

Unless stated otherwise, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

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

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (Tel: +603 - 6201 1120).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 2 December 2020 and who have a registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 2 December 2020. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants B, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants B or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

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

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 27 October 2020. Approval has been obtained from Bursa Securities via its letter dated 6 October 2020 for the admission of the Warrants B to the Official List as well as the listing and quotation of the Rights Shares, Warrants B and the new Shares to be issued upon exercise of the Warrants B on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the Rights Shares and Warrants B allotted to them and notices of allotment have been despatched to them. However, such admission and the listing and quotation are not to be taken as an indication of the merits of the Rights Issue with Warrants.

The SC is not liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

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



GREEN OCEAN CORPORATION BERHAD

[Registration No. 200301029847 (632267-P)]

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

RENOUNCEABLE RIGHTS ISSUE OF UP TO 828,573,600 NEW ORDINARY SHARES IN GREEN OCEAN ("GREEN OCEAN SHARES" OR "SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE TOGETHER WