

All terms and abbreviations used herein shall have the same meanings as those defined in the “Definitions” section of this AP, unless stated otherwise.

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

**THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS AP. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.** If you have sold or transferred all your Shares in our Company, you should immediately hand this AP together with the NPA and RSF (collectively referred to as “Documents”) to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue to our Share Registrar, Symphony Corporate Services Sdn Bhd, at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia (Tel. no.: +6016-439 7718).

This AP has been registered by Bursa Securities. The registration of this AP should not be taken to indicate that Bursa Securities recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this AP. Bursa Securities has not, in any way, considered the merits of the Rights Issue. A copy this AP, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue was obtained at our extraordinary general meeting held on 5 November 2024. Bursa Securities had, vide its letter dated 13 September 2024, approved the admission of the Warrants D to the Official List of the ACE Market of Bursa Securities and the listing and quotation for the Rights Shares, Warrants D and the new Shares to be issued pursuant to the exercise of Warrants D on the ACE Market of Bursa Securities. However, this shall not to be taken as an indication of the merits of the Rights Issue. The admission of the Warrants D to the Official List and the listing and quotation for the Rights Shares and Warrants D will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited with the relevant Rights Shares with Warrants D allotted to them and notices of allotment have been despatched or sent to them.

The Documents are only despatched to our Entitled Shareholders whose names appear in the Record of Depositors of our Shares as at 5.00 p.m. on 19 December 2024 at their registered addresses in Malaysia or who have provided our Share Registrar with their Malaysian address in writing by 5.00 p.m. on 19 December 2024. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue or the Documents complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional advisers as to whether the acceptance and/or sale/renunciation (as the case may be) of their entitlements to the Rights Issue or application for excess Rights Shares with Warrants D would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 9 of this AP. Neither our Company, TA Securities nor any other professional advisers in relation to the Rights Issue shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or sale/renunciation (as the case may be) made by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are residents.

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this AP, 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 AP.

**FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 5 OF THIS AP.**



Harvest Miracle Capital Berhad

**HARVEST MIRACLE CAPITAL BERHAD**

(Registration No.: 199601010679 (383028-D))

(Incorporated in Malaysia)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,356,351,633 NEW ORDINARY SHARES IN HARVEST MIRACLE CAPITAL BERHAD (“SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 3 RIGHTS SHARES FOR EVERY 1 SHARE HELD AS AT 5.00 P.M. ON 19 DECEMBER 2024 AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE, TOGETHER WITH UP TO 678,175,817 FREE DETACHABLE WARRANTS (“WARRANTS D”) ON THE BASIS OF 1 WARRANT D FOR EVERY 2 RIGHTS SHARES SUBSCRIBED FOR (“RIGHTS ISSUE”)**

*Adviser and Sole Underwriter*

**TA SECURITIES**

AN UNWAVERING COMMITMENT

**TA SECURITIES HOLDINGS BERHAD**

(Registration No.: 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**IMPORTANT RELEVANT DATES AND TIME**

Entitlement Date	:	Thursday, 19 December 2024 at 5.00 p.m.
<b>Last day, date and time for:</b>		
Sale of provisional allotments of rights	:	Friday, 27 December 2024 at 5.00 p.m.
Transfer of provisional allotments of rights	:	Tuesday, 31 December 2024 at 4.30 p.m.
Acceptance and payment	:	Tuesday, 7 January 2025 at 5.00 p.m.
Excess application and payment	:	Tuesday, 7 January 2025 at 5.00 p.m.

**This AP is dated 19 December 2024**

All terms and abbreviations used herein shall have the same meanings as those defined in the “Definitions” section of this AP, unless stated otherwise.

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS AP FALSE OR MISLEADING.

TA SECURITIES, BEING THE ADVISER AND SOLE UNDERWRITER FOR THE RIGHTS ISSUE, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS AP CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND YOUR INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

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

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

THE DISTRIBUTION OF THIS AP, NPA AND RSF (COLLECTIVELY, “DOCUMENTS”) IS SUBJECT TO THE LAWS OF MALAYSIA. 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 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.

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## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP and the accompanying appendices:

“5D-VWAP”	:	5-day VWAP
“6M-FPE”	:	6-month period ended 30 September
“ACE LR”	:	ACE Market Listing Requirements of Bursa Securities
“Act”	:	Companies Act, 2016
“Additional Warrants C”	:	Up to 46,828,117 additional Warrants C to be issued resulting from the Adjustments
“Adjustments”	:	Adjustments to the exercise price and number of outstanding Warrants C pursuant to the Rights Issue according to the provisions of the Deed Poll C
“AKSB”	:	Aset Kayamas Sdn Bhd
“Announcement”	:	Announcement on the Corporate Exercises dated 15 July 2024
“Antara Project”	:	The acquisition of the Subject Properties on a freehold land held under Title No. GRN 45572 (formerly HSD 18603), Lot 43031 (formerly PT 23923), Mukim and District of Bentong, State of Pahang Darul Makmur
“AP”	:	This Abridged Prospectus issued by our Company dated 19 December 2024
“Balance Purchase Consideration”	:	The balance purchase consideration of approximately RM49.27 million for the Antara Project
“BNM”	:	Bank Negara Malaysia
“Board”	:	Board of Directors of our Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“CDS”	:	Central Depository System
“CDS Account”	:	The securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and dealing in securities by the depositor
“Closing Date”	:	Tuesday, 7 January 2025 at 5.00 p.m., being the last day, date and time for the acceptance of and payment for the Provisional Allotments as well as application and payment for the excess Rights Shares with Warrants D
“CMSA”	:	Capital Markets and Services Act, 2007
“Code”	:	Malaysian Code on Take-overs and Mergers 2016
“Corporate Exercises”	:	Share Consolidation and Rights Issue, collectively
“COVID-19”	:	Coronavirus disease, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
“CPO”	:	Crude palm oil
“Deed Poll C”	:	Deed poll dated 16 March 2021 constituting the Warrants C

**DEFINITIONS (CONT'D)**

“Deed Poll D”	:	The deed poll dated 5 December 2024 constituting the Warrants D and governing the rights of the Warrant D holders
“Director”	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and subsection 2(1) of the CMSA
“DOSM”	:	Department of Statistics Malaysia
“EGM”	:	Extraordinary general meeting of our Company held on 5 November 2024 in relation to the Corporate Exercises
“Entitled Shareholder”	:	Our shareholder whose name appears in our Company’s Record of Depositors on the Entitlement Date
“Entitlement Date”	:	Thursday, 19 December 2024 at 5.00 p.m., being the day, date and time on which our shareholders must registered on our Company’s Record of Depositors in order to be entitled to participate in the Rights Issue
“EPS”	:	Earnings per Share
“Excess Application”	:	Application for the excess Rights Shares with Warrants D
“Exercise Price D”	:	RM0.10 per Warrant D payable in respect of each new Share or such other exercise price of Warrant D that may be adjusted in accordance with the provisions of the Deed Poll D
“e-RSF”	:	Electronic RSF
“e-Subscription”	:	Electronic subscription of Rights Shares with Warrants D via <a href="http://www.symphonycorporateservices.com.my">www.symphonycorporateservices.com.my</a>
“FFB”	:	Fresh fruit bunches
“Foreign Entitled Shareholder”	:	Entitled Shareholder who has not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue
“FPE”	:	Financial period ended
“FPSB” or “Undertaking Shareholder”	:	Fortress Parade Sdn Bhd, a major shareholder of our Company
“FYE”	:	Financial year ended/ending 31 March, as the case may be
“GP”	:	Gross profit
“HMCB” or “Company”	:	Harvest Miracle Capital Berhad
“HMCB Group” or “Group”	:	Our Company and our subsidiaries, collectively
“HMCB Share” or “Share”	:	Ordinary share in our Company
“ICT”	:	Information and communication technology
“Issue Price”	:	RM0.08 per Rights Share
“IT”	:	Information technology
“LAT”	:	Loss after taxation
“LBT”	:	Loss before taxation
“LPD”	:	28 November 2024, being the latest practicable date prior to the printing of this AP

**DEFINITIONS (CONT'D)**

“LPS”	:	Loss per Share
“LTD”	:	12 July 2024, being the last trading day prior to the Announcement
“Management”	:	Management of our Group
“Maximum Scenario”	:	Issuance of up to 1,356,351,633 Rights Shares together with up to 678,175,817 Warrants D, after taking into consideration: <ul style="list-style-type: none"> <li>(i) 410,135,327 Shares in issue (no treasury shares) as at the LPD;</li> <li>(ii) all the outstanding Warrants C are exercised into new Shares prior to the Entitlement Date; and</li> <li>(iii) all Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Rights Issue</li> </ul>
“Minimum Scenario” or “Minimum Subscription Level”	:	Issuance of 200,000,000 Rights Shares together with 100,000,000 Warrants D, after taking into consideration: <ul style="list-style-type: none"> <li>(i) 410,135,327 Shares in issue (no treasury shares) as at the LPD;</li> <li>(ii) none of the outstanding Warrants C are exercised into new Shares prior to the Entitlement Date;</li> <li>(iii) subscription by the Undertaking Shareholder pursuant to the Undertaking as well as subscription by the Sole Underwriter pursuant to the Underwriting to ensure a minimum gross proceeds of RM16.00 million is raised by our Company; and</li> <li>(iv) no other Entitled Shareholders subscribe for their entitlements under the Rights Issue</li> </ul>
“MOF”	:	Ministry of Finance Malaysia
“NA”	:	Net assets
“NPA”	:	Notice of Provisional Allotments in relation to the Rights Issue
“Official List”	:	A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities
“PAT”	:	Profit after tax
“PBT”	:	Profit before tax
“Private Placement 1”	:	A private placement of 109,066,400 new Shares (representing not more than 10% of our then total number of issued Shares) at an issue price of RM0.0730 each, which raised total proceeds of approximately RM7.96 million and was completed on 25 September 2020
“Private Placement 2”	:	A private placement of 130,879,700 new Shares (representing up to 20% of our then total number of issued Shares) at an issue price of RM0.0460 each, which raised total proceeds of approximately RM6.02 million and was completed on 8 January 2021
“Private Placement 3”	:	A private placement of 306,524,700 new Shares (representing up to 40% of our then total number of issued Shares) at an issue price of RM0.0650 each, which raised total proceeds of approximately RM19.92 million and was completed on 29 March 2022
“Private Placement 4”	:	A private placement of 111,309,500 new Shares (representing up to 10% of our then total number of issued Shares) at an issue price of RM0.1050 each, which raised total proceeds of approximately RM11.69 million and was completed on 7 March 2023
“Provisional Allotments”	:	Rights Shares with Warrants D provisionally allotted to our Entitled Shareholders pursuant to the Rights Issue

**DEFINITIONS (CONT'D)**

“Record of Depositors”	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue”	:	Renounceable rights issue of up to 1,356,351,633 Rights Shares on the basis of 3 Rights Shares for every 1 Share held on the Entitlement Date at the Issue Price, together with up to 678,175,817 Warrants D on the basis of 1 Warrant D for every 2 Rights Shares subscribed for
“Rights Issue 2021”	:	A rights issue of 332,652,376 new Shares at an issue price of RM0.17 each together with 266,121,872 Warrants C, which raised total proceeds of approximately RM56.55 million and was completed on 28 April 2021
“Rights Shares”	:	Up to 1,356,351,633 new Shares to be issued pursuant to the Rights Issue
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Rights Subscription Form in relation to the Rights Issue
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
“Rules of Bursa Depository”	:	The rules of Bursa Depository as issued pursuant to the SICDA
“SC”	:	Securities Commission Malaysia
“Share Consolidation”	:	Consolidation of every 3 Shares into 1 Share, which was completed on 21 November 2024
“Share Registrar”	:	Symphony Corporate Services Sdn Bhd
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991
“SPA”	:	A conditional sale and purchase agreement dated 28 April 2022 entered into between our Company and AKSB in relation to the acquisitions of the Subject Properties
“sqft”	:	Square feet
“Subject Properties”	:	187 units of serviced apartments located on the 7 <sup>th</sup> , 12 <sup>th</sup> to 29 <sup>th</sup> and 46 <sup>th</sup> to 49 <sup>th</sup> floors of Tower A, Antara @ Genting Highlands currently under construction and expected to be completed by 1 <sup>st</sup> quarter of calendar year 2025
“TA Securities” or “Adviser” or “Sole Underwriter”	:	TA Securities Holdings Berhad
“TEAP”	:	Theoretical ex-all price
“Undertaking”	:	The unconditional and irrevocable undertaking from FPSB dated 15 July 2024 to subscribe for the Rights Shares with Warrants D in order to meet the Minimum Subscription Level (refer to <b>Section 2.4</b> of this AP for further details)
“Underwriting”	:	The underwriting of 112,500,000 Rights Shares together with 56,250,000 Warrants D (refer to <b>Section 2.4</b> of this AP for further details)
“Underwriting Agreement”	:	Underwriting agreement dated 5 December 2024 entered into between our Company and TA Securities for the Underwriting
“VCSB”	:	Valhalla Capital Sdn Bhd (our wholly-owned subsidiary)
“VWAP”	:	Volume weighted average market price

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**DEFINITIONS (CONT'D)**

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- “Warrants C” : 41,981,884 outstanding warrants 2021/2026 of our Company as constituted by the Deed Poll C, which will expire on 17 April 2026, the earliest preceding market day from the expiry date of 19 April 2026
- “Warrants D” : Up to 678,175,817 free detachable warrants in our Company to be issued pursuant to the Rights Issue

All references to “we”, “us” “our” and “ourselves” are to our Company, or where the context requires, our Group.

All references to “you” or “your” in this AP are to our Entitled Shareholders and/or, where the context requires otherwise, their renounee(s)/transferee(s) (if applicable).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be reference to Malaysian time, unless otherwise specified.

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**ADVISERS' DIRECTORY**

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**SUMMARY OF THE RIGHTS ISSUE**

**THIS SUMMARY OF THE RIGHTS ISSUE ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS AP. IT DOES NOT CONTAIN ALL INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THIS WHOLE AP.**

<b>Key information</b>	<b>Description</b>																																																																									
<b>Issue size and basis of allotment</b>	A renounceable rights issue of up to 1,356,351,633 Rights Shares on the basis of 3 Rights Shares for every 1 Share held on the Entitlement Date, together with up to 678,175,817 Warrants D on the basis of 1 Warrant D for every 2 Rights Shares subscribed for. Please refer to <b>Section 2.1</b> of this AP for further details.																																																																									
<b>Issue Price</b>	<p>RM0.08 per Rights Share, payable in full upon acceptance and/or application, represents:</p> <ul style="list-style-type: none"> <li>a discount of RM0.0428 or approximately 34.85% to the TEAP of our Share of RM0.1228 each (calculated based on the 5D-VWAP of our Share up to and including the LTD and after adjusted for the Share Consolidation of RM0.2856 each); and</li> <li>a discount of RM0.0411 or approximately 33.94% to the TEAP of our Share of RM0.1211 each (calculated based on the 5D-VWAP of our Share up to and including the LPD of RM0.2761 each).</li> </ul> <p>Please refer to <b>Section 2.2(i)</b> of this AP for further details.</p>																																																																									
<b>Exercise Price D</b>	<p>RM0.10 per Warrant D, which represents:</p> <ul style="list-style-type: none"> <li>a discount of RM0.0228 or approximately 18.57% to the TEAP of our Share of RM0.1228 each (calculated based on the 5D-VWAP of our Share up to and including the LTD and after adjusted for the Share Consolidation of RM0.2856 each); and</li> <li>a discount of RM0.0211 or approximately 17.42% to the TEAP of our Share of RM0.1211 each (calculated based on the 5D-VWAP of our Share up to and including the LPD of RM0.2761 each).</li> </ul> <p>Please refer to <b>Section 2.2(ii)</b> of this AP for further details.</p>																																																																									
<b>Minimum Subscription Level, Undertaking and Underwriting</b>	<p>The Rights Issue will be implemented on the Minimum Subscription Level to raise minimum gross proceeds of RM16.00 million, via the Undertaking and Underwriting, as illustrated below:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2"><b>(I) As at the LPD</b></th> <th colspan="2"><b>(II) Entitlement</b></th> <th colspan="2"><b>(III) Undertaking and Underwriting</b></th> </tr> <tr> <th><b>No. of Shares</b></th> <th><b>%</b></th> <th><b>No. of Rights Shares</b></th> <th><b>%</b></th> <th><b>No. of Rights Shares</b></th> <th><b>%</b></th> </tr> </thead> <tbody> <tr> <td>FPSB</td> <td>102,174,900</td> <td>24.91</td> <td>306,524,700</td> <td>50.24</td> <td>87,500,000</td> <td>14.34</td> </tr> <tr> <td>Sole Underwriter</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>112,500,000</td> <td>18.44</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>102,174,900</b></td> <td><b>24.91</b></td> <td><b>306,524,700</b></td> <td><b>50.24</b></td> <td><b>200,000,000</b></td> <td><b>32.78</b></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3"><b>(IV) Total subscription</b></th> <th colspan="2"><b>(V) After (IV) and Rights Issue (Minimum Scenario)</b></th> <th colspan="2"><b>(VI) After (V) and assuming full exercise of Warrants D</b></th> </tr> <tr> <th><b>No. of Rights Shares</b></th> <th><b>%</b></th> <th><b>Amount (RM'000)</b></th> <th><b>No. of Shares</b></th> <th><b>%</b></th> <th><b>No. of Shares</b></th> <th><b>%</b></th> </tr> </thead> <tbody> <tr> <td>FPSB</td> <td>87,500,000</td> <td>14.34</td> <td>7,000</td> <td>189,674,900</td> <td>31.09</td> <td>233,424,900</td> <td>32.87</td> </tr> <tr> <td>Sole Underwriter</td> <td>112,500,000</td> <td>18.44</td> <td>9,000</td> <td>112,500,000</td> <td>18.44</td> <td>168,750,000</td> <td>23.76</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>200,000,000</b></td> <td><b>32.78</b></td> <td><b>16,000</b></td> <td><b>302,174,900</b></td> <td><b>49.53</b></td> <td><b>402,174,900</b></td> <td><b>56.63</b></td> </tr> </tbody> </table> <p>Please refer to <b>Section 2.4</b> of this AP for further details.</p>		<b>(I) As at the LPD</b>		<b>(II) Entitlement</b>		<b>(III) Undertaking and Underwriting</b>		<b>No. of Shares</b>	<b>%</b>	<b>No. of Rights Shares</b>	<b>%</b>	<b>No. of Rights Shares</b>	<b>%</b>	FPSB	102,174,900	24.91	306,524,700	50.24	87,500,000	14.34	Sole Underwriter	-	-	-	-	112,500,000	18.44	<b>TOTAL</b>	<b>102,174,900</b>	<b>24.91</b>	<b>306,524,700</b>	<b>50.24</b>	<b>200,000,000</b>	<b>32.78</b>		<b>(IV) Total subscription</b>			<b>(V) After (IV) and Rights Issue (Minimum Scenario)</b>		<b>(VI) After (V) and assuming full exercise of Warrants D</b>		<b>No. of Rights Shares</b>	<b>%</b>	<b>Amount (RM'000)</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	FPSB	87,500,000	14.34	7,000	189,674,900	31.09	233,424,900	32.87	Sole Underwriter	112,500,000	18.44	9,000	112,500,000	18.44	168,750,000	23.76	<b>TOTAL</b>	<b>200,000,000</b>	<b>32.78</b>	<b>16,000</b>	<b>302,174,900</b>	<b>49.53</b>	<b>402,174,900</b>	<b>56.63</b>
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**SUMMARY OF THE RIGHTS ISSUE (CONT'D)**

Key information	Description																								
<b>Utilisation of proceeds</b>	<p>The proceeds to be raised from the Rights Issue will be utilised in the following manners:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d3d3d3;">Utilisation purposes</th> <th style="background-color: #d3d3d3;">Minimum Scenario (RM'000)</th> <th style="background-color: #d3d3d3;">Maximum Scenario (RM'000)</th> <th style="background-color: #d3d3d3;">Expected timeframe for utilisation of proceeds<sup>^</sup></th> </tr> </thead> <tbody> <tr> <td>Part payment of the Balance Purchase Consideration for the Antara Project</td> <td style="text-align: center;">15,220</td> <td style="text-align: center;">43,110</td> <td style="text-align: center;">Within 12 months</td> </tr> <tr> <td>Working capital for managing the Subject Properties</td> <td style="text-align: center;">-</td> <td style="text-align: center;">2,500</td> <td style="text-align: center;">Within 24 months</td> </tr> <tr> <td>Working capital for the moneylending business</td> <td style="text-align: center;">-</td> <td style="text-align: center;">62,119</td> <td style="text-align: center;">Within 12 months</td> </tr> <tr> <td>Estimated expenses for the Corporate Exercises</td> <td style="text-align: center;">780</td> <td style="text-align: center;">780</td> <td style="text-align: center;">Within 1 month</td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: center;"><b>16,000</b></td> <td style="text-align: center;"><b>108,509</b></td> <td></td> </tr> </tbody> </table> <p><i>Note:</i>  <sup>^</sup> From the date of completion of the Rights Issue.</p> <p>Please refer to <b>Section 3</b> of this AP for further details.</p>	Utilisation purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected timeframe for utilisation of proceeds <sup>^</sup>	Part payment of the Balance Purchase Consideration for the Antara Project	15,220	43,110	Within 12 months	Working capital for managing the Subject Properties	-	2,500	Within 24 months	Working capital for the moneylending business	-	62,119	Within 12 months	Estimated expenses for the Corporate Exercises	780	780	Within 1 month	<b>TOTAL</b>	<b>16,000</b>	<b>108,509</b>	
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<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Raises up to RM108.51 million (without interest), mainly to meet the funding requirements for the Antara Project.</li> <li>• Involves issuance of new Shares without diluting existing shareholders' shareholdings in our Company, assuming all Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue.</li> <li>• Provides an opportunity for our existing shareholders to increase equity participation in our Company by subscribing for the Rights Shares with Warrants D which are exercisable into new Shares.</li> <li>• Allows us to raise additional funds to, amongst others, fund the expenditure for the working capital requirements of our Group's various business segment, as and when the Warrants D are exercised.</li> </ul> <p>Please refer to <b>Section 4</b> of this AP for further details.</p>																								
<b>Risk factors</b>	<p>You should consider the following material risk factors before investing in the Rights Issue:</p> <ul style="list-style-type: none"> <li>• our Group's IT and ICT segment is prone to rapid technological change, evolving industry standards, swift changes in customer requirements and frequent new product introductions and enhancements;</li> <li>• our Group's property investment segment is prone to, amongst others, reliance of tourism industry, latent building defects and property revaluation risk;</li> <li>• our Group's moneylending segment is prone to, amongst others, risks of default in repayment and fraudulent application by borrowers;</li> <li>• our Group's palm oil segment is dependent on the sub-lease arrangement for the cultivation and harvesting of FFB as well as the licence from the Malaysian Palm Oil Board to undertake the selling and moving of FFB;</li> <li>• our Group's clay brick manufacturing segment is prone to, amongst others, dependency on the property and construction industries; and</li> <li>• the Rights Issue is subject to fluctuations in the market prices of our Shares and Warrants D; and failure in or delay in completion of the Rights Issue.</li> </ul> <p>Please refer to <b>Section 5</b> of this AP for further details.</p>																								
<b>Procedures for applications</b>	<p>Acceptance of and payment for the Provisional Allotments and application for the Excess Applications must be made by way of the RSF enclosed with this AP and must be completed in accordance with the terms and conditions contained therein or by way of e-Subscription via website at <a href="http://www.symphonycorporateservices.com.my">www.symphonycorporateservices.com.my</a> and must be completed in accordance with the notes and instructions contained therein. The last day, date and time for acceptance, application and payment for the Provisional Allotments and the Excess Applications is on <b>Tuesday, 7 January 2025 at 5.00 p.m.</b></p> <p>Please refer to <b>Section 9</b> of this AP for further details.</p>																								



Harvest Miracle Capital Berhad

**HARVEST MIRACLE CAPITAL BERHAD**

(Registration No.: 199601010679 (383028-D))

(Incorporated in Malaysia)

**Registered Office:**

No. 9A, Jalan Medan Tuanku  
Medan Tuanku  
50300 Kuala Lumpur  
Wilayah Persekutuan

19 December 2024

**Board of Directors**

Dato' Liu Han Ming (*Executive Chairman*)

See Toh Kean Yaw (*Executive Director*)

Sherene Lee Mong Ee (*Executive Director*)

Ling Wee Tak (*Independent Non-Executive Director*)

Chua Ei Ming (*Independent Non-Executive Director*)

Lim Peng Peng (*Independent Non-Executive Director*)

**To: Our Entitled Shareholders**

Dear Sir/Madam,

**RIGHTS ISSUE**

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**1. INTRODUCTION**

On 15 July 2024, TA Securities announced on behalf of our Board that we proposed to undertake the Corporate Exercises.

On 13 September 2024, TA Securities announced on behalf of our Board that Bursa Securities had, vide its letter dated 13 September 2024, approved the following, subject to conditions as stated below:

- (i) Share Consolidation;
- (ii) admission to the Official List and the listing and quotation of up to 678,180,543 Warrants D on the ACE Market of Bursa Securities; and
- (iii) listing and quotation of the following on the ACE Market of Bursa Securities:
  - (a) up to 1,356,361,086 Rights Shares;
  - (b) up to 678,180,543 new Shares to be issued pursuant to the exercise of Warrants D;
  - (c) up to 46,828,117 Additional Warrants C; and
  - (d) up to 46,828,117 new Shares to be issued pursuant to the exercise of the Additional Warrants C.

The approval of Bursa Securities for the Corporate Exercises is subject to the following conditions:

No.	Conditions	Status of compliance
(i)	Our Company and TA Securities must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Share Consolidation and Rights Issue.	Complied with for the Share Consolidation.  To be complied with for the Rights Issue.
(ii)	Our Company and TA Securities are required to make the relevant announcement pursuant to Rule 6.57(2)(ii) and (iii) of the ACE LR pertaining to the Share Consolidation.	Complied with.
(iii)	Our Company and TA Securities are required to inform Bursa Securities upon the completion of the Share Consolidation and Rights Issue.	Complied with for the Share Consolidation.  To be complied with for the Rights Issue.
(iv)	Our Company and TA Securities are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Share Consolidation and Rights Issue are completed.	Complied with for the Share Consolidation.  To be complied with for the Rights Issue.
(v)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of the Warrants D as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied with.
(vi)	Our Company is required to make quarterly updates via Bursa LINK (simultaneous with the submission of Quarterly Report and in the form of General Announcement for PLC) on the following:  (a) The status on each of the event, project or purpose for which the total proceeds raised from the Rights Issue are utilised for, including but not limited to, the percentages of completion of projects/initiatives; and  (b) Where relevant, details on where the balance of proceeds raised is being placed (pending utilisation). If it is parked with asset management company/fund manager, to disclose the name of the asset management company/fund manager.	To be complied with.

On 5 November 2024, we obtained approval from our shareholders for the Corporate Exercises.

On 21 November 2024, our Company completed the Share Consolidation with the listing and quotation for 410,135,327 Shares on the ACE Market of Bursa Securities.

On 5 December 2024, TA Securities announced on behalf of our Board that:

- (i) the Entitlement Date has been fixed on 19 December 2024 at 5.00 p.m. together with the other important dates pertaining to the Rights Issue;
- (ii) our Company had executed the Deed Poll D; and
- (iii) our Company had entered into the Underwriting Agreement with the Sole Underwriter.

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

**YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**

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

Our Company proposes to issue up to 1,356,351,633 Rights Shares on the basis of 3 Rights Shares for every 1 Share held on the Entitlement Date, together with up to 678,175,817 Warrants D on the basis of 1 Warrant D for every 2 Rights Shares subscribed for by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

For information purpose, up to 1,356,351,633 Rights Shares together with 678,175,817 Warrants D under the Rights Issue was computed based on our issued share capital after completion of the Share Consolidation and the abovementioned basis of Rights Issue. This issue size of the Rights Issue differs from the quantum of Rights Shares and Warrants D as approved by Bursa Securities due to fractional entitlements for the Share Consolidation which were disregarded by our Board.

### **2.1 Basis and number of Rights Shares with Warrants D to be issued**

The basis of 3 Rights Shares for every 1 Share held on the Entitlement Date was arrived at after considering, amongst others, the following:

- (i) amount of proceeds to be raised as detailed in **Section 3** of this AP; and
- (ii) rationale for the Rights Issue as set out in **Section 4** of this AP.

The basis of 1 Warrant D for every 2 Rights Shares subscribed for was arrived at after considering, amongst others, the following:

- (i) rationale for the Rights Issue as set out in **Section 4** of this AP; and
- (ii) compliance with Rule 6.51 of the ACE LR which stipulates that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities does not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The actual number of Rights Shares with Warrants D to be issued would depend on the number of Shares in issue on the Entitlement Date and the eventual level of subscription for the Rights Issue.

Our Entitled Shareholders can fully or partially subscribe for and/or renounce their entitlements to the Rights Shares with Warrants D. Any unsubscribed Rights Shares with Warrants D shall be made available for excess applications by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). Our Board intends to reduce the incidence of odd lots and to allocate any excess Rights Shares with Warrants D in a fair and equitable manner as specified under **Section 9.8** of this AP.

The entitlements for the Rights Shares with Warrants D are renounceable in full or in part. However, the Rights Shares and Warrants D cannot be renounced separately. If our Entitled Shareholders renounce all of their Rights Shares entitlements, they will not be entitled to any Warrants D. If our Entitled Shareholders accept only part of their Rights Shares entitlements, they will be entitled to the Warrants D in proportion to their acceptances of their Rights Shares entitlements.



Any fractional entitlements to the Rights Shares with Warrants D, if any, will be disregarded and/or dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interest of our Company.

The Warrants D are attached to the Rights Shares without any cost and will only be issued to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who subscribe for the Rights Shares. The Warrants D will be immediately detached from the Rights Shares upon allotment and issuance. The Warrants D will be separately listed and traded from the Rights Shares on the ACE Market of Bursa Securities if our Company meets the condition under the ACE LR of at least 100 Warrants D holders holding not less than 1 board lot of Warrant D (i.e., comprising 100 Warrants D). The Warrants D will not be listed if such condition is not met. The Warrants D will be issued in registered form and constituted by the Deed Poll D.

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotments as well as to apply for excess Rights Shares with Warrants D if you choose to do so. However, only Entitled Shareholder who has an address in Malaysia as stated in our Record of Depositors will receive this AP, together with the NPA and RSF.

Any dealing in our securities will be subject to, amongst others, the provisions of the SICDA, Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants D and new Shares to be issued pursuant to the exercise of Warrants D will be credited directly into the respective CDS Accounts of the successful applicants and exercising Warrants D holders (as the case may be). No physical share certificate and warrant certificate will be issued to the successful applicants. A notice of allotment will be issued and despatched to the successful applicants within 8 market days from the Closing Date or such period as may be prescribed by Bursa Securities. The Rights Shares and Warrants D will then be quoted on the ACE Market of Bursa Securities within 2 market days after the application for quotation is made to Bursa Securities as specified in the ACE LR.

## 2.2 Basis of determining and justification for the Issue Price and the Exercise Price D

### (i) Issue Price

Our Board has determined and fixed the Issue Price at RM0.08 per Rights Share, after considering the following:

- (a) amount of proceeds that we wish to raise as set out in **Section 3** of this AP;
- (b) the rationale for the Rights Issue as set out in **Section 4** of this AP; and
- (c) the Issue Price is at a discount of RM0.0428 or approximately 34.85% to the TEAP of our Share of RM0.1228 each, calculated based on the 5D-VWAP of our Share up to and including the LTD and after adjusted for the Share Consolidation of RM0.2856 each (*Source: Bloomberg*).

Our Board is of the opinion that the aforementioned discount is deemed sufficiently attractive to entice subscription of the Rights Shares by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

Further, the Issue Price also represents a discount of RM0.0411 or approximately 33.94% to the TEAP of our Share of RM0.1211 (calculated based on the 5D-VWAP of our Share up to and including the LPD of RM0.2761 each) (*Source: Bloomberg*)

The Issue Price is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

**(ii) Exercise Price D**

Our Board has determined and fixed the Exercise Price D at RM0.10 each, after considering the following:

- (a) the future prospects of our Group as set out in **Sections 6.2 to 6.8** of this AP; and
- (b) the Exercise Price D is at a discount of RM0.0228 or approximately 18.57% to the TEAP of our Share of RM0.1228 each, calculated based on the 5D-VWAP of our Share up to and including the LTD and after adjusted for the Share Consolidation of RM0.2856 each (*Source: Bloomberg*). For your information, the Exercise Price D is at a discount of RM0.0211 or approximately 17.42% to the TEAP of our Share of RM0.1211 each, calculated based on the 5D-VWAP of our Share up to and including the LPD of RM0.2761 each (*Source: Bloomberg*).

The Warrants D are issued at no cost to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) and are exercisable into new Shares over a tenure of 5 years from the date of issuance of Warrants D.

Our Board is of the view that the Exercise Price D, which is at a discount to the TEAP of our Share, is reasonable after considering the need to fix an exercise price that makes the Warrants D attractive for the purpose of enhancing the subscription level of the Rights Issue and potential of Warrants D being exercised and raise additional funds for our Company for purposes as set out in **Section 3** of this AP, as and when such Warrants D are exercised in the future.

The Exercise Price is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company. During the tenure of Warrants D, the Exercise Price D and the number of outstanding Warrants D may be adjusted due to alteration in the capital structure of our Company in the future, whether by way of rights issue, bonus issue, consolidation or subdivision of Shares or any other variation of capital, in accordance with the Deed Poll D.

**2.3 Ranking of the Rights Shares, Warrants D, Additional Warrants C and new Shares to be issued arising from the exercise of Warrants D and Additional Warrants C**

The Rights Issue will give rise to the Adjustments in accordance with the provisions of the Deed Poll C. The Additional Warrants C shall, upon allotment and issuance, rank equally in all respects with the then existing Warrants C.

The Rights Shares and new Shares to be issued arising from the exercise of Warrants D and Additional Warrants C shall, upon allotment and issuance, rank equally in all respects with our then existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the dates of allotment and issuance of the Rights Shares and the new Shares to be issued arising from the exercise of Warrants D and Additional Warrants C.

The Warrants D holders will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in our Company until and unless they exercise their Warrants D into new Shares and such new Shares have been issued and allotted.

**2.4 Minimum Subscription Level, Undertaking and Underwriting**

Our Company intends to raise minimum gross proceeds of RM16.00 million from the Rights Issue under the Minimum Subscription Level after considering the funding requirements of our Group as set out in **Section 3** of this AP.

In order to meet the Minimum Subscription Level:

- (i) our Company has obtained the Undertaking from FPSB that:
  - (a) it will not sell, transfer, dispose of or reduce its existing shareholdings in our Company in any manner, save for the effect of the Share Consolidation, from the date of the Undertaking up to the completion of the Rights Issue;
  - (b) it will apply and partially subscribe for 87,500,000 Rights Shares together with 43,750,000 Warrants D, at the Issue Price, for a total subscription value of RM7.00 million;
  - (c) it has sufficient and valid financial resources to fulfil and to satisfy in full the subscription amount that would be payable in connection with the Undertaking; and
  - (d) it will ensure that its shareholding in our Company as well as the aggregate shareholdings of FPSB and any persons acting in concert with FPSB (if any) do not trigger any take-over obligations under the Code and the Rules pursuant to the Undertaking; and
- (ii) our Company had entered into the Underwriting Agreement with the Sole Underwriter to underwrite 112,500,000 Rights Shares together with 56,250,000 Warrants D.

The Undertaking demonstrates the Undertaking Shareholder's commitment and support towards our Company and the Rights Issue. TA Securities, being the Adviser for the Rights Issue, has verified that the Undertaking Shareholder has sufficient financial resources to fulfil its obligations under the Undertaking.

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The details of the Undertaking and Underwriting, assuming the Entitlement Date is as at the LPD, are as follows:

	Direct shareholding		No. of Rights Shares under entitlement and to be subscribed pursuant to the Undertaking and Underwriting				Direct shareholding					
	(I) As at the LPD		(II) Entitlement		(III) Undertaking and Underwriting		(IV) Total subscription		(V) After (IV) and Rights Issue (Minimum Scenario)		(VI) After (V) and assuming full exercise of Warrants D	
	No. of Shares	% <sup>(1)</sup>	No. of Rights Shares	% <sup>(2)</sup>	No. of Rights Shares	% <sup>(2)</sup>	No. of Rights Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(4)</sup>
FPSB Sole Underwriter	102,174,900	24.91	306,524,700	50.24	87,500,000	14.34	87,500,000	14.34	189,674,900	31.09	233,424,900	32.87
<b>TOTAL</b>	<b>102,174,900</b>	<b>24.91</b>	<b>306,524,700</b>	<b>50.24</b>	<b>200,000,000</b>	<b>32.78</b>	<b>200,000,000</b>	<b>32.78</b>	<b>302,174,900</b>	<b>49.53</b>	<b>402,174,900</b>	<b>56.63</b>

Notes:

- (1) Computed based on our share capital of 410,135,327 Shares in issue as at the LPD.
- (2) Computed based on our pro forma share capital of up to 610,135,327 Shares in issue after completion of the Rights Issue (Minimum Scenario).
- (3) Based on the Issue Price.
- (4) Computed based on our pro forma share capital of up to 710,135,327 Shares in issue after completion of the Rights Issue (Minimum Scenario) and full exercise of Warrants D by FPSB and the Sole Underwriter.

The number of Rights Shares subject to the Undertaking is determined after considering the availability of financial resources of the Undertaking Shareholder to subscribe for the Rights Shares with Warrants D.

In the event the Minimum Subscription Level has been achieved via subscription by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) of respective entitlements and any excess Rights Shares:

- the Undertaking Shareholder will still be obliged to subscribe for 87,500,000 Rights Shares together with 43,750,000 Warrants D pursuant to the Undertaking for a total subscription value of RM7.00 million; and
- the Sole Underwriter is not obliged to apply for any Rights Shares with Warrants D.

The underwriting commission payable by our Company to the Sole Underwriter is 2.00% of the value of the Rights Shares underwritten, subject to the terms and conditions of the Underwriting Agreement. The underwriting commission and all relevant costs in relation to the Underwriting will be fully borne by our Company.

The Sole Underwriter may, by notice in writing to our Company given at any time on or before the Closing Date, terminate, cancel and withdraw the Underwriting commitment if:

- (i) there is any non-fulfilment of conditions precedent in the Underwriting Agreement or breach by our Company of any of the representations, warranties or undertakings as contained in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement, which is not capable of remedy or if capable of remedy, is not remedied within such number of days as stipulated within the period as set out in the notice given to our Company by the Sole Underwriter or by the Closing Date whichever is earlier, which breach is, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Rights Issue, or the distribution or sale of the Rights Shares; or
- (ii) there is a failure on the part of our Company to perform any of our obligations in the Underwriting Agreement; or
- (iii) there is withholding of information of a material nature from the Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Rights Issue, or the distribution or sale of the Rights Shares; or
- (iv) there shall have occurred, happened or come into effect in the opinion of the Sole Underwriter any material adverse effect to the business or financial condition of our Group; or
- (v) Force Majeure

There shall have occurred, happened or come into effect any of the circumstances:

- (a) in the reasonable opinion of the Sole Underwriter, any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of the foregoing which (in the reasonable opinion of the Sole Underwriter) would prejudice the Rights Issue; or
- (b) any event or series of events beyond the reasonable control of our Company and/or the Sole Underwriter (including without limitations, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents), which (in the reasonable opinion of the Sole Underwriter), would have a material adverse effect on and/or materially prejudice the business or the operations of our Group, the success of the Rights Issue, or the distribution or sale of the Rights Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
- (c) there shall be any development, occurrence or any change or prospective change, or any introduction or prospective introduction, of any legislation, regulation, policy, directive, guideline, ruling, in any jurisdiction, or any request or interpretation by any relevant authorities including without limitation, the SC, Bursa Securities, or any other regulatory authority, whether or not having the force of law, or occurrence of any other nature, which in the reasonable opinion of the Sole Underwriter will materially and adversely affect our Group, the success of the Rights Issue, the business and/or prospects of our Group, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

- (d) if the FTSE Bursa Malaysia Kuala Lumpur Composite Index declines by more than 5% from the index price on the date of execution of the Underwriting Agreement for any 3 consecutive market days at any time between the date of the Underwriting Agreement and up to and including the Closing Date and payment date; or
- (e) any stop order, injunction, direction, investigation or action having similar effect, being used or announced by Bursa Securities or any other judicial, governmental or regulatory authority in relation to the Rights Issue; or
- (f) any commencement of legal proceedings or action against our Company or our Group;
- (vi) imposition of any moratorium, suspension, or material restrictions on trading in all securities of our Company generally on Bursa Securities for a period exceeding 3 market days; or
- (vii) any matter which arose immediately before the date of the AP would have constituted a material and adverse omission in the context of the Rights Issue; or
- (viii) any event, act or omission which in the reasonable opinion of the Sole Underwriter give or is likely to give rise to any liability which will have a material and adverse effect on our Company and our Group pursuant to the indemnities contained under the Underwriting Agreement.

The Minimum Subscription Level of RM16.00 million will be achieved via the Undertaking and Underwriting. If the Minimum Subscription Level is not achieved by reason of the termination, cancellation and withdrawal of Underwriting commitment; or for any other reason, our Company will not proceed with the implementation of the Rights Issue. All subscription monies received pursuant to the Rights Issue will be returned without interest as soon as practicable to our Entitled Shareholders and/or their renounee(s)/ transferee(s) (if applicable) who have subscribed for the Rights Shares.

## 2.5 Take-over implications

The subscription of the Rights Shares by the Undertaking Shareholder pursuant to the Undertaking will not give rise to any mandatory take-over offer obligation under the Code and the Rules. The Undertaking Shareholder has undertaken to observe and comply at all times with the provisions of the Code and Rules.

The subscription of Rights Shares by the Sole Underwriter will not give rise to any mandatory take-over offer obligation under the Code and the Rules.

## 2.6 Public shareholding spread

The Undertaking and the Underwriting are not expected to result in non-compliance of the public shareholding spread requirement by our Company pursuant to Rule 8.02(1) of the ACE LR. The pro forma public shareholding spread of our Company before and after the implementation of the Rights Issue is illustrated below:

### (i) Minimum Scenario

	As at the LPD		(I) After the Rights Issue	
	No. of Shares	%	No. of Shares	%
Share capital	410,135,327	100.00	610,135,327	100.00
Less: Shareholdings of Directors of our Group, substantial shareholders of our Company and their associates	121,077,697	29.52	208,577,697	34.19
Less: Shareholdings of the Sole Underwriter	-	-	112,500,000	18.44
<b>Public shareholding spread</b>	<b>289,057,630</b>	<b>70.48</b>	<b>289,057,630</b>	<b>47.37</b>

(ii) Maximum Scenario

	As at the LPD		(I) After assuming full exercise of Warrants C	
	No. of Shares	%	No. of Shares	%
Share capital	410,135,327	100.00	452,117,211	100.00
Less: Shareholdings of Directors of our Group, substantial shareholders of our Company and their associates	121,077,697	29.52	121,077,697	26.78
<b>Public shareholding spread</b>	<b>289,057,630</b>	<b>70.48</b>	<b>331,039,514</b>	<b>73.22</b>

	(II) After (I) and the Rights Issue	
	No. of Shares	%
Share capital	1,808,468,844	100.00
Less: Shareholdings of Directors of our Group, substantial shareholders of our Company and their associates	484,310,788	26.78
<b>Public shareholding spread</b>	<b>1,324,158,056</b>	<b>73.22</b>

2.7 Salient terms of the Warrants D

The salient terms of the Warrants D are as follows:

Terms	Details
Issue size	: Up to 678,175,817 Warrants D.
Form and denomination	: The Warrants D will be issued in registered form and will be constituted by the Deed Poll D.
Tenure	: 5 years commencing from and inclusive of the date of allotment and issuance of the Warrants D.
Exercise period	: The Warrants D may be exercised at any time during the tenure of the Warrants D of 5 years commencing from and inclusive of the date of allotment and issuance of the Warrants D until 5:00 p.m. on its expiry date. Any Warrants D not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise Price D	: RM0.10 per Warrant D payable in respect of each new Share or such other exercise price that may be adjusted in accordance with the provisions of the Deed Poll D.
Expiry date	: The day being 5 years commencing from and inclusive of the date of allotment and issuance of the Warrants D and if such day is not a market day, then the expiry date will be on the market day immediately preceding such day.
Exercise rights	: Each Warrant D entitles the registered holder to subscribe for 1 new Share at any time during the exercise period and at the Exercise Price D (subject to adjustments in accordance with the provisions of the Deed Poll D).
Mode of exercise	: The registered holder of the Warrant D is required to execute and lodge an exercise form with our Company's share registrar, duly completed, signed and stamped together with payment of the Exercise Price D by bankers' draft or cashier's order drawn on a bank operating in Malaysia or internet bank transfer.
Board lot	: For the purpose of trading on Bursa Securities, 1 board lot of Warrant D shall comprise of 100 Warrants D carrying the rights to subscribe for 100 new Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities from time to time.



