electronic submission of the e-RSF are required to follow the procedures and read the terms and conditions as stated below:-

(i) **Procedures**

	<b>Procedures</b>	<b>Action</b>
<b>User registration</b>		
1.	Register as a user with the Investor Portal	<ul style="list-style-type: none"> <li>• Access the website at <a href="https://www.aldpro.com.my">https://www.aldpro.com.my</a>. Click Investor Portal. Refer to the online help tutorial for assistance.</li> <li>• Read and agree to the terms and conditions and confirm the declaration.</li> <li>• Upon submission of your registration, your account will be activated within one working day.</li> <li>• If you have already registered an account with Investor Portal, you are not required to register again.</li> </ul>
<b>Electronic submission of e-RSF</b>		
2.	Sign in to Investor Portal	<ul style="list-style-type: none"> <li>• Login with your user ID and password for electronic submission of the e-RSF before the Closing Date.</li> </ul>
3.	Complete the submission of e-RSF	<ul style="list-style-type: none"> <li>• Open the corporate exercise <b>“RIGHTS ISSUE WITH WARRANTS B FOR METRONIC GLOBAL BERHAD”</b>.</li> <li>• Key in your full name, CDS account number, contact number, the number of units for acceptance of your Rights Shares and Excess Rights Shares (if you choose to apply for additional Rights Shares).</li> <li>• Proceed for the payment via online banking and please indicate the details with the last 9 digits of your CDS account number and name when payment is made.</li> <li>• Download the payment advice once the payment is successfully transferred.</li> <li>• Upload the proof of payment(s) and print your e-RSF for your reference and record.</li> <li>• Ensure all information in the form is accurate and then submit the form.</li> </ul>

If you encounter any problems during the registration or submission, please email the Share Registrar at [admin@aldpro.com.my](mailto:admin@aldpro.com.my) for assistance.

**(ii) Terms and conditions of the electronic submission of the e-RSF**

By submitting your acceptance of the Rights Shares with and application of the Excess Rights Shares (if applicable) with Warrants B by way of electronic submission of the e-RSF:-

(a) You acknowledge that your submission by way of electronic submission of the e-RSF is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond the control of the Company or the Share Registrar and irrevocably agree that if:-

- (i) the Company or the Share Registrar does not receive your submission of the e-RSF; or
- (ii) data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted,

your submission of the e-RSF will be deemed as failed and not to have been made. The Company and the Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your electronic submission of the e-RSF due to the above reasons and you further agree that you may not make any claims whatsoever against the Company or the Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your electronic submission of the e-RSF.

(b) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from the records of Bursa Depository, your application by way of electronic submission of the e-RSF may be rejected at the absolute discretion of the Board without assigning any reason.

(c) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.

(d) You agree that all the Rights Shares to be issued pursuant to the Rights Issue will be allotted by way of crediting the Rights Shares into your CDS account. No physical share certificate will be issued.

(e) You agree that the Company and the Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.



- (f) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date.
- (g) Where your application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest by issuance of cheque/online payment within 15 Market Days from the Closing Date and will be despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

#### **11.6 Procedures for part acceptance**

If you do not wish to accept the Rights Shares with Warrants B provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed / applied for. The minimum number of Rights Shares that may be subscribed or accepted is 1 Rights Share. Fractions of a Rights Shares and/or Warrant B arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interests of the Company. Applicants should take note that a trading board lot comprises 100 Rights Shares and 100 Warrants B respectively.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants B which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 11.5 of this Abridged Prospectus.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

#### **11.7 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 (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

**YOU ARE ADVISED TO READ 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. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.**

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants B applied for to the Share Registrar. Please refer to Section 11.5 of this Abridged Prospectus for the procedures for acceptance and payment.

**YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.**

## **11.8 Procedures for the Excess Rights Shares with Warrants B Application**

### **11.8.1 By way of RSF**

You and/or your renouncee(s) and/ or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants B in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **combined remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants B applied for) to the Share Registrar **not later than Tuesday, 28 June 2022 at 5.00 p.m.**, being the last date and time for application and payment for the Excess Rights Shares with Warrants B.

**PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS B APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 11.4 OF THIS ABRIDGED PROSPECTUS, AND 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 CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "METRONIC RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY THE SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS RIGHTS SHARES WITH WARRANTS B APPLICATION AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS. THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS B APPLIED FOR ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF THE BOARD.**

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

**WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK.**

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

#### **11.8.2 By way of Electronic Application**

You and/or your renounee(s) and/or your transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants B in excess of your entitlement via Electronic Submission in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants B by following the same steps as set out in Section 11.5.2 of this Abridged Prospectus.

The Electronic Submission for Excess Rights Shares with Warrants B will be made on, subject to, the same terms and conditions as set out in Section 11.5.2 of this Abridged Prospectus.

It is the intention of the Board to allot the Excess Rights Shares with Warrants B, if any, in a fair and equitable manner 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 the Entitled Shareholders who have applied for Excess Rights Shares with Warrants B, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants B, taking into consideration the quantum of their respective Excess Rights Shares with Warrants B applications; and
- (iv) fourthly, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess Rights Shares with Warrants B, taking into consideration the quantum of their respective Excess Rights Shares with Warrants B applications.

The Excess Rights Shares with Warrants B will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants B. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants B will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants B are allotted.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants B applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 11.8 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares with Warrants B, in full or in part, without assigning any reason thereto.

#### **11.9 Procedures to be followed by transferee(s) and/or renounee(s)**

As a transferee and/or a renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants B and/or payment are the same as that which are applicable to the Entitled Shareholders as described in Sections 11.3 to 11.8 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 accompanying RSF, you can request the same from the registered office of the Company, the Share Registrar's website (<https://www.aldpro.com.my/>) or Bursa Securities' website (<https://www.bursamalaysia.com>).

**TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

#### **11.10 CDS Account**

Bursa Securities has already prescribed the Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall 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 Shares with Warrants B. 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 Shares with Warrants B shall signify your consent to receiving such Rights Shares with Warrants B as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares with Warrants B allotted shall be credited directly into the CDS Accounts of 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 Shares with Warrants B that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

#### **11.11 Notice of allotment**

Within 5 Market Days after the Closing Date, the Company will make the relevant announcements in relation to the subscription rate of the Rights Issue with Warrants.

Upon allotment of the Rights Shares in respect of your acceptance and/or your renouncee's and/or your transferee's acceptance (if applicable) and Excess Rights Shares with Warrants B Application (if any), the Rights Shares shall be credited directly into the respective CDS Account where the Provisional Allotments were credited. No physical certificates will be issued in respect of the Rights Shares. However, a notice of allotment will be despatched to you and/or your renouncee and/or your transferee (if applicable) by ordinary post within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities, to the address last shown on the Record of Depositors at your own risk.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue with Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be by issuance of cheque and will be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof, once lodged with the Share Registrar for the Rights Shares, cannot be withdrawn subsequently.

#### **11.12 Foreign-Addressed Shareholders**

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the Rights Shares with Warrants B may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, Aldpro Corporate Services Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

The Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. The Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. The Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so, and the Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

The Company reserves the right, in its absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Rights Shares with Warrants B available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants B, will be deemed to have represented, warranted, acknowledged and agreed 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 with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to;
- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to in connection with the acceptance or renunciation;

- (iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is/are aware that the Rights Shares with Warrants B can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renounee's decision to subscribe for or purchase the Rights Shares and Warrants B; and
- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has/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 Shares and Warrants B, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants B.

**NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED 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 SHARES AND WARRANTS B UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.**

## **12. TERMS AND CONDITIONS**

The issuance of the Rights Shares and Warrants B pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll B, the NPA and RSF.

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**13. FURTHER INFORMATION**

You are requested to refer to the enclosed Appendix I for further information.

Yours faithfully

For and on behalf of the Board of  
**METRONIC GLOBAL BERHAD**



**HOO WAI KEONG**

Executive Director cum Chief Executive Officer



**APPENDIX I – INFORMATION ON THE COMPANY****1. SHARE CAPITAL**

As at the LPD, the issued share capital of the Company is RM191,096,502 comprising 2,168,594,679 Shares (which has been consolidated into 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022).

**2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Please refer to Section 9.3 of this Abridged Prospectus for information on the substantial Shareholders' shareholdings before and after the Rights Issue with Warrants.

**3. DIRECTORS**

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

<b>Name (Designation)</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>
Tan Sri Dato' Sri Mohamed Apandi Bin Ali (Independent Non-Executive Chairman)	72	No. 2a Jalan Dutamas Melor 1, Changkat Kiara Bayu, Off Jalan Dutamas 5, 50480 Kuala Lumpur	Malaysian
Datuk Seri Tan Choon Hwa (Independent Non-Executive Deputy Chairman)	64	No 1771, Taman Kenangan, Jalan Hospital, 15200 Kota Bharu, Kelantan	Malaysian
Hoo Wai Keong (Executive Director cum Chief Executive Officer)	46	No 162, Jalan Sultanah Aminah, Taman Iskandar, 80050 Johor Bahru, Johor	Malaysian
Doris Wong Sing Ee (Executive Director)	40	No. 20, Jalan BS3/11, Sun Garden Villa, Bukit Serdang Seksyen 3, 43300 Seri Kembangan, Selangor	Malaysian
Dato' Kua Khai Shyuan (Non-Independent Non-Executive Director)	38	No 51, Jalan Putri 2/5, Taman Puteri Wangsa, 81800 Ulu Tiram, Johor	Malaysian
Muhammad Faliq bin Mohd Redzuan (Independent Non-Executive Director)	36	C-2-1 Sutera Bukit Tunku, Jalan Tun Ismail, 50480 Kuala Lumpur	Malaysian
Ong Tee Kein (Independent Non-Executive Director)	65	85, Medan Athinahapan Dua, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	Malaysian

**APPENDIX I – INFORMATION ON THE COMPANY**

Save for Hoo Wai Keong, Dato' Kua Khai Shyuan and, Datuk Seri Tan Choon Hwa none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD. The pro forma effects of the Rights Issue with Warrants on the shareholdings of Hoo Wai Keong, Dato' Kua Khai Shyuan and Datuk Seri Tan Choon Hwa in the Company are as follows:-

**Minimum Scenario**

Substantial shareholders	As at the LPD (after adjusting for the Share Consolidation)				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Seri Tan Choon Hwa	1,863,700	0.86	-	-	1,863,700	0.05	-	-
Hoo Wai Keong	100,000	0.05	-	-	83,433,334	21.75	-	-
Dato' Kua Khai Shyuan	33,333	0.02	-	-	83,366,667	21.74	-	-

Substantial shareholders	(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Datuk Seri Tan Choon Hwa	1,863,700	(4)-	-	-
Hoo Wai Keong	111,211,112	25.33	-	-
Dato' Kua Khai Shyuan	111,144,445	25.31	-	-

**Notes:-**

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.  
(2) Based on the enlarged issued share capital of 383,524,587 Shares.  
(3) Based on the enlarged issued share capital of 439,080,143 Shares.

**APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**

**Base Case Scenario**

Substantial shareholders	As at the LPD (after adjusting for the Share Consolidation)				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	<sup>(1)</sup> %	No. of Shares	<sup>(1)</sup> %	No. of Shares	<sup>(2)</sup> %	No. of Shares	<sup>(2)</sup> %
Datuk Seri Tan Choon Hwa	1,863,700	0.86	-	-	11,182,200	0.74	-	-
Hoo Wai Keong	100,000	0.05	-	-	600,000	0.04	-	-
Dato' Kua Khai Shyuan	33,333	0.02	-	-	199,998	0.01	-	-

Substantial shareholders	(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	<sup>(3)</sup> %	No. of Shares	<sup>(3)</sup> %
Datuk Seri Tan Choon Hwa	14,909,600	0.76	-	-
Hoo Wai Keong	800,000	0.04	-	-
Dato' Kua Khai Shyuan	266,664	0.01	-	-

**Notes:-**

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.
- (2) Based on the enlarged issued share capital of 1,518,005,433 Shares.
- (3) Based on the enlarged issued share capital of 1,951,721,271 Shares.

**APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**

**Maximum Scenario**

Directors	As at the LPD (after adjusting for the Share Consolidation)				(I) Assuming full granting and exercise of the ESOS Options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Datuk Seri Tan Choon Hwa	1,863,700	0.86	-	-	1,863,700	-	-	-
Hoo Wai Keong	100,000	0.05	-	-	100,000	-	-	-
Dato' Kua Khai Shyuan	33,333	0.02	-	-	33,333	-	-	-

Directors	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Datuk Seri Tan Choon Hwa	11,182,200	0.64	-	-	14,909,600	0.66	-	-
Hoo Wai Keong	600,000	0.03	-	-	800,000	0.04	-	-
Dato' Kua Khai Shyuan	199,998	0.01	-	-	266,664	0.01	-	-

**Notes:-**

- (1) Based on the issued share capital of 216,857,919 Shares upon completion of the Share Consolidation on 23 May 2022.
- (2) Based on the enlarged issued share capital of 249,386,606 Shares.
- (3) Based on the enlarged issued share capital of 1,745,706,242 Shares.
- (4) Based on the enlarged issued share capital of 2,244,479,454 Shares.

**APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)****4. HISTORICAL FINANCIAL INFORMATION**

A summary of the historical financial information of the Group is as follows:-

**Historical financial performance**

	Audited			Unaudited	
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	9-month FPE 31 March 2021	9-month FPE 31 March 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	27,204	19,045	29,471	18,844	22,382
Cost of sales	(18,308)	(12,878)	(20,735)	(11,448)	(17,062)
<b>GP</b>	<b>8,896</b>	<b>6,167</b>	<b>8,736</b>	<b>7,396</b>	<b>5,320</b>
Other operating income	1,413	2,449	3,903	5,104	1,058
Administrative expenses	(4,273)	(3,172)	(17,878)	(2,719)	(2,279)
Other operating expenses	(19,730)	(22,443)	(14,132)	(6,171)	(9,349)
Share of results of associate, net of tax	-	-	(64)	-	-
Finance cost	(507)	(684)	(490)	(375)	(396)
<b>PBT / (LBT)</b>	<b>(14,201)</b>	<b>(17,683)</b>	<b>(19,925)</b>	<b>3,235</b>	<b>(5,646)</b>
Taxation	(606)	-	(589)	(306)	(8)
<b>PAT / (LAT) from continuing operations</b>	<b>(14,807)</b>	<b>(17,683)</b>	<b>(20,514)</b>	<b>2,929</b>	<b>(5,654)</b>
LAT from sale of assets classified as held for sale	(94)	-	-	-	-
LAT from discontinued operations	-	-	-	(40)	(3)
<b>PAT / (LAT) for the year</b>	<b>(14,901)</b>	<b>(17,683)</b>	<b>(20,514)</b>	<b>2,889</b>	<b>(5,657)</b>
PAT / (LAT) attributable to:-					
- owners of the Company	(14,865)	(17,495)	(20,447)	2,919	(5,632)
- non-controlling interests	(36)	(188)	(67)	(30)	(25)
GP margin	32.70	32.38	29.64	39.25	23.77
PAT / (LAT) margin	(54.78)	(92.85)	(69.61)	15.33	(25.27)
Weighted average no. of Shares in issue ('000)	826,505	1,215,979	2,079,778	1,266,722	2,138,725
EPS / (LPS)					
- Basic	(1.99)	(1.45)	(1.37)	0.23	(0.26)
- Diluted	-	-	(1.08)	-	-

**APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)****Historical financial position**

	Audited			Unaudited
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	9-month FPE 31 March 2022
	RM'000	RM'000	RM'000	RM'000
Non-current assets	20,089	19,790	44,951	47,837
Current assets	104,862	97,478	117,648	106,856
<b>Total assets</b>	<b>124,951</b>	<b>117,268</b>	<b>162,599</b>	<b>154,693</b>
Share capital	128,573	133,681	188,881	191,091
Revaluation reserve	5,669	5,669	5,669	5,669
Fair value reserve	-	(249)	(249)	(249)
Warrants reserve	16,798	16,798	16,796	16,796
Foreign currency translation reserve	(58)	(414)	(614)	(534)
Accumulated losses	(55,753)	(72,625)	(93,073)	(98,624)
<b>Shareholders' equity / NA</b>	<b>95,229</b>	<b>82,860</b>	<b>117,410</b>	<b>114,149</b>
Non-controlling interests	67	(121)	117	566
<b>Total equity</b>	<b>95,296</b>	<b>82,739</b>	<b>117,527</b>	<b>114,715</b>
Non-current liabilities	-	-	213	189
Current liabilities	29,655	34,529	44,859	39,789
<b>Total liabilities</b>	<b>29,655</b>	<b>34,529</b>	<b>45,072</b>	<b>39,978</b>
<b>Total equity and liabilities</b>	<b>124,951</b>	<b>117,268</b>	<b>162,599</b>	<b>154,693</b>

