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. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 5 HEREIN. 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, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur (Tel. no.: 03-2783 9299).

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 30 March 2021 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 30 March 2021. 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 the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue, application for excess Rights Shares with Warrants C, or the subscription, offer, sale, resale, pledge or other transfer of new securities arising from the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncee(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 (the Sole Underwriter) nor any other professional advisers to the Rights Issue shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation made by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are residents.

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

Our shareholders have approved, amongst others, the Rights Issue at our EGM held on 15 January 2021. Bursa Securities had, vide its letter dated 8 December 2020, approved the admission of Warrants C to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants C and the new Shares to be issued upon the exercise of Warrants C on the ACE Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue and shall not to be taken as an indication of the merits of the Rights Issue. Bursa Securities takes no responsibility for the correctness of any statement made or opinions expressed in the Documents. The listing of and quotation for the Rights Shares and Warrants C will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of the successful Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited with the relevant Rights Shares with Warrants C allotted to them and notices of allotment or electronic notices of allotment have been despatched or sent to them.

The SC 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.

VORTEX

VORTEX CONSOLIDATED BERHAD
(Registration No.: 199601010679 (383028-D))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 364,478,577 NEW ORDINARY SHARES IN VORTEX CONSOLIDATED BERHAD ("VORTEX" OR "COMPANY") ("VORTEX SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING SHARE HELD AS AT 5.00 P.M. ON 30 MARCH 2021 AT AN ISSUE PRICE OF RM0.17 PER RIGHTS SHARE, TOGETHER WITH UP TO 291,582,861 FREE DETACHABLE WARRANTS C ("WARRANTS C") ON THE BASIS OF 4 WARRANTS C FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR ("RIGHTS ISSUE")

Adviser and Sole Underwriter

TA SECURITIES
AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME		
Entitlement date	:	Tuesday, 30 March 2021 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Tuesday, 6 April 2021 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Thursday, 8 April 2021 at 4.30 p.m.
Acceptance and payment	:	Wednesday, 14 April 2021 at 5.00 p.m.
Excess application and payment	:	Wednesday, 14 April 2021 at 5.00 p.m.

This AP is dated 30 March 2021

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

TA SECURITIES, BEING THE ADVISER 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 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 ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS TO THE RIGHTS ISSUE ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS TO THE RIGHTS ISSUE 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 TO THE RIGHTS ISSUE 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 TO THE RIGHTS ISSUE 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 volume weighted average price
"9M FPE"	:	9-month FPE 31 December
"ACE LR"	:	ACE Market Listing Requirements of Bursa Securities
"Act"	:	Companies Act 2016
"Additional ICPS"	:	Additional ICPS arising from the Adjustments
"Additional Warrants B"	:	Additional Warrants B arising from the Adjustments
"Adjustments"	:	Adjustments to the conversion price of ICPS, cash payment for conversion of ICPS and number of outstanding ICPS, as well as the exercise price and number of outstanding Warrants B, pursuant to the Rights Issue
"Amendment"	:	Amendment to the Constitution of our Company to facilitate the adjustments to the ICPS pursuant to the Share Consolidation and Rights Issue
"Announcement"	:	The announcement in relation to the Placement II and Corporate Exercises dated 19 October 2020
"Announcement LPD"	:	9 October 2020, being the latest practicable date prior to the Announcement
"AP"	:	This Abridged Prospectus issued by our Company dated 30 March 2021
"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
"Circular"	:	Circular to our shareholders dated 21 December 2020 in relation to the Corporate Exercises
"Closing Date"	:	14 April 2021 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments as well as application for excess Rights Shares with Warrants C
"CMSA"	:	Capital Markets and Services Act 2007
"Code"	:	Malaysian Code on Take-Overs and Mergers 2016
"Corporate Exercises"	:	Share Consolidation, Rights Issue and Amendment, collectively
"COVID-19"	:	Coronavirus disease 2019

"CSY" or "Undertaking Shareholder"	:	Chan Swee Ying, our Executive Director and a major shareholder of our Company
"Deed Poll B"	:	Deed poll dated 29 March 2019 constituting the Warrants B
"Deed Poll C"	:	Deed poll dated 16 March 2021 constituting the Warrants C
"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 Section 2(1) of the CMSA
"e-NPA"	:	Electronic NPA
"e-RSF"	:	Electronic RSF
"e-Subscription"	:	Electronic subscription of Rights Shares with Warrants C via TIIH Online
"EGM"	:	Extraordinary general meeting of our Company held on 15 January 2021
"Entitled Shareholders"	:	Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	:	30 March 2021 at 5.00 p.m., being the date and time on which our shareholders must be registered in the Record of Depositors of our Company in order to be entitled to the Rights Issue
"EPS"	:	Earnings per Share
"FPE"	:	Financial period ended/ending, as the case may be
"FYE"	:	Financial year ended/ending 31 March, as the case may be
"GP"	:	Gross profit
"ICPS"	:	17,062,777 outstanding irredeemable convertible preference shares in our Company, which will mature on 6 May 2024 *(for information, if 6 May 2024 does not fall on a Market Day, the maturity date of ICPS will be the preceding Market Day)*
"ICT"	:	Information and communication technology
"IT"	:	Information technology
"KHSB"	:	Kepayang Heights Sdn Bhd (a wholly-owned subsidiary of our Company)
"LAT"	:	Loss after tax
"LBT"	:	Loss before tax
"LPD"	:	10 March 2021, being the latest practicable date prior to the registration of this AP
"LPS"	:	Loss per Share
"LTD"	:	15 March 2021, being the last trading day prior to the date of fixing the issue price of Rights Share and exercise price of Warrant C
"Market Day"	:	A day on which Bursa Securities is open for the trading of securities

"Maximum Scenario"	:	Assuming all outstanding ICPS and Warrants B are converted and/or exercised into new Shares prior to the Entitlement Date and all Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) fully subscribe for their entitlements under the Rights Issue
"MCO"	:	Movement control order issued by the Malaysian government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
"Minimum Scenario" or "Minimum Subscription Level"	:	111,764,706 Rights Shares with 89,411,764 Warrants C to be issued pursuant to the Rights Issue and taking into consideration the following: (i) Undertaking from CSY; (ii) subscription by the Sole Underwriter pursuant to the Underwriting Agreement; and (iii) to raise minimum gross proceeds of RM19.00 million from the Rights Issue
"MOF"	:	Ministry of Finance Malaysia
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"PDLSB"	:	Paris Dynasty Land Sdn Bhd (a wholly-owned subsidiary of our Company)
"Placement I"	:	A private placement of 109,066,400 new Shares at an issue price of RM0.073 each, which was completed on 25 September 2020
"Placement II"	:	A private placement of up to 20% of Shares in issue (excluding treasury shares). The Placement II is deemed completed upon the listing of 130,879,700 new Shares issued under Placement II at an issue price of RM0.046 each on 8 January 2021
"Provisional Allotments"	:	Rights Shares with Warrants C provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue
"Record of Depositors"	:	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
"Registered Entitled Shareholders"	:	Entitled Shareholders who are registered users of TIIH Online
"Rights Issues I"	:	Rights issue exercises with the listing of 60,988,578 rights shares together with 60,988,578 Warrants B at an issue price of RM0.15 per rights share, and 914,828,754 ICPS at an issue price of RM0.05 per ICPS, which were completed on 15 May 2019
"Rights Issue"	:	Renounceable rights issue of up to 364,478,577 Rights Shares on the basis of 1 Rights Share for every 1 existing Share held on the Entitlement Date, together with up to 291,582,861 Warrants C on the basis of 4 Warrants C for every 5 Rights Shares subscribed for
"Rights Shares"	:	Up to 364,478,577 new Shares to be issued pursuant to the Rights Issue

DEFINITIONS (*CONT'D*)

"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"	:	Rules of Bursa Depository including the rules in relation to a central depository as described in Section 2 of the SICDA
"SC"	:	Securities Commission Malaysia
"SDBB"	:	Sabah Development Bank Berhad
"Share Consolidation"	:	Consolidation of every 4 Shares into 1 new Share, which was completed on 4 February 2021
"Share Registrar"	:	Tricor Investor & Issuing House Services Sdn Bhd
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"TA Securities" or "Adviser" or "Sole Underwriter"	:	TA Securities Holdings Berhad
"TEAP"	:	Theoretical ex-all price
"TIIH Online"	:	Share Registrar's proprietary-owned application to facilitate our Entitled Shareholders in subscribing for the Provisional Allotments and to apply for excess Rights Shares with Warrants C electronically
"Undertaking"	:	An irrevocable and unconditional undertaking from CSY dated 19 October 2020 to, amongst others, apply and subscribe for not less than 65,000,000 Rights Shares with 52,000,000 Warrants C pursuant to the Rights Issue
"Underwriting Agreement"	:	Underwriting agreement dated 16 March 2021 entered into between our Company and TA Securities for the underwriting of 40,764,706 Rights Shares with 32,611,764 Warrants C pursuant to the Rights Issue
"USD"	:	United States Dollars
"Vortex" or "Company"	:	Vortex Consolidated Berhad
"Vortex Group" or "Group"	:	Our Company and our subsidiaries, collectively
"Vortex Shares" or "Shares"	:	Ordinary shares in our Company
"Warrants B"	:	14,763,424 outstanding warrants 2019/2024, constituted by the Deed Poll B, which will expire on 6 May 2024 *(for information, if 6 May 2024 does not fall on a Market Day, the expiry date of Warrants B will be the preceding Market Day)*
"Warrants C"		Up to 291,582,861 free detachable warrants to be issued pursuant to the Rights Issue
"Warrant C Holders"	:	The holders of the Warrants C

DEFINITIONS (*CONT'D*)

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

All references to "**you**" or "**your**" in this AP are to the Entitled Shareholders and/or, where the context requires otherwise, their renouncee(s) and/or transferee(s).

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

ADVISER AND SOLE UNDERWRITER	:	TA Securities Holdings Berhad 32nd Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. no.: 03-2072 1277 Fax. no.: 03-2026 0127
COMPANY SECRETARY	:	Leong Sue Ching (MAICSA 7040814) (SSM PC No. 201908001823) CAREsec Advisory Sdn Bhd No. 9A, Jalan Medan Tuanku Medan Tuanku 50300 Kuala Lumpur Wilayah Persekutuan Tel. no.: 03-2691 8996 Fax. no.: 03-2698 6996
DUE DILIGENCE SOLICITORS	:	Peter Ling & van Geyzel B-19-4, Tower B, Northpoint Office Suites Mid Valley City No. 1 Medan Syed Putra Utara 59200 Kuala Lumpur Tel. no.: 03-2282 3080 Fax. no.: 03-2201 9880
AUDITORS / REPORTING ACCOUNTANTS	:	Crowe Malaysia PLT (201906000005 (LLP0018817-LCA) & AF1018) Level 16, Tower C, Megan Avenue 2 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel. no.: 03-2788 9999 Fax. no.: 03-2788 9998
SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel. no.: 03-2783 9299 Fax. no.: 03-2783 9222
STOCK EXCHANGE LISTING	:	ACE Market of Bursa Securities

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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 THE WHOLE AP.

<table>
<tr><th>Key information</th><th></th><th>Description</th><th>Reference in AP</th></tr>
<tr><td>Issue size and basis of allotment</td><td>:</td><td>Size: Up to 364,478,577 Rights Shares together with up to 291,582,861 Warrants C.

Basis: 1 Rights Share for every 1 Share held on the Entitlement Date, together with 4 free Warrant C for every 5 Rights Shares subscribed for.</td><td>Section 2</td></tr>
<tr><td>Issue price of Rights Share</td><td>:</td><td>RM0.17 per Rights Share, payable in full upon acceptance and/or application. It represents a discount of approximately 0.76% to the TEAP of our Share (based on the 5D-VWAP of our Share up to and including the LTD).

The Warrants C will be issued at no cost to the Entitled Shareholders.</td><td>Section 2.1(i)</td></tr>
<tr><td>Exercise price of Warrant C</td><td>:</td><td>RM0.17 per Warrant C. It represents a discount of approximately 0.76% to the TEAP of our Share (based on the 5D-VWAP of our Share up to and including the LTD).

Each Warrant C entitles the registered holder to subscribe for 1 new Share at any time during the exercise period and at the exercise price (upon the terms and subject to conditions in the Deed Poll C).</td><td>Sections 2.1(ii) and 2.5 (Salient terms of the Warrants C)</td></tr>
<tr><td>Minimum Subscription Level, Undertaking and underwriting arrangement</td><td>:</td><td>The Rights Issue will be implemented on Minimum Subscription Level (i.e., to raise minimum gross proceeds of RM19.00 million, through the following:

(i) Undertaking from CSY to apply and subscribe for not less than 65,000,000 Rights Shares with 52,000,000 Warrants C. Based on the issue price of RM0.17 per Rights Share and pursuant to the Undertaking, CSY shall apply and subscribe for 71,000,000 Rights Shares with 56,800,000 Warrants C; and

(ii) Underwriting Agreement with the Sole Underwriter to underwrite 40,764,706 Rights Shares together with 32,611,764 Warrants C.</td><td>Section 2.3</td></tr>
<tr><td>Utilisation of proceeds</td><td>:</td><td>The total gross proceeds to be raised from the Rights Issue will be utilised in the following manners:
<table>
<tr><th></th><th>Minimum Scenario (RM'000)</th><th>Maximum Scenario (RM'000)</th><th>Expected time frame for utilisation*</th></tr>
<tr><td>Repayment of bank borrowings</td><td>18,180</td><td>57,000</td><td>Within 12 months</td></tr>
<tr><td>Working capital</td><td>-</td><td>4,141</td><td>Within 24 months</td></tr>
<tr><td>Estimated expenses for the Corporate Exercises</td><td>820</td><td>820</td><td>Within 1 month</td></tr>
<tr><td>TOTAL</td><td>19,000</td><td>61,961</td><td></td></tr>
</table>
Note:
* From the date of completion of the Rights Issue.</td><td>Section 4</td></tr>
</table>

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

Key information		Description	Reference to AP
Rationale	:	• Raises sizable funds (without interest) to fully settle borrowings from SDBB and improves our Group's gearing ratio. • Provides an opportunity for existing shareholders to increase equity participation in our Company by subscribing to the Rights Shares with Warrants C (which are exercisable into new Shares).	Section 3
Risk factors	:	You should consider the following risk factors before investing in the Rights Issue: (i) our Group's IT and ICT division is prone to, amongst others, rapid technological changes, swift changes in consumer requirements and our Group's ability to address customers' needs in a timely manner to meet the rapid changes in consumer demand and requirements; (ii) our Group's construction and property development divisions are prone to, amongst others, project completion risks and property overhang; (iii) our Group's moneylending division is prone to, amongst others, risks of default in repayment and fraudulent application by borrowers; (iv) COVID-19 may have an impact to our Group's future earnings; and (v) the market price of our Shares is influenced by, amongst others, the prevailing market sentiments and the outlook of the industries which our Group operates in. As the Warrants C is a new type of securities, there can be no assurance that an active market will develop for the Warrants C.	Section 5
Procedures for applications	:	Acceptance of and payment for the Provisional Allotments and application for the excess Rights Shares with Warrants C must be made by way of the RSF enclosed with this AP or by way of e-Subscription via TIIH Online website at https://tiih.online and must conform with the terms and conditions of TIIH Online, the RSF or the notes and instructions contained therein. The last day, date and time for acceptance of and payment for the Provisional Allotments and the application for the excess Rights Shares with Warrants C is on **Wednesday, 14 April 2021 at 5.00 p.m.**.	Section 9

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Registration No.: 199601010679 (383028-D)

VORTEX CONSOLIDATED BERHAD
(Registration No.: 199601010679 (383028-D))
(Incorporated in Malaysia)

Registered Office:

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

30 March 2021

Our Board of Directors

Tan Ooi Jin *(Executive Chairman)*
Choo Peng Hung *(Managing Director)*
Lee Li Chain *(Finance Director / Executive Director)*
Goh Eugene *(Executive Director)*
Chan Swee Ying *(Executive Director)*
Yap Kien Ming *(Independent Non-Executive Director)*
Sam Kok Hong *(Independent Non-Executive Director)*
Hj. Ahmed Azhar Bin Abdullah *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE

1. INTRODUCTION

On 19 October 2020, TA Securities, on behalf of our Board, announced that our Company proposed to undertake the Placement II and Corporate Exercises. In addition, our Company also intends to undertake the Amendment to facilitate the adjustments to ICPS pursuant to the Share Consolidation and Rights Issue.

Bursa Securities had, vide its letter dated 8 December 2020, approved, amongst others, the following:

(i) listing of and quotation for up to 370,844,139(1) Rights Shares;

(ii) admission of Warrants C to the Official List and the listing of and quotation for up to 296,675,311(1) Warrants C;

(iii) listing of and quotation for up to 296,675,311(1) new Shares pursuant to the exercise of Warrants C;

(iv) listing of and quotation for up to 4,329,364(2) Additional ICPS to be issued resulting from the Adjustments and up to 4,329,364 new Shares to be issued pursuant to the conversion of Additional ICPS; and

(v) up to 3,745,948(2) Additional Warrants B to be issued resulting from the Adjustments and up to 3,745,948 new Shares to be issued pursuant to the exercise of Additional Warrants B,

on the ACE Market of Bursa Securities.

Notes:

(1) Bursa Securities had approved the listing of and quotation of up to 370,844,139 Rights Shares, up to 296,675,311 Warrants C and up to 296,675,311 new Shares pursuant to the exercise of Warrants C on the assumptions that (i) ICPS and Warrants B are converted and/or exercised into new Shares prior to the entitlement date for Share Consolidation; and (ii) 156,340,700 new Shares to be issued under Placement II, prior to the entitlement date for Share Consolidation.

However, as at the LPD, our Company has 332,652,376 Shares, 17,062,777 ICPS and 14,763,424 Warrants B, respectively, following the completion of Share Consolidation (on 4 February 2021) and after disregarding the fractional entitlements under the Share Consolidation as well as issuance of 130,879,700 new Shares pursuant to the Placement II prior to the completion of Share Consolidation. As such, these have resulted in a reduction in the maximum number of Rights Shares with Warrants C that may be issued under the Maximum Scenario as disclosed in this AP.

(2) Being the maximum number of Additional ICPS and Additional Warrants B to be issued pursuant to the Adjustments and as computed based on certain assumptions and parameters as detailed in Appendix I of the Circular.

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

No.	Conditions imposed	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 Rights Issue;	To be complied
(ii)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Rights Issue;	To be complied
(iii)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied
(iv)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants C as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

Our shareholders had approved, amongst others, the Rights Issue at our EGM held on 15 January 2021.

On 16 March 2021, TA Securities, on behalf of our Board, announced that:

(i) the Entitlement Date together with the other relevant dates pertaining to the Rights Issue;

(ii) the issue price for Rights Share has been fixed at RM0.17 each;

(iii) the exercise price for Warrant C has been fixed at RM0.17 each;

(iv) our Company had entered into the Underwriting Agreement with the Sole Underwriter; and

(v) our Company had executed the Deed Poll C.

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.

IF YOU ARE IN 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 364,478,577 Rights Shares on the basis of 1 Rights Share for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date, together with up to 291,582,861 Warrants C on the basis of 4 Warrants C for every 5 Rights Shares subscribed for.

The basis of 1 Rights Share for every 1 existing Share held on the Entitlement Date was arrived at after taking into consideration, among others, the following:

(i) amount of proceeds to be raised as detailed in Section 4 of this AP; and

(ii) rationale for the Rights Issue as set out in Section 3 of this AP.

The basis of 4 Warrants C for every 5 Rights Shares subscribed for was arrived at after taking into consideration, among others, the following:

(i) rationale for the Rights Issue as set out in Section 3 of this AP; and

(ii) Rule 6.51 of the ACE LR which states 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.

For illustrative purpose, the Maximum Scenario (i.e. up to 364,478,577 Rights Shares together with up to 291,582,861 Warrants C) was arrived at after considering the following:

(i) 332,652,376 Shares in issue (excluding treasury shares) as at the LPD. As at the LPD, our Company does not hold any treasury shares; and

(ii) conversion of all 17,062,777 outstanding ICPS (based on the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.40) and exercise of all 14,763,424 outstanding Warrants B into new Shares, respectively, prior to the Entitlement Date.

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

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

In determining the Entitled Shareholders' entitlements to the Rights Shares with Warrants C, any fractional entitlements (if any) 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. Any Rights Shares with Warrants C which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). It is the intention of our Board to allocate the excess Rights Shares with Warrants C in a fair and equitable basis as specified under Section 9.8 herein.

The Warrants C will be immediately detached from the Rights Shares upon issuance and will be separately traded from the Rights Shares on the ACE Market of Bursa Securities. The Warrants C will be issued in registered form and constituted by the Deed Poll C.

As the Rights Shares and Warrants C are prescribed securities, the respective CDS account of the Entitled Shareholders 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 the excess Rights Shares with Warrants C if you choose to do so.

Any dealing in our securities will be subject to the SICDA and the Rules of Bursa Depository. Accordingly, the Rights Shares, Warrants C and new Shares to be issued arising from the exercise of the Warrants C will be credited directly into the respective CDS accounts of the successful applicants and exercising Warrant C Holders (as the case may be). No physical share certificate and warrant certificate will be issued to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). A notice of allotment or electronic notice of allotment will be despatched or sent to the successful applicants within 8 Market Days from the last date for acceptance and payment for the Rights Issue or such period as may be prescribed by Bursa Securities. The Rights Shares and Warrants C 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.

Pursuant to Rule 6.52 of the ACE LR, the listing of and quotation for Warrants C on the ACE Market of Bursa Securities is subject to a minimum of 100 Warrant C Holders holding not less than 1 board lot of Warrants C.

2.1 Basis of determining the issue price of Rights Share and the exercise price of Warrant C

(i) Issue price of Rights Share

Our Board has fixed the issue price of Rights Share at RM0.17 each after taking into consideration, among others, the following:

(a) the TEAP of our Share of RM0.1713 (computed based on the 5D-VWAP of our Share up to and including the LTD of RM0.1737) with a discount ranges between 0% and 30% to the TEAP of our Share; and

(b) amount of proceeds to be raised under the Minimum Subscription Level for purposes as set out in Section 4 of this AP.

The issue price of RM0.17 per Rights Share represents a discount of RM0.0013 or approximately 0.76% to the TEAP of our Share of RM0.1713.

(ii) Exercise price of Warrant C

The Warrants C will be issued at no cost to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who successfully subscribed for the Rights Shares.

Our Board has fixed the exercise price of Warrant at RM0.17 each after taking into consideration the TEAP of our Share of RM0.1713 (computed based on the 5D-VWAP of our Share up to and including the LTD of RM0.1737) with a discount ranges between 0% to 30% to the TEAP of our Share.

The exercise price of RM0.17 per Warrant C represents a discount of RM0.0013 or approximately 0.76% to the TEAP of our Share of RM0.1713.

2.2 Ranking of the Additional Warrants B, Additional ICPS, Rights Shares and new Shares to be issued arising from the exercise and/or conversion of Warrants C, Additional Warrants B and Additional ICPS

The Rights Issue will give rise to Adjustments. The Additional Warrants B and Additional ICPS shall, upon allotment and issuance, rank equally in all respects with the then existing Warrants B and ICPS, respectively.

The Rights Shares and new Shares to be issued arising from the exercise and/or conversion of Warrants C, Additional Warrants B and Additional ICPS shall, upon allotment and issuance, rank equally in all respects with the 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 and/or conversion of Warrants C, Additional Warrants B and Additional ICPS.

The Warrant C 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 such Warrant C Holders exercise their Warrants C into new Shares.

2.3 Minimum Subscription Level, Undertaking and underwriting arrangement

Our Company intends to raise minimum gross proceeds of RM19.00 million from the Rights Issue after taking into consideration, amongst others, the funding requirements of our Group as set out in Section 4 of this AP.

In view of the above, our Board has determined to undertake the Rights Issue on the Minimum Subscription Level basis. To meet the Minimum Subscription Level, our Company has:

(i) procured the Undertaking from CSY, that she will not dispose of or transfer any of her existing Shares following the date of such Undertaking up to the Entitlement Date, and she will apply and subscribe for not less than 65,000,000 Rights Shares with 52,000,000 Warrants C pursuant to the Rights Issue. Based on the issue price of RM0.17 per Rights Share and pursuant to the Undertaking, CSY will apply and subscribe for 71,000,000 Rights Shares with 56,800,000 Warrants C; and

(ii) entered into the Underwriting Agreement with the Sole Underwriter to underwrite 40,764,706 Rights Shares with 32,611,764 Warrants C.

For illustrative purpose, assuming the Entitlement Date is as at the LPD, the details of the Undertaking and underwriting arrangement under the Minimum Subscription Level are as follows:

	Direct shareholding as at the LPD		Undertaking			Underwriting		
	No. of Shares	%	No. of Rights Shares	%(1)	Amount	No. of Rights Shares	%(1)	Amount
Undertaking Shareholder								
CSY	74,453,475(2)	22.38	71,000,000	63.53	12,070,000	-	-	-
Sole Underwriter								
TA Securities	-	-	-	-	-	40,764,706	36.47	6,930,000
Total	**74,453,475**	**22.38**	**71,000,000**	**63.53**	**12,070,000**	**40,764,706**	**36.47**	**6,930,000**

Notes:

(1) Based on the total number of 111,764,706 Rights Shares available for subscription under the Rights Issue under the Minimum Scenario.

(2) Based on the Undertaking Shareholder's direct shareholding as at the LPD, her entitlement under the Rights Issue is 74,453,475 Rights Shares.

The number of Rights Shares subject to the Undertaking is determined after considering the availability of financial resources of CSY to subscribe for the Rights Shares with Warrants C as well as a subscription level of Rights Shares by CSY which will not trigger an obligation pursuant to the Code and the Rules. CSY had confirmed that she has sufficient financial resources to fulfil her obligations pursuant to the Undertaking based on the issue price of RM0.17 per Rights Share and such confirmation has been verified by TA Securities, being the Adviser for the Rights Issue.

For avoidance of doubt, the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) (excluding the Sole Underwriter) shall be given priority and shall first be allocated all their respective entitlements and excess Rights Shares with Warrants C applied for. Upon completion of the allocation of such respective entitlements and excess Rights Shares with Warrants C to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), the Sole Underwriter shall then apply and be allocated for the remaining number of unsubscribed Rights Shares, if any. In the event the number of Rights Shares with Warrants C available for subscription pursuant to the Rights Issue under Minimum Scenario are fully subscribed for by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) (excluding the Sole Underwriter), the Sole Underwriter will not apply and be allocated for any Rights Shares with Warrants C.

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 arrangement will be fully borne by our Company.

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

(a) there is any non-fulfilment of conditions precedent or breach by our Company of any of the representations, warranties or undertakings 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 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 Company or our Group, the success of the Rights Issue, or the distribution or sale of the Rights Shares; or

(b) there is failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement; or

(c) 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 Company or our Group, the success of the Rights Issue, or the distribution or sale of the Rights Shares; or

(d) 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 Company or our Group; or

(e) Force Majeure

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

(i) 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

(ii) 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, pandemics, 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 Company or 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

(iii) 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 the SC, 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 Company or 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

(iv) 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 3 Market Days after receipt of underwriting notice by the Sole Underwriter; or

(v) 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

(vi) any commencement of legal proceedings or action against our Company and/or our subsidiaries.

(f) the 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

(g) any matter which arose immediately before the date of this AP would have constituted a material and adverse omission in the context of the Rights Issue; or

(h) any event, act or omission which in the reasonable opinion of the Sole Underwriter gives or is likely to give rise to any liability which will have a material and adverse effect on our Group pursuant to the indemnities contained under the Underwriting Agreement.

The Minimum Subscription Level of RM19.00 million will be achieved via the Undertaking and underwriting arrangement. If the Minimum Subscription Level is not achieved due to 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 renouncee(s)/ transferee(s) (if applicable) who have subscribed for their entitlements. Pursuant thereto, our Company will explore other fund-raising avenues for the repayment of bank borrowing from SDBB.

2.4 Take-over implications and public shareholding spread

Pursuant to the Undertaking and underwriting arrangement, the subscription of Rights Shares with Warrants C by the Undertaking Shareholder and the Sole Underwriter will not give rise to any consequences of mandatory general offer obligations pursuant to the Code and the Rules. However, like any other Entitled Shareholders, should the Undertaking Shareholder exercises Warrants C into new Shares during the tenure of Warrants C, the Undertaking Shareholder will observe and comply at all times with the provisions of the Code and the Rules.

Further, the Undertaking and underwriting arrangement are not expected to result in non-compliance of the public shareholding spread requirement by our Company pursuant to Rule 8.02(1) of ACE LR, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. As at the LPD, our Company does not hold any treasury shares. The pro forma public shareholding spread of our Company under the Minimum Scenario is illustrated as below:

	As at the LPD		(I) After the Rights Issue		(II) After (I) and assuming full exercise of Warrants C	
Particulars	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Share capital	332,652,376	100.00	444,417,082	100.00	533,828,846	100.00
Less shareholdings of:						
- Directors, substantial shareholders and their associates	74,703,475	22.46	145,703,475	32.79	202,503,475	37.93
- Sole Underwriter	-	-	40,764,706	9.17	73,376,470	13.75
Public shareholding spread	**257,948,901**	**77.54**	**257,948,901**	**58.04**	**257,948,901**	**48.32**

2.5 Salient terms of the Warrants C

The salient terms of the Warrants C are as follows:

Terms		**Details**
Issue size	:	Up to 291,582,861 Warrants C.
Form and denomination	:	The Warrants C will be issued in registered form and will be constituted by the Deed Poll C.
Exercise period	:	The Warrants C may be exercised at any time during tenure of the Warrants C of 5 years commencing from and inclusive of the date of the issuance of the Warrants C until 5:00 p.m. on the expiry date. Warrants C which have not been exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise price	:	The exercise price of the Warrant is RM0.17 each.
Expiry date	:	The day falling immediately before the 5th year commencing from and inclusive of the date of the issuance of the Warrants C and if such day is not a Market Day, on the Market Day immediately preceding such day.
Exercise rights	:	Each Warrant C entitles the registered holder to subscribe for 1 new Share at any time during the exercise period and at the exercise price (subject to adjustments in accordance with the provisions of Deed Poll C).

Terms		Details
Mode of exercise	:	The registered holder of the Warrants C is required to lodge an exercise form, as sets out in the Deed Poll C, with our Company's Share Registrar, duly completed and signed together with payment of the exercise price for the new Shares subscribed for via online payment into bank account of our Company maintained with a bank in Malaysia or by banker's draft or cashier's order or money order or postal order in RM drawn on a bank or post office operating in Malaysia, in accordance with the provisions of Deed Poll C.
Board lot	:	For the purpose of trading on Bursa Securities, 1 board lot of Warrant C shall comprise of 100 Warrants C carrying the right 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. The Warrants C 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 C meet the conditions of the ACE LR of at least 100 Warrant C Holders holding not less than 1 board lot each and submitting relevant application for the Warrants C to be listed on the ACE Market of Bursa Securities. The Warrants C will not be listed in the event this condition is not met.
Adjustments in the exercise price and/or number of the Warrants C	:	Subject to the provisions in the Deed Poll C, the exercise price or the number of Warrants C held by each Warrant C Holder or both shall be adjusted by our Board in consultation with the approved adviser or external auditors of our Company and certified by the external auditors of our Company under certain circumstances in accordance with the provisions of Deed Poll C and subject to compliance with the ACE LR.
Rights of the Warrant C Holders	:	The new Shares arising from the exercise of the Warrants C shall, upon allotment and issuance, rank equally with the then existing Shares except that they are not entitled to any dividends, rights, allotments and/or other distributions, where the entitlement date of which is before the date of allotment and issuance of the new Shares upon the exercise of the Warrants C. The Warrant C Holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such Warrant C Holders exercise their Warrants C into new Shares.
Modification of rights of Warrants C Holders	:	Save as otherwise provided in the Deed Poll C, any modification, amendment, deletion or addition to the Deed Poll C (including the rights of Warrants C Holders, form and content of the warrant certificates to be issued in respect of any Warrants C) may be effected only with a sanction of a special resolution (unless modification, amendment, deletion or addition is required to correct any typographical errors, related to purely administrative matters, 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 Warrants C Holders), by a deed to be executed by our Company and expressed to be supplemental to the Deed Poll C and if the requirements of Deed Poll C have been complied with.

Terms		**Details**
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	If a resolution is passed for a members' voluntary winding-up 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: (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 C 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 C Holders; and (ii) in any other case, every Warrant C Holder shall be entitled, upon and subject to the conditions 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 C by submitting the duly completed exercise form(s) authorising the debiting of his Warrants C, together with payment of the relevant payments and fees for the exercise price, 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 C to the extent specified in the exercise form(s) and be 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.
Listing status	:	The Warrants C will be listed and traded on the ACE Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of Warrants C to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for the Warrants C and the new Shares to be issued pursuant to the exercise of the Warrants C on the ACE Market of Bursa Securities.
Governing law	:	The laws of Malaysia.

2.6 Details of other corporate exercises

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

2.7 Details of previous fund-raising exercises

Our Company had undertaken the following fund-raising exercises in the past 2 years prior to the date of the Announcement:

(i) on 8 January 2021, our Company completed the Placement II and raised total gross proceeds of RM6.02 million which had been fully utilised as at the LPD for the following purposes:

Utilisation purposes	**RM'000**
Repayment of bank borrowings[(1)]	5,919
Expenses for Placement II	101
TOTAL	**6,020**

(ii) on 25 September 2020, our Company completed the Placement I and raised total gross proceeds of RM7.96 million which had been fully utilised as at the LPD for the following purposes:

Utilisation purposes	RM'000
Partial repayment of bank borrowings(1)	7,857
Expenses for Placement I	105
TOTAL	**7,962**

Note:

(1) The proceeds were utilised to repay the credit facilities granted by SDBB to PDLSB on 22 October 2020, 20 November 2020, 22 December 2020, 25 January 2021 and 9 February 2021 (refer to Section 3, note (1) of this AP for further details). Based on an interest rate of 7.00% per annum, the repayment of borrowings resulted in an annual interest savings of approximately RM0.96 million.

(iii) on 15 May 2019, our Company completed Rights Issues I and raised total gross proceeds of approximately RM54.89 million with the following status of utilisation as at the LPD:

		As at the LPD		
	Proposed utilisation	Actual utilisation	Un-utilised balance	Estimated timeframe for use of proceeds
	RM'000	RM'000	RM'000	
Utilisation purposes	**(A)**	**(B)**	**(A-B)**	
Proposed development project under KHSB(1)	23,189	(1,034)	22,155	Within 48 months*
Working capital for moneylending business	20,000	(20,000)	-	Within 12 months
Future projects and/or acquisitions(2)	6,500	(6,123)	377	Within 36 months*
Working capital	4,118	(4,118)	-	Within 24 months
Estimated expenses for the corporate exercises	1,082	(1,082)	-	-
TOTAL	**54,889**	**(32,357)**	**22,532**	

Notes:

* From 15 May 2019 (being the date of completion of the Rights Issues I).

(1) Being a proposed housing development project to be undertaken by KHSB on a leasehold land located at H.S.(D) 15843, PT No. 20110, Mukim and District of Bentong, Pahang ("**Land**"). The management of KHSB has utilised part of the proceeds to pay pre-development expenses such as survey fee; fees for soil investigation, environmental and traffic impact assessments; land searches and authorities fees; expenses for building and infrastructure works such as architect fee, civil and structural consultancy fee, mechanical and engineering fee.

On 2 April 2019, KHSB had obtained a development order from Majlis Perbandaran Bentong for a proposed development of 159 units of 3-storey villa in Bentong, Pahang. There was a delay in commencing the project due to challenging economic condition and soft property market sentiment in Malaysia. After taking into consideration the management's continuous study on the development potential of the Land and types of property development projects within the vicinity of the Land, the management of KHSB had, on 29 July 2020, submitted an application to Majlis Perbandaran Bentong to revise the development order on the Land. The proposed revision involves, amongst others, 48 units of 2-storey cluster house, 40 units of 2½-storey cluster house and 2 units of bungalow, a club house and a private organic farm. Barring unforeseen circumstances, KHSB expects to obtain new development order on the Land by 2nd quarter of year 2021. Upon obtaining the new development order, KHSB will apply for developer's licence, advertising and sales permit and all other relevant approvals / permits necessary to facilitate the proposed development project, after careful assessment on the condition of property market in Malaysia.

(2) Our Company had utilised RM3.41 million to acquire the remaining 20% equity interest in KHSB (which was completed on 31 December 2019) as well as RM2.71 million to acquire the entire equity interest in Firstwide Success Sdn Bhd (a property investment company) and payment for other incidental costs (i.e. stamp duty and legal fee) (refer to Appendix I, Section 7(vi) of this AP for further details on this acquisition). Such acquisitions are in accordance with the proposed utilisation as set out in our Company's circular dated 7 December 2018.

At this juncture, our management has no intention to vary the abovementioned utilisation of proceeds raised from the Rights Issues I as our Group is still committed to undertake the proposed development project in Bentong, Pahang in the future.

3. RATIONALE FOR THE RIGHTS ISSUE

Our Group recorded the following financial position:

	(Audited) **As at** **31 March 2020** **(RM'000)**	**(Unaudited)** **As at** **31 December 2020** **(RM'000)**
Short term investments	26,287	38,632
Cash and bank balances	18,596	14,503
Trade payables	56,867	65,739
Other payables and accruals	2,747	5,179
Provision for liquidated ascertained damages	9,462	8,328

Our Group recorded high level of trade payables as at 31 March 2020 and 31 December 2020, arising from our property development as well as IT and ICT segments. As 'The Louvre' project (refer to Section 4 of this AP for further details of this project undertaken by PDLSB) progresses, the management of PDLSB expects more expenses to be incurred for, amongst others, building works; project management, marketing, professional and supervision fees; as well as provision for liquidated ascertained damages in respect of the expected delays in the delivery of vacant possession of the 'The Louvre' project.

In view of the above, our management intends to preserve the remaining net funds of RM29.73 million (i.e. our Group's total short term investments and cash and bank balances of RM53.14 million as at 31 December 2020 minus the un-utilised proceeds from Rights Issues I of RM22.73 million and Placement I of RM0.68 million as at 31 December 2020) for the working capital requirements of our Group's various business segments.

Further, despite our Company had completed Placement I and Placement II for the repayment of borrowings from SDBB, the size of these private placement exercises (which represents only up to 20% of the then existing issued Shares) only facilitates repayment of approximately 24.81% of total borrowings from SDBB as at 31 December 2020 of RM55.52 million.

Hence, after due consideration of the various methods of fund-raising available, our Board is of the opinion that the Rights Issue is an appropriate avenue of fund-raising for the purposes as stated in Section 4 of this AP, based on the following key consideration:

(i) it allows our Company to raise sizable funds to fully settle the borrowings from SDBB which in turn, strengthen the financial position of our Group via reduction of our bank borrowings and improve our gearing ratio (refer to Section 7.2 of this AP for illustration of the impact of Rights Issue on the gearing of our Group);

(ii) it allows our Company to raise funds without incurring interest expense as compared to bank borrowings, which would allow our Company to preserve our cash flow for the working capital requirements of our Group's various business segments;

(iii) it involves issuance of new Shares without diluting our existing shareholders' equity interests, assuming all Entitled Shareholders fully subscribe for their respective entitlements;

(iv) it provides an opportunity for our existing shareholders to increase their equity participation in our Company by subscribing to the Rights Shares and exercising the Warrants C into new Shares; and

(v) it allows our Company to raise additional funds for, amongst others, our Group's working capital requirements as and when Warrants C are exercised.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.17 per Rights Share, the Rights Issue will raise gross proceeds of up to approximately RM61.96 million as follows, to be utilised by our Group in the following manner:

	Minimum Scenario		**Maximum Scenario**		**Expected time frame for utilisation of proceeds^**
Utilisation purposes	**(RM'000)**	**%**	**(RM'000)**	**%**	
Repayment of bank borrowings(1)	18,180	95.68	57,000	91.99	Within 12 months
Working capital(2)	-	-	4,141	6.68	Within 24 months
Estimated expenses for the Corporate Exercises(3)	820	4.32	820	1.33	Within 1 month
TOTAL	**19,000**	**100.00**	**61,961**	**100.00**	

The actual proceeds to be raised from the Rights Issue is dependent on the number of Shares in issue on the Entitlement Date and the subscription level of the Rights Shares with Warrants C. Any additional proceeds raised in excess of RM19.00 million under the Minimum Scenario will be utilised in the following order of priority:

(i) firstly, be used to defray the expenses for the Corporate Exercises;
(ii) secondly, be used to settle all outstanding amount of the borrowings from SDBB; and
(iii) lastly, any surplus of proceeds (after utilisation for (i) and (ii) above) be allocated for the working capital of our Group.

Pending utilisation of the proceeds from the Rights Issue for the abovementioned purposes, the proceeds will be placed in deposits with financial institution or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used for working capital requirements of our Group, of which the breakdown for the utilisation cannot be determined by our Company at this juncture.

Notes:

^ From the date of completion of the Rights Issue.

(1) Together with the proceeds raised from Placement I and Placement II (refer to Sections 2.7(i) and 2.7(ii) of this AP, respectively, for further details), our Company intends to utilise up to RM57.00 million to fully settle the borrowings from SDBB, which were granted to PDLSB.

PDLSB is currently involved in a mixed property development project named 'The Louvre', which comprise of lifestyle retail shops and serviced apartments, located at Country Heights, Kajang, Selangor, as detailed below:

Description	:	Development of 1 block of 36-storeys of commercial building comprises of 2-storeys of 29 units of lifestyle retail shops and 27-storeys of serviced apartments with a total of 498 units, 1-storey of basement, 1-storey of sub-basement, 4-storeys of podium parking and 1-storey of common facilities
Estimated total gross floor area	:	1,223,844 square feet
Estimated gross development value	:	RM345.42 million

Estimated gross development costs (**"GDC"**)^	:	RM310.16 million
Estimated gross development profit	:	RM35.26 million
Commencement date	:	March 2015
Expected completion date	:	December 2021
Percentage of completion as at 31 December 2020	:	38.68%
Take-up rate as at 31 December 2020	:	Lifestyle retail shops – 27% Serviced apartments – 7%

Note:

^ The estimated GDC of 'The Louvre' project is arrived at based on the following:

	RM'000
Building works and infrastructure	197,144
Land cost and authorities contribution	37,832
Professional and legal fees	14,956
Project management, marketing and supervision fees	21,269
Finance charges	37,228
Contingencies and others	1,732
Total	**310,161**

The credit facilities from SDBB are summarised as follows:

Type of facility(a)(b)	**Purpose**	**Drawdown date/ period**	**Maturity date(b)**	**Interest rate (per annum)(b)**	**Amount outstanding as at 31 December 2020 RM'000**
Term loan ("**TL**") 1 – Tranche 1	To acquire lands and finance the pre-development costs (e.g. earthworks and infrastructure as well as payments to authorities for relevant regulatory approvals) for the 'The Louvre' project	16 May 2014	30 November 2021	7.00%	13,985
TL 1 – Tranche 2			31 December 2021	N/A	3,582
TL 2 – Tranche 1		Between 21 May 2014 to 17 April 2015		7.00%	8,995
TL 2 – Tranche 2				N/A	1,720
Bridging facility ("**BF**") 1 – Tranche 1	To finance the development and construction costs for 'The Louvre' project	Between 15 September 2015 to 27 October 2016		7.00%	10,000
BF 1 – Tranche 2				N/A	1,890
BF 2 – Tranche 1		Between 27 October 2016 to 13 June 2017		7.00%	13,000
BF 2 – Tranche 2				N/A	2,348
TOTAL					**55,520**

Notes:

N/A Not applicable.

(a) Tranche 1 of TL comprises the balance of the principal facility amount granted by SDBB and Tranche 1 of BF comprises the original principal facility amount granted by SDBB, whereas Tranche 2 of each credit facilities comprises the outstanding interest and other charges on Tranche 1 accrued as at 31 October 2019 (which were capitalised since 18 September 2020). No interest is charged on Tranche 2 in accordance to the terms stipulated in the Supplemental Loan Agreements dated 18 September 2020 resulting from negotiations of restructuring of credit facilities between the management of PDLSB with SDBB.

(b) Source: Supplemental Loan Agreements dated 18 September 2020 entered between PDLSB and SDBB to, amongst others, revise certain terms and conditions of the credit facilities from SDBB.

As at 31 December 2020 (being the latest announced quarterly results of our Group), the total borrowings of our Group stood at approximately RM61.16 million (comprising borrowings from SDBB of approximately RM55.52 million and lease liabilities of approximately RM5.64 million). As at 28 February 2021, the borrowings from SDBB stood at RM48.25 million.

The proposed repayment of borrowings of up to RM57.00 million is expected to result in an annual interest saving of up to RM3.99 million (based on an annual interest rate of 7.00%). The management of PDLSB has not determined the repayment priority of the above credit facilities at this juncture as the repayment priority of credit facilities is subject to consent from SDBB, which will be sought by PDLSB upon availability and utilisation of funds for repayment of bank borrowings. Nevertheless, the repayment priority will be given to credit facilities with the earliest maturity date.

In the event only Minimum Scenario is achieved, our Group will utilise, amongst others, sales proceeds from 'The Louvre' project to repay the borrowings from SDBB. Hence, there shall be no allocation of proceeds for working capital of our Group.

If there is any excess of proceeds after payment of expenses for the Corporate Exercises and after settlement of all outstanding amount of the borrowings from SDBB, the surplus will be allocated for the working capital of our Group.

(2) We intend to utilise up to RM4.14 million as working capital for the following business segments:

(a) Property development - to fund the working capital of 'The Louvre' project, which comprise payment for, amongst others, building works, project management, marketing, supervision and professional fees. Refer to note (1) above for further details on the 'The Louvre' project and category of GDC of the project.

The allocation of proceeds to fund which category of GDC of the project is not determined at this juncture. The remaining balance of GDC of the project will be funded via, amongst others, internally generated funds and sales proceeds from the project; and

(b) Moneylending - as additional working capital to be made available for our Group's moneylending business, which commenced in September 2019 as part of our initiatives to diversify our business operations and to expand our revenue streams. The moneylending business registered a PBT of RM2.42 million for 9M FPE 2020.

The exact breakdown of proceeds to be utilised for each category of working capital will be determined by our management at a later stage after taking into consideration, amongst others, the funding requirement of each business segment.

In the event only Minimum Scenario is achieved, our Group will utilise internally generated funds and/or bank borrowings to fund our working capital for these business segments.

(3) The breakdown of estimated expenses in relation to the Corporate Exercises is as follows:

Description	**RM'000**
Professional fees[(a)] (including underwriting commission)	630
Fees to relevant authorities	106
Other incidental expenses in relation to the Corporate Exercises[(b)]	84
Total	**820**

Notes:
(a) Comprise of fees payables to the Adviser, Sole Underwriter, due diligence solicitors, auditors and reporting accountants, share registrar and company secretary.
(b) Comprise of printing, despatch, advertising and meeting expenses in relation to the Corporate Exercises.

Any surplus or shortfall of proceeds for the estimated expenses in relation to the Corporate Exercises will be adjusted accordingly to/from the proceeds allocated for the repayment of bank borrowings.

The exact quantum of proceeds to be raised by our Company from the exercise of Warrants C depends on the subscription level for the Rights Issue and actual number of Warrants C to be exercised during the tenure of Warrants C. The proceeds to be raised from the exercise of Warrants C shall be used for working capital and/or repayment of bank borrowings of our Group, of which the exact breakdown and timeframe for utilisation cannot be determined at this juncture. Pending utilisation of proceeds to be raised from the exercise of Warrants C, the proceeds will be placed in deposits with financial institutions or short-term money market instruments as our Board may deem fit to earn interest income.

5. RISK FACTORS

You and/or the renouncee(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 C.

5.1 Risks relating to our Group

(i) Political, economic and regulatory considerations

Any adverse changes in political, economic and regulatory conditions in Malaysia could materially affect our Group's business, results of operations, financial condition and prospects. This may include but are not limited to, changes in political leadership, government's monetary and fiscal policy, taxation rate and policies, change in labour law and other regulatory changes that may affect all players in industries in which our Group operates. While we strive to continue 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 performance of our Group.

(ii) Dependency on key personnel

Our Group's sustainability in our business depends largely on the abilities, skills and experience as well as 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, could 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 personnel can be easily and quickly replaced without major disruption to our Group's operations.

(iii) Risk from the COVID-19 pandemic

The Malaysian economy was affected by the outbreak of the COVID-19 pandemic in 2020 due to the MCO implemented by the Malaysian Government as well as the fear of contracting the virus.

The COVID-19 pandemic had disrupted the retail business of our Group's IT and ICT division with temporary closure of our Group's retail outlets in Low Yat Plaza, Kuala Lumpur during the first MCO period from 18 March 2020 to 3 May 2020. Despite this, our Group recorded an increase in revenue for 9M FPE 2020 as compared to the financial period of preceding year, mainly due to shift towards digitalisation and change in lifestyles (such as working-from-home arrangements and online learning classes) which had led to increase in demand for our IT and ICT products post-MCO.

The temporary halt of construction activities during the first MCO period had also affected the progress of our Group's property development project. Nevertheless, our Group resumed the construction activities for 'The Louvre' project upon receipt of approval from relevant authorities and compliance with relevant standard operating procedures ("**SOPs**") and guidelines for resumption of business activities post-MCO. As at the LPD, our Group has not been compounded for any non-compliance with SOPs in relation to various MCO measures imposed by the Malaysian government.

Our Group's moneylending business was also affected by the outbreak of COVID-19 pandemic wherein licensed moneylenders in Malaysia had agreed to 6-months' moratorium on interest rate on loans to small and medium sized enterprises and moneylending operations were disrupted during the first MCO period.

The overall impact of the COVID-19 pandemic on our Group's businesses would depend on the duration and spread of the outbreak as well as the policy responses by the authorities. Any prolonged global spread of the COVID-19 pandemic and restrictive measures to curb the spread of COVID-19 may have a material impact to our Group's business, cash flows and financial condition and results of operations, resulting in a loss of revenue.

5.2 Risks relating to our business and industry

5.2.1 Risks relating to our Group's IT and ICT segment

(i) Competition risk

Our Group faces competition from both new entrants and existing players in 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 subsequently loss of revenue. This in turn will affect the financial performance and position of our Group.

(ii) 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.

5.2.2 Risks relating to our Group's construction and property development industries divisions

(i) Operational / Business risks

Our Group is subject to risks inherent in the property construction and property development industries which include, amongst others, changes in general economic and business conditions which affect the demand for properties; changes in regulatory framework within which the property sector operates; fluctuations in the prices of building materials; and availability of building materials and labour as well as fluctuation in such costs.

(ii) Competition risk

Our Group faces competition from existing players in property construction and property development industries who have good reputation with larger pool of resources as well as new entrants to these industries. We will take proactive measures to remain competitive via sales and marketing strategies, conducting market studies before acquiring any property and/or commencement of any construction/development project, close monitoring of the demand of the property market, providing quality services, competitive pricing, seeking new opportunities and differentiate our development to meet the needs of the target markets in the future.

However, there is no assurance that our Group will be able to successfully compete with these competitors and that competitive pressure will not materially and adversely affect our Group's business, operations and results and/or financial conditions.

(iii) Project completion risks

The property construction and property development segments are exposed to the risk that there may be delays in the completion of the construction and/or development projects. Such events include, amongst others, natural disasters, adverse weather conditions, delay in obtaining approvals/permits necessary for the construction and/or development projects, shortage or unavailability of building materials and/or labour workforce and other unforeseen circumstances. There is no assurance that delay in the construction and/or property development projects will not increase the project costs which will materially affect profitability of our Group. Our Group establishes close supervision on the progress of the construction and/or development projects as well as leverages on our key management personnel's experience in these industries to ensure meeting completion deadlines of the construction and/or development projects.

(iv) 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 our development projects in the future, of which is inevitable. This will affect the sale of our Group's properties and in turn affect our Group's financial performance. As such, our Group will closely monitor the developments in the property market as well as take careful management planning prior to finalisation of any property development projects. Nevertheless, there can be no assurance that there will be any adverse impact on our Group's financial performance.

(v) Availability of viable land banks for development

Our Group's success in the property development segment is dependent on our ability to identify and acquire suitable land banks with development potential to undertake property development projects that are profitable. The continuous identification and replenishment of land bank is crucial in determining whether our Group can deliver sustainable growth and contribute positively to the earnings of our Group in the medium to long term.

Due to the scarcity of strategic land bank, our Group is expected to face intense competition from other established property developers in the acquisition of attractive land bank at commercially viable prices. Given the competition, land bank may be acquired at a higher acquisition cost. There is no assurance that this would not lead to a reduction in our Group's profitability or that our Group will be able to identify and acquire suitable land bank at commercially viable prices from time to time.

5.2.3 Risks relating to our Group's moneylending division

(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 2020 to 31 October 2022.

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, it 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.

5.3 Risks relating to the Rights Issue

(i) Investment and capital market risks

The market price of the new securities arising from the Rights Issue, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of our Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of equity market, the liquidity of our Shares and the outlook of the various industries in which our Group operates in.

In view of the foregoing, there can be no assurance that the Rights Shares (together with any new Shares to be issued pursuant to the exercise of Warrants C) will trade at or above the TEAP (as disclosed in Section 2.1 of this AP) after completion of the Rights Issue.

The Warrant C is a new instrument to be issued by our Company. Therefore, there can be no assurance that an active market for Warrants C will develop upon listing on Bursa Securities, or if developed, will be sustainable. There is no assurance that the Warrants C will be 'in-the-money' throughout the exercise period of Warrants C. Accordingly, there is also no assurance that the market price of Warrants C will be at a level that meets the specific investment objectives or targets of any Warrants C Holders.

(ii) Delay in or failure of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of force majeure events or circumstances which are beyond the control of our Company, Adviser/Sole Underwriter and Undertaking Shareholder, arising prior to the implementation of the Rights Issue. Such events or circumstances include, amongst others, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership.

We have put in place an underwriting arrangement with the Sole Underwriter to underwrite Rights Shares with Warrants C to meet the Minimum Subscription Level. The successful implementation of the Rights Issue is dependent upon, amongst others, the fulfillment by the Sole Underwriter of its obligations under the Underwriting Agreement. In addition, the Underwriting Agreement allows the Sole Underwriter to terminate its commitments under circumstances as set out in Section 2.3 of this AP.

In the event the Rights Issue is aborted, all monies received from the Rights Issue will be refunded without interest to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) and if such monies are not repaid within 14 days after our Company becomes liable, we will repay such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) and the Rights Issue is subsequently cancelled or terminated, a return of monies to the shareholders can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of our shareholders by way of special resolution in a general meeting, consent of our creditors (where applicable) and may require the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

(iii) Potential dilution

The Entitled Shareholders who do not or are not able to accept the Provisional Allotments will have their proportionate ownership and voting interest in our Company reduced and the percentage of our enlarged issued share capital represented by their shareholding in our Company will also be reduced accordingly as a result of the issuance of the Rights Shares and the new Shares to be issued upon the exercise of the Warrants C. Consequently, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after completion of the Rights Issue will correspondingly be diluted.

(iv) Forward-looking statements

Certain statements in this AP are based on historical information, 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 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 future 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 FUTURE PROSPECTS OF OUR GROUP

6.1 Overview and outlook of Malaysian economy

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter of 2020 (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: +18.2%). Overall, the economy contracted by 5.6% in 2020.

While near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter of 2021 onwards. The improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including National Economic Recovery Plan ("**PENJANA**"), Prihatin Supplementary Initiative Package (KITA PRIHATIN), Budget 2021 and Malaysian Economic and Rakyat's Protection Assistance Package (PERMAI), and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February 2021 onwards is also expected to lift sentiments.