Terms		Details
		<p>The Warrants D would be immediately detached from the Rights Shares upon issuance and shall be listed and traded on the ACE Market of Bursa Securities when the Warrants D meet the conditions of the ACE LR of at least 100 Warrants D holders holding not less than 1 board lot each and submitting relevant application for the Warrants D to be listed on the ACE Market of Bursa Securities. The Warrants D will not be listed in the event this condition is not met.</p>
Adjustments to the Exercise Price D and/or number of unexercised Warrants D	:	<p>Subject to the provisions of the Deed Poll D, the Exercise Price D or the number of unexercised Warrants D held by each registered holder or both may, from time to time, be adjusted, calculated or determined by our Board in consultation with an approved adviser and certified by the auditors of our Company under certain circumstances in accordance with the provisions of the Deed Poll D.</p>
Transferability	:	<p>The Warrants D are transferable in the manner and in accordance with the provisions of the Deed Poll D, subject always to the provisions of the SICDA and the Rules of Bursa Depository. Subject to the provisions of the SICDA and Rules of Bursa Depository, the Warrants D shall be transferable in a board lot of 100 Warrants D carrying the rights to subscribe for 100 new Shares, or in multiples thereof or in such other denomination as may be determined by Bursa Securities, at any time during the exercise period. No person shall be recognised by our Company as having title to the Warrants D entitling the registered holder thereof to subscribe for a fractional part of a new Share or otherwise than as the sole holder of the entirety of such new Share.</p> <p>For the avoidance of doubt, save as provided under the Deed Poll D, the Warrants D shall not be transferred prior to the listing of and quotation for the Warrants D on the ACE Market of Bursa Securities.</p>
Rights of the Warrants D holders	:	<p>The Warrants D shall, amongst the Warrants D holders, rank equally without discrimination or preference. The Warrants D holders will not be entitled to any voting rights or participation in any forms of distribution and/or offer of further securities in our Company until and unless they exercise their Warrants D into new Shares and the new Shares have been allotted and issued to such Warrants D holders.</p>
Modification of rights of Warrants D holders	:	<p>Save as otherwise provided in the Deed Poll D, any modification, amendment, deletion or addition to the Deed Poll D (including the rights of Warrant D holders, form and content of the warrant certificates to be issued in respect of the Warrants D) may be effected only with a sanction of a special resolution by a deed to be executed by our Company and expressed to be supplemental to the Deed Poll D and if the requirements of the Deed Poll D have been complied with, unless such modification, amendment, deletion or addition is required to correct any typographical or manifest errors, related to purely administrative matters, is required to comply with prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of Warrant D holders).</p>
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	<p>If a resolution has been passed for a members' voluntary winding-up or liquidation of our Company or liquidation 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 our Company or the amalgamation of our Company with one or more companies, then:</p> <p>(i) for the purposes of such winding-up, liquidation, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant D holders (or some person designated by them for such purposes by a special resolution) shall be a party, the terms of such winding-up, liquidation, compromise or arrangement will be binding on all the Warrant D holders; and</p>

Terms	Details
	(ii) in any other case, every Warrants D holder shall be entitled, upon and subject to the conditions of the Deed Poll D at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or the granting of the court order approving the winding-up, liquidation, compromise or arrangement (as the case may be), to exercise his Warrants D by irrevocably submitting the duly completed exercise form authorising the debiting of his Warrants D, together with payment of the relevant payments and fees for the Exercise Price D, to elect to be treated as if he had immediately prior to the commencement of such winding-up, liquidation, compromise or arrangement, exercised his Warrants D to the extent specified in the exercise form(s) and become entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.
Governing law	: The laws of Malaysia.

## 2.8 Details of other corporate exercises

Save for the Rights Issue and the delivery of vacant possession of the Subject Properties pursuant to the SPA, our Board confirms that there are no other corporate exercises which have been announced but not yet completed as at the LPD.

## 2.9 Details of previous fund-raising exercises

Our Company had undertaken the following fund-raising exercises for the past 5 years preceding the date of this AP:

- (i) on 25 September 2020, our Company completed the Private Placement 1. As at the LPD, we have fully utilised the proceeds for the following purposes:

Utilisation purposes	RM'000
Partial repayment of bank borrowings	7,857
Expenses for the Private Placement 1	105
<b>TOTAL</b>	<b>7,962</b>

There was no variation to the utilisation of proceeds raised from the Private Placement 1.

- (ii) on 8 January 2021, our Company completed Private Placement 2. As at the LPD, we have fully utilised the proceeds for the following purposes:

Utilisation purposes	RM'000
Repayment of bank borrowings	5,919
Expenses for the Private Placement 2	101
<b>TOTAL</b>	<b>6,020</b>

There was no variation to the utilisation of proceeds raised from the Private Placement 2.

- (iii) on 28 April 2021, our Company completed the Rights Issue 2021. As at the LPD, we have fully utilised the proceeds for the following purposes:

Utilisation purposes	RM'000
Repayment of bank borrowings	47,686
Working capital for the mixed property development project named 'The Lourve' (comprises lifestyle retail shops and serviced apartments, located at Kajang, Selangor ("Project") and/or the moneylending business	7,916
Expenses for the Rights Issue 2021 and other corporate exercises	949
<b>TOTAL</b>	<b>56,551</b>

There was no variation to the utilisation of proceeds raised from the Rights Issue 2021.

- (iv) on 29 March 2022, our Company completed the Private Placement 3 wherein the proceeds raised was intended to be used for the following purposes:

Utilisation purposes	RM'000
Funding for the Project	19,696
Expenses for Private Placement 3	228
<b>TOTAL</b>	<b>19,924</b>

On 27 October 2022, our shareholders had approved the variation to the utilisation of proceeds raised from the Private Placement 3 which had been fully used as at the LPD for the following purposes:

Utilisation purposes	RM'000
Funding for the Project	5,579
Expenses for to the Private Placement 3	228
To partly finance the acquisition of the Subject Properties	14,117
<b>TOTAL</b>	<b>19,924</b>

- (v) on 7 March 2023, our Company completed the Private Placement 4. As at the LPD, we have fully utilised the proceeds for the following purposes:

Utilisation purposes	RM'000
Working capital for moneylending business	11,575
Expenses for the Private Placement 4	112
<b>TOTAL</b>	<b>11,687</b>

There was no variation to the utilisation of proceeds raised from the Private Placement 4.

### 3. UTILISATION OF PROCEEDS

Based on the Issue Price, the Rights Issue is expected to raise gross proceed of up to approximately RM108.51 million, to be utilised by our Group in the following manner:

Utilisation purposes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected timeframe for utilisation of proceeds*
Part payment of the Balance Purchase Consideration for the Antara Project <sup>(1)</sup>	15,220	43,110	Within 12 months
Working capital for managing the Subject Properties <sup>(2)</sup>	-	2,500	Within 24 months
Working capital for the moneylending business <sup>(3)</sup>	-	62,119	Within 12 months
Estimated expenses for the Corporate Exercises <sup>(4)</sup>	780	780	Within 1 month
<b>TOTAL</b>	<b>16,000</b>	<b>108,509</b>	

The actual proceeds to be raised from the Rights Issue is dependent on the final subscription level of the Rights Issue. Any additional proceeds raised in excess of RM16.00 million under the Minimum Scenario will be allocated in the following order of priority up to the amount under the Maximum Scenario:

- (i) part payment of the Balance Purchase Consideration for the Antara Project;
- (ii) estimated expenses for the Corporate Exercises;
- (iii) working capital for managing the Subject Properties; and
- (iv) working capital for the moneylending business.

Pending utilisation, the proceeds to be raised from the Rights Issue will be placed in interest-bearing account(s) or short-term money market instruments with a financial institution, as our Board may deem fit. Any interest income arising from the interest-bearing account(s) or any gains from the short-term money market instruments will be used as working capital for managing the Subject Properties.

Notes:

\* From the date of completion of the Rights Issue.

- (1) On 28 April 2022, our Company (as purchaser) entered into the SPA with AKSB (as developer and vendor) for the acquisition of the Subject Properties by our Company for total cash purchase consideration of RM246.348 million ("**Purchase Consideration**"). The market value of the Subject Properties of approximately RM246.44 million was derived using a two-tiered adjustment approach (market comparison approach and investment method, income approach), less an en-bloc discount, i.e., discount to reflect the bulk purchase of 187 units by a single purchaser, based on the valuation report of the Subject Properties dated 20 May 2022, prepared by an independent registered valuer registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia.

Subsequently on 22 June 2022, our Company entered into a novation agreement with Majestic Skyhill Management Sdn Bhd (a wholly-owned subsidiary of our Company) ("**Majestic Skyhill**") and AKSB wherein we novated our rights and obligations under the SPA to Majestic Skyhill.

Such acquisition is an opportunity for our Group to substantially increase our property portfolio with Subject Properties located at the well-known leisure and tourism destination in Genting Highlands as well as to diversify and supplement our Group's future income stream via rental income from the Subject Properties and/or capital gain from the subsequent sales of the Subject Properties. Our Company obtained our shareholders' approval for the acquisition of the Subject Properties on 29 August 2022. Please refer to the circular to our shareholders in relation to the acquisition of the Subject Properties dated 18 July 2022 for further information on the Subject Properties and the Antara Project which include the valuation certificate of the Subject Properties.

Pursuant to the SPA, the Purchase Consideration shall be payable by our Group in stages as set out in the table below, within 54 months from the date the SPA becomes unconditional and upon notification from AKSB on completion of various types of development works on the Subject Properties as well as delivery of vacant possession of the Subject Properties to our Group:

No.	Instalment payable	%	Amount (RM)	Date of payment
1.	Immediately upon the signing of the SPA	10	24,634,800.00	30 April 2022
2.	Within 30 days after the receipt by our Company of the developer's written notice of the completion of:			
	(i) the work below ground level of the buildings comprising the Subject Properties (including foundation of the buildings)	20	49,269,600.00	1 September 2022
	(ii) the structural framework of the Subject Properties (on progressive billing by floor basis)	15	36,952,200.00	4 April 2024
	(iii) the walls of the Subject Properties with door and window frames placed in position (on progressive billing by floor basis)	10	24,634,800.00	9 July 2024

No.	Instalment payable	%	Amount (RM)	Date of payment
	(iv) the roofing/ceiling, electrical wiring, plumbing (without fittings), gas piping (if any) and internal telecommunication trunking and cabling to the Subject Properties (on progressive billing by floor basis)	10	24,634,800.00	12 July 2024
	(v) (i) the internal plastering of the Subject Properties (on progressive billing by floor basis)	5	12,317,400.00	28 July 2024
	(ii) the external finishes of the Subject Properties including the wall finishes (on progressive billing by floor basis)	5	12,317,400.00	
	(vi) the sewerage works serving the buildings comprising the Subject Properties	5	12,317,400.00	20 January 2024*
	(vii) the drains serving the buildings comprising the Subject Properties	2.5	6,158,700.00	Yet to be paid.
	(viii) the roads serving the buildings comprising the Subject Properties	2.5	6,158,700.00	Yet to be paid.
3.	On the date our Company takes vacant possession of the Subject Properties, with water and electricity supply ready for connection	15	Balance of RM36,952,200.00, payable based on individual consideration of the individual units of the Subject Properties	Yet to be paid.
			<b>TOTAL</b>	<b>246,348,000.00</b>

Note:

\* The payment for stage 2(vi) was paid in advance ahead of the other construction stages as the sewerage works of the Subject Properties were completed earlier than the structural framework of the Subject Properties.

As at the LPD, the Antara Project is still under construction at 80% stage of completion and is currently at the stage of performing the stage 2(vii) as set out in the table above. Our Group had used a combination of internal funds and funds raised from Private Placement 3 to settle approximately 80.00% of the Purchase Consideration or approximately RM197.08 million with AKSB.

In view of the above, we intend to use the proceeds from the Rights Issue for part payment of the Balance Purchase Consideration. If we only achieve the Minimum Scenario, other than the proceeds from the Rights Issue, our Management will also use a combination of our Group's internal funds and/or bank borrowings to settle the Balance Purchase Consideration. If we are able to achieve the Maximum Scenario, other than the proceeds from the Rights Issue, our Management also intends to use internal funds to settle the Balance Purchase Consideration. In this regard, our Management will determine the breakdown of sources of funding for the payment of the remaining Balance Purchase Consideration (i.e., combination of internal funds and/or bank borrowings) at a later stage as it shall depend upon, amongst others, the subscription level of the Rights Issue as well as our Group's funding requirements and capital structure at the relevant time.

In the event the instalments for the Balance Purchase Consideration become due for payment before the receipt of the proceeds from the Rights Issue, our Group intends to utilise a combination of our internal funds and/or bank borrowings to meet such payment obligations for the Antara Project. In such circumstances, the proceeds from the Rights Issue will be used to settle the remaining of Balance Purchase Consideration, to repay the bank borrowings to be obtained to settle the Balance Purchase Consideration, and/or to replenish the internal funds used.

Any excess of proceeds will be re-allocated as working capital for our Group's moneylending business. The Antara Project is expected to be completed by 1<sup>st</sup> quarter of calendar year 2025.

- (2) We intend to use up to RM2.50 million of proceeds from the Rights Issue under the Maximum Scenario to finance the working capital requirements for managing the Subject Properties, as set out below:

<b>Purposes</b>	<b>Maximum Scenario (RM'000)</b>
Staff costs (i.e., staff salary, staff allowance and statutory contribution for business development personnel and administrative personnel)	1,423
General administrative expenses (i.e., cost to upkeep of equipment (e.g. check in kiosks, office desktops and electronic tablets), purchase of software licenses and renewals, cloud services subscriptions and others)	327
Estimated cost to renovate common areas of the Subject Properties as well as the installation of security systems and equipment (such as furniture and fittings, internet access and communication systems) at the common areas of the Subject Properties	750
<b>TOTAL</b>	<b>2,500</b>

Upon delivery of vacant possession of the Subject Properties, our Group intends to set up administrative office and recruit business development and administrative personnel to manage the Subject Properties such as sales and marketing campaigns for the Subject Properties, renting and/or sales of Subject Properties, renovate common areas of the Subject Properties and install security systems and equipment at the common areas of the Subject Properties to enhance its features for rental and/or capital appreciation purposes.

If proceeds to be raised from the Rights Issue is insufficient to fund for the above purposes, our Group may use a combination of internal funds and/or bank borrowings, of which the breakdown of sources of funding will only be determined later after considering the subscription level of the Rights Issue, availability of funds as well as the capital structure of our Group at the relevant time.

- (3) VCSB undertakes moneylending business for our Group, via providing financing schemes that cater to a wide range of customers, encompassing both individual and corporate customers. VCSB holds a money lender's license issued by the Ministry of Housing and Local Government under the Moneylenders Act 1951, which is valid for a period of 2 years (effective from 1 November 2024 to 31 October 2026). Such moneylending license allows VCSB to undertake any business relating to moneylending activities (save for pawn business) during the license period.

Our Group's moneylending business recorded the following financial performances:

	<b>(Audited)</b>			<b>(Unaudited)</b>	
	<b>FYE / As at 31 March</b>			<b>6M-FPE</b>	
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>
Revenue (RM'000)	3,188	1,924	2,831	709	2,900
Revenue (%) <sup>(i)</sup>	1.89	1.45	3.13	1.59	4.91
(LBT)/PBT (RM'000)	(190)	(928)	10,196	98	2,238
(LBT)/PBT (%) <sup>(ii)</sup>	N/A <sup>(iii)</sup>	12.28	>100 <sup>(iv)</sup>	N/A <sup>(v)</sup>	79.67
Amount of outstanding loan (RM'000)	54,956	10,353	45,132	15,826	36,682

(Source: Annual reports and quarterly announcements of our Group for the respective financial years/periods under review)

Notes:

N/A Not applicable.

(i) Being percentage of our Group's total revenue for the respective financial years/periods under review.

(ii) Being percentage of our Group's total LBT/PBT for the respective financial years/periods under review.

(iii) Not applicable as our Group was in PBT position for FYE 2022.

- (iv) Our Group recorded a PBT of RM2.68 million for FYE 2024.
- (v) Not applicable as our Group was in LBT position for 6M-FPE 2023.

Our Group diversified into the moneylending business upon obtaining our shareholders' approval for such diversification in July 2019. Over the years, our Group's moneylending business segment has grown and was profitable for FYE 2024 and 6M-FPE 2024.

Amidst the potential hike of inflation in Malaysia that could arise from the implementation of subsidy rationalisation as well as the prospects of the loan market in Malaysia as set out in **Section 6.4** of this AP, our Board expects a sustainable demand for financing facilities from non-bank financial service providers (e.g. licensed moneylender) from individuals and corporates which are/had been under-served by banks or other licensed financial institutions due to strict lending requirements imposed by such banks or other licensed financial institutions.

In anticipation of such demand, our Group requires to have additional sizable funds readily available for VCSB to use as loan disbursements to a broad range of customers for various purposes such as personal financing, working capital, investment, business start-up and expansion, purchase of real estate, project financing, equipment financing and others, with or without collaterals. VCSB aims to extend its moneylending business to any segments which are under-served by banks or other licensed financial institutions and continues to offer alternate financing schemes at competitive interest rates to secure more customers for its moneylending business. Hence, our Group intends to use the proceeds from the Rights Issue as working capital to expand our moneylending business. Currently, our Group uses our internal funds for our moneylending business.

In the event only the Minimum Scenario is achieved, our Management will use our internally generated funds as working capital to expand our Group's moneylending business.

- (4) The estimated expenses in relation to the Corporate Exercises consist of the following:

<b>Purposes</b>	<b>(RM'000)</b>
Professional fees (payable to the due diligence working group for the Corporate Exercises and other advisers)	602
Fees to authorities	97
Miscellaneous expenses (printing, meeting expenses and advertisement)	81
<b>TOTAL</b>	<b>780</b>

Under the Minimum Scenario, any surplus of proceeds to be used to defray the estimated expenses of the Corporate Exercises will be re-allocated for part payment of the Balance Purchase Consideration for the Antara Project and any shortfall will be funded via our Group's internally generated funds.

Under the Maximum Scenario, any surplus or shortfall of proceeds to be used to defray the expenses in relation to the Corporate Exercises will be re-allocated to or from the working capital for managing the Subject Properties.

The exact quantum of proceeds that may be raised by our Company from the exercise of Warrants D depends upon the final subscription level for the Rights Issue and actual number of Warrants D exercised during the tenure of Warrants D. The proceeds to be raised from the exercise of Warrants D shall be utilised to fund the working capital requirements of our Group's various business segments (namely IT and ICT products and services business, palm oil business and clay brick manufacturing business) such as payments to trade and non-trade payables as well as general administrative expenses (i.e., utilities expenses, office rental, and upkeep of office); funding for the moneylending business; and the working capital for property investment business of our Group (i.e., property insurance premium, property maintenance and renovation costs). The exact quantum and breakdown for such utilisation of proceeds cannot be determined by our Company at this juncture.

Pending utilisation of proceeds for the abovementioned purpose, the proceeds will be placed in deposits with licensed financial institution or short-term money market instruments as our Board may deem fit and in the best interest of our Company. The interest derived or any gain arising therefrom will be used for general working capital requirements of our Group (such as staff related expenses (i.e., salaries, allowances and statutory contribution) and other operating expenses (i.e., equipment maintenance, transportation costs, marketing and promotional expenses)), of which the breakdown for the utilisation cannot be determined by our Company at this juncture.



#### 4. RATIONALE FOR THE RIGHTS ISSUE

As at 30 September 2024 (being the latest announced financial results of our Group as at the LPD), our Group has cash, bank balances and short-term investments of RM22.27 million in aggregate, which our Management intends to preserve it for the working capital requirements of our Group's various business segments.

After due consideration of various means of fund-raising, our Board is of the view that the Rights Issue is an appropriate avenue to raise funds for our Company at this juncture for purposes as set out in **Section 3** of this AP based on the following key considerations:

- (i) it allows us to raise up to approximately RM108.51 million based on the Issue Price, without incurring additional interest expenses as compared to bank borrowings, for purposes as stated in **Section 3** of this AP which in turn, is expected to strengthen the financial performance of our Group upon the completion of the Antara Project wherein Subject Properties are available for rental purposes and/or our Group may enjoy potential capital gains upon disposal of the Subject Properties, as and when the opportunities arise, as well as the expansion of our Group's moneylending business;
- (ii) it involves issuance of new Shares without diluting existing shareholders' shareholdings in our Company, assuming all Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue;
- (iii) it provides an opportunity for our existing shareholders to increase their equity participation in our Company by subscribing for the Rights Shares and exercising the Warrants D into new Shares;
- (iv) the Warrants D, which may be listed and tradeable on the ACE Market of Bursa Securities, will benefit the Entitled Shareholders who subscribe for the Rights Shares with Warrants D with potential capital gain in the event of Warrants D price appreciation after its admission and listing on the ACE Market of Bursa Securities; and
- (v) it allows us to raise additional funds to, amongst others, fund the working capital requirements of our Group's various business segments (namely IT and ICT products and services business, palm oil business and clay brick manufacturing business) such as payments to trade and non-trade payables as well as general administrative expenses (i.e., utilities expenses, office rental, and upkeep of office); funding for the moneylending business; and the working capital for property investment business of our Group (i.e., property insurance premium, property maintenance and renovation costs), as and when Warrants D are exercised.