**Historical cash flow**

	Audited			Unaudited
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	9-month FPE 31 March 2022
	RM'000	RM'000	RM'000	RM'000
<b>Net cash from / (used in)</b>				
Operating activities	(3,164)	(2,678)	(15,846)	912
Investing activities	(763)	170	(31,707)	(6,968)
Financing activities	52,521	9,032	51,143	(1,127)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>48,594</b>	<b>6,524</b>	<b>3,590</b>	<b>(7,183)</b>
Effect of exchange rate changes	87	(356)	(339)	(13)
Cash and cash equivalents <sup>(1)</sup> at beginning of the year / period	7,639	56,320	59,438	<b>62,689</b>
<b>Cash and cash equivalents<sup>(1)</sup> at end of the year / period</b>	<b>56,320</b>	<b>59,438</b>	<b>62,689</b>	<b>55,493</b>

**Note:-**

(1) Excludes fixed deposits pledged as securities and short-term deposits.

## APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

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### (i) 9-month FPE 31 March 2022 vs 9-month FPE 31 March 2021

The Group's revenue for 9-month FPE 31 March 2022 increased by RM3.54 million or 18.78% as compared to the previous corresponding period. The higher revenue was mainly due to the higher billing collection from the design, supply, installation, testing and commissioning of building management system for underground works for the MRT2 project and subcontractor works for the PNB 118 Tower projects.

Despite the higher revenue, the Group recorded a lower GP of RM5.32 million (GP margin of 23.77%) as compared to a GP of RM7.40 million (GP margin of 39.25%) in the previous corresponding period, representing a decrease of RM2.08 million or 28.07%. The lower GP was mainly due to lower GP margin which in turn was mainly due to higher costs incurred as a result of an increase in direct costs as the Group approached the final stage of completion for the KLCC Lot 91 project.

In line with the lower GP, the Group recorded a LAT of RM5.66 million as compared to a PAT of RM2.89 million in the previous corresponding period. Apart from the lower GP, the LAT was also contributed by the loss on disposal of available-for-sale financial assets (i.e. quoted shares) of RM3.25 million.

The Group recorded a net decrease in cash and cash equivalents of RM7.18 million (9-month FPE 31 March 2021: net increase of RM7.55 million) mainly due to the development and clinical research expenditure incurred for the Test Kits as set out in 8.4(iv) of this Abridged Prospectus amounting to RM4.00 million.

The above was partly offset by the proceeds raised from the issuance of new Shares pursuant to the Private Placement 2021 – 30% (II) amounting to RM2.21 million.

### (ii) FYE 30 June 2021 vs FYE 30 June 2020

The Group's revenue for the FYE 30 June 2021 increased by RM10.43 million or 35.38% as compared to the previous financial year. The higher revenue was mainly due to the higher billings from ongoing engineering projects.

In line with the higher revenue, the Group recorded a higher GP of RM8.74 million (GP margin of 29.64%) in FYE 30 June 2021 as compared to a GP of RM6.17 million (GP margin of 32.38%) in the previous financial year, representing an increase of RM2.57 million or 41.66%.

Despite the higher GP, the Group recorded higher LAT of RM20.51 million in FYE 30 June 2021 as compared to RM17.68 million in the previous financial year. This was mainly contributed by the following:-

- (a) impairment loss on amount due from associate company of RM1.25 million (FYE 30 June 2020: nil);
- (b) higher impairment loss on trade receivables of RM1.38 million (FYE 30 June 2020: RM0.08 million); and
- (c) higher loss on disposal of other investment (i.e. quoted securities) of RM1.78 million (FYE 30 June 2020: RM1.11 million).

## APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

The Group recorded a net increase in cash and cash equivalents of RM3.59 million (FYE 30 June 2020: net increase of RM6.52 million) mainly due to the proceeds raised from the issuance of new Shares pursuant to the Private Placement 2021 – 30% (I) and Private Placement 2021 – 30% (II) amounting to RM49.54 million.

The above was partly offset by the following:-

- (a) net cash used in operating activities amounting to RM15.85 million;
- (b) purchase of intangible assets such as software for the development of the Group's IT platform amounting to RM24.15 million; and
- (c) placement of funds in fixed deposits amounting to RM5.39 million.

### (iii) FYE 30 June 2020 vs FYE 30 June 2019

The Group's revenue for FYE 30 June 2020 decreased by RM8.16 million or 29.99% as compared to the previous financial year. The lower revenue was mainly due to the lower contribution from:-

- (a) the engineering division following the completion of the KL Sentral Lot B project as well as slow progress on site work due to the COVID-19 outbreak which in turn led to lower billings; and
- (b) the service division due to discount granted to client, suspension or postponement of services at customers' site and cancellation of contracts due to the closure of the customers' business as a result of the COVID-19 outbreak.

In line with the lower revenue, the Group recorded a lower GP of RM6.17 million (GP margin of 32.38%) in FYE 30 June 2020 as compared to a GP of RM8.90 million (GP margin of 32.70%) in the previous financial year, representing a decrease of RM2.73 million or 30.67%.

The Group recorded a LAT of RM17.68 million in FYE 30 June 2020 as compared to LAT of RM14.90 million in the previous financial year, representing an increase of RM2.78 million or 18.67%. Apart from the lower GP, the higher LAT was mainly due to:-

- (a) net loss on disposal of quoted shares of RM1.11 million during the FYE 30 June 2020 (FYE 30 June 2019: nil); and
- (b) impairment of development expenditure of RM6.79 million arising from a property development project in Kuala Krai being put on hold (FYE 30 June 2019: nil).

The Group recorded a net increase in cash and cash equivalents of RM6.52 million in FYE 30 June 2020 (FYE 30 June 2019: net increase of RM48.59 million) mainly due to the following:-

- (a) proceeds raised from the issuance of new Shares pursuant to a private placement exercise amounting to RM5.11 million; and
- (b) drawdown of bankers' acceptances amounting to RM3.94 million.

The above was partly offset by net cash used in operating activities amounting to RM2.68 million.



**APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)****5. HISTORICAL SHARE PRICES**

The historical share prices including the monthly highest and lowest market prices of the Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:-

	<b>High RM</b>	<b>Low RM</b>
<b><u>2021</u></b>		
June	0.075	0.050
July	0.080	0.035
August	0.040	0.035
September	0.045	0.025
October	0.035	0.020
November	0.030	0.015
December	0.020	0.015
<b><u>2022</u></b>		
January	0.025	0.015
February	0.030	0.015
March	0.025	0.015
April	0.025	0.015
May	0.150	0.010
Last transacted market price on 18 November 2021, being the last Market Day immediately prior to the first announcement of the Rights Issue with Warrants (RM)	0.025	
Last transacted market price on 8 June 2022, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)	<sup>(1)</sup> 0.110	
Last transacted market price on the LPD (RM)	0.010	

**Note:-**

(1) Adjusted pursuant to the Share Consolidation that was completed on 23 May 2022.

(Source: Bloomberg)

**6. OPTION TO SUBSCRIBE FOR SHARES**

As at the LPD, save as disclosed below and the Provisional Allotments as well as Excess Rights Shares with Warrants B, no option to subscribe for any securities of the Company has been granted or is entitled to be granted to any person:-

- (i) under the ESOS, the Company may grant ESOS Options to subscribe for new Shares up to but not exceeding 15% of the Company's total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of 5 years from the effective date of the ESOS (i.e. 1 April 2021). The exercise price for such ESOS Options shall be determined by the Board at its discretion upon recommendation of the ESOS committee based on the 5-day VWAP of the Shares immediately prior to the date of offer with a discount of not more than 10%.

## APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

As at the LPD, the Company has up to 32,528,687 ESOS Options (after adjusting for the Share Consolidation which was completed on 23 May 2022) which may be granted pursuant to the maximum allowable amount under the ESOS.

### 7. MATERIAL CONTRACTS

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

- (i) the SJVA between the Company, Earthtech and Mr. Chew Keng Yaw as set out in Section 5.1 of this Abridged Prospectus.