The balance of risks remains tilted to the downside, stemming mainly from ongoing uncertainties surrounding the dynamics of the pandemic and potential challenges that might affect the rollout of vaccines both globally and domestically.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2020, BNM)

With the anticipated improvement in global growth and international trade, the Malaysian economy is projected to rebound between 6.5% to 7.5% in 2021. *(Source: Economic Outlook 2021, MOF)*

6.2 Overview and outlook of IT and ICT industry in Malaysia

In the ICT industry, niche areas (comprising of digital content, internet of things, data centres and cloud services, cybersecurity, software development and testing, and big data analytics) will be further promoted and export capabilities enhanced to ensure that Malaysia captures a bigger export market for ICT products and services. Within the identified niche areas, the ICT ecosystem will be strengthened, including the capacity of start-ups, talent, infrastructure, research and development and commercial, and governance. *(Source: 11th Malaysia Plan 2016 – 2020)*

The Government will create the necessary infrastructure to construct a Digital Malaysia by implementing the National Fiberisation & Connectivity Plan ("**NFCP**") over the next 5 years which will provide comprehensive coverage of high speed and quality digital connectivity nationwide including rural areas. The NFCP will adopt a public private partnership approach involving a total investment of RM21.6 billion. The Government, through Malaysian Communications and Multimedia Commission, will finance at least half of the required investment with corresponding investments by the private sector telecommunications players via a matching grant mechanism.

The vigorous rollout of the NFCP will be key to bringing 5G technology and services to the Malaysian public. To seed technological developments by Malaysian companies to ride the global 5G wave, which is 100 times faster than 4G, the Government will introduce a 5G Ecosystem Development Grant worth RM50 million.

To build a Digital Malaysia, the private sector must come onboard. More Malaysian Small Medium Enterprise ("**SME**") need to adopt digitalisation measures for their business operations, including electronic Point of Sale systems, Enterprise Resource Planning and electronic payroll system. The Government will provide a 50% matching grant of up to RM5,000 per company for the subscription of the above services. This matching grant will be worth RM500 million over 5 years, limited to the first 100,000 SMEs applying to upgrade their systems.

(Source: Budget 2020, MOF)

The services sector registered a larger contraction of 4.9% in the fourth quarter of 2020 (3Q 2020: -4.0%), as tighter restrictions on mobility and stricter standard operating procedures affected domestic-oriented activities. The restrictions (e.g. shorter operating hours) and weak sentiments adversely impacted spending, particularly on recreational activity and non-essential retail goods, which in turn weighed on activity in the wholesale and retail trade subsector. On the other hand, growth in the information and communication sub-sector improved, amid higher demand for data communication services, particularly broadband. Overall, the services sector contracted by 5.5% in 2020. *(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2020, BNM)*

The services sector is projected to rebound by 7% in 2021. The information and communication subsector is anticipated to accelerate by 6.4% in 2020 as work from home activities, virtual communication and online businesses become the new normal. In 2021, the information and communication subsector is projected to expand by 7.9% with the 5G spectrum facilitating e-commerce and e-learning activities. The roll-out of the National Policy on Industry 4.0 and Digital Economy Blueprint in the fourth quarter of 2020 is expected to enhance the productivity and competitiveness of the subsector. The formation of the Malaysian Digital Economy Task Force, which focusses on digital technology, cybersecurity, trade and digital content is expected to support the acceleration of the subsector.

The digital economy in Malaysia grew by 18.5% between 2015 and 2019 per annum. In 2020, Malaysia remains ranked 26th out of 63 countries in the IMD World Digital Competitiveness Ranking 2020. With the Government investing heavily on digital technologies, Malaysians are among the most digitally connected in the world and produce some of the Southeast Asia's most recognisable digital start-ups.

(Source: Economic Outlook 2021, MOF)

The Malaysian Digital Economy Corporation expects a 20 per cent growth in e-commerce contribution to the digital economy this year despite the enforced MCO to contain the spread of COVID-19. The projected growth could be achieved through the active intervention of various ecosystem partners via ongoing initiatives, adding it sees the expected contribution to gross domestic product going up to as high as RM170 billion for 2020. *(Source: https://www.malaymail.com/news/malaysia/2020/06/12/mdec-sees-20pc-growth-in-e-commerce-contribution-to-digital-economy-in-2020/1874798, accessed on 2 September 2020)*

The Government's initiatives to allocate RM150 million for, amongst others, digital equipment for 100,000 local entrepreneurs to encourage adoption of e-commerce under e-Commerce SME and Micro SME Campaign and RM150 million to implement the Shop Malaysia Online initiative together with the e-commerce platform to encourage online spending are expected to boost the growth of e-commerce industry. *(Source: Budget 2021, MOF)*

The Government expects the digital economy to contribute 22.6% to the country's gross domestic product by 2025 and is targeting a 30% increase in the level of productivity of the economic sector by 2030 through the digital economy via the launch of MyDigital. Such initiative aims to transform Malaysia into a digitally-driven, high income nation and a regional leader in digital economy by, amongst others, encouraging 875,000 micro enterprises and SMEs to accept the use of e-commerce. *(Source: https://www.thestar.com.my/news/nation/2021/02/19/pm-digital-economy-to-contribute-226-to-nation039s-gdp-by-2025, accessed on 24 February 2021)*

6.3 Overview and outlook of construction and property development industries in Malaysia

The construction sector registered a larger contraction in the fourth quarter of 2020 (-13.9%; 3Q 2020: -12.4%). Labour shortages, site shutdowns due to COVID-19 outbreaks and interruptions in progress of selected work packages have affected growth, particularly in the civil engineering and residential sub sectors. The special trade sub sector, however, continued to register positive growth following support from small-scale projects under the Prihatin Rakyat Economic Stimulus Package (PRIHATIN). Overall, the construction sector contracted by 19.4% in 2020. *(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2020, BNM)*

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector.

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign, exemption of Real Property Gains Tax, the introduction of rent-to-own scheme as well as reduction of foreign ownership threshold. The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

(Source: Economic Outlook 2021, MOF)

The property market performance recorded a sharp decline in the first half of 2020 compared to the same period last year. The property sector recorded 115,476 transactions worth RM46.94 billion in the first half of 2020, a decrease by 27.9% in volume and 31.5% in value compared to the first half of 2019, which recorded 160,165 transactions worth RM68.53 billion.

For residential properties, there were 75,318 transactions worth RM25.61 billion recorded in the first half of 2020, decreased by 24.6% in volume and 26.1% in value compared to the first half of 2019. The slow market absorption of the primary market led to the increase in residential overhang. There were 31,661 overhang units worth RM20.03 billion, increased by 3.3% in volume (H2 2019: 30,664 units) and 6.4% in value against the preceding half (H2 2019: RM18.82 billion). As at second quarter of 2020, the Malaysian House Price Index stood at 198.3 points (at base year 2010), up by 0.4% on annual basis, the lowest annual growth recorded since year 2010.

The commercial properties recorded 8,118 transactions worth RM8.51 billion in the first half of 2020, declined by 37.4% in volume and 33.2% in value (H1 2019: 12,962 transactions worth RM12.75 billion). Market performance of shop sub-sector recorded a significant decrease of 39.4% in volume and 38.8% in value (H1 2019: 6,937 transactions worth RM5.80 billion). Shop sub-sector overhang continued to increase but at slower pace, recording a total of 6,187 units worth RM5.03 billion, up by 2.7% in volume and 3.3% in value against the preceding half (H2 2019: 6,024 units worth RM4.87 billion).

The sharp decline of the property market performance was in consonant with the Malaysian economic performance, which contracted by 17.1% in the second quarter of 2020 (Q1 2020: 0.7%). Notwithstanding the upturn of market activity and the proposed measures under the PENJANA, the property market is more than likely to remain soft for the rest of the second half of 2020. The pace of improvement will depend on both domestic and external factors such as political stability, global oil and commodity prices as well as the COVID-19 pandemic development.

(Source: Overview of the Property Market Report First Half of 2020, Valuation and Property Services Department, MOF)

6.4 Overview and outlook of loan market in Malaysia

The finance and insurance subsector in the first half of 2020 contracted marginally by 0.2%, mainly due to the six-month wide-scale moratorium and slower lending activities. The trend is expected to continue in the second half of the year following the extension of moratorium to targeted borrowers. Overall, the subsector is expected to contract marginally by 0.1% in 2020 with the expansion in the insurance segment.

The subsector is projected to rebound by 5.5% in 2021, driven mainly by the finance segment benefitting from the normalisation of loan repayments and continuation of bank lending amid stronger domestic economic activities. In addition, the launching of the Financial Sector Blueprint 2021-2025 in the first quarter of 2021 is expected to further boost the growth of the subsector.

(Source: Economic Outlook 2021, MOF)

Net financing expanded at 4.5% amid higher outstanding loan growth (January 2021: 3.8%, December 2020: 3.4%) while outstanding corporate bond growth moderated slightly to 6.3% in January 2021 (December 2020: 6.5%). Outstanding household loan growth was sustained at 4.9% in January 2021 (December 2020: 5.0%) with disbursements remaining above historical average (January 2021: RM28.8 billion, 2017-2019 monthly average: RM27.8 billion). Outstanding business loan grew at 1.5% in January 2021 after a slower growth in December 2020 due to a high base effect in December 2019 arising from disbursements of large-value loans in the manufacturing sector. The growth was contributed mainly by the SME segment. *(Source: Monthly Highlights and Statistics, January 2021, BNM)*

6.5 Prospects of our Group

(i) IT and ICT division

Our Group is principally involved in the trading of IT and ICT products, which is highly dependent on the general well-being of the retail consumption or consumer spending. While our Group has been facing challenges in this competitive industry, the COVID-19 pandemic had further affected this division, i.e. the temporary closure of our Group's retail outlets in Low Yat Plaza, Kuala Lumpur during the first MCO period from 18 March 2020 to 3 May 2020 had affected the revenue contribution from this division.

Our Group expects the following continuous Government initiatives to drive the demand for IT and ICT products and services from our Group:

- 11th Malaysia Plan, a Government strategic 5-year plan for 2016 to 2020, wherein emphasis continues to be given to the importance of digitalisation in enhancing the public services;

- Malaysia Education Blueprint (2013-2025), which leverages ICT as one of the components to scale up quality learning; and
- the rollout of 5G to increase the coverage and network quality; growth of e-commerce industry; the initiatives from Malaysian Digital Economy Corporation for SME to adopt digitisation measures via aid grants; and the implementation of National Policy on Industry 4.0, Malaysian Digital Economy Task Force, Digital Economy Blueprint and MyDigital, all of which will lead to increase in digital usage and to drive the country towards digital economy.

Further, the COVID-19 pandemic has sped up the shift towards digitalisation due to the social distancing norms and nationwide lockdowns. To encourage work-from-home arrangements as part of the COVID-19 containment measures, the Government had, via introduction of PENJANA, announced a tax exemption of up to RM5,000 for purchase of ICT equipment. Via the Budget 2021, the Government intends to contribute RM150 million for the purchase of laptops for school students. These would inevitably drive the demand for ICT related products and enhance our Group's IT and ICT business, thereby improve our Group's financial performance.

Despite the prevailing uncertainties in the global and domestic economy amidst the COVID-19 pandemic, our Group believes that with the Government initiatives in place to recover the economy and to spur digital economy in Malaysia, there are continual opportunities to grow in the IT and ICT industry in this digital era.

(ii) Property construction and property development divisions

As at the LPD, our Group is involved in 'The Louvre' project in Kajang, Selangor and a proposed property development project in Bentong, Pahang. Our Group intends to leverage on the experience gained on these property development projects to bid for other property construction / development projects as well as capture opportunities presented by the industries in the future.

There are continuing efforts from the Government and related agencies in making houses more accessible and more affordable for the households, be it in terms of ownership or renting. In addition, the reintroduction of Home Ownership Campaign under PENJANA which offers stamp duty exemptions, uplifting of the margin of financing limit for the third housing loan onwards for property valued at RM600,000 as well as real property gains tax exemption will also help to stimulate the property market. The current low interest rate environment may incentivise property purchases. The Government has also allocated RM1.2 billion to build affordable housing for low income families under Budget 2021.

Amid the COVID-19 pandemic which had adversely affected the construction and property development industries, our Board believes that the property market will gradually improve on the back of various Government initiatives and on-going infrastructure projects in Malaysia, which would improve the prospect of our Group's property construction and property development divisions.

(iii) Moneylending division

As there are legitimate borrowers who may not have access to the types of line of credit made available to those with collaterals recognised by banks and other financial institutions due to strict lending requirements imposed by such banks or other financial institutions, our Board believes that there is demand by individuals and corporates for financing from non-bank financial service providers for various reasons such as personal financing, business start-up and expansion, equipment financing, purchase of land / properties, project financing and others. In addition, the current low interest rates due to reduction of overnight policy rate will lower the cost of financing and thereby, expected to increase the demand for financing.

Our Board believes that despite the current challenging economic environment, there is favourable outlook for the loan market in Malaysia which would provide opportunity for our Group to grow our moneylending business and strengthen our position in the market to expand our customers base to offer our moneylending services.

Premised on the above, our Board believes that despite the current challenging economic environment in view of the COVID-19 outbreak, there are on-going Government initiatives to create opportunities for our Group to grow our various business segments. Any prolonged global spread of the pandemic may have a material impact to our Group's business, cash flows and financial condition and results of operations, resulting in a loss of revenue. Hence, our Group remains cautious and will exercise extra vigilance in implementing our business strategies.

(Source: Our management)

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7. EFFECTS OF THE RIGHTS ISSUE

7.1 Share capital and number of issued Shares

The pro forma effects of the Rights Issue on our Company's issued share capital and number of issued Shares are as follows:

	Minimum Scenario		Maximum Scenario	
Share capital	**No. of Shares**	**RM**	**No. of Shares**	**RM**
As at the LPD	332,652,376	188,775,068	332,652,376	188,775,068
To be issued assuming full conversion of ICPS[(1)]	-	-	17,062,777	10,237,669
To be issued assuming full exercise of Warrants B[(2)]	-	-	14,763,424	15,755,535
	332,652,376	188,775,068	364,478,577	214,768,272
To be issued pursuant to the Rights Issue	111,764,706	5,251,059[(3)]	364,478,577	19,211,743[(3)]
	444,417,082	194,026,127	728,957,154	233,980,015
To be issued assuming full exercise of Warrants C	89,411,764	28,128,941	291,582,861	91,498,702
To be issued assuming full exercise of Warrants B[(4)]	16,405,549	15,264,311	-	-
To be issued assuming full conversion of ICPS[(5)]	18,960,657	9,669,575	-	-
Enlarged share capital	**569,195,052**	**247,088,954**	**1,020,540,015**	**325,478,717**

Notes:

(1) Computed based on the conversion of all 17,062,777 outstanding ICPS into new Shares, based on the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.40 for 1 new Share, and include the transfer of ICPS to the share capital account upon conversion of all ICPS.

(2) Computed based the exercise of all 14,763,424 outstanding Warrants B into new Shares and include the transfer of warrants reserve to the share capital account upon exercise of all Warrants B.

(3) After accounting for the following, where applicable:
  (i) theoretical fair value of Warrants C of RM0.1446 (Minimum Scenario) and RM0.1438 (Maximum Scenario) each, based on Black-Scholes Options Pricing Model; and
  (ii) estimated expenses for the Corporate Exercises of RM820,000.

(4) Computed based on the exercise of all 16,405,549 Warrants B (being the illustrative number of outstanding Warrants B after the Adjustments) into new Shares, and include the transfer of warrants reserve to the share capital account upon the exercise of Warrants B.

(5) Computed based on the conversion of all 18,960,657 outstanding ICPS (being the illustrative number of outstanding ICPS after the Adjustments) into new Shares, based on the conversion mode of surrendering 1 ICPS with additional cash payment for 1 new Share, and include the transfer of ICPS to the share capital account upon conversion of all ICPS.

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7.2 NA and gearing

The pro forma effects of the Rights Issue on the NA and gearing of our Group based on the unaudited consolidated quarterly report of our Company for the 9M FPE 31 December 2020 are as follows:

Minimum Scenario

	(Unaudited) As at 31 December 2020 (RM)	(I) After subsequent events[1] (RM)	(II) After (I) and the Rights Issue (RM)	(III) After (II) and assuming conversion / exercise of all convertible securities (RM)
Share capital	182,855,906	188,775,068	194,026,127[2][3]	247,088,954[4]
ICPS	3,412,558	3,412,558	3,412,558	-
Warrants reserve	6,897,481	6,897,481	19,826,422[3]	-
(Accumulated losses)	(9,136,859)	(9,136,859)	(9,136,859)	(9,136,859)
Shareholders' fund / NA	**184,029,086**	**189,948,248**	**208,128,248**	**237,952,095**
No. of Shares in issue	1,199,730,927	332,652,376	444,417,082	569,195,052
NA per Share (RM)	0.15	0.57	0.47	0.42
Total borrowings (RM)	61,156,278	54,559,064[5]	36,379,064[5]	36,379,064
Gearing (times)	0.33	0.29	0.17	0.15

Notes:
(1) Taking into consideration the following events from 1 January 2021 up to the LPD:
   (i) completion of Placement II and defray of expenses for Placement II of RM101,304; and
   (ii) completion of the Share Consolidation on 4 February 2021.
(2) After accounting for the estimated expenses for the Corporate Exercises of RM820,000.
(3) Computed based on the issuance of 89,411,764 Warrants C. For illustrative purpose, the Warrants C are assumed to have a fair value of RM0.1446 each based on the Black-Scholes Options Pricing Model.
(4) Inclusive of the transfer of warrants reserve and ICPS to share capital account upon exercise/conversion of all convertible securities of our Company.
(5) After accounting for the utilisation of proceeds from Placement I, Placement II and Rights Issue to repay borrowings from SDBB based on the outstanding amount from SDBB as at 31 December 2020.

Maximum Scenario

	(Unaudited) As at 31 December 2020 (RM)	(I) After subsequent events[(1)] (RM)	(II) After (I) and conversion of ICPS and exercise of Warrants B (RM)	(III) After (II) and the Rights Issue (RM)	(IV) After (III) and assuming exercise of Warrants C (RM)
Share capital	182,855,906	188,775,068	214,768,272[(2)]	233,980,015[(3)(4)]	325,478,717[(5)]
ICPS	3,412,558	3,412,558	-	-	-
Warrants reserve	6,897,481	6,897,481	-	41,929,615[(4)]	-
(Accumulated losses)	(9,136,859)	(9,136,859)	(9,136,859)	(9,136,859)	(9,136,859)
Shareholders' fund / NA	**184,029,086**	**189,948,248**	**205,631,413**	**266,772,771**	**316,341,858**
No. of Shares in issue	1,199,730,927	332,652,376	364,478,577	728,957,154	1,020,540,015
NA per Share (RM)	0.15	0.57	0.56	0.37	0.31
Total borrowings (RM)	61,156,278	54,559,064[(6)]	54,559,064	5,635,845[(6)(7)]	5,635,845
Gearing (times)	0.33	0.29	0.27	0.02	0.02

Notes:
(1) Taking into consideration the following events from 1 January 2021 up to the LPD:
  (i) completion of Placement II and defray of expenses for Placement II of RM101,304; and
  (ii) completion of the Share Consolidation on 4 February 2021.
(2) Inclusive of the transfer of warrants reserve and ICPS to share capital account upon exercise/conversion of all convertible securities of our Company.
(3) After accounting for the estimated expenses for the Corporate Exercises of RM820,000.
(4) Computed based on the issuance of 291,582,861 Warrants C. For illustrative purpose, the Warrants C are assumed to have a fair value of RM0.1438 each based on the Black-Scholes Options Pricing Model.
(5) Inclusive of the transfer of warrants reserve to share capital account upon exercise of Warrants C.
(6) After accounting for the utilisation of proceeds from Placement I, Placement II and Rights Issue to repay borrowings from SDBB as at 31 December 2020.
(7) Being the lease liabilities of our Group as at 31 December 2020.

7.3 Earnings and EPS

The Rights Issue is not expected to have an immediate effect on the consolidated earnings and EPS of our Group for FYE 2021 as the proceeds to be raised are only expected to be utilised within 12 to 24 months from the date of completion of the Rights Issue (which is expected to be completed within 6 months from the date of the listing application is approved by Bursa Securities).

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 exercise of the Warrants C in the future. The effects of any exercise of the Warrants C on the EPS of our Group would be dependent on the number of Warrants C exercised and the returns generated by our Group from the utilisation of proceeds derived from the exercise of the Warrants C.

7.4 Convertible securities

Save for the ICPS and Warrants B, our Company does not have any other convertible securities as at the LPD. The Rights Issue will give rise to the Adjustments, which will only be finalised on the Entitlement Date and be effective on the next Market Day following the Entitlement Date. A notice setting out the Adjustments will be issued by our Company at a later date.

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

8.1 Working capital

Our businesses are funded by a combination of the following sources of fund:

(i) internal source of funds which comprise funds from shareholders, cash generated from our operations, cash and bank balances as well as short term investments. As at 28 February 2021, our Group's total short term investments and cash and bank balances stood at RM47.07 million; and

(ii) external source of funds which comprise credit terms granted by our suppliers as well as credit facilities from licensed financial institution. The credit period granted by our suppliers to our Group ranges between 30 to 60 days. Our Group has also obtained finance lease facilities from financial institutions for our motor vehicles as well as term loans and bridging facilities to fund land acquisition and development and construction costs for 'The Lourve' project.

Apart from the above-mentioned 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 our Group will have adequate working capital for existing operations for the next 12 months from the date of this AP after taking into consideration the proceeds from the Rights Issue, existing short term investments and cash and bank balances, funds generated from our operations, available banking facilities and potential impact of COVID-19 on the operations to our Group (as set out in Section 5 of this AP).

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8.2 Borrowings

As at 28 February 2021, our Group has total outstanding borrowings of RM53.89 million, all of which are interest-bearing and denominated in RM, as follows:

	As at 28 February 2021 (RM'000)
Short term borrowings:	
Lease liabilities	1,750
Term loans	48,246
	49,996
Long-term borrowings:	
Lease liabilities	3,895
Term loans	-
	3,895
Total borrowings	**53,891**

As at 28 February 2021, our Group does not have any non-interest bearing and foreign currency denominated borrowings.

Throughout FYE 2020 and the subsequent period up to the LPD, our Group did not default on payments of either interest or principal sum in respect of any borrowings.

8.3 Contingent liabilities

Save as disclosed below, our Board confirms that as at 28 February 2021, 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:

	At our Group level (RM'000)	At our Company level (RM'000)
Corporate guarantee extended to a supplier for purchases made by a subsidiary	-	500
Corporate guarantee for the borrowings from SDBB for PDLSB	-	48,246
Total	-	**48,746**

8.4 Material commitments

As at the LPD, our Board confirms that there is no material commitment 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.

8.5 Material transactions

Save for the Rights Issue and the following transactions, our Board confirms that there is no other transaction which may have a material effect on our Group's operations, financial position and results since the last audited consolidated financial statements of our Company for FYE 2020:

(i) our Company and THDex Limited *(formerly known as VDex Limited)* (previously a wholly-owned subsidiary of our Company) ("**THDex**") had, on 16 July 2020, entered into a subscription and shareholders' agreement with Lin Xiao Xiao ("**Subscriber**") to allot and issue up to 144,118 ordinary shares in THDex (representing 49% of the enlarged issued and paid-up share capital of THDex) up to the amount of USD144,118 to the Subscriber ("**Subscription**"), subject to the terms and conditions stipulated in the agreement. The Labuan Financial Services Authority (which is governed under Labuan Financial Services and Securities Act 2010) had vide its letter dated 28 January 2021 notified its approval on the proposed change of shareholding structure in THDex. The THDex shares were allotted and issued to the Subscriber on 23 February 2021;

(ii) our Company had, on 3 August 2020, entered into a subscription agreement with Mgudang Sdn Bhd (a wholly-owned subsidiary of MMAG Group Berhad, listed on the ACE Market of Bursa Securities) ("**MGSB**") to subscribe for 2,500,000 ordinary shares in MGSB (representing 11.63% of the enlarged issued share capital in MGSB) at an issue price of RM1 each. The MGSB shares were allotted and issued to our Company on 7 August 2020;

(iii) Placement I, which was completed on 25 September 2020;

(iv) acquisition of the entire equity interest in Firstwide Success Sdn Bhd (a property investment company), which was completed on 21 October 2020. Refer to Appendix I, Section 7(vi) of this AP for further details on this acquisition;

(v) Placement II, which was completed on 8 January 2021; and

(vi) Share Consolidation, which was announced on 19 October 2020 and completed on 4 February 2021.

9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE

9.1 General

As you are 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 C provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants C, 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 or on Bursa Securities' website at https://www.bursamalaysia.com.

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 renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS account 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 C, 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 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 C is **Wednesday, 14 April 2021 at 5.00 p.m.**.

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

9.5 Procedures for 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.

Renouncee(s)/transferee(s) 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 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 the Entitled Shareholders also apply to renouncee(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 C 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 renouncee(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** and/or **COURIER** to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. no.: 03-3783 9299
Fax no.: 03-2783 9222

or

Tricor Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

so as to arrive **not later than 5.00 p.m. on Wednesday, 14 April 2021**, being the last time and date for acceptance and payment for the Provisional Allotments.

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 separate CDS account(s). If successful, the Rights Shares with Warrants C 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 C, you are advised to use 1 reply envelope for each completed RSF.

You and/or your renouncee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants C comprises 100 Rights Shares and 100 Warrants C, respectively. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share for every 1 existing Share held on the Entitlement Date. Successful applicants of the Rights Shares will be given the Warrants C on the basis of 4 Warrants C for every 5 Rights Shares successfully subscribed for. Fractions of Rights Share, 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 **5.00 p.m. on Wednesday, 14 April 2021**, being the last time and date for acceptance and payment, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares with Warrants C are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants C to the applicants who have applied for the excess Rights Shares with Warrants C in the manner as sets 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.

If you lose, misplace or for any other reasons require another copy of this AP and/or the RSF, you may obtain additional copies from your stockbrokers, our Share Registrar at the address stated above, or at Bursa Securities' website at http://www.bursamalaysia.com or at our registered office.

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), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "VCB RIGHTS ISSUE ACCOUNT" FOR THE RIGHTS SHARES WITH WARRANTS C, AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER 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.

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

APPLICANTS 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 AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANT'S OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

9.5.2 By way of e-Subscription

You and/or your renouncee(s)/transferee(s) (if applicable) can have the option to accept and make payment for your entitlement to the Provisional Allotments through e-Subscription available from TIIH Online website at https://tiih.online. The e-Subscription is available to all Entitled Shareholders including individuals, corporations or institutional shareholders.

Subsequent to the Entitlement Date, our Share Registrar will send an electronic notification to the Registered Entitled Shareholders on the availability of e-Subscription for the Rights Issue on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

Registered Entitled Shareholders who wish to subscribe for the Provisional Allotments by way of e-Subscription shall take note of the following:

(i) any e-Subscription received by our Share Registrar after the Closing Date shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by our Share Registrar is irrevocable and shall be binding on you;

(ii) you will receive an email notification to login to TIIH Online in respect of your Provisional Allotments in your CDS account and you can choose to accept the Provisional Allotments which you are entitled to in whole or part thereof as stipulated in this AP;

(iii) the e-Subscription made must be in accordance with the procedures of e-Subscription using TIIH Online, the terms and conditions of TIIH Online, this AP and the e-RSF. Any e-Subscription which has been submitted that does not conform to the terms and conditions of TIIH Online, this AP and the e-RSF may not be accepted at the absolute sole discretion of our Board. Our Board reserves the right at its absolute discretion not to accept any e-Subscription which are incomplete or incorrectly completed or with excess or insufficient remittances;

(iv) the number of Provisional Allotments you are entitled to under the Rights Issue is set out in the e-NPA. You are required to indicate the number of Provisional Allotments you wish to accept in the e-RSF;

(v) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer;

(vi) a handling fee is payable should you make an e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and

(vii) the new Shares arising from the Provisional Allotments accepted will be issued and credited into your CDS account as stated in our Company's Record of Depositors as at the last date for transfer of Provisional Allotments.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional Allotments, please read and follow the procedures set below:

(i) Sign up as a user of TIIH Online

(a) access TIIH Online at https://tiih.online;

(b) under e-Services, select "Sign Up" – "**Create Account by Individual Holder**", which is applicable for individual shareholders. For corporation or institutional shareholders, its authorized or nominated representative is to select "**Create Account by Representative of Corporate Holder**". You may refer to the tutorial guide posted on the homepage for assistance;

(c) registration will be verified and you will be notified by email within 1 to 2 Market Days; and

(d) proceed to activate your account with the temporary password sent to you via your registered email and re-set your own password.