#### 5. RISK FACTORS

Our Group is principally involved in the following business segments:

- (i) IT and ICT – trading of IT and ICT related products (hardware, software and accessories), software development and support services;
- (ii) Property investment;
- (iii) Moneylending business;
- (iv) Palm oil – oil palm cultivation, plantation, milling, processing and trading; and
- (v) Clay brick manufacturing.

You and/or your renounee(s)/transferee(s) (if applicable) should consider carefully the following risk factors which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Shares with Warrants D.

##### 5.1 Risks relating to our Group's IT and ICT segment

###### (i) Rapid technological change

Our Group operates in IT and ICT industry which is prone to rapid technological changes, evolving industry standards, swift changes in customer requirements and frequent new product introductions and enhancements. Our Group's products may become obsolete due to changes in technology used in the products and in developing the software.

Our Group's profitability depends substantially upon our ability to address the increasingly sophisticated needs of our customers. The failure to manage technological changes will lead to a decrease in demand for our products and services and thereafter affect our businesses, operating results and financial conditions.

To remain competitive, our Group strives to offer products and/or services that incorporate up-to-date technologies and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis.

**(ii) Competition risk**

Our Group faces competition from both new entrants and existing players in the IT and ICT industry, who vary in size and in scope and breadth of products and services offered by them. Should our Group fail to overcome the competition, this will result in loss of market share and subsequent loss of revenue which in turn, will affect the financial performance and position of our Group.

**5.2 Risks relating to our Group's property investment segment**

**(i) Reliance on tourism industry**

The Subject Properties, which are located in Genting Highlands (a well-known leisure and tourism destination in Malaysia), form a major part of our Group's property portfolio. Any changes to the momentum of tourism industry in Malaysia will affect the occupancy rate of the Subject Properties and the financial performance of our Group's property investment segment.

**(ii) Latent building defects**

Any design, construction or latent building defects in the Subject Properties may require special repair or maintenance. Such potentially unpredictable levels of repair may have a material adverse effect on our Group's business, financial condition, results of operations and prospects. While our Group will conduct routine quality assurance checks on the Subject Properties, it is possible that not all defects or latent building defects will be identified, or other deficiencies, which could result in unpredictable business interruption due to repairs and rectification.

**(iii) Risk of property overhang**

Our Group may face risk of property overhang, commonly caused by over-supply and low demand for properties and other factors such as economic downturns and unfavourable financial conditions. There may be possibility of occurrence of property overhang at the time of completion of the Subject Properties in the future. This may affect the market value of the Subject Properties and in turn affect our Group's financial position. As such, our Group will closely monitor the developments in the property market as well as take prudent management planning for our property investment strategies. Nevertheless, there can be no assurance that there will be any adverse impact on our Group's financial performance.

**(iv) Revaluation risks**

The Subject Properties will be subject to revaluation in the future. Hence, there is no assurance that our Group's properties will not be subject to any downward revaluations in the future arising from factors such as decrease in market rental and occupancy rates or fall in the net property income earned from our properties.

**(v) Compulsory acquisition**

The Government of Malaysia has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of applicable legislation including the Land Acquisition Act 1960 for certain purposes. In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws or regulations.

If any of our Group's properties are compulsorily acquired by the Malaysian Government at a point in time when the market values of the properties (where applicable) have decreased, the level of compensation payable to us may be less than the purchase price of the properties (where applicable).

This may have an adverse effect on the price of the Subject Properties. In the event of any compulsory acquisition, we will seek to minimise any potential losses from such transaction, including invoking the relevant provisions of the Land Acquisition Act 1960 in relation to its rights to submit an objection in respect of the compensation, where necessary.

### **5.3 Risks relating to our Group's moneylending segment**

#### **(i) Credit risk**

Our Group will face credit risk which will have a material effect on our Group's financial results arising from the unsecured lending as well as the borrowers' default in making repayments for borrowings granted by our Group. Such risks could arise from deterioration in credit quality of borrowers or a general deterioration in local or global economy conditions. There is no assurance that our comprehensive credit assessment on borrowers' creditworthiness and mechanisms to monitor collection are able to prevent this credit risk and therefore, there is no assurance that our Group will not incur loss attributed to the default risk of our customers.

#### **(ii) Fraud risk**

In assessing credit applications, there can be no complete assurance that the information furnished by applicants is true and correct and any application received is a genuine application. Any forged application or any false or fraudulent information furnished by applicants may allow borrowers or fraudsters to exploit cash, products or services provided by our Group, which may then cause credit losses to our Group.

#### **(iii) Competition risk**

Our Group will face competition from, amongst others, existing players especially those large-scale licensed moneylenders, online moneylenders and licensed financial institutions. There is no assurance that our Group will be able to compete successfully against current and future competitors or that competitive pressure will not materially and adversely affect the business, operations, results or financial condition of our Group.

#### **(iv) Non-renewal or revocation or suspension of the moneylending licence**

Our Group relies on the moneylending licence from the Ministry of Housing and Local Government, which is valid for a period of 2 years from 1 November 2024 to 31 October 2026. If this licence is not renewed or is revoked or suspended by the relevant authority, our Group's moneylending business will be disrupted and our financial performance may be adversely affected.

#### **(v) Financing risk**

Our Group requires funding to support our moneylending business and such further funding may be derived from internally generated fund and/or future equity or debt fund-raising exercises. If our Group raises funds from the capital market via issuance of debt securities, we will incur fixed interest expense and our Group shall be obligated to repay investors as and when the repayment is due. Whilst no assurance can be given that our Group will be able to repay all of our borrowings and service all of our finance cost in the future, our Group's ability to make payments on loan principal and to service finance cost depends on our ability to generate sufficient cash in the future, which is subject to many factors beyond the control of our Group.

### **5.4 Risks relating to our Group's palm oil segment**

#### **(i) Termination of the sub-lease arrangement for cultivation and harvesting of FFB**

Currently, our Group cultivates and harvests FFB on 2 parcels of agriculture lands located in Daerah Kota Tinggi, Johor, which were sub-leased by Lembaga Kemajuan Johor Tenggara to Gemumi Multi Plantations Sdn Bhd (an indirect wholly-owned subsidiary of our Company) ("GMPSB") vide a sub-lease agreement for a period of 95 years, commenced from 29 June 1995 until 28 June 2090 for oil palm plantation. If such sub-lease agreement is terminated due to breach and/or failure to comply with the terms contained therein, our Group will not be able to continue with the palm oil business on these agriculture lands which in turn, would affect our Group's profitability and financial results.

**(ii) Non-renewal of the licence for the palm oil business**

Currently, GMPSB holds a licence from Malaysian Palm Oil Board to undertake the selling and moving of FFB on the plantation lands, which is valid from 1 October 2024 to 30 September 2025 and is subject to renewal. In the event such licence is not renewed by Malaysian Palm Oil Board, our Group's palm oil business would be disrupted and hence affect our Group's financial performance.

**(iii) Adequacy of manpower**

The palm oil business is labour intensive by nature as it requires extensive manpower in nurturing of seedlings, palm planting, manuring, harvesting and other routine maintenance work to achieve optimal FFB yield. Any shortage or disruption in manpower can have serious implications for the business operations of GMPSB. For instance, the harvesting of FFB is a time-sensitive process, and any delays due to insufficient labour can lead to a loss in both the quantity and quality of produce, directly impacting profitability of our Group's palm oil segment. A lack of adequate manpower can also lead to increased downtime, reduced efficiency, and the inability to maintain plantations to the required standards.

**5.5 Risks relating to clay brick manufacturing segment**

Clay bricks are a common building material in Malaysia, which are widely used in the construction industry for residential and commercial properties as well as infrastructure projects. The demand for clay bricks is influenced by various factors, including the overall growth of construction industry and housing market trends.

**(i) Competition risk**

Our Group operates in clay brick manufacturing industry which we expected to face increasing competition from existing competitors, where some may have significantly greater resources or advantages in terms of market access, financial resources, technical knowledge and procurement of raw material. Hence, it may result in revenue erosion and loss of market share to our Group, any of which could materially and adversely affect our Group's businesses, operating results and financial condition. While no assurance can be given that our Group would be able to improve our production efficiency over our competitors, our Group believes that our existing business relationships with customers and experienced management would continue to be the key underlying factors for the growth of our Group's clay brick business operations.

**(ii) Dependency on the property and construction industries**

To a large extent, the prospects of the industries in which our Group operates are highly correlated to the growth of the property and construction industries, which in turn is dependent on the state of the Malaysian economy. The Malaysian economy as well as the property and construction industries are cyclical in nature. Any downturn in the Malaysian economy in general or the property and construction industries specifically could affect the overall demand for our Group's products, thereby adversely affecting our Group's financial performance. Recognizing this risk, our Group is continuously trying to increase our customer base by expanding our market reach to cater for different customers, so as to minimize any adverse impact on the overall demand for our Group's clay bricks potentially arising from a general downturn in the property and construction industries. Notwithstanding this, should our Group be able to diversify our customer base, our Board is still unable to guarantee that it will be sufficient to mitigate any material adverse effect suffered as a consequence of any downturn in the Malaysian economy.

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## 5.6 Risks relating to our Group

### (i) Economic, political and regulatory considerations

Our Group's businesses, results of operations, financial condition and prospects may be affected by risks on the occurrence of force majeure events or circumstances which are beyond the control of our Group, for instances, natural disasters, closure of international borders, economic risks (such as an economic downturn, changes in interest rates, slower global and domestic growth and inflation), ongoing trade and geopolitical tensions, commodity-related crisis, adverse developments in political and government policies in Malaysia such as changes of fiscal and monetary policies as well as regulations relating to taxation, licensing or business permits relating to our Group's business; and foreign markets, acts of war or terrorism, riots, expropriations and changes in political leadership, all of which may affect investors' confidence in the financial and stock markets. While we strive to take precautionary measures such as prudent business, financial and risk management policies. Most of the above changes are beyond our control and there can be no assurance that any adverse developments will not materially affect the business operations and performance of our Group.

### (ii) Dependence on key personnel

Our Group's business sustainability depends largely on the abilities, skills and experience as well as the continued efforts of our existing Executive Directors and key management personnel. The loss of any Executive Directors and/or key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, may adversely affect our Group's revenue and profitability. There is no assurance that our Group will be able to identify, attract and retain skilled personnel from time to time in the future or that any loss of key management personnel can be easily and quickly replaced without major disruption to our Group's operations.

## 5.7 Risks relating to the Rights Issue

### (i) Investment risk

The market prices of our Shares as traded on Bursa Securities are influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, outlook of the industries in which our Group operates in as well as our Group's financial performance.

In view of this, there can be no assurance that the Rights Shares (together with the new Shares to be issued pursuant to the exercise of Warrants D) will trade at or above the Issue Price upon or subsequent to the listing and quotation of these new Shares on the ACE Market of Bursa Securities.

The Warrants D are new instruments to be issued by our Company. Therefore, there can be no assurance that an active market for the Warrants D will develop upon listing and quotation on the ACE Market of Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants D will be 'in-the-money' during the exercise period for the Warrants D. Accordingly, there is no assurance that the market price of the Warrant D will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants D.

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

The Rights Issue is exposed to the risk that it may be delayed or aborted due to the occurrence of force majeure events or circumstances, which are beyond the control of our Company and the Sole Underwriter, arising prior to or during the implementation of the Rights Issue.

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 is terminated.

Where prior to the issuance and allotment of the Rights Shares with Warrants D to the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable):

- (a) in the event of failure in the completion of the Rights Issue where the SC issues a stop order pursuant to subsection 245(1) of the CMSA, all applications shall be deemed to have been withdrawn and cancelled and our Company shall forthwith repay, without interest, all monies received from the applicants within 14 days from the date of the stop order, failing which we shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to subsection 245(7)(a) of the CMSA; or
- (b) in the event of failure in the completion of the Rights Issue (other than pursuant to subsection 245(1) of the CMSA), all application monies received pursuant to the Rights Issue will be refunded to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares with Warrants D, without interest.

If the Rights Shares with Warrants D have been issued and allotted to the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) and:

- (a) the SC issues a stop order pursuant to subsection 245(1) of the CMSA, any issue of the Rights Shares with Warrants D 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 from the date of service of the stop order, our Company shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to subsection 245(7)(b) of the CMSA; or
- (b) the Rights Issue is subsequently cancelled or terminated for reasons other than pursuant to a stop order by the SC under subsection 245(1) of the CMSA, a return of monies received from the applicants can only be achieved by way of cancellation of our Company's share capital as provided under the Act and its related rules.

Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, supported by either (i) consent of 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, or (ii) a solvency statement from our Directors. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

Notwithstanding the above, we will exercise our best endeavour to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned events will not cause a failure or delay in the completion of the Rights Issue.

**(iii) Potential dilution of existing shareholders' shareholdings**

In view of the basis of the Rights Issue and that the Rights Issue is on a renounceable basis, our Entitled Shareholders who do not subscribe for their entitlements under the Rights Issue will experience dilution in their shareholdings in our Company as a result of the issuance of the Rights Shares (arising from subscription of Rights Shares by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable)) and the issuance of new Shares arising from the exercise of Warrants D. Consequently, their proportionate entitlement to any future distributions, rights and/or allotments that our Company may make after completion of the Rights Issue will correspondingly be diluted.

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**(iv) Forward-looking statements**

Certain statements in this AP are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this AP are based on estimates and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements 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 view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

**6. INDUSTRY OUTLOOK AND PROSPECT OF OUR GROUP**

**6.1 Overview and outlook of Malaysian economy**

Despite a challenging external environment, Malaysia's economy grew by 3% in the fourth quarter of 2023, supported by resilient domestic demand that rose by 5.2% in the fourth quarter of 2023 (in the third quarter of 2023: 4.8%). This helped cushion the 3.2% decline in Malaysia's trade, as exports softened on the back of cooling global demand. Overall, the Malaysian economic growth normalised to 3.7% in 2023, following a strong growth registered in the previous year (2022: 8.7%). *(Source: 2023 Economic Growth Normalised, Supported by Recovery in Economic Activities and Labour Market Conditions, MOF)*

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment, while household spending sustained its expansion amid positive labour market conditions and policy support. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024. *(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2024, BNM)*

In 2024, Malaysia's economy is forecast to expand between 4.8% and 5.3%. Growth will be propelled by robust domestic demand and recovery in exports. Consumer spending is expected to remain resilient, supported by improvements in labour market conditions and vibrant tourism-related activities. Investment will be driven by new and ongoing projects by both the private and public sectors, supported by the implementation of key national policies and initiatives, including the National Energy Transition Roadmap and the New Industrial Master Plan 2030. *(Source: Economic Outlook 2024, MOF)*

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronic goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is Government-Linked Enterprises Activation and Reform Program, will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy. *(Source: Budget 2025 – Economic Outlook, MOF)*

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## 6.2 Overview and outlook of the property investment industry in Malaysia

### Malaysia

The real estate and business services subsector expanded by 9.1% in the first half of 2024 supported by higher demand for professional services, particularly in engineering-related activities. The subsector is expected to grow by 8.1% in the second half of the year supported by the increase of sales transactions from developers to buyers in the real estate segment and higher demand for professional, scientific & technical services. Furthermore, the enhancement of the Malaysia My second Home visa scheme in June 2024, will help boost sales of the high-end segment of local property. For the year 2024, the subsector is expected to grow by 8.6%. (Source: *Economic Outlook 2025, MOF*)

The property market has improved in 1<sup>st</sup> half of (“1H”) 2024, indicated by higher growth in market activity and positive performance in all sub-sectors. Total volume and value of transactions expanded by 8.0% in volume and 23.8% in value to 198,906 transactions worth RM105.65 billion as compared to 1H 2023 (184,140 transactions worth RM85.37 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value. The property market performance recorded an increase in the first half of 2024. A total of 198,906 transactions worth RM105.65 billion were recorded, showing an increase of 8.0% in volume and 23.8% in value compared to 1H 2023, which recorded 184,140 transactions worth RM85.37 billion. Of the total transactions, 63.9% (127,043 transactions) and 32.5% (64,725 transactions) were transfers dated in 2024 and 2023, respectively while the remaining percentage share was for prior years’ transfers.

Sectoral market activity performance showed upward movements. All subsectors recorded year-on-year growths in volume of transactions; residential (6.1%), commercial (22.4%), industrial (2.3%), agricultural (6.5%), and development land and others (12.1%). Value of transactions recorded higher increase for all sub-sectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 10.4%, 41.5%, 23.4%, 37.8% and 59.3% respectively. The residential sub-sector dominated the overall property market, with 61.3% contribution in volume. This was followed by agriculture (19.5%), commercial (10.9%), development land and others (6.4%) and industrial (1.9%). Similarly in value, residential took the lead with 46.8% share, followed by commercial (22.4%), industrial (12.8%), agriculture (9.2%) and development land and others (8.8%).

(Source: *Property Market Report 1H 2024, Valuation and Property Services Department Malaysia, MOF*)

The property market has gradually increased in 2023, higher after the downturn in 2020 due to COVID-19 pandemic. A total of 399,008 transactions worth RM196.83 billion were recorded, each showing an increase of 2.5% and 9.9% respectively compared to 2022, which recorded 389,107 transactions worth RM179.07 billion. Of the total transactions, 77.7% (309,861 transactions) and 18.6% (74,405 transactions) were transfers dated in 2023 and 2022 respectively while the remaining percentage share was for prior years’ transfers. (Source: *Property Market Report 2023, Valuation and Property Services Department Malaysia, MOF*)

### Pahang

The east coast region property market in 1H 2024 recorded 32,896 transactions worth RM6.52 billion, marking an increase of 22.2% in volume and 21.2% in value compared to 1H 2023 which recorded 26,909 transactions worth RM5.38 billion. The residential sub-sector was the main sub-sector for all states. The residential sub-sector’s in the east coast region improved in 1H 2024. The region recorded 18,860 transactions worth RM3.49 billion, an increase of 14.1% in volume compared to 16,528 transactions worth RM2.87 billion in 1H 2023. Kelantan and Pahang saw increases in volume by 84.0% and 8.8%, respectively.

In overall 1H 2024, residential property prices showed mixed movements. Landed residential properties in prime and stable areas experienced marginal capital gains. Double storey terraced houses in established schemes such as Bandar Indera Mahkota in Kuantan District, Pahang, and Pekan Temerloh saw increases of 6.8% and 4.8%, respectively. The East Coast Region primary market declined for new launches in Kelantan and Pahang. Kelantan recorded 128 new launches, while Pahang with 1,617 units, both states decreased by 67.3% (1H 2023: 392 units), and 32.8% (1H 2023: 2,405 units), respectively. Contrarily, Terengganu improved with 107 new launches compared to 65 units in 1H 2023.



The performance of market activity in Kelantan saw strong growth, increased by 91.3%, followed by Pahang with 10.9%. The house price index for Pahang, Terengganu, and Kelantan stood at 201.8 points, 189.7 points, and 223.4 points, respectively. The average price of all houses in Pahang was RM266,384 in second quarter of (“2Q”) 2024, slightly up from RM264,874 in 2Q 2023.

*(Source: East Coast Region Property Market Region 1H 2024, Valuation and Property Services Department Malaysia, MOF)*

### 6.3 Overview and outlook of the ICT industry in Malaysia

The information and communication subsector recorded an increase in revenue of 5.3% in 2023. For the second quarter of 2024, information & communication segment recorded an increase in revenue of RM43.9 billion or 3.2% as compared to first quarter 2024 of RM43.4 billion or 3.1% as a result of the higher transaction recorded in the second quarter of 2024. *(Source: Quarterly Services Statistics, 2<sup>nd</sup> Quarter 2024, DOSM)*

Meanwhile, the information and communication subsector is expected to expand by 6.5% in 2024, primarily underpinned by telecommunication segment following fast rollout of fifth-generation (“5G”) coverage and the adoption of a dual network model. The performance of the subsector will also benefit from the increasing demand for high-speed connectivity, particularly through the adoption of satellite internet technology in rural and remote areas. *(Source: Economic Outlook 2024, MOF)*

Meanwhile, the information and communication subsector is expected to grow by 2.6% in 2025, mainly attributed to the completion of 5G network that will enhance the coverage and network quality. Furthermore, a surge in investment for digital infrastructure including data centres will be crucial in improving the subsector’s growth. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. *(Source: Economic Outlook 2025, MOF)*

For the third quarter of 2024, the information & communication segment recorded an increase in revenue of RM44.2 billion or 3.2% as compared to second quarter 2024 of RM43.9 billion or 3.1% as a result of the higher transaction recorded in the second quarter of 2024. *(Source: Quarterly Services Statistics, 3<sup>rd</sup> Quarter 2024, DOSM)*

Malaysia’s journey towards accelerating economic development towards a high-income nation hinges upon the acquisition and utilisation of productive knowledge, particularly in increasingly sophisticated industries and products. Malaysia’s economy must effectively diversify into products that require rich and deep know-how which only a few other countries master, from innovation intensive sectors such as electrical and electronics, aerospace, ICT, pharmaceutical, medical devices to the diverse high-tech engineering products. By increasing complexity, Malaysia aims to enhance the strategic competitive positioning in industries in a wider range of products and services. The Industry4WRD policy was introduced in 2018 to accelerate Malaysia’s manufacturing sector’s digitalisation journey. The aim was to transform the manufacturing sector and manufacturing-related services to adopt Industry 4.0 technologies in order to increase the level of labour productivity, elevate contribution of manufacturing to the economy, strengthen innovation capacity and capability and increase the number of high-skilled workers in the manufacturing sector. The New Industrial Master Plan 2030 will further enhance the Industry4WRD programmes to accelerate the technology shift towards Industry 4.0. By leveraging Industry 4.0 technologies, Malaysia will continue to maintain its competitiveness amidst the rapidly changing global landscape. The Government is committed to ensuring the readiness of digital infrastructure to support industry development. *(Source: New Industrial Master Plan 2030, Ministry of Investment, Trade and Industry Malaysia)*

### 6.4 Overview and outlook of the moneylending industry in Malaysia

Financing activities remained broadly sustained in 2023, in line with the pace of domestic economic growth. The sustained growth in credit to the private non-financial sector (2023: 4.8%; 2022: 4.7%) was driven by higher growth in outstanding loans (2023: 4.9%; 2022: 4.7%) while outstanding corporate bonds expanded at a more moderate pace (2023: 4.2%; 2022: 4.6%). Despite some moderation in business loan growth in the first half of 2023, outstanding loan growth improved in subsequent quarters as business outlook gradually improved. *(Source: Economic and Monetary Review 2023, BNM)*

Outstanding loans expanded by 6% as at end-2Q 2024 (1Q 2024: 5.8%), following a higher loan growth for businesses. Growth in outstanding corporate bonds was also higher at 3.4% (1Q 2024: 3.2%). Outstanding business loan growth increased amid higher growth in both investment related and working capital loans. By sector, the stronger growth was recorded in the construction and manufacturing sectors. Growth in household loans was sustained across most loan purposes. Demand for credit continued to be forthcoming amid higher loan applications, particularly for the purchase of house. (Source: *Financial Stability Review, Second Quarter of 2024, BNM*)

Credit to the private non-financial sector grew by 5.1% in October (September 2024: 4.8%), amid higher growth in business loans (5.3%; September 2024: 4.5%) and corporate bonds (2.6%; September 2024: 2.1%). The increase in business loan growth was driven by higher growth in non-small and medium enterprises loans across purposes, while loan growth for small and medium enterprises remained sustained. In addition, loan applications were higher during the month, reflecting steady demand for financing among businesses. For households, loan growth continued to be sustained at 6.1% (September 2024: 6.1%), amid broadly steady growth in loans across purposes. (Source: *Monthly Highlights and Statistics, October 2024, BNM*)

## 6.5 Overview and outlook of tourism industry in Malaysia

2023 witnessed a significant rebound in Malaysia's tourism industry, with tourists returning en masse after the global travel restrictions eased. 2023 saw a total of approximately 20.14 million arrivals, generating approximately RM71.31 billion in tourist receipts. The positive trend can be attributed to several key factors, including a 67.8% increase in weekly flight seat capacity to Malaysia, which significantly improved accessibility for travelers. Strategic tourism promotional activities in major markets further stimulated international interest and arrivals. (Source: *Malaysia Tourism Key Performance Indicator 2023, Malaysia Tourism Promotion Board ("Tourism Malaysia")*). This represents a remarkable increase of 100.00% or 10.07 million tourists compared to 10.07 million tourist arrivals in 2022 as well as an increase of 152.60% or increase of RM43.07 billion in tourist revenue compared to tourism revenue of approximately RM28.23 billion in 2022. The top five tourist-generating markets were Singapore, Indonesia, Thailand, India, and Brunei, highlighting the strong regional ties that continue to foster the growth of the industry. Domestic tourism, too, played a significant role in 2022, with 65.10 million domestic tourists exploring the country, contributing RM38.88 billion in tourist expenditure. (Source: *Malaysia Tourism Key Performance Indicator 2022, Tourism Malaysia*)

In 2024, Tourism Malaysia sets a target of welcoming 27.30 million international tourist arrivals, with tourism revenue exceeding RM102.70 billion. Through business-to-business sessions, seminars, networking opportunities, and a focus on promotions in niche segments such as edu-tourism, shopping paradises, and halal food heavens, Malaysia aims to establish itself as a premier family-friendly holiday destination. This represents an increase of 35.55% or 7.16 million tourists compared to 20.14 million tourist arrivals in 2023 as well as an increase of 44.02% or increase of RM31.39 billion in tourist revenue compared to tourism revenue of approximately RM71.31 billion in 2023. (Source: *Tourism Malaysia embarks on strategic sales mission to North Africa, Tourism Malaysia*)

Tourism Malaysia had a prominent start on 30 April 2024 by organising a networking session with the industry players by presenting its strategic direction and action plans focusing on promoting Malaysia internationally and domestically. This direction and action plans were crafted during the engagement session with industry players to ensure the fast conversion and high impact programme and achieve the common goal in attracting 35.6 million tourists and generate RM147.1 billion in receipts for Visit Malaysia 2026. The Visit Malaysia 2026 roadmap is built on three core strategies – creating demand, increasing traffic, and prioritising target markets. Key initiatives include branding and marketing blitz, strategic partnerships for joint promotions/tactical campaigns and market segmentation. Malaysia's notable tourism achievements for the first quarter of 2024 are promising. During this period, from January to March, Malaysia saw a significant influx of foreign tourists, reaching 5.8 million arrivals.

This marks a remarkable growth of 32.5% compared to the previous year's 4.3 million. The top ten markets contributing to this success were Singapore, Indonesia, China, Thailand, Brunei, India, South Korea, the United Kingdom, Australia, and the Philippines. Tourism Malaysia will continue to empower its branding through aggressive advertising campaigns, influencer marketing, and compelling content creation across digital (70%) and traditional (30%) media platforms. The agency will also establish strategic partnerships with airlines, online travel agents and land/sea border operators of neighbouring countries to enhance tourist arrivals.

Key target markets are prioritised into three tiers, led by first-level priorities such as China, India, Indonesia, Vietnam and Australia. The second-level priorities include South Korea, Gulf Cooperation Council countries and the United Kingdom, followed by third-level priorities comprising Chinese Taipei and Germany. Apart from traditional markets such as Brunei, Thailand and Singapore, the focus is also highlighted on emerging markets like Pakistan and Bangladesh. Meanwhile, tourism products and travel experiences will be tailored for niche segments like nature-based tourism, experiential tourism, medical & wellness tourism, responsible tourism, luxury, weddings, Muslim-friendly, gastronomy, and leisure travel. *(Source: Tourism Malaysia unveils strategic roadmap for Visit Malaysia 2026, Tourism Malaysia)*

## 6.6 Overview and outlook of oil palm industry in Malaysia

The Malaysian oil palm industry experienced mixed performance in 2023 compared to the preceding year. Despite a marginal reduction in planted area partly attributed to ongoing site preparation activities for replanting initiatives within the industry, CPO production saw a modest increase of 0.5% to reach 18.55 million tonnes as against 18.45 million tonnes in 2023 attributed to an improved labour supply, particularly in harvesters and fresh fruits bunches collectors. Exports of palm oil stood at 15.13 million tonnes in 2023 compared to 15.71 million tonnes in 2022. *(Source: Overview of the Malaysian Oil Palm Industry in 2023, Malaysian Palm Oil Board ("MPOB"))*.

Malaysia exported 24.49 million tonnes of palm oil and palm-based products and generated an income of RM94.95 billion for 2023. In 2024, export revenue of palm oil and palm-based products is expected at RM110.00 billion, an increase of RM15.05 billion or 15.85% from the export revenue of RM94.95 billion for 2023. Similarly, palm oil exports may increase by 3.3% or 0.5 million tonnes to 15.6 million tonnes for 2024, as opposed to 15.1 million tonnes for 2023 attributed to expected higher export demand, especially from China. *(Source: SAWIT: Higher export revenue from oil palm sector this year, Ministry of Plantation and Commodities, 12 March 2024)*

FFB produced in July 2024 increased by 10.1% to 9,525,968 tonnes as compared to June 2024 (8,650,592 tonnes). Likewise, the year-on-year comparison also posted an increase of 14.1% as compared to July 2023 (8,350,328 tonnes). The average of FFB yield by estates in July 2024 increased 11.4% to 1.56 tonnes/hectare as compared to June 2024 (1.40 tonnes/hectare). The average of FFB yield by estates operated in Peninsular Malaysia increased by 12.4% to 1.81 tonnes/hectare (June 2024: 1.61 tonnes/hectare) and Sabah/ Sarawak inclined by 10.6% to 1.36 tonnes/hectare (June 2024: 1.23 tonnes/hectare). The average of FFB yield by estates in July 2024 increased 11.4% to 1.56 tonnes/hectare as compared to June 2024 (1.40 tonnes/hectare). The production of CPO escalated by 14.0% (July 2024: 1,840,999 tonnes, June 2024: 1,615,283 tonnes) and palm kernel increased by 16.2% (July 2024: 427,342 tonnes, June 2024: 367,852 tonnes). The crude palm kernel oil and palm kernel cake also showed an increase of 20.4% (July 2024: 205,829 tonnes, June 2024: 171,008 tonnes) and 20.9% (July 2024: 226,647 tonnes, June 2024: 187,531 tonnes) respectively.

The exports of palm oil surged by 39.9% (July 2024: 1,689,365 tonnes, June 2024: 1,207,414 tonnes). On the same note, the exports of palm kernel oil and palm kernel cake also showed similar trend with an increment of 18.5% (July 2024: 109,908 tonnes, June 2024: 92,403 tonnes) and 1.8% (July 2024: 217,365 tonnes, June 2024: 213,418 tonnes) respectively. The Ministry of Plantation and Commodities will ensure that oil palm, which is the country's largest commodity, does not encounter the same challenge as the rubber and cocoa industries, which tend to rely on imports. The oil palm industry, which is synonymous with Malaysia, will continue to be empowered to assist all stakeholders, including smallholders. In order to realise this initiative, various plans were drawn up such as the production of palm oil seed clones, the best farm management and sufficient labour force.

*(Source: Malaysian Economic Statistics Review - Vol. 8/2024, DOSM)*

In the 3<sup>rd</sup> quarter of 2024, the agriculture sector recorded a slower growth of 3.9% as compared to the 7.3% in the 2<sup>nd</sup> quarter of 2024. In terms of seasonally adjusted figures, this sector experienced a marginally increase of 0.5% (2Q 2024: 1.7%). The performance was largely due to the 7.3% growth in the oil palm sub-sector (Q2 2024: 19.0%), which resulted from a slower production of fresh fruit bunches. *(Source: Malaysia GDP 3<sup>rd</sup> Quarter, DOSM)*

The performance of the agriculture sector is expected to remain stable in 2025 with a growth of 1.9% supported by all subsectors, except forestry and logging. The oil palm subsector is poised to increase at a modest pace, underpinned by high FFB production and yield, following larger oil palm harvestable areas, favourable weather condition and better labour market. The CPO price is forecast to stabilise within the range of RM3,500 and RM4,000 per tonne in view of better global production. In addition, higher global output of soybean oil and steady demand for CPO from major importing countries are anticipated to contribute to the price stabilisation. *(Source: Malaysian Economic Outlook 2025, MOF)*

Agriculture sector remains steady partly attributed by expected increase in oil palm production and CPO prices. The oil palm subsector is projected to increase on account of higher FFB production, following peak harvest season and further improvement in labour supply.

The agriculture sector is expected to grow by 1.2% in 2024 driven by expansion in most subsectors, particularly oil palm, other agriculture and livestock. With the anticipation of minimal impact from the El Niño phenomenon and labour conditions returning to pre-pandemic level, the oil palm production is projected to increase, contributing to the subsector's growth. Furthermore, increased matured area especially in Peninsular Malaysia and higher oil extraction rate arising from more frequent harvesting rounds are also expected to support the subsector's growth. The CPO price is forecast to average within the range of RM4,000 and RM4,500 per tonne in 2024 (2023: RM3,500 – RM4,000 per tonne), partly attributed to anticipation of low output from other vegetable oils and higher demand for CPO from major importing countries. Exports of agriculture goods are forecast to expand by 1.7%, supported by a higher demand for palm oil and palm oil based agriculture products amid anticipated minimal impact from the El Niño phenomenon. *(Source: Economic Outlook 2024, MOF)*

## 6.7 Overview and outlook of construction industry in Malaysia

Higher growth is expected in the construction sector (2024: 6.7%; 2023: 6.1%), driven by continued activities in the civil engineering, special trade and residential subsectors. This will be supported by new and ongoing large infrastructure and small-scale projects under the Malaysian Budget 2024, New Industrial Master Plan 2030 and National Energy Transition Roadmap. Meanwhile, growth in residential subsector will be driven by new housing launches amid further improvement in housing demand. *(Source: Economic & Monetary Review 2023, BNM)*

In the construction segment, housing completion was promising, up by 11.1% to 31,572 units in 1H 2024 as compared to 1H 2023 (28,412 units). Selangor contributed the highest number with 5,637 units, followed by Wilayah Persekutuan Kuala Lumpur with 5,589 units. By type, supply continued to focus on condominiums/apartments, which formed more than 50.0% (15,835 units) of the national total, while terraced houses formed another 34.6% (10,928 units). Similarly, starts and new planned supply show increasing numbers by 1.1% to 41,505 units and 30.1% to 40,505 units, respectively, led by Johor (6,882 units) for the former and Wilayah Persekutuan Kuala Lumpur (9,496 units) for the latter. As of June-end, there were nearly 6.3 million existing residential units, with slightly more than 0.37 million and 0.39 million in the incoming supply and planned supply, respectively.

On the supply front, construction activity was moderately active in the review period. Starts and new planned supply increased by 41.9% to 2,163 units and 26.0% to 1,613 units, respectively, while completion declined by 34.6% to 933 units as compared to 1H 2023. As of June-end, there were nearly 569,000 existing shops, with more than 25,000 units in the incoming supply and almost 30,000 units in the planned supply. On the supply front, construction activity saw strong growth in 1H 2024. Completion, starts, and new planned supply increased by more than double to 15,518 units, 10,363 units, and 13,311 units, respectively. As of June-end, there were nearly 400,000 existing serviced apartment units, with more than 140,000 units in the incoming supply and almost 137,000 units in the planned supply.

The performance of the property market in the first half of 2024 continue to improve, driven by stronger market activity, an improvement in market status, and encouraging construction activity. The strengthening of market activity was driven by a positive performance of transactions in all subsectors, supported by various initiatives outlined by the government under Budget 2024, including providing guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan and the extension of the stamp duty exemption period for property transfer documents for the purchase of first time home buyers valued at RM500,000 and below until December 2025.

The government has introduced several efforts and catalytic projects to drive the local economy while simultaneously stimulating the development of the property market. These include improving the flexibility of application requirements for the Malaysia My Second Home program, developing the Johor-Singapore Special Economic Zone, and establishing a Special Financial Zone in Forest City. Additionally, bolstering demands for property are positive, impact of developments such as the Rapid Transit Link project in Johor, the East Coast Rail Link, and the Pan Borneo Highway project in Sabah and Sarawak.

*(Source: Property Market Report First Half 2024, National Property Information Center, MOF)*

The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners. *(Source: Economic Outlook 2024, MOF)*

The value of work done in the construction sector reached RM41.1 billion in the third quarter of 2024, marking a substantial growth of 22.9%, an improvement from the 20.2% recorded in the previous quarter. This growth momentum was primarily driven by a 42.6% expansion in the special trade activities sub-sector, which continues to demonstrate accelerated growth. Additionally, the residential buildings and non-residential buildings sub-sectors both gained the momentum by expanding 27.8% and 27.7% respectively. Meanwhile, the civil engineering sub-sector also expanded at a more moderate pace, still contributed positively with a 12.0% growth rate. Of the RM41.1 billion in work done value recorded in the third quarter of 2024, RM15.2 billion or 36.9% was attributed to the civil engineering sub-sector, primarily in the construction of roads and railways (RM6.8 billion) and utility projects (RM6.2 billion). Meanwhile, the value of work done for non-residential buildings and residential buildings was RM11.8 billion (28.6%) and RM9.4 billion (22.8%), respectively. The special trade activities made up to RM4.8 billion (11.6%), largely in sites preparation (RM1.3 billion); electrical installation (RM1.2 billion); and plumbing, heat and air-conditioning installation (RM1.0 billion) activities. *(Source: Construction Statistics, Third Quarter 2024, DOSM)*

## 6.8 Prospect of our Group

Our Group is currently involved in the following businesses:

### (i) IT and ICT products and services

The continuous government initiatives (e.g., implementation of New Industrial Master Plan 2030, National Policy on Industry 4.0, National eCommerce Strategic Roadmap 2.0, MyDIGITAL (an initiative to transform Malaysia into a digitally-driven economy) and Jalanan Digital Negara (an infrastructure plan aimed at addressing the need and demand for better quality for fixed and mobile broadband coverage (“JENDELA”)) and growth of the e-commerce industry will spur digital usage and drive the country towards a digital economy.

According to the Malaysian Communications and Multimedia Commission, by the end of 2025, JENDELA aspires to expand access for fixed line broadband to nine million premises, for 100% of populated areas to have internet coverage and to achieve an average mobile broadband speed of 100Mbps *(Source: <https://www.nst.com.my/news/nation/2023/02/883507/budget-2023-mcmc-committed-empowering-connectivity-digital-ecosystem>, accessed on the LPD).*

Our Board is of the view that the continuous government initiative to spur digital usage and the rollout of 5G which aims to increase the network coverage and quality will require upgraded ICT products for 5G network compatibility and hence, increase the demand for ICT products in Malaysia which in turn would contribute positively to our Group's earnings and financial performance in the future.

**(ii) Property investment**

Currently, our Group's property portfolio comprises solely of residential properties. Our Management has been continuously seeking business opportunities to expand our Group's property portfolio for property investment segment through acquisitions of companies (which own real estate), land banks and/or properties to earn recurring rental income and/or for capital appreciation purpose which in turn, shall contribute positively to our Group's earnings; improve our Group's cash flow position; and enhance our Group's financial performance and financial position in the mid to long term.

The Antara Project is strategically located at the well-known leisure and tourism destination in Malaysia, Genting Highlands, which provides wide-range of leisure and entertainment facilities, including gaming, theme park and amusement attractions, dining and retail outlets, as well as international shows and business convention facilities.

Our strategic investment in the Antara Project is rooted in the promising outlook for the Malaysian property markets as well as the tourism industry in Malaysia as set out in **Sections 6.2** and **6.5** of this AP. We anticipate appreciation in the value of the Subject Properties over the long term, backed by its proximity to Genting Highlands.

Following the completion of the Antara Project, we will either retain the Subject Properties for rental income or sell the Subject Properties for potential capital appreciation as and when opportunities arise and to be aligned with prevailing market demands.

**(iii) Moneylending business**

In view of the increasing market demands for direct lending especially among segments under-served by licensed financial institutions such as private credit and house loans as set out in **Section 6.4** of this AP, our Group's moneylending business is poised to grow in 2024. The robust outlook for the moneylending market in Malaysia, coupled with strategic targeting of under-served customer segments, positions our Group for opportunities to cater to personal financing, business start-ups and other financing needs.

**(iv) Palm oil business**

Our Group's palm oil business is poised for a positive outlook in 2024. Fuelled by stronger global demand for palm oil, expectations of higher CPO prices and robust export growth in 2024 as set out in **Section 6.6** of this AP, our Group foresees encouraging business growth in our Group's palm oil business.

**(v) Clay brick manufacturing**

Our Group expects the clay brick manufacturing business to capitalise on increased demand for building materials which is expected to be driven by infrastructure projects and private sector developments as set out in **Section 6.7** of this AP.

In view of the above, our Group intends to pivot on growing our property investment segment to enhance our financial performance. After taking into consideration the rationale for the Rights Issue as set out in **Section 4** of this AP, the overview and outlook of the Malaysian economy, property industry and tourism industry in Malaysia as set out in **Sections 6.1, 6.2** and **6.5** of this AP, our Board believes that the Rights Issue is in the best interests of our Company and our shareholders.

The Rights Issue allows our Company to finance the Antara Project and ensure the completion of the acquisition of Subject Properties which is expected to be earning-accretive to our Group and in turn, enhance shareholders' value in our Company in the long term. The Rights Issue also provides an avenue for our Company to raise funds as working capital to expand our Group's moneylending business, which had shown encouraging financial performance since our Group's diversification into the moneylending business in 2019.

Considering the positive prospects of the IT and ICT, property investment, moneylending, palm oil, and clay brick manufacturing industries, our Group is well-positioned to leverage these growth opportunities and enhance our financial performance in the coming years, thereby continuing to create values to our shareholders.

*(Source: Our Management)*

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## 7. EFFECTS OF THE RIGHTS ISSUE

### 7.1 Share capital

The pro forma effect of the Rights Issue on our Company's issued share capital is as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
As at the LPD	410,135,327	287,961,944	410,135,327	287,961,944
To be issued assuming full exercise of Warrants C	-	-	41,981,884	21,410,761 <sup>(1)</sup>
To be issued pursuant to Rights Issue	410,135,327 200,000,000	287,961,944 15,220,000 <sup>(2)</sup>	452,117,211 1,356,351,633	309,372,705 107,728,131 <sup>(2)</sup>
To be issued assuming full exercise of Warrants D	610,135,327 100,000,000	303,181,944 10,000,000 <sup>(3)</sup>	1,808,468,844 678,175,817	417,100,836 67,817,582 <sup>(3)</sup>
<b>Enlarged issued share capital</b>	<b>710,135,327</b>	<b>313,181,944</b>	<b>2,486,644,661</b>	<b>484,918,418</b>

Notes:

(1) Calculated based on the exercise price of RM0.51 per Warrant C.

(2) Calculated based on the Issue Price and after accounting for the capitalisation of the estimated expenses of the Corporate Exercises of RM780,000.

(3) Calculated based on the Exercise Price D.

### 7.2 Earnings and EPS

The Rights Issue is not expected to have an immediate effect on the earnings and EPS/LPS of our Group for FYE 2025 as the proceeds from the Rights Issue is only expected to be utilised within 24 months from the date of completion of the Rights Issue.

Nevertheless, the Rights Issue is expected to contribute positively to the future earnings and EPS of our Group as and when the benefits of the utilisation of proceeds are realised. The EPS of our Group shall be correspondingly diluted as a result of the increase in the number of Shares arising from the issuance of Rights Shares and new Shares pursuant to the exercise of the Warrants D and Additional Warrants C in the future. However, such dilutive impact would be dependent on the number of Warrants D exercised and the returns generated by our Group from the utilisation of proceeds derived from the exercise of the Warrants D.

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### 7.3 NA and gearing

The pro forma effect of the Rights Issue on the NA and gearing of our Group, based on the unaudited consolidated financial statements of our Group as at 30 September 2024, is set out below:

#### Minimum Scenario

	(Unaudited)	(I)	(II)	(III)
	As at 30 September 2024	After subsequent event**	After (I) and the Rights Issue	After (II) and assuming full exercise of the Warrants C and Warrants D
	(RM)	(RM)	(RM)	(RM)
Share capital	287,961,944	287,961,944	303,181,944 <sup>(1)</sup>	333,366,985 <sup>(3)</sup>
Warrants reserve	21,410,883	21,410,883	31,280,883 <sup>(2)</sup>	— <sup>(3)</sup>
Accumulated losses	(8,227,343)	(8,227,343)	(8,227,343)	(7,001,501)
<b>Shareholders' funds / NA</b>	<b>301,145,484</b>	<b>301,145,484</b>	<b>326,235,484</b>	<b>326,365,484</b>
No. of Shares in issue	1,230,414,715	410,135,327	610,135,327	764,689,493
NA per Share	0.24	0.73	0.53	0.43
Total borrowings*	25,494,975	25,494,975	25,494,975	25,494,975
Gearing (times)	0.08	0.08	0.08	0.08

Notes:

\* Being lease liabilities and borrowings of our Group.

\*\* After accounting for the completion of Share Consolidation on 21 November 2024.

(1) After capitalisation of the estimated expenses of the Corporate Exercises of RM780,000.

(2) Computed based on the issuance of 100,000,000 Warrants D with a fair value of RM0.0987 each (based on the Black-Scholes Options Pricing Model and the TEAP of our Share of RM0.1211 each (calculated based on the 5D-VWAP of our Share up to and including the LPD of RM0.2761 each (Source: Bloomberg)), after the Minimum Scenario.

(3) Being the exercise of 54,554,166 Warrants C (including 12,572,282 Additional Warrants C) at the exercise price of RM0.37 per Warrant C and the exercise of 100,000,000 Warrants D at the Exercise Price D, and the reversal of warrants reserves upon exercise of all outstanding Warrants C and Warrants D.

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**Maximum Scenario**

	(Unaudited)	(I)	(II)	(III)	(IV)
	As at 30 September 2024 (RM)	After subsequent event** (RM)	After (I) and assuming full exercise of the Warrants C (RM)	After (II) and the Rights Issue (RM)	After (III) and assuming full exercise of the Warrants D (RM)
Share capital	287,961,944	287,961,944	309,372,705	417,100,836 <sup>(2)</sup>	484,918,418 <sup>(4)</sup>
Warrants reserve	21,410,883	21,410,883	- <sup>(1)</sup>	66,461,230 <sup>(3)</sup>	-
Accumulated losses	(8,227,343)	(8,227,343)	(8,227,343)	(8,227,343)	(8,227,343)
<b>Shareholders' funds / NA</b>	<b>301,145,484</b>	<b>301,145,484</b>	<b>301,145,362</b>	<b>475,334,723</b>	<b>476,691,075</b>
No. of Shares in issue	1,230,414,715	410,135,327	452,117,211	1,808,468,844	2,486,644,661
NA per Share	0.24	0.73	0.67	0.26	0.19
Total borrowings*	25,494,975	25,494,975	25,494,975	25,494,975	25,494,975
Gearing (times)	0.08	0.08	0.08	0.05	0.05

Notes:

\* Being lease liabilities and borrowings of our Group.

\*\* After accounting for the completion of Share Consolidation on 21 November 2024.

(1) Being the reversal of warrants reserve upon exercise of all outstanding Warrants C.

(2) After capitalisation of the estimated expenses of the Corporate Exercises of RM780,000.

(3) Computed based on the issuance of up to 678,175,817 Warrants D with a fair value of RM0.0980 each (based on the Black-Scholes Options Pricing Model and the TEAP of our Share of RM0.1211 each (calculated based on the 5D-IWAP of our Share up to and including the LPD of RM0.2761 each (Source: Bloomberg)), after the Maximum Scenario).

(4) Being the exercise of up to 678,175,817 Warrants D at the Exercise Price D and the reversal of warrants reserves upon exercise of all outstanding Warrants D.

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#### 7.4 Substantial shareholders' shareholdings

The pro forma effects of the Rights Issue on the substantial shareholders' shareholdings in our Company is as follows:

##### Minimum Scenario

Name	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
FPSB	102,174,900	24.91	-	-	189,674,900	31.09	-	-
Dato' Liu Han Ming <sup>(1)</sup>	-	-	102,174,900	24.91	-	-	189,674,900	31.09
Sole Underwriter	-	-	-	-	112,500,000	18.44	-	-

Name	(II) After (I) and assuming full exercise of the Warrants C and Warrants D			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
FPSB	233,424,900	30.53	-	-
Dato' Liu Han Ming <sup>(1)</sup>	-	-	233,424,900	30.53
Sole Underwriter	168,750,000	22.07	-	-

Note:

(1) Deemed interested by virtue of his direct interest in FPSB pursuant to Section 8 of the Act.

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Registration No.: 199601010679 (383028-D)

**Maximum Scenario**

Name	As at the LPD				(I) After the full exercise of Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
FPSB Dato' Liu Han Ming <sup>(1)</sup>	102,174,900	24.91	-	-	102,174,900	22.60	-	-
	-	-	102,174,900	24.91	-	-	102,174,900	22.60

Name	After (I) and the Rights Issue				(II) After (II) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
FPSB Dato' Liu Han Ming <sup>(1)</sup>	408,699,600	22.60	-	-	561,961,950	22.60	-	-
	-	-	408,699,600	22.60	-	-	561,961,950	22.60

Note:

(1) Deemed interested by virtue of his direct interest in FPSB pursuant to Section 8 of the Act.

**7.5 Convertible securities**

Save for the 41,981,884 Warrants C, our Company does not have any other convertible securities as at the LPD. The Rights Issue will give rise to Adjustments in accordance with the provisions of the Deed Poll C. A notice which sets out, amongst others, the Adjustments will be issued by our Company at a later date.

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## 8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

### 8.1 Working capital

Our Group's working capital is funded by a combination of internal and external sources of funds. Our internal sources of funds are cash and bank balances; cash generated from operating activities; and proceeds from the issuance of equity securities, whereas our external sources of funds are derived from credit terms granted by our suppliers.

As at the LPD, our Group's cash and bank balances as well as short-term investments collectively stood at RM20.53 million.

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

Our Board is of the opinion that, after taking into consideration our Group's existing cash and bank balances, the credit facilities available to our Group, proceeds to be raised from the Rights Issue as well as our Group's historical performance and future prospects, our Group will have sufficient working capital for our existing operations for a period of 12 months from the date of this AP.

### 8.2 Borrowings

As at 31 October 2024 (being a date no earlier than 60 days prior to the date of this AP), our Group's total outstanding borrowings, all of which are denominated in RM and interest bearing, is as follows:

	Usage of proceeds	Total (RM'000)
<b>Short term borrowing (secured):</b>		
Term loan	Purchase of plant and equipment	766
<b>Short term borrowing (unsecured)</b>		
Hire purchase	Purchase of motor vehicle	26
Lease liabilities	Rental of office premises	1,824
<b>Long-term borrowing (secured):</b>		
Term loan	Purchase of plant and equipment	18,818
<b>Long-term borrowing (unsecured):</b>		
Lease liabilities	Rental of office premises	3,813
<b>Total borrowings (with lease liabilities)</b>		<b>25,247</b>
<b>Total borrowings (without lease liabilities)</b>		<b>19,610</b>

As at the LPD, our Group does not have any non-interest bearing and foreign currency denominated borrowings.

Throughout FYE 2024 and the subsequent period up to the LPD, our Group did not default on payments of either interest and/or principal sum in respect of any borrowings.

### 8.3 Contingent liabilities

As at the LPD, there is no contingent liability incurred or known to be incurred by our Company or our Group, which upon becoming enforceable, may have a material impact on the financial position of our Company and/or our Group.

### 8.4 Material commitments

Save as disclosed below, as at the LPD, there is no material commitment for capital expenditure incurred or known to be incurred by our Company or our Group, which upon becoming enforceable, may have material impact on the financial position of our Group:

	<b>Amount (RM'000)</b>
Balance Purchase Consideration for the Subject Properties	49,270
Purchases of plant and equipment for our Group's clay brick manufacturing segment (contracted but not provided for)	8,916
<b>TOTAL</b>	<b>58,186</b>

Our Group intends to use a combination of internal funds, proceeds from the Rights Issue and/or bank borrowings to settle the Balance Purchase Consideration, and use internal funds and term loans for the purchases of plant and equipment for the clay brick manufacturing segment.

### 8.5 Material transactions

Our Board confirms that, save for the Rights Issue, there is no other transaction which may have a material effect on our Group's operations, financial position and results since the last announced interim financial report of our Group for the 6M-FPE 2024.

## 9. INSTRUCTION FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as excess applications for Rights Shares with Warrants D and the procedures to be followed should you and/or your renounee(s)/transferee(s) (if applicable) wish to sell/transfer all or any part of your/his rights entitlement are set out in this AP, 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 AP.

You and/or your renounee(s)/transferee(s) (if applicable) are advised to read this AP, the accompanying RSF and the notes and instructions printed therein carefully. Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this AP, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of our Board.

### 9.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue. You will find enclosed with this AP, 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 D provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants D, if you choose to do so.

This AP, together with the NPA and RSF, is also available at our registered office, our Share Registrar's office and on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The outcome of the subscription of the Rights Issue shall be announced on Bursa Securities' website after the Closing Date.

## 9.2 NPA

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

## 9.3 Methods of acceptance and application

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

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

## 9.4 Last date and time for acceptance and payment

The last day, date and time for acceptance of and payment for the Provisional Allotments as all as application and payment for the excess Rights Shares with Warrants D is Tuesday, 7 January 2025 at 5.00 p.m.

An announcement shall be made on Bursa Securities' website on the outcome of the subscription of the Rights Issue after the Closing Date.

## 9.5 Procedures for full acceptance and payment

### 9.5.1 By way of RSF

If you wish to accept your entitlement to the Provisional Allotments, the acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments for the Provisional Allotments which do not conform to the terms of this AP, the NPA, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

Renounee(s)/transferee(s) (if applicable) who wishes to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers or our Share Registrar or at our registered office or from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to our Entitled Shareholders also apply to renounee(s)/transferee(s) who wishes to accept the Provisional Allotments.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND EXCESS APPLICATION FOR THE RIGHTS SHARES WITH WARRANTS D AS WELL AS THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP, 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 AP.**

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.**

If you and/or your renounee(s)/transferee(s) (if applicable) wish to accept your entitlement to the Provisional Allotments, please complete Part I(A) and Part II of the RSF in accordance with the notes and instructions printed therein. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST, DELIVERY BY HAND** or **COURIER** to the following address:

**Symphony Corporate Services Sdn Bhd**

S-4-04, The Gamuda Biz Suites  
Jalan Anggerik Vanilla 31/99  
Kota Kemuning  
40460 Shah Alam  
Selangor Darul Ehsan

Tel. no.: +6016 - 439 7718

Fax. no.: +603 - 5131 9134

So as to arrive not later than Tuesday, 7 January 2025 at 5.00 p.m., being the last date and time for acceptance and payment for the Provisional Allotments, or such extended time and date as may be determined and announced by our Board for the Rights Issue.

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSF(s) 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 D subscribed for will be credited into your CDS Account(s) where the Provisional Allotments are standing to the credit.

A reply envelope is enclosed with this AP. In order to facilitate the processing of the RSF by our Share Registrar for the Rights Shares with Warrants D, you are advised to use 1 reply envelope for each completed RSF.

You and/or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants D comprises 100 Rights Shares and 100 Warrants D, respectively. The minimum number of securities that can be subscribed for or accepted is 3 Rights Shares for every 1 existing Share held on the Entitlement Date.

Successful applicants of the Rights Shares will be given the Warrants D on the basis of 1 Warrant D for every 2 Rights Shares successfully subscribed for. Fractional entitlements (if any) arising from the Rights Issue will be disregarded and dealt with by our Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of our Company.

If acceptance of and payment for the Provisional Allotments is not received by our Share Registrar by Tuesday, 7 January 2025 at 5.00 p.m., being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board, you and/or your renounee(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments made to you and/or your renounee(s)/transferee(s) (if applicable) and it will be cancelled.

If the Rights Shares with Warrants D are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants D to the applicants who have applied for the excess Rights Shares with Warrants D in the manner as set out in **Section 9.8** of this AP. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

You and/or your renounee(s)/transferee(s) (if applicable) who lose, misplace or for any other reasons require another copy of this AP and/or the RSF may obtain additional copies from your stockbrokers, our Share Registrar at the address stated above, or at our registered office or on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).



**EACH COMPLETED RSF MUST BE ACCOMPANIED BY APPROPRIATE REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE PROVISIONAL ALLOTMENTS ACCEPTED, IN THE FORM OF BANKER'S DRAFT(S) OR CASHIER'S ORDER(S) DRAWN ON A BANK IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "HMCB 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 OUR SHARE REGISTRAR NOT LATER THAN THE CLOSING DATE.**

**APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNERS STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF. CHEQUE OR OTHER MODE(S) OR PAYMENT NOT PRESCRIBED HEREIN ARE NOT ACCEPTABLE.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES WITH WARRANTS D AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPACHED BY ORDINARY POST TO YOU OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY AS PROVIDED BY BURSA DEPOSITORY WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

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

**WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST.**

**THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION OR BY ISSUANCE OF BANKER'S CHEQUE AND SHALL BE DESPACHED TO YOU WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK.**

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

**ALL RIGHTS SHARES WITH WARRANTS D TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL SHARE CERTIFICATES AND WARRANTS CERTIFICATES WILL BE ISSUED.**

#### **9.5.2 By way of e-Subscription**

You and/or your renouneece(s)/transferee(s) (if applicable) can have the option to accept and make payment for your entitlement to the Provisional Allotments through the e-Subscription available to you upon your login to online portal at [www.symphonycorporateservices.com.my](http://www.symphonycorporateservices.com.my). You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is available to Entitled Shareholders including individuals, corporations or institutional shareholders.

Entitled Shareholders who wish to subscribe for the Provisional Allotments and apply for the excess Rights Shares with Warrants D by way of e-Subscription, shall take note of the following:

- (i) any e-Subscription received after the Closing Date by our Share Registrar may not be accepted at the absolute discretion of our Board. All valid e-Subscription received by our Share Registrar are irrevocable and cannot be subsequently withdrawn;
- (ii) the e-Subscription must be made in accordance with the procedures and terms and conditions of the e-Subscription, this AP and the notes and conditions contained in the e-RSF. Any incomplete or incorrectly completed e-RSF submitted via the online portal may or may not be accepted at the absolute discretion of our Board; and
- (iii) your application for the Provisional Allotments and excess Rights Shares with Warrants D (if applicable) must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:

**Application for the Provisional Allotments**

<b>Name of account</b>	<b>HMCB Rights Issue Account</b>
<b>Name of bank</b>	Malayan Banking Berhad
<b>Bank account no.</b>	514356535396

**Application for the excess Rights Shares with Warrants D**

<b>Name of account</b>	<b>HMCB Excess Rights Issue Account</b>
<b>Name of bank</b>	Malayan Banking Berhad
<b>Bank account no.</b>	514356535389

You are required to pay an additional fee of RM15.00 (being the stamp duty and handling fee) for each e-Subscription into our Share Registrar’s bank account as follows:

<b>Name of account</b>	Symphony Corporate Services Sdn Bhd
<b>Name of bank</b>	Malayan Banking Berhad
<b>Bank account no.</b>	512316612621

All Entitled Shareholders who wish to submit by way of e-Subscription are required to follow the procedures and read the terms and conditions as stated below:

**Procedures**

<b>Procedure</b>	<b>Action</b>
<b>User registration</b>	<ul style="list-style-type: none"> <li>- Access our online portal at <a href="http://www.symphonycorporateservices.com.my">www.symphonycorporateservices.com.my</a></li> <li>- Click &lt;&lt;Login/Register&gt;&gt; followed by &lt;&lt;Register New User&gt;&gt; to register as a new user.</li> <li>- Complete the registration by filling up the information required and upload a clear copy of your MyKAD (both front and back page) or Passport.</li> <li>- Read and agree to the terms and conditions and thereafter submit your registration.</li> <li>- Please enter a valid email address in order for you to receive the verification email from our online portal.</li> <li>- Please verify your email address before the link expire in 1 hour from your registration.</li> <li>- Your registration will be verified and approved by our online portal. Once approved, an email notification will be sent to you.</li> <li>- If you have already registered an account with our online portal, you are not required to register again.</li> </ul>

Procedure	Action
<b>e-Subscription</b>	<ul style="list-style-type: none"> <li>- Sign in to <a href="http://www.symphonycorporateservices.com.my">www.symphonycorporateservices.com.my</a>.</li> <li>- Login with your user ID and password for e-Subscription before the Closing Date.</li> <li>- Click the “MY RIGHTS ISSUE”.</li> <li>- Select HARVEST MIRACLE CAPITAL BERHAD from the drop selection and click the relevant Corporate Exercise event name HMCB RIGHTS ISSUE.</li> <li>- Key in the CDS account that you wish to submit and input the number of Rights Shares to subscribe and number of excess Rights Shares to apply (if you choose to do so).</li> <li>- Ensure all information in the form is accurate before submitting the form.</li> <li>- Make the payment via online banking to the respective bank accounts (i.e. HMCB RIGHTS ISSUE ACCOUNT for the Provisional Allotments and HMCB EXCESS RIGHTS ISSUE ACCOUNT for the excess Rights Shares with Warrants D, and additional fee of RM15.00 (being the stamp duty and handling fee)).</li> <li>- Must put a remark on the payment details with the last 9 digits of the CDS account and shareholder name.</li> <li>- Upload the proof of payment(s) for the subscription and click the confirm button to submit the e-RSF.</li> </ul>

If you encounter any problems during the registration or submission, please email our Share Registrar at [symphonycorporateservices@gmail.com](mailto:symphonycorporateservices@gmail.com) or call at +6016 - 439 7718 during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for assistance.

**Terms and conditions of the e-Subscription**

By submitting your acceptance of the Provisional Allotments and application of the excess Rights Shares with Warrants D (if applicable) by way of e-Subscription:

- (a) you confirmed that you have attained 18 years of age as at the last day for subscription and payment;
- (b) you confirmed that you have, prior to making the e-Subscription, received a printed copy of this AP and/or have had access to this AP from Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com), the contents of which you have read and understood;
- (c) you agree to all the terms and conditions for the e-Subscription and have carefully considered the risk factors as set out in this AP, in addition to all other information contained in this AP, before making the e-Subscription application;
- (d) you agree and undertake to subscribe for and to accept the number of Provisional Allotments and excess Rights Shares with Warrants D applied for (if applicable) as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares with Warrants D that may be allotted to you;
- (e) you acknowledge that your submission by way of e-Subscription 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 our Company or our Share Registrar and irrevocably agree that if:
  - our Company or our Share Registrar does not receive your submission of the e-Subscription; or
  - data on the e-Subscription is wholly or partially lost, corrupted or inaccessible, or not transmitted or not communicated to our Share Registrar,

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

- (f) you will ensure that all information provided by you in the e-Subscription 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 e-Subscription may be rejected at the absolute discretion of our Board without assigning any reason. Therefore:
- you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository; and
  - by making and completing an e-Subscription, you agree that:
    - in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional Allotments and excess Rights Shares with Warrants D applied for (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
    - our Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our Company's control;
- (g) you agree that your application shall not be deemed to have been accepted by reason of the remittance have been made. You agree that all the Rights Shares and Warrants D to be issued pursuant to the Rights Issue will be allotted by way of crediting the Rights Shares and Warrants D into your CDS Account. No physical share certificate or warrant certificate will be issued;
- (h) you agree that our Company and our Share Registrar reserve the right to reject your application which does not conform to these terms and conditions;
- (i) 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; and
- (j) 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 way of crediting into your bank account registered with Bursa Depository for the purpose of cash dividend/distribution or by issuance of banker's cheque 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.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on the **Closing Date**, the Provisional Allotments to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

Our Board will then have the right to allot any Rights Shares with Warrants D not taken up or not validly taken up to applicants applying for the excess Rights Shares with Warrants D in the manner as set out in **Section 9.8** of this AP. Our Board reserves the right not to accept any application or to accept any application in part only without assigning any reason.

## 9.6 Procedures for part acceptance

You and/or your renounee(s)/transferee(s) (if applicable) are entitled to accept part of your entitlements to the Provisional Allotments provided always that the minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. However, the Warrants D will be issued in the proportion of 1 Warrant D for every 2 Rights Shares subscribed. Fractions of Rights Shares will be disregarded and dealt with in a fair and equitable manner as our Board deems fit, expedient and in the best interest of our Company.

You must complete both Part I(A) of the RSF by specifying the number of the Provisional Allotments which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manners as set out in **Section 9.3** of this AP.

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

The portion of the Provisional Allotments that have not been accepted will be made available to the applicants of the Excess Applications.

## 9.7 Procedures for sale/transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stockbrokers during the period up to the last day, 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 in the open market of Bursa Securities during the period up to the last day, 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 person(s) as may be allowed pursuant to the Rules of Bursa Depository during the period up to the last day, date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF, THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR ENTITLEMENT TO THE PROVISIONAL ALLOTMENTS, YOU NEED NOT DELIVER ANY DOCUMENT INCLUDING THE RSF, TO YOUR STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT THERE IS SUFFICIENT PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.**

If you have sold or transferred only part of your entitlement to the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Part I(A) and Part II of the RSF and deliver the RSF or submitting the e-RSF together with the full amount payable on the balance of the Rights Shares with Warrants D applied for to our Share Registrar. Please refer to **Section 9.5** of this AP for the procedures for acceptance and payment.

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

Purchasers of the Provisional Allotments may obtain a copy of this AP from their stockbrokers, our Share Registrar at the address stated above, or at our registered office or on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## 9.8 Procedures for applications for excess Right Shares with Warrants D

### 9.8.1 By way of RSF

You and/or your renounee(s)/transferee(s) (if applicable) may apply for excess Rights Shares with Warrants D in excess of your entitlement by completing Part I(B) of the RSF (in addition to Part I(A) and Part II) and forwarding it (together with a separate remittance made in RM for the full amount payable in respect of the excess Rights Shares with Warrants D applied for) to our Share Registrar so as to be received by our Share Registrar **not later by Tuesday, 7 January 2025 at 5.00 p.m.**, being the last date and time for acceptance of and payment for excess Rights Shares with Warrants D.

**PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D APPLIED FOR SHOULD BE MADE IN THE SAME MANNERS AS DESCRIBED IN SECTION 9.5 OF THIS AP, EXCEPT THAT THE BANKER'S DRAFT(S) OR CASHIER'S ORDER(S) DRAWN ON A BANK IN MALAYSIA CROSSED "A/C PAYEE ONLY" MUST BE MADE PAYABLE TO "HMCB EXCESS RIGHTS ISSUE ACCOUNT" FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE CLOSING DATE.**

### 9.8.2 By way of e-Subscription

You and/or your renounee(s) and/or transferee(s) (if applicable) may apply for the excess Rights Shares with Warrants D in excess of your entitlement via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the excess Rights Shares with Warrants D by following the same steps as set out in **Section 9.5.2** of this AP.

The e-Subscription for excess Rights Shares with Warrants D will be made on, subject to, the same terms and conditions appearing in **Section 9.5.2** of this AP.

It is the intention of our Board to allot the excess Rights Shares with Warrants D on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants D, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants D, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Applications; and
- (iv) lastly, for allocation to renounee(s)/transferee(s) (if applicable) who has/have applied for the excess Rights Shares with Warrants D, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Applications.

If there is any remaining excess Rights Shares with Warrants D after steps (i) to (iv) have been carried out, steps (ii) to (iv) will be repeated again in the same sequence until all remaining excess Rights Shares with Warrants D have been allocated.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants D applied for under Part I(B) of the RSF or via e-RSF in such manner as it deems fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in steps (i) to (iv) above are achieved. Our Board also reserves the right to accept any Excess Applications, in full or in part, without assigning any reason.

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS D. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS D WILL BE CREDITED INTO YOUR CDS ACCOUNT AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPACHED BY ORDINARY POST TO YOU OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY AS PROVIDED BY BURSA DEPOSITORY WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

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

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

**WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST.**

**THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION OR BY ISSUANCE OF BANKER'S CHEQUE AND SHALL BE DESPACHED TO YOU WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK. YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

#### **9.9 Procedures for acceptance by renounee(s)/transferee(s)**

As a renounee/transferee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the excess Rights Shares with Warrants D and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 9.3 to 9.8 of this AP. Please refer to the relevant sections of this AP for the procedures to be followed.

If you wish to obtain a copy of this AP and/or accompanying RSF, you can request the same from our registered office, our Share Registrar's office or Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

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

#### **9.10 Notice of allotment**

Within 5 market days after the Closing Date, our Company will make the relevant announcements on Bursa Securities' website in relation to the subscription rate of the Rights Issue.

Upon allotment of the Rights Shares with Warrants D in respect of your acceptance and/or your renounee(s)/transferee(s) acceptance (if applicable) and excess application for the Rights Shares with Warrants D (if any), the Rights Shares with Warrants D shall be credited directly into the respective CDS Accounts where the Provisional Allotments were credited. No physical share certificate and warrant certificate will be issued in respect of the Rights Issue.

However, a notice of allotment will be issued and despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors of our Company as provided by Bursa Depository at your own risk within 8 market days from the Closing Date or such other period as may be prescribed by Bursa Securities.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue 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 credited into your bank account registered with Bursa Depository for the purpose of cash dividend/distribution or by issuance of banker's cheque and will be despatched to you within 15 market days from the Closing Date by ordinary post to the address shown on the Record of Depositors of our Company as provided by Bursa Depository at your own risk.

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

### **9.11 Form of issuance**

Bursa Securities has prescribed our Shares and Warrants D listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants D and the new Shares to be issued arising from the exercise of Warrants D are prescribed securities and as such the provisions of the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in these securities. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants D.

Notice of allotment will be issued and despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors of our Company as provided by Bursa Depository at your own risk within 8 market days from the Closing Date or such other period as may be prescribed by Bursa Securities.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in your application in relation to the Rights Issue being rejected. Your subscription for the Rights Shares with Warrants D shall mean your consent to receiving such Rights Shares with Warrants D as deposited securities which will be credited directly into your CDS Account. No physical share certificate or warrant certificate will be issued to you under the Rights Issue. Instead, the Rights Shares with Warrants D will be credited directly into your CDS Accounts, and notices of allotment will be issued and despatched to you in the manners as stated in **Sections 9.5, 9.6 and 9.8** of this AP.

Any person who has purchased the Provisional Allotments or to whom Provisional Allotments have/have been transferred and intends to subscribe for the Rights Shares with Warrants D must state his/her CDS Account number where the Provisional Allotments are standing to the credit in the space provided in the RSF. The Rights Shares with Warrants D will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issue.

The excess Rights Shares with Warrants D, if allotted to the successful applicant who applies for excess Rights Shares with Warrants D, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the excess Rights Shares with Warrants D will be made on a fair and equitable basis as disclosed in **Section 9.8** of this AP.

### **9.12 Laws of foreign jurisdiction**

This AP, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue will not be made or offered for subscription in any foreign jurisdiction.



Accordingly, this AP together with the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) may collect this AP including the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Rights Issue. Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so.

TA Securities, our Share Registrar, our Company, our Directors and officers and other professional advisers in relation to the Rights Issue would not, in connection with the Rights Issue, be in breach of, responsible or liable under the laws of any jurisdiction to which that Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to. Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Share Registrar, our Company, our Directors and officers and other professional advisers in relation to the Rights Issue shall not accept any responsibility or liability in the event that any acceptance and/or sale/renunciation made by any Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company and/or TA Securities in respect of their rights and entitlements under the Rights Issue. Such Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing to any of the forms accompanying this AP, the NPA and/or RSF, the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, our Share Registrar, our Company, our Directors and officers and other professional advisers in relation to the Rights Issue that:

- (i) our Company would not, by acting on the acceptance or sale/renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance and/or sale/renunciation of the Provisional Allotments;
- (iii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance and/or sale/renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are aware that the Rights Shares with Warrants D can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

- (v) the Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have received a copy of this AP and have been provided with the opportunity to post such questions to our representatives and receive answers thereto as the Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants D; and
- (vi) the Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants D, and are and will be able, prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants D.

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

Any person who does forward this AP, the NPA and the RSF to any foreign jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section of the AP and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants D from any such application by Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants D as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

## 10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants D pursuant to the Rights Issue is governed by the terms and conditions as set out in this AP and the accompanying NPA and RSF as well as the Deed Poll D.

## 11. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and behalf of the Board of  
**HARVEST MIRACLE CAPITAL BERHAD**



**SEE TOH KEAN YAW**  
Executive Director

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**INFORMATION ON OUR GROUP**


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**1. BOARD OF DIRECTORS**

The details of our Board as at the LPD are as follows:

<b>Name / (Designation)</b>	<b>Address</b>	<b>Age</b>	<b>Nationality</b>
Dato' Liu Han Ming (Executive Chairman)	No. 6, Jalan Merdesa 3 Taman Kota Merdesa, 81900 Kota Tinggi, Johor, Malaysia	48	Malaysian
See Toh Kean Yaw (Executive Director)	No. 17, Jalan BU 6/6, Bandar Utama, 47800 Petaling Jaya, Selangor, Malaysia	51	Malaysian
Sherene Lee Mong Ee (Executive Director)	No. 87, Jalan Persona 12, Taman Pelangi Indah, 81800 Ulu Tiram, Johor, Malaysia	36	Malaysian
Ling Wee Tak (Independent Non-Executive Director)	Lot 75, Jalan Pulut 7B, Jalan Jepang 5, 98000 Miri, Sarawak, Malaysia	50	Malaysian
Chua Ei Ming (Independent Non-Executive Director)	No. 33, Jalan Bukit Perdana 2/36, Taman Bukit Perdana 2, 83000 Batu Pahat, Johor, Malaysia	41	Malaysian
Lim Peng Peng (Independent Non-Executive Director)	No. 21, Jalan Harmonium 20/3, Taman Desa Tebrau, 81100 Johor Bahru, Johor, Malaysia	44	Malaysian

**2. SHARE CAPITAL**

As at the LPD, the issued share capital of our Company is RM287,961,944.01 comprising 410,135,327 Shares in issue (no treasury shares), and save for 41,981,884 outstanding Warrants C (which are exercisable into up to 41,981,884 new Shares at an exercise price of RM0.51 each), our Company does not have any other outstanding convertible securities.

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**INFORMATION ON OUR GROUP (CONT'D)**

**3. DIRECTORS' SHAREHOLDINGS**

The issuance of Warrants D will not have any effect on the shareholdings of our Directors in our Company until and unless the holders of the Warrants D exercise their Warrants D into new Shares. The pro forma effects of the Rights Issue on the shareholdings of our Directors in our Company as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD			After the Rights Issue			(II) After (I) and assuming full exercise of the Warrants C and Warrants D					
	Direct		Indirect	Direct		Indirect	Direct		Indirect			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Dato' Liu Han Ming <sup>(1)</sup>	-	-	102,174,900	24.91	-	-	189,674,900	31.09	-	-	233,424,900	30.53
Chua Ei Ming	7,166,933	1.75	8,944,932 <sup>(2)</sup>	2.18	7,166,933	1.17	8,944,932 <sup>(2)</sup>	1.47	7,166,933	0.94	8,944,932 <sup>(2)</sup>	1.17
Ling Wee Tak	1,047,600	0.26	-	-	1,047,600	0.17	-	-	1,047,600	0.14	-	-

Maximum Scenario

Name	As at the LPD			After assuming full exercise of the Warrants C			(II) After (I) and the Rights Issue					
	Direct		Indirect	Direct		Indirect	Direct		Indirect			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Dato' Liu Han Ming <sup>(1)</sup>	-	-	102,174,900	24.91	-	-	102,174,900	22.60	-	-	408,699,600	22.60
Chua Ei Ming	7,166,933	1.75	8,944,932 <sup>(2)</sup>	2.18	7,166,933	1.59	8,944,932 <sup>(2)</sup>	1.98	28,667,732	1.59	35,779,728 <sup>(2)</sup>	1.98
Ling Wee Tak	1,047,600	0.26	-	-	1,047,600	0.23	-	-	4,190,400	0.26	-	-

Name	(III) After (II) and assuming full exercise of the Warrants D		
	Direct		Indirect
	No. of Shares	% <sup>(1)</sup>	No. of Shares
Dato' Liu Han Ming <sup>(1)</sup>	-	-	561,961,950
Chua Ei Ming	39,418,132	1.59	49,197,126 <sup>(2)</sup>
Ling Wee Tak	5,761,800	0.23	-

**INFORMATION ON OUR GROUP (CONT'D)**

Notes:

- (1) Deemed interested by virtue of his direct interest in FPSB pursuant to Section 8 of the Act.  
(2) By virtue of his spouse's shareholding in our Company pursuant to Section 59(11)(c) of the Act.

**4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Please refer to **Section 7.4** of this AP for the pro forma effects of the Rights Issue on the substantial shareholders' shareholdings in our Company.

**5. HISTORICAL FINANCIAL INFORMATION**

The summary of key financial information of our Group for the financial years/periods under review is as follows:

**(i) Historical financial information**

	Audited			Unaudited	
	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	6M-FPE 2023 (RM'000)	6M-FPE 2024 (RM'000)
Revenue	168,467	132,850	90,543	44,678	59,006
GP	20,772	12,070	14,264	6,439	10,587
Other income / Other operating income	12,167	9,069	10,064	521	126
Operating expenses	-	-	-	(21,630)	(7,571)
Administrative expenses	(13,577)	(12,692)	(9,718)	-	-
Distribution costs	(3,371)	(1,903)	(713)	-	-
(Net losses)/Reversal on impairment of financial instruments	(1,308)	(718)	8,497	-	-
(Net losses)/Reversal on impairment loss on non-financial assets	-	-	-	-	-
Other expenses	(3,366)	(9,543)	(18,624)	-	-
Finance costs	(4,200)	(3,838)	(1,088)	(332)	(333)
<b>PBT/(LBT)</b>	<b>7,117</b>	<b>(7,555)</b>	<b>2,682</b>	<b>(15,002)</b>	<b>2,809</b>
Taxation	(1,503)	(743)	(905)	(385)	(1,007)
<b>PAT/(LAT)</b>	<b>5,614</b>	<b>(8,298)</b>	<b>1,777</b>	<b>(15,387)</b>	<b>1,802</b>
PAT/(LAT) attributable to:					
- Owners of our Company	5,630	(8,299)	2,387	(15,387)	1,826
- Non-controlling interests	(16)	1	(610)	-	(24)
<b>PAT/(LAT)</b>	<b>5,614</b>	<b>(8,298)</b>	<b>1,777</b>	<b>(15,387)</b>	<b>1,802</b>
Weighted average number of Shares in issue ('000)	688,535	1,110,285	1,224,898	1,224,559	1,229,379
No. of Shares in issue ('000)	1,072,837	1,224,405	1,225,739	1,224,643	1,230,415
Basic EPS/(LPS) <sup>(1)</sup> (sen)	0.82	(0.75)	0.19	(1.26)	0.15
Diluted EPS/(LPS) (sen)	0.82	(0.75)	0.19	(1.26)	0.15
GP margin (%)	12.33	9.09	15.75	14.41	17.94
PBT/(LBT) margin (%)	4.22	(5.69)	2.96	(33.58)	4.76
PAT/(LAT) margin (%)	3.33	(6.25)	1.96	(34.44)	3.05

(Source: Annual reports and quarterly results of our Group for respective financial years/periods under review)

**INFORMATION ON OUR GROUP (CONT'D)**

Note:

(1) Calculated as PAT/LAT attributable to owners of our Company divided by the weighted average number of Shares in issue for respective financial years/periods under review.

**(ii) Historical financial position**

	Audited (As at 31 March)			Unaudited (As at 30 September)	
	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2023 (RM'000)	2024 (RM'000)
Total non-current assets	71,998	135,606	270,950	182,947	288,972
Total current assets	300,136	276,419	69,485	120,863	60,101
<b>Total assets</b>	<b>372,134</b>	<b>412,025</b>	<b>340,436*</b>	<b>303,810</b>	<b>349,073</b>
Share capital	261,958	285,291	285,905	285,406	287,962
Irredeemable convertible preference shares reserves <sup>(1)</sup>	3,413	2,889	2,275	2,775	-
Reserves	26,183	21,608	21,608	21,607	21,411
Accumulated losses	(15,069)	(23,368)	(10,468)	(28,186)	(8,227)
<b>Shareholders' funds / NA</b>	<b>276,485</b>	<b>286,420</b>	<b>299,320</b>	<b>281,602</b>	<b>301,146</b>
Non-controlling interests	529	503	12,786	3,415	12,762
<b>Total equity</b>	<b>277,014</b>	<b>286,923</b>	<b>312,106</b>	<b>285,017</b>	<b>313,908</b>
Total non-current liabilities	6,531	11,386	9,258	5,722	23,604
Total current liabilities	88,589	113,716	19,072	13,071	11,561
<b>Total liabilities</b>	<b>95,120</b>	<b>125,102</b>	<b>28,330</b>	<b>18,793</b>	<b>35,165</b>
<b>Total equity and liabilities</b>	<b>372,134</b>	<b>412,025</b>	<b>340,436</b>	<b>303,810</b>	<b>349,073</b>
NA per Share (RM) <sup>(2)</sup>	0.26	0.23	0.25	0.23	0.24

(Source: Annual reports and quarterly results of our Group for respective financial years/periods under review)

Notes:

\* Subject to rounding adjustments.

(1) The irredeemable convertible preference shares of our Company had expired on 6 May 2024.

(2) Calculated as NA divided by the number of Shares in issue for respective financial years/periods under review.

**(iii) Historical cash flow**

	Audited			Unaudited	
	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	6M-FPE 2023 (RM'000)	6M-FPE 2024 (RM'000)
Net cash generated from operating activities	6,896	66,734	47,245	55,751	7,010
Net cash used in investing activities	(36,760)	(81,904)	(100,766)	(59,609)	(22,749)
Net cash generated from financing activities	41,836	16,141	14,683	12,791	13,442
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,972</b>	<b>971</b>	<b>(38,838)</b>	<b>8,933</b>	<b>(2,297)</b>
Cash and cash equivalents at beginning of financial year/period	50,461	62,433	63,404	63,404	24,564
<b>Cash and cash equivalents at the end of financial year/period</b>	<b>62,433</b>	<b>63,404</b>	<b>24,564</b>	<b>72,337</b>	<b>22,267</b>

(Source: Annual reports and quarterly results of our Group for respective financial years/periods under review)

**INFORMATION ON OUR GROUP (CONT'D)****Commentaries:****(a) 6M-FPE 2024 (unaudited) vs 6M-FPE 2023 (unaudited)**

Our Group recorded a higher revenue of RM59.01 million in 6M-FPE 2024 (6M-FPE 2023: RM44.68 million), representing an increase of RM14.33 million or 32.07%. The increase in revenue was mainly contributed by:

- (i) higher revenue of RM5.18 million in 6M-FPE 2024 from our Group's manufacturing and sale of clay bricks segment (6M-FPE 2023: nil), upon consolidation of financial results of Claybricks & Tiles Sdn Bhd, Qualibricks & Tiles Sdn Bhd and Mandong Transport & Trading Sdn Bhd after the completion of acquisitions of equity interests on 29 December 2023; and
- (ii) higher revenue of RM44.58 million in 6M-FPE 2024 from our Group's IT and ICT segment (6M-FPE 2024: RM41.68 million), resulting from resurge in demand for notebooks and do-it-yourself ("DIY") product in Malaysia.

Our Group recorded a PAT of RM1.80 million in 6M-FPE 2024 (6M-FPE 2023: LAT of RM15.39 million), which was mainly due to loss of disposal of Paris Dynasty Land Sdn Bhd of RM14.89 million which was recognised during 6M-FPE 2023.

Our Group's cash and cash equivalent decreased by RM50.07 million or 69.22% to RM22.27 million for 6M-FPE 2024 (6M-FPE 2023: RM72.34 million), mainly due to lower net cash generated from operating activities of RM7.01 million in 6M-FPE 2024 (6M-FPE 2023: RM55.75 million) arising from the decrease in trade and other receivables. However, it is offset by the decreased in net cash used in investing activities of RM22.75 million in 6M-FPE 2024 (6M-FPE 2023: net cash used in financing activities of RM59.61 million), mainly due to higher partial payment of the Purchase Consideration of approximately RM58.37 million in 6M-FPE 2023.

**(b) FYE 2024 vs FYE 2023**

Our Group's revenue for FYE 2024 decreased by RM42.31 million or 31.85% to RM90.54 million (FYE 2023: RM132.85 million), mainly due to:

- (i) decrease in revenue from the IT and ICT segment of 37.04% or RM46.71 million to RM79.40 million in FYE 2024 (FYE 2023: RM126.11 million) due to decrease in sales of notebooks and DIY products due to market saturation for ICT products following exceptionally high demand in FYE 2021 as a result of the implementation of movement control order and working from home arrangement which increased the demand for ICT products; and
- (ii) decrease in revenue from palm oil segment of 10.00% or RM0.32 million to RM2.88 million in FYE 2024 (FYE 2023: RM3.20 million), mainly due to decrease in the average selling prices of CPO, from RM927 per tonne in FYE 2023 to RM788 per tonne in FYE 2024;

which was partially offset by a revenue of RM3.57 million generated from our Group's manufacturing and sale of clay bricks segment during the 4<sup>th</sup> quarter of FYE 2024 (FYE 2023: nil) subsequent to the acquisition of 70% equity interest in Claybricks & Tiles Sdn Bhd, 70% equity interest in Qualibricks & Tiles Sdn Bhd and 70% equity interest in Mandong Transport & Trading Sdn Bhd, which were announced on 17 November 2023 for a total cash purchase consideration of RM11.00 million and were completed on 29 December 2023.

**INFORMATION ON OUR GROUP (CONT'D)**

Our Group recorded a PAT of RM1.78 million for FYE 2024 as compared to a LAT of RM8.30 million for FYE 2023, mainly due to:

- (i) higher other income of RM10.06 million in FYE 2024 (FYE 2023: RM9.07 million) due to the reversal of impairment losses on trade receivables of RM8.50 million for the moneylending business arising from repayment by borrower and the recognition of bargain purchase of RM8.67 million from the acquisition of Claybricks & Tiles Sdn Bhd; and
- (ii) lower finance cost of RM1.09 million in FYE 2024 (FYE 2023: RM3.84 million) due to absence of late payment interest expenses in relation to trade payables arising from the disposal of 100% equity interest in Paris Dynasty Land Sdn Bhd (a company involved in property development business) for a disposal consideration of RM100 which was completed on 19 June 2023.