### 8. MATERIAL LITIGATION

As at the LPD, save as disclosed below, the Board confirmed that neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Company and/or its subsidiaries and the Board confirmed that there are no proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries:-

#### (i) Claim for outstanding rental on the Group's property in Beijing

On 19 May 2016, Metronic Microsystem (Beijing) Co. Ltd ("**MMBCL**"), a wholly-owned subsidiary of the Company, has filed a legal claim against 英泰格瑞房地产投资顾问有限公司, which has occupied MMBCL's property in Beijing at No. 18, Level 8, Top Fine International Centre, Dong San Huan Middle Road, Chao Yang District, Beijing, People's Republic of China ("**Beijing Property**"), for outstanding rental and late payment charges amounting to RMB7.25 million (approximately RM4.73 million<sup>(1)</sup>) ("**Claim**"). The amount comprises outstanding rental amounting to RMB5.81 million (approximately RM3.79 million<sup>(1)</sup>) and late payment charges of RMB1.44 million (approximately RM0.94 million<sup>(1)</sup>).

The case was heard before the Beijing Chaoyang Municipal Council Court on 8 December 2016 and 2 June 2017, respectively. The Beijing Chaoyang Municipal Council Court had appointed a professional valuer to conduct a valuation on the Beijing Property. Based on the valuation report provided, MMBCL had on 11 May 2018 submitted the justification of Claim to the Beijing Chaoyang Municipal Court.

On 19 October 2018, the Beijing Chaoyang Municipal Council Court had awarded the outstanding rental amounting to RMB3.97 million (approximately RM2.59 million<sup>(1)</sup>) payable to MMBCL. As at the LPD, the outstanding rental has yet to be paid.

Necessary documents had been submitted to court on 10 July 2019, pending the court's execution order for rental payment from tenant. The progress has been slow due to the COVID-19 pandemic in China. As at the LPD, MMBCL is in the midst of seeking legal advice for the alternative course of action in recovering the judgement sum.

Note:-

- (1) Based on Bank Negara Malaysia's exchange rate of RMB1:RM0.6523 as at the LPD.

## APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)

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### (ii) Unauthorised transfer of MMBCL's office property

On 3 June 2019, the Company announced that it had initiated investigation on unauthorised transfer of one unit of office property held by its wholly owned subsidiary, MMBCL in Beijing, China at Room 801, Level 8, Top Fine International Centre, Dong San Huan, Middle Road, Chao Yang District, Beijing, China measuring 700.53 square metre. The current valuation price of the said property is at RM15.8 million.

In the announcement dated 3 June 2019, the Board informed that Mr. Tan Ew Chew ("TEC") was advisor for the Company from 1 January 2013 to 16 May 2017 while Mr. Tan Kian Hong ("TKH"), son of TEC, was director of Metronic from 8 February 2013 to 10 April 2017. During the controlling time under both TEC and TKH in July 2016, the ownership of the above office unit in Beijing has been allegedly transferred to a third party without consent and/or Board resolution from the Company. Once the above made aware to the new Board of Directors in 2017, the Board of Directors requested lawyer in China to investigate on the above and found that the said office has been transferred to third party with the name of Shouguang Yaoweiping ("Shouguang") in China. Subsequently in October 2018, the Court from China via documents issued, confirmed the said transfer of property to Shouguang.

The Company also announced that on 3 June 2019, it had lodged a police report on investigation against TEC and TKH on the alleged breach of trust and causing the Company from suffering a loss of more than RM15.7 million.

The case is currently under police investigation. As at the LPD, the police are still in the midst of gathering evidence and obtaining statements from the relevant parties. The management will seek legal advice upon receiving the police report on the findings.

## 9. CONSENTS

- (i) The written consents of the company secretaries, Principal Adviser, solicitors, Share Registrar, reporting accountants and independent market researcher for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names 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 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.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the Constitution of the Company;
- (ii) the Undertakings referred to in Section 3 of this Abridged Prospectus;
- (iii) the IMR Report referred to in Section 8.2 of this Abridged Prospectus;
- (iv) the material contracts referred to in Section 7 of this Appendix I;

**APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**

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- (v) the relevant cause papers in respect of the material litigation referred to in Section 8 of this Appendix I;
- (vi) the letters of consent referred to in Section 9 of this Appendix I; and
- (vii) the Deed Poll B.

**11. RESPONSIBILITY STATEMENT**

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained therein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) Mercury Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.