Note: An email address is allowed to be used only once to register as a new user account, and the same email address cannot be used to register for another user account. If you are already a user of TIIH Online, you are not required to sign up again. If you are signing up to represent Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

(ii) Procedures to make e-Subscription

<u>Individual Registered Entitled Shareholders</u>

(a) login to TIIH Online at https://tiih.online;

(b) select the corporate exercise name: "Vortex Rights Issue";

(c) read and agree to the terms and conditions, and confirm the declaration;

(d) preview your CDS Account details and your Provisional Allotments;

(e) select the relevant CDS Account and insert the number of Rights Shares to subscribe and the number of excess Rights Shares to apply (if applicable) in the e-RSF;

(f) review and confirm the number of Rights Shares which you are subscribing for and the number of excess Rights Shares you are applying (if applicable), and the total amount payable for the Rights Shares and excess Rights Shares (if applicable);

(g) review the payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF which is included in the total amount payable;

(h) proceed to pay via the online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account;

(i) as soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address; and

(j) print the payment receipt and your e-RSF for your record.

Corporation or Institutional Registered Entitled Shareholder

(a) login to TIIH Online at https://tiih.online;

(b) select the corporate exercise name: "Vortex Rights Issue";

(c) read and agree to the terms and conditions, and confirm the declaration;

(d) proceed to download the "e-RSF file of Provisional Allotments";

(e) preview the CDS Account details and the Provisional Allotments;

(f) prepare the submission of the e-RSF file on the acceptance of the Provisional Allotments and the excess Rights Shares by completing with the required information;

(g) arrange to pay money for the subscription of Rights Shares and excess Rights Shares (if applicable) via telegraphic transfer into our designated bank account as follows:

Account name	VCB Rights Issue Account	VCB Excess Rights Issue Account
Bank	Malayan Banking Berhad	Malayan Banking Berhad
Bank account no.	514356535396	514356535389

(h) arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM2.00 for each e-RSF into our Share Registrar' bank account as follows:

Account name	Tricor Investor & Issuing House Services Sdn Bhd
Bank	Malayan Banking Berhad
Bank account no.	514012025081

(i) once payments are completed, login to TIIH Online, select corporate exercise name: "Vortex Rights Issue" and proceed to upload the duly completed "e-RSF file on the Provisional Allotments";

(j) select "Submit" to complete your submission; and

(k) print the confirmation report of your submission for your record.

(iii) Terms and conditions for e-Subscription

The e-Subscription of Rights Shares with Warrants C and excess Rights Shares with Warrants C (if successful), shall be made on and subject to the terms and conditions appearing herein:

(a) after login to TIIH Online, you are required to confirm and declare the information given are true and correct:

(aa) you have attained 18 years of age as at the last day for subscription and payment;

(bb) 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, the contents of which you have read and understood; and

(cc) 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;

(b) you agree and undertake to subscribe for and to accept the number of Rights Shares and excess Rights Shares with Warrants C 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 C that may be allotted to you;

(c) by making and completing your e-Subscription, if successful, you request and authorise our Share Registrar or our Company to credit the Rights Shares with Warrants C and excess Rights Shares with Warrants C (if applicable) allotted to you into your CDS Account;

(d) you acknowledge that your 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:

(aa) our Company or our Share Registrar does not receive your e-Subscription; or

(bb) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Share Registrar, you will not be deemed to have made an e-Subscription and you may not make any claim whatsoever against our Company or our Share Registrar for the Rights Shares with Warrants C accepted and/or excess Rights Shares with Warrants C applied for or for any compensation, loss or damage relating to the e-Subscription;

(e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct, otherwise, your e-Subscription may be rejected;

(f) 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;

(g) by making and completing an e-Subscription, you agree that:

(aa) in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional Allotments and excess Rights Shares with Warrants C applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and

(bb) 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 control;

(h) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions or the terms and conditions of TIIH Online, this AP and the e-RSF; and

(i) notification on the outcome of your e-Subscription for the Rights Shares with Warrants C and excess Rights Shares with Warrants C will be despatched to you by ordinary post to the postal address or sent to you by electronic mail to the email address as shown in our Record of Depositors at your own risk within the timelines as follows:

(aa) successful applications - a notice of allotment or electronic notice of allotment will be despatched or sent within 8 Market Days from the Closing Date; or

(bb) unsuccessful/partially successful applications - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and shall be despatched to the you within 15 market days from the Closing Date by ordinary mail to your last address maintained with 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 Wednesday, 14 April 2021**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Our Board will have the right to allot any Rights Shares with Warrants C not taken up or not validly taken up to applicants applying for the excess Rights Shares with Warrants C in the manner as set out in Section 9.8 of this AP.

9.6 Procedures for part acceptance

You are entitled to accept part of your Provisional Allotments provided always that the minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. Fractions of a Rights Share will be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interest of our Company.

You must complete the e-RSF or both Part I(A) and Part II of the RSF by specifying the number of the Provisional Allotments which you are accepting and submit the e-RSF or deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manners as set out in Section 9.5 of this AP.

The portion of the Provisional Allotments that have not been accepted will be made available to applicants for applications of excess Rights Shares with Warrants C.

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 without first having to request for a split of the Provisional Allotments standing to the credit of your CDS accounts. 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 or transfer such entitlement to such person(s) as may be allowed pursuant to the Rules of Bursa Depository.

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 submitting the e-RSF or by completing Part I(A) and Part II of the RSF. Please refer to Section 9.5 of this AP for the procedures for acceptance and payment.

In selling/transferring all or part of your entitlement to the Provisional Allotments, you need not deliver any document, including the RSF, to any 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.

9.8 Procedures for application for excess Rights Shares with Warrants C

9.8.1 By way of RSF

You and/or your renouncee(s)/transferee(s) (if applicable) may apply for excess Rights Shares with Warrants C 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 C applied for) to our Share Registrar so as to be received by our Share Registrar **not later than 5.00 p.m. on Wednesday, 14 April 2021**, being the last time and date for acceptance of and payment for excess Rights Shares with Warrants.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C APPLIED FOR SHOULD BE MADE IN THE SAME MANNERS AS DESCRIBED IN SECTION 9.5.1 OF THIS AP, EXCEPT THAT THE BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" MUST BE MADE PAYABLE TO "VCB EXCESS RIGHTS ISSUE ACCOUNT" FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER 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 renouncee(s)/transferee(s) (if applicable) may apply for the excess Rights Shares with Warrants C 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 C 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 C will be made on, and 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 C 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 C, 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 C, on a pro-rata basis and in board lots, calculated based on the quantum of their respective applications for excess Rights Shares with Warrants C; and

(iv) lastly, for allocation to renouncee(s)/transferee(s) (if applicable) who has/have applied for the excess Rights Shares with Warrants C, on a pro-rata basis and in board lots, calculated based on the quantum of their respective applications for excess Rights Shares with Warrants C.

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

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants C applied for via the e-RSF or under Part I(B) of the 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 (i), (ii), (iii) and (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants C application, 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 C. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS C WILL BE CREDITED INTO YOUR CDS ACCOUNT AND NOTICE OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST OR ELECTRONIC NOTICE OF ALLOTMENT WILL BE SENT VIA EMAIL WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C 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 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. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK.

9.9 Procedures to be followed by renouncee(s)/transferee(s)

As a renouncee/transferee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the excess Rights Shares with Warrants C 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 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 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 Form of issuance

Bursa Securities has prescribed that our Shares and Warrants C listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants C and the new Shares to be issued arising from the exercise of Warrants C are prescribed securities and as such 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 C.

Notice of allotment or an electronic notice of allotment will be despatched or sent to you and/or your renouncee(s)/transferee(s) (if applicable) by ordinary post or by email to the address or email address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS account number may result in the application being rejected. Your subscription for the Rights Shares with Warrants C shall mean your consent to receiving such Rights Shares with Warrants C 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 C will be credited directly into your CDS accounts, and notices of allotment will be sent to you in the manners as stated in Section 9.8 of this AP.

Any person who has purchased the Provisional Allotments or to whom Provisional Allotments have/has been transferred and intends to subscribe for the Rights Shares with Warrants C 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 C will be credited directly as prescribed or deposited securities into his/her CDS account upon allotment and issue.

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

9.11 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 renouncee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renouncee(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 renouncee(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 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 renouncee(s)/transferee(s) (if applicable) are or may be subject to. Foreign Entitled Shareholders and/or their renouncee(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 shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncee(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 renouncee(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 renouncee(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 renouncee(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 the RSF, the foreign Entitled Shareholders and/or their renouncee(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 that:

(i) our Company would not, by acting on the acceptance or 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 renouncee(s)/transferee(s) (if applicable) are or may be subject to;

(ii) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotments;

(iii) the foreign Entitled Shareholders and/or their renouncee(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 or 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 renouncee(s)/transferee(s) (if applicable) are aware that the Rights Shares with Warrants C 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 they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants C; 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 C, and are and will be able, prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants C.

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 C 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 C as invalid if it believes 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 C is governed by the terms and conditions as set out in this AP, the Deed Poll C, the NPA and the RSF enclosed herewith.

11. FURTHER INFORMATION

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

Yours faithfully
For and behalf of the Board of
VORTEX CONSOLIDATED BERHAD

CHOO PENG HUNG
Managing Director

INFORMATION ON OUR GROUP

1. BOARD OF DIRECTORS

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

Name / *(Designation)*	**Address**	**Age**	**Nationality**
Tan Ooi Jin *(Executive Chairman)*	6, Jalan Kenyalang 11/7A PJU5 Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	45	Malaysian
Choo Peng Hung *(Managing Director)*	5, Jalan Suria Residen 1/3 Taman Suria Residen Batu 9, 43200 Cheras Selangor Darul Ehsan	47	Malaysian
Lee Li Chain *(Finance Director / Executive Director)*	23, Jalan Damai Perdana 2/3 Bandar Damai Perdana 56000 Kuala Lumpur Wilayah Persekutuan	45	Malaysian
Goh Eugene *(Executive Director)*	B-18-2 Hampshire Residences Persiaran Hampshire 50450 Kuala Lumpur Wilayah Persekutuan	45	Singaporean
Chan Swee Ying *(Executive Director)*	No. 5, Jalan SL8/11 Bandar Sungai Long, Cheras 43000 Kajang Selangor Darul Ehsan	48	Malaysian
Yap Kien Ming *(Independent Non-Executive Director)*	No. 38, Jalan SL 7/13 Bandar Sungai Long 43000 Kajang Selangor Darul Ehsan	56	Malaysian
Sam Kok Hong *(Independent Non-Executive Director)*	No. 26, Jalan Serambi U8/21B Taman Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	53	Malaysian
Hj. Ahmed Azhar Bin Abdullah *(Independent Non-Executive Director)*	No. 22, Jalan Kent 2 54000 Kuala Lumpur Wilayah Persekutuan	60	Malaysian

2. SHARE CAPITAL

As at the LPD, the issued share capital of our Company is RM188,775,068 comprising 332,652,376 Shares in issue and 17,062,777 outstanding ICPS. As at the LPD, our Company does not hold any treasury shares.

Refer to our Company's circular dated 31 July 2019 for our Constitution which sets out the rights of ICPS holders to voting right in our Company and their rights to dividends.

3. DIRECTORS' SHAREHOLDINGS

The issuance of Warrants C will not have any effect on the shareholdings of our Directors in our Company until and unless the holders of the Warrants C exercise their Warrants C into new Shares. Save for CSY, none of our Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue on the shareholdings of CSY in our Company as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I) After the Rights Issue				(II) After (I) and assuming conversion/exercise of all convertible securities*			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%(1)	No. of Shares	%	No. of Shares	%(2)	No. of Shares	%	No. of Shares	%(3)	No. of Shares	%
CSY	74,453,475	22.38	-	-	145,453,475	32.73	-	-	202,253,475	35.53	-	-

Maximum Scenario

	As at the LPD				(I) Assuming conversion of ICPS* and exercise of Warrants B				(II) After the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%(1)	No. of Shares	%	No. of Shares	%(4)	No. of Shares	%	No. of Shares	%(5)	No. of Shares	%
CSY	74,453,475	22.38	-	-	74,453,475	20.43	-	-	148,906,950	20.43	-	-

	(III) After (II) and assuming exercise of Warrants C			
	Direct		Indirect	
Name	No. of Shares	%(6)	No. of Shares	%
CSY	208,469,730	20.43	-	-

Notes:

* Assuming all ICPS are converted into new Shares based on the conversion mode of surrendering 1 ICPS with additional cash payment for 1 new Share.

(1) Based on 332,652,376 Shares in issue.

(2) Based on enlarged share capital of 444,417,082 Shares in issue.

(3) Based on enlarged share capital of 569,195,052 Shares in issue.

(4) Based on enlarged share capital of 364,478,577 Shares in issue.

(5) Based on enlarged share capital of 728,957,154 Shares in issue.

(6) Based on enlarged share capital of 1,020,540,015 Shares in issue.

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

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

Minimum Scenario

	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%(1)	No. of Shares	%	No. of Shares	%(2)	No. of Shares	%
CSY	74,453,475	22.38	-	-	145,453,475	32.73	-	-
Sole Underwriter	-	-	-	-	40,764,706	9.17	-	-

	(II) After (I) and assuming conversion/exercise of all convertible securities*			
	Direct		Indirect	
Name	No. of Shares	%(3)	No. of Shares	%
CSY	202,253,475	35.53	-	-
Sole Underwriter	73,376,470	12.89	-	-

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Maximum Scenario

Name	As at the LPD				(I) Assuming conversion of ICPS* and exercise of Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%	No. of Shares	%(4)	No. of Shares	%
CSY	74,453,475	22.38	-	-	74,453,475	20.43	-	-

Name	(II) After (I) and Rights Issue				(III) After (II) and assuming full exercise of Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(5)	No. of Shares	%	No. of Shares	%(6)	No. of Shares	%
CSY	148,906,950	20.43	-	-	208,469,730	20.43	-	-

Notes:

* Assuming all ICPS are converted into new Shares based on the conversion mode of surrendering 1 ICPS with additional cash payment for 1 new Share.

(1) Based on 332,652,376 Shares in issue.

(2) Based on enlarged share capital of 444,417,082 Shares in issue.

(3) Based on enlarged share capital of 569,195,052 Shares in issue.