During FYE 2024, our Company had disposed of our entire equity interest in Paris Dynasty Land Sdn Bhd, resulted with substantial decrease in our Group's current assets and current liabilities, a current ratio of 3.64 times (FYE 2023: 2.43 times) and a gearing ratio of 0.04 times (FYE 2023: 0.03 times).

Our Group's cash and cash equivalent decreased by RM38.84 million or 61.25% to RM24.57 million in FYE 2024 (FYE 2023: RM63.40 million), mainly due to lower cash generated from operating activities mainly due to increase in trade and other payables and higher net cash used in investing activities arising from the acquisition of 70% equity interest in Claybricks & Tiles Sdn Bhd, 70% equity interest in Qualibricks & Tiles Sdn Bhd and 70% equity interest in Mandong Transport & Trading Sdn Bhd.

**(c) FYE 2023 vs FYE 2022**

Our Group's revenue for FYE 2023 decreased by RM35.62 million or 21.14% to RM132.85 million (FYE 2022: RM168.47 million), mainly due to:

- (i) decrease in revenue from the IT and ICT segment of 24.16% or RM40.17 million to RM126.11 million in FYE 2023 (FYE 2022: RM166.28 million) due to soft demand of DIY products caused by market saturation for ICT products following exceptionally high demand in FYE 2021; and
- (ii) decrease in revenue from moneylending segment of 39.81% or RM1.27 million to RM1.92 million in FYE 2023 (FYE 2022: RM3.19 million), mainly due to recognition of impairment loss on trade receivables.

Our Group recorded a LAT of RM8.30 million for FYE 2023 (FYE 2022: PAT of RM5.61 million), mainly due to higher other expenses of RM9.54 million in FYE 2023 (FYE 2022: RM3.37 million), as a result of higher impairment loss on goodwill of RM5.76 million (FYE 2022: nil). The market saturation for ICT products in FYE 2023 had hindered our Group's ability to substantiate growth projections for this business segment and this had led to higher impairment loss on goodwill. The higher other expenses which was partially offset by:

- (i) lower administrative expenses of RM12.69 million in FYE 2023 (FYE 2022: RM13.58 million) million due to strategic cost cutting measures adopted by our Group; and
- (ii) lower finance cost of RM3.84 million in FYE 2023 (FYE 2022: RM4.20 million) due to the absence of interest expenses in relation to term loans in FYE 2023 (FYE 2022: RM0.48 million).



**INFORMATION ON OUR GROUP (CONT'D)**

Our Group's cash and cash equivalent increased marginally by RM0.97 million or 1.55% to RM63.40 million in FYE 2023 (FYE 2022: RM62.43 million), attributable to higher cash generated from operating activities arising from increase in trade and other receivables and increase in trade and other payables. However, it is partially offset by:

- (i) increase in net cash used in investing activities of RM81.90 million in FYE 2023 (FYE 2022: net cash used in investing activities of RM36.76 million), mainly due to additional costs incurred from purchase of the Subject Properties; and
- (ii) decrease in net cash generated from financing activities of RM16.14 million in FYE 2023 (FYE 2022: net cash generated from financing activities of RM41.84 million), mainly due to absence of proceeds from the Rights Issue 2021.

**(d) FYE 2022 vs FYE 2021**

Our Group's revenue for FYE 2022 decreased by RM17.37 million or 9.35% to RM168.47 million (FYE 2021: RM185.84 million), mainly due to the following:

- (i) revenue of RM1.20 million from the property development segment (FYE 2021: RM1.41 million) which was then offset by the liquidated ascertained damages of RM3.26 million during FYE 2022 arising from the delays in delivery of vacant possession of the sales units of the Louvre Residence, a serviced residential and commercial project of a 34-storey serviced apartment in Kajang, Selangor, recognised based on the terms of the sales and purchase agreements signed for the expected liquidated ascertained damages to be claimed by purchasers; and
- (ii) decrease in revenue from the IT and ICT segment of 7.35% or RM13.20 million to RM166.29 million in FYE 2022 (FYE 2021: RM179.49 million) due to soft demand of DIY products caused by market saturation for ICT products following exceptionally high demand in FYE 2021.

Despite lower revenue, our Group recorded a PAT of RM5.61 million for FYE 2022 (FYE 2021: LAT of RM11.36 million), mainly due to the following:

- (i) gain from bargain purchase of RM11.68 million arising from the completion of acquisition of 100% equity interest in Teras Gemumi Sdn Bhd for a total cash consideration of approximately RM21.03 million on 25 March 2022; and
- (ii) lower impairment loss on a receivable of RM1.31 million during FYE 2022 (FYE 2021: RM6.47 million) for moneylending business segment as a result of enhanced credit control as well as loan recovery in FYE 2022.

Our Group's cash and cash equivalent increased by RM11.97 million or 23.72% to RM62.43 million in FYE 2022 (FYE 2021: RM50.46 million), attributable to higher cash generated from operating activities arising from increase in trade and other receivables and increase in trade and other payables. However, it is partially offset by:

- (i) increase in net cash used in investing activities of RM36.76 million in FYE 2022 (FYE 2021: net cash used in investing activities of RM11.51 million), mainly due to additional costs incurred from the acquisition of 100% equity interest in Teras Gemumi Sdn Bhd on 25 March 2022; and
- (ii) decrease in net cash generated from financing activities of RM41.84 million in FYE 2022 (FYE 2021: net cash generated from financing activities of RM49.25 million), mainly due to increase of net repayment of term loans which mature in FYE 2022.

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**INFORMATION ON OUR GROUP (CONT'D)**

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**6. VALUE CREATION AND IMPACT OF THE RIGHTS ISSUE TO OUR GROUP AND SHAREHOLDERS**

The Rights Issue is an avenue for us to raise sizable funds for part payment of the Balance Purchase Consideration for the Antara Project as well as to fund the expansion for our Group's property investment and moneylending segments (as set out in **Section 3** of this AP). The Rights Issue will assist our Group in meeting our cash flow needs by providing funds for the purposes stated in **Section 3** of this AP without the need for additional bank borrowings.

The potential improvement in our Group's financial performance is expected to create value for our shareholders as any use of debt financing with its associated interest costs would reduce the earnings of our Group.

The Rights Issue will have a dilutive impact to our Group's EPS/LPS and shareholdings of our existing shareholders (assuming our Entitled Shareholders do not subscribe for their entitlements under the Rights Issue). However, such dilutive effects are expected to be mitigated upon realisation of the economic and financial benefits arising from the utilisation of proceeds. Considering the prospects of industries in which our Group operates in (as set out in **Sections 6.2 to 6.8** of this AP), the Rights Issue is expected to contribute positively to the future earnings of our Group in the long term via the use of the proceeds which in turn, is expected to enhance our shareholders' value in the future.

The Warrants D will enable our shareholders to increase their equity participation in our Company and enjoy potential capital appreciation of our Shares and Warrants D in the future. In addition, our Company is able to raise funds for the general working capital requirements of our Group's various business segments and the expenditure for the property investment of our Group, without incurring interest costs associated with bank borrowings, when Warrant D holders exercise their Warrants D into new Shares.

**7. ADEQUACY OF THE RIGHTS ISSUE IN ADDRESSING OUR GROUP'S FINANCIAL POSITION**

As set out in **Section 4** of this AP, our Management intends to preserve our Group's cash, bank balances and short-term investment and use it for the working capital requirements of our Group's various business segments to meet any short-term obligations and/or funding requirements in a timely manner.

Furthermore, considering the potential upside of inflation in Malaysia that could arise from the implementation of subsidy rationalisation in Malaysia, our Management is cautious in utilising further banking facilities or debt instruments for our Group's working capital requirements as well as business expansion plans and its impact to our Group's gearing ratio. In view of this, the Rights Issue is an appropriate avenue for our Company to raise funds for purposes as set out in **Section 3** of this AP. Our Board believes that the use of proceeds from the Rights Issue would improve our Group's operations, thereby is expected to have a positive impact on the earnings and financial position of our Group and may enhance our shareholders' value in the future. Our Board will continuously evaluate the viability of other measures to ensure the sustainability of our Group's financial performance as well as various fund-raising avenues to meet our Group's cash flow requirements in the medium to long term. Our Board has also been taking various steps to improve our Group's financial conditions, as set out in **Section 8** of **Appendix I** of this AP.

After taking into consideration all aspects of the Rights Issue including the rationale, use of proceeds and its effects as well as the current financial position of our Group, our Board is of the view that the Rights Issue is an appropriate measure to manage our Company's capital structure and to improve our Group's financial position as the proceeds will be used for the purposes as set out in **Section 3** of this AP which is expected to contribute positively to our Group.

**INFORMATION ON OUR GROUP (CONT'D)****8. STEPS TAKEN AND TO BE UNDERTAKEN BY OUR GROUP TO IMPROVE OUR FINANCIAL POSITION**

Our Group has undertaken and will undertake the following measures to improve our financial performance and strengthen our financial position:

- (a) raised funds to further expand our Group's moneylending business which had grown over the years. On 7 March 2023, we completed the Private Placement 4 and raised proceeds of approximately RM11.69 million, mainly used as working capital for our Group's moneylending business which in turn, strengthened our lending capacity to a wider pool of borrowers and increased our total loan size by RM11.6 million;
- (b) continuously assesses the performances of various business segments of our Group and/or each company within our Group and the re-allocation of our Group's resources.

On 20 September 2023, our Company (as vendor) entered into a shares sale agreement with Basetex Sdn Bhd (as purchaser) to dispose of 40% equity interest in Viewnet Computer System Sdn Bhd ("VCSSB"), a then wholly owned subsidiary of our Company, for a total cash consideration of RM14.00 million ("**Disposal**").

The Disposal allows the then management personnel of VCSSB to have an equity stake in VCSSB and our Company to unlock and realise the value of VCSSB's investment and assets. The proceeds from the Disposal had been utilised for the general working capital of our Group such as general administrative expenses and staff costs. The Disposal was completed on 11 October 2023 and VCSSB is currently a 60%-owned subsidiary of our Company.

Our Group had also disposed of our investments in THDex Limited, Open Adventure Sdn Bhd, Paris Dynasty Land Sdn Bhd and Firstwide Success Sdn Bhd, in view of their continual poor financial performance. The total proceeds from these disposals of RM4.00 million had been utilised as working capital for our Group's moneylending business;

- (c) our Group continuously reviews the cost structures and production yield of our palm oil business to identify areas for optimisation as well as exploring sustainable practices in oil palm production to enhance efficiency, such as investing in the education of the palm oil workers to raise awareness on sustainable farming practices such as improving soil health via reducing the reliance on chemical pesticides, thus reducing the need for expensive soil amendments and lowering the operating costs of the palm oil business;
- (d) our Group continuously assesses business opportunities to expand our revenue and diversify income streams. For instance, our Group had ventured into the clay brick manufacturing business (upon completion of acquisition of 70% equity interest in Claybricks & Tiles Sdn Bhd, 70% equity interest in Qualibricks & Tiles Sdn Bhd and 70% equity interest in Mandong Transport & Trading Sdn Bhd on 29 December 2023). These companies collectively contributed approximately RM3.60 million or 14% of our Group's total revenue in FYE 2024; and
- (e) our Group continues to implement cost cutting measures which include, amongst others, optimising the allocation of human resources; recruit additional staff only when the needs arise; negotiate with suppliers on credit limits; and periodic review of group structure vis-a-vis our Group's business requirements in order to minimise administrative expenses, as reflected in the lower administrative expenses of RM9.84 million in FYE 2024 (FYE 2023: RM12.69 million).

Our Board will continue to explore the opportunities present in the market places within our Group's various business to enhance our Group's revenue and profitability. In view of the steps undertaken as abovementioned, our Board is of the opinion that our Group's strategies will improve the financial position of our Group in the future.

*(Source: Our Management)*

**INFORMATION ON OUR GROUP (CONT'D)****9. HISTORICAL SHARE PRICES**

The monthly highest and lowest transacted prices of our Shares for the past 12 months are as follows:

	<b>Highest (RM)</b>	<b>Lowest (RM)</b>
<b>2023</b>		
December	0.130	0.110
<b>2024</b>		
January	0.135	0.120
February	0.175	0.120
March	0.160	0.110
April	0.130	0.105
May	0.120	0.095
June	0.115	0.090
July	0.100	0.080
August	0.090	0.080
September	0.090	0.080
October	0.085	0.080
November	0.295	0.075
Last transacted market price for our Shares on the LTD (RM)	0.100	
Last transacted market price for our Shares as at the LPD (RM)	0.265	
Last transacted market price for our Shares on 17 December 2024 (being the market day prior to the ex-date for the Rights Issue on 18 December 2024) (RM)	0.225	

(Source: Bloomberg)

**10. OPTION TO SUBSCRIBE FOR SHARES**

As at the LPD, save for the Provisional Allotments and excess Rights Shares with Warrants D, no option to subscribe for our Shares has been granted or is entitled to be granted to any person.

**11. MATERIAL CONTRACTS**

Save as disclosed below, as at the LPD, our Group has not entered into any other material contracts (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this AP:

- (i) on 29 August 2022, our Company (as vendor) and HS Bio Sdn Bhd (as purchaser) had entered into a sale and purchase agreement dated 29 August 2022 for the following disposals:
  - (a) disposal of a 3-storey shop office erected on a 99 years leasehold land (expiring on 28 September 2103) held under PM 1966/M1/1/22 No. Bangunan: M1, No. Tingkat: 1, No. Petak: 22, No. Petak Aksesori: A101, A88 Lot 62032 Seksyen 40 Bandar Petaling Jaya Daerah Petaling Negeri Selangor measuring approximately 9,149 square feet and bearing postal address of C-01-01, C-01-02 & C-01-03 Blok C, Plaza Glomac, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor for a total consideration of RM1,342,950;
  - (b) a unit of shop office erected on all that 99 years leasehold land (expiring on 28 September 2103) held under PM1966/M1-C/3/90 No. Bangunan: M1-C, No. Tingkat: 3, No. Petak: 90 Lot 62032 Seksyen 40 Bandar Petaling Jaya Daerah Petaling Negeri Selangor measuring approximately 1,456 square feet and bearing postal address of C-02-3, Blok C, Plaza Glomac, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor for a total consideration of RM247,500;

**INFORMATION ON OUR GROUP (CONT'D)**

- (c) a unit of shop office erected on all that 99 years leasehold land (expiring on 28 September 2103) held under PM1966/M1-C/3/89 No. Bangunan: M1-C, No. Tingkat: 3, No. Petak: 89 Lot 62032 Seksyen 40 Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor measuring approximately 1,515 square feet and bearing postal address of C-03-3, Blok C, Plaza Glomac, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor for a total consideration of RM257,550;
- (d) a unit of shop office erected on all that 99 years leasehold land (expiring on 28 September 2103) held under PM1966/M1-C/3/88 No. Bangunan: M1-C, No. Tingkat: 3, No. Petak: 88 Lot 62032 Seksyen 40 Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor measuring approximately 1,508 square feet and bearing postal address of C-03A-3, Blok C, Plaza Glomac, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor for a total consideration of RM256,350;
- (e) a unit of shop office erected on all that 99 years leasehold land (expiring on 28 September 2103) held under PM1966/M1-C/3/87 No. Bangunan: M1-C, No. Tingkat: 3, No. Petak: 87 Lot 62032 Seksyen 40 Bandar Petaling Jaya Daerah Petaling Negeri Selangor measuring approximately 1,570 square feet and bearing postal address of C-05-3, Blok C, Plaza Glomac, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor for a total consideration of RM266,900; and
- (f) a unit of shop office erected on all that 99 years leasehold land (expiring on 28 September 2103) held under PM1966/M1-C/3/86 No. Bangunan: M1-C, No. Tingkat: 3, No. Petak: 86 Lot 62032 Seksyen 40 Bandar Petaling Jaya Daerah Petaling Negeri Selangor measuring approximately 1,276 square feet and bearing postal address of C-06-3, Blok C, Plaza Glomac, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor for a total consideration of RM242,450.

These transactions were completed on 21 December 2022;

- (ii) on 29 August 2022, Open Adventure Sdn Bhd (a former wholly-owned subsidiary of our Company) (as vendor) and HS Bio Sdn Bhd (as purchaser) had entered into a sale and purchase agreement dated 29 August 2022 for the following disposals:
  - (a) a parcel of shop office erected on a 99 years leasehold land (expiring on 6 September 2106) held under PN 50495/M1-B/4/74 No. Bangunan: M1-B, No. Tingkat: 4, No. Petak: 74 Lot 103 Seksyen 36 Bandar Petaling Jaya Daerah Petaling Negeri Selangor, measuring approximately 206 square metres and bearing postal address of B-10-3A, Dataran 32, Jalan 19/1, 46300 Petaling Jaya, Selangor for a total consideration of RM1.11 million; and
  - (b) a parcel of shop office erected on a 99 years leasehold land (expiring on 6 September 2106) held under PN 50495/M1-B/5/84 No. Bangunan: M1-B, No. Tingkat: 5, No. Petak: 74 Lot 103 Seksyen 36 Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor, measuring approximately 206 square metres and bearing postal address of B-10-5, Dataran 32, Jalan 19/1, 46300 Petaling Jaya, Selangor for a total consideration of RM1.11 million.

These transactions were completed on 21 December 2022;

- (iii) on 1 November 2022, Classita Holdings Berhad and Kepayang Heights Sdn Bhd (“KHSB”) (a former wholly-owned subsidiary of our Company) had entered into subscription agreement dated 1 November 2022 wherein subsequent to the completion of the above transaction, KHSB agreed to allot and issue to Classita Holdings Berhad 100,000,000 ordinary shares in KHSB, representing 97.14% of the enlarged issued share capital of KHSB, for a total subscription price of RM1.50 million. This transaction was completed on 9 December 2022;
- (iv) on 14 November 2022, our Company (as vendor) and Chan Swee Ying (our former Executive Director and former substantial shareholder) (as purchaser) had entered into shares sale agreement dated 14 November 2022 for the disposal of 18,500,000 ordinary shares in NSB, representing the entire issued share capital of NSB, for a total cash consideration of RM5.70 million. This transaction was completed on 27 February 2023;

**INFORMATION ON OUR GROUP (CONT'D)**

- (v) on 21 March 2023, our Company (as vendor) and Chin Boon Long (as purchaser) had entered into a shares sale agreement dated 21 March 2023 for the disposal of 1,000,000 ordinary shares in Super Kian Holdings Sdn Bhd (a former wholly-owned subsidiary of our Company) (“**SKSB**”), representing the entire issued share capital of SKSB, for a total cash consideration of RM0.31 million. This transaction was completed on 28 March 2023;
- (vi) on 12 June 2023, our Company (as vendor) and Loh Wai Choong (as purchaser) had entered into a shares sale agreement dated 12 June 2023 for the disposal of 1,500,000 ordinary shares in Open Adventure Sdn Bhd (a former wholly-owned subsidiary of our Company) (“**OASB**”), representing the entire issued share capital of OASB, for a total cash consideration of RM1.50 million. This transaction was completed on 13 June 2023;
- (vii) on 20 September 2023, our Company (as vendor) and Basetex Sdn Bhd (as purchaser) had entered into shares sale agreement dated 20 September 2023 for the disposal of 1,358,346 ordinary shares in VCCSB (a former wholly-owned subsidiary of our Company), representing 40% of the issued share capital of VCCSB, for a total cash consideration of RM14.00 million. This transaction was completed on 11 October 2023;
- (viii) on 17 November 2023, our Company (as purchaser) and Commonwell Sdn Bhd (as vendor) had entered into shares sale agreement dated 17 November 2023 for the acquisition of 24,500,006 ordinary shares in Claybricks & Tiles Sdn Bhd (“**CTSB**”), representing 70% of the issued and paid-up share capital of CTSB, for a total cash consideration of RM10.00 million. This transaction was completed on 29 December 2023;
- (ix) on 17 November 2023, our Company (as purchaser) as well as Lim Gek Kooy and Commonwell Sdn Bhd (as vendors) had entered into shares sale agreement dated 17 November 2023 for the acquisition of 1,190,010 ordinary shares in Qualibricks & Tiles Sdn Bhd (“**QTSB**”), representing 70% of the issued share capital of QTSB, for a total cash consideration of RM0.90 million. This transaction was completed on 29 December 2023;
- (x) on 22 January 2024, our Company (as vendor) and Classita Holdings Berhad (as purchaser) had entered into shares sale agreement dated 22 January 2024 for the disposal of 2,700,100 ordinary shares in Firstwide Success Sdn Bhd (a former wholly-owned subsidiary of our Company) (“**FSSB**”), representing the entire issued share capital of FSSB, for a total cash consideration of RM2.50 million. This transaction was completed on 7 February 2024;
- (xi) on 5 December 2024, our Company has entered into the Underwriting Agreement; and
- (xii) on 5 December 2024, our Company has executed the Deed Poll D.

**12. MATERIAL LITIGATION**

As at the LPD, our Board confirms that neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company and our Group and our Board confirms that there is no proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group.

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**ADDITIONAL INFORMATION**

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**1. CONSENTS**

The Adviser and Sole Underwriter, Company Secretary, Due Diligence Solicitors and Share Registrar have each given and have not subsequently withdrawn their consents to the inclusion in this AP of their names and all references thereto in the form and context in which they are included in this AP.

Bloomberg has given and has not subsequently withdrawn its written consent to the inclusion in this AP 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 are included in this AP.

**2. RESPONSIBILITY STATEMENT**

This AP together with its accompanying documents have been seen and approved by our Board and our Directors collectively and individually accept full responsibility for the accuracy of the information given herein 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, the omission of which would make any statement herein false or misleading.

TA Securities, being the Adviser and Sole Underwriter for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Rights Issue.

**3. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at No. 9A, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Wilayah Persekutuan during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for a period of 6 months from the date of this AP:

- (i) our Constitution;
- (ii) the letter of Undertaking as referred to in **Section 2.4** of this AP;
- (iii) the Underwriting Agreement as referred to in **Section 2.4** of this AP;
- (iv) the material contracts as referred to in **Appendix I, Section 8** of this AP; and
- (v) the letters of consent as referred to in **Appendix II, Section 1** of this AP.