(4) Based on enlarged share capital of 364,478,577 Shares in issue.

(5) Based on enlarged share capital of 728,957,154 Shares in issue.

(6) Based on enlarged share capital of 1,020,540,015 Shares in issue.

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5. HISTORICAL FINANCIAL INFORMATION

The following tables set out our Group's key financial information based on our consolidated financial statements for the financial years/periods under review are as follows:

(i) Historical financial performance

	Audited			Unaudited	
	FYE 2018 (RM'000)	**FYE 2019 (RM'000)**	**FYE 2020 (RM'000)**	**9M FPE 2020 (RM'000)**	**9M FPE 2019 (RM'000)**
Revenue	155,032	156,329	142,784	138,943	112,808
GP	16,716	16,972	16,015	17,678	12,388
Other income	78	199	3,449	4,516	324
Administrative expenses	(13,238)	(14,312)	(13,028)	(9,927)	(11,448)
Distribution costs	(683)	(348)	(1,835)	(1,637)	(1,835)
Other expenses	(1,135)	(1,311)	(8,502)	(2,529)	(1,825)
Finance costs	(4)	(9)	(7,829)	(5,732)	(5,503)
Net reversal of impairment losses on financial assets	41	Neg	10	-	-
PBT / (LBT)	**1,775**	**1,191**	**(11,720)**	**2,369**	**(7,899)**
Income tax expense	(1,003)	(905)	(699)	(2,182)	(306)
PAT / (LAT)	**772**	**286**	**(12,419)**	**187**	**(8,205)**
PAT / (LAT) attributable to:					
Owners of our Company	771	287	(12,194)	176	(7,951)
Non-controlling interests	1	(1)	(225)	11	(254)
PAT / (LAT)	**772**	**286**	**(12,419)**	**187**	**(8,205)**
Weighted average number of Shares in issue ('000)	564,619	553,910	403,293	1,018,596	383,920
No. of Shares in issue ('000)	609,886	304,943	481,913	1,199,731	423,967
Basic EPS / (LPS)[(1)] (sen)	0.14	0.05	(3.02)	0.02	(2.07)
Diluted EPS / (LPS) (sen)	0.14	0.05	(3.02)	0.02	(2.07)
GP margin (%)	10.78	10.86	11.22	12.72	10.98
PBT / (LBT) margin (%)	1.14	0.76	(8.21)	1.71	(7.00)
PAT / (LAT) margin (%)	0.50	0.18	(8.70)	0.13	(7.27)
Dividend (sen)	-	-	-	-	-

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(ii) Historical financial position

	Audited			Unaudited
	FYE 2018 (RM'000)	**FYE 2019 (RM'000)**	**FYE 2020 (RM'000)**	**9M FPE 2020 (RM'000)**
Total non-current assets	35,980	45,092	44,116	46,980
Total current assets	64,727	57,150	214,291	283,762
Asset classified as held for sale	-	-	7,951	-
Total assets	**100,707**	**102,242**	**266,358**	**330,742**
Share capital	59,879	65,121	83,687	182,856
Share premium	5,241	-	-	-
ICPS	-	-	34,130	3,413
Share application money	-	-	5,500	-
Retained profits / (Accumulated losses)	6,080	6,367	(9,313)	(9,137)
Warrants reserves	-	-	6,897	6,897
Equity attributable to owners of our Company	**71,200**	**71,488**	**120,901**	**184,029**
Non-controlling interests	(108)	(33)	(63)	(52)
Total equity	**71,092**	**71,455**	**120,838**	**183,977**
Total non-current liabilities	123	291	9,561	7,990
Total current liabilities	29,492	30,496	135,958	138,775
Total liabilities	**29,615**	**30,787**	**145,520**	**146,765**
Total equity and liabilities	**100,707**	**102,242**	**266,358**	**330,742**
NA per Share (RM)[(2)]	0.12	0.23	0.25	0.15

(iii) Historical cash flow

	Audited			Unaudited
	FYE 2018 (RM'000)	**FYE 2019 (RM'000)**	**FYE 2020 (RM'000)**	**9M FPE 2020 (RM'000)**
Net cash from / (for) operating activities	533	12,164	(4,576)	(37,588)
Net cash for investing activities	(8,280)	(17,583)	(25,279)	(4,992)
Net cash from financing activities	4,321	13	58,352	50,832
Net (decrease) / increase in cash and cash equivalents	**(3,426)**	**(5,406)**	**28,497**	**8,252**
Cash and cash equivalents at beginning of financial years / period	25,218	21,792	16,386	44,883
Cash and cash equivalents at the end of financial years / period	**21,792**	**16,386**	**44,883**	**53,135**

Notes:

Neg Negligible.

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

(2) Being NA of our Group divided by the number of Shares in issue for the financial years/period under review.

Commentaries:

Our Group derives most of our revenue from IT and ICT division and such business depends largely on economic conditions, taxation rate and policies in Malaysia, retail spending on IT and ICT products as well as our ability to introduce up-to-date products and services in a timely manner to our customers. Our Group has diversified into property construction (during 15M FPE 31 March 2016), property development and property investment segments (both during FYE 2019) and moneylending (during FYE 2020).

(i) **FYE 2020 vs FYE 2019**

Our Group's revenue decreased by RM13.55 million or 8.67% for FYE 2020 (FYE 2019: RM156.33 million), mainly due to the following:

(i) lower revenue from IT and ICT division as a result of lower selling prices for our IT and ICT products in order to sustain our sales in the competitive IT and ICT industry; and

(ii) no revenue contribution from the construction division as there was no new project secured during FYE 2020 after completion of the warehouse construction works in Subang Jaya, Selangor during FYE 2019;

partially offset by:

(iii) increase in revenue from property development division due to the revenue recognised in respect of 'The Louvre' project based on the stage of development works achieved and the percentage of number of units of the project sold, which arise upon consolidation of PDLSB's financial results into our Company's consolidated accounts after completion of the acquisition of 85% and 15% equity interests in PDLSB on 5 April 2019 and 13 May 2019, respectively ("**Acquisition of PDLSB**"); and

(iv) increase in revenue from moneylending business which commenced in September 2019.

Our Group recorded LAT of RM12.19 million in FYE 2020 (FYE 2019: PAT of RM0.29 million), mainly due to the following:

(i) higher selling and distribution expenses of RM1.84 million during FYE 2020 (FYE 2019: RM0.35 million), mainly due to selling and distribution costs charged by third-party e-commerce platforms which Viewnet Online Sdn Bhd (our indirect 70%-owned subsidiary) collaborates with for its online trading business as well as marketing fee incurred in promoting 'The Louvre' project;

(ii) increase in other expenses, due to the following:

  (aa) depreciation of right-of-use assets recognised following the adoption of Malaysian Financial Reporting Standards 16 - Leases;

  (bb) provision for liquidated ascertained damages of RM3.17 million during FYE 2020 (FYE 2019: nil) arising from the expected delays in delivery of vacant possession of the sales units of 'The Louvre' project, recognised based on the terms of the sales and purchase agreements signed for expected liquidated ascertained damages to be claimed by customers. The provision for liquidated ascertained damages (as part of the financial results of PDLSB) was consolidated into our Company's consolidated accounts following the completion of the Acquisition of PDLSB during FYE 2020; and (cc) realisation of fair value arising from the Acquisition of PDLSB which was completed during FYE 2020 of RM1.48 million (FYE 2019: nil), in accordance with appropriate manners relevant to the classes of financial assets and liabilities in which the adjustments have been made to reflect the fair values of the relevant assets and liabilities at the time of acquisition;

(iii) higher finance costs for property development division in FYE 2020 due to the consolidation of PDLSB's financial results into our Company's consolidated accounts after completion of the Acquisition of PDLSB during FYE 2020. Prior to the Acquisition of PDLSB, our Group only incurred minimal finance cost for our hire purchase facilities. Post completion of the Acquisition of PDLSB, our Group incurred higher finance costs for credit facilities granted to PDLSB (refer to Section 4, note (1) of this AP for further details of the credit facilities of PDLSB); and

(iv) late payment interest on an amount owing to a main contractor of RM1.59 million in return for an agreed credit limit granted by the main contractor of 'The Louvre' project.

For FYE 2020, our Group recorded an increase in total current assets and total liabilities due to the consolidation of PDLSB's financial results into our Company's consolidated accounts after completion of the Acquisition of PDLSB during FYE 2020, mainly comprise of property development costs for 'The Louvre' project and borrowings from SDBB. Our Group also recorded an increase in NA mainly due to completion of Rights Issues I as well as exercise and conversion of Warrants B and ICPS, respectively, during the financial year under review.

Our Group recorded a net cash outflow from operating activities for FYE 2020 of RM4.58 million, mainly due to the increase in trade and other receivables arising from loans to customers for our moneylending business. Despite this, our Group recorded a net increase in cash and cash equivalents, mainly due to proceeds raised from Rights Issues I as well as the conversion and exercise of convertible securities of our Company. Such cash inflow is partially offset by development costs incurred and paid for 'The Lourve' project during the financial year under review.

(ii) 9M FPE 2020 vs 9M FPE 2019

We recorded a higher revenue for 9M FPE 2020 of RM138.94 million as compared to 9M FPE 2019 of RM112.81 million, mainly attributed by the following:

(i) higher revenue from IT and ICT division as the enforcement of MCO by the Government had led to change in lifestyles (such as working-from-home arrangements and online learning classes), which had increased the demand for our IT and ICT products post-MCO; and

(ii) higher revenue from moneylending business division which only commenced in September 2019 as interest income arising from the increase in provision of loan facilities to our customers.

Our Group recorded a PAT of RM0.18 million for current financial period under review (9M FPE 2019: LAT of RM8.21 million), mainly due to the following:

(i) improvement to GP and GP margin mainly due to the increase in revenue as abovementioned;

(ii) one-off gain from disposal of an investment property in Shah Alam, Selangor of RM2.54 million during the current financial period under review; and

(iii) reversal of provision for liquidated ascertained damages of RM1.13 million during the current financial period under review arising from the revocation of sales units of 'The Louvre' project from the buyers.

Our Group's net cash for operating activities for 9M FPE 2020 stood at RM37.59 million, mainly due to the increase in trade and other receivables arising from loans to customers for our moneylending business for current financial period under review. Notwithstanding this, our Group recorded an increase in cash and cash equivalent as at 31 December 2020 mainly due to proceeds raised from the conversion of ICPS during the financial year under review.

6. HISTORICAL SHARE PRICES

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

	Highest* (RM)	Lowest* (RM)
2020		
March	0.340	0.080
April	0.380	0.180
May	0.320	0.260
June	0.320	0.220
July	0.360	0.240
August	0.440	0.260
September	0.380	0.280
October	0.300	0.180
November	0.260	0.180
December	0.240	0.200
2021		
January	0.260	0.160
February	0.200	0.150
Last transacted market price for our Shares on 16 October 2020 (being the last trading date prior to the Announcement)	RM0.075^	
Last transacted market price for our Shares on the LPD	RM0.165	
Last transacted market price for our Shares on 26 March 2021 (being the Market Day prior to the ex-date for the Rights Issue	RM0.180	

Notes:

* Adjusted pursuant to Share Consolidation which was completed on 4 February 2021.

^ Not adjusted for the Share Consolidation.

(Source: Bloomberg Finance L.P.)

7. MATERIAL CONTRACTS

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

(i) shares sale agreement dated 15 April 2019 entered into between our Company, Choo Peng Hung and Chan Chooi Teng for the acquisition of 2,000,000 ordinary shares in Vortex One Sdn Bhd *(formerly known as Valhalla Holdings Sdn Bhd)* (representing the entire equity interest) for a cash consideration of RM2,000,000, which was completed on 19 April 2019;

(ii) shares sale agreement dated 30 December 2019 entered into between our Company and Smart Wisdom Sdn Bhd for the acquisition of 20,000 ordinary shares in KHSB (or remaining 20% equity interest) for a cash consideration of RM3,400,000, which was completed on 31 December 2019;

(iii) sales and purchase agreement dated 16 March 2020 entered into between Open Adventure Sdn Bhd (a wholly-owned subsidiary of our Company) and Classic Blossom Sdn Bhd for the disposal of an investment property in Shah Alam, Selangor for a cash consideration of RM10.60 million, which was completed on 1 July 2020;

(iv) the subscription and shareholders' agreement dated 16 July 2020 entered into between our Company, THDex and Lin Xiao Xiao (the Subscriber) for the allotment and issuance of up to 144,118 ordinary shares in THDex (representing 49% of the enlarged issued and paid-up share capital of THDex) for a cash consideration of up to the amount of USD144,118. The shares were allotted and issued to the Subscriber on 23 February 2021. Refer to Section 8.5(i) of this AP for further details on this transaction;

(v) the subscription agreement dated 3 August 2020 entered into between our Company and MGSB for the subscription of 2,500,000 ordinary shares in MGSB (representing 11.63% of the enlarged issued share capital in MGSB) for a cash consideration of RM2,500,000. The shares were allotted and issued to our Company on 7 August 2020;

(vi) shares sale agreement dated 1 October 2020 entered into between our Company and Kenny Khow Chuan Wah for the acquisition of 2,700,100 ordinary shares in Firstwide Success Sdn Bhd (representing the entire equity interest) for a cash consideration of RM2,700,000, which was completed on 21 October 2020;

(vii) the Underwriting Agreement dated 16 March 2021 entered into between our Company and TA Securities (being the Sole Underwriter) in relation to the Rights Issue to underwrite 40,764,706 Rights Shares with 32,611,764 Warrants C, for a total underwriting commission of RM138,600; and

(viii) the Deed Poll C dated 16 March 2021 executed by our Company constituting the Warrants C.

8. 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

1. CONSENTS

The Adviser (and being the Sole Underwriter), Company Secretary, Share Registrar, Due Diligence Solicitors as well as Auditors and Reporting Accountants, have each given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

The Bloomberg Finance L.P. 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 appear in this AP.

2. 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) the material contracts referred to in Appendix I, Section 7 of this AP;

(ii) the Undertaking referred to in Section 2.3 of this AP;

(iii) the letters of consent referred to in Section 1 above; and

(iv) the Supplemental Loan Agreements dated 18 September 2020 entered between PDLSB and SDBB, referred to in Section 4, note (i) of this AP.

3. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they 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 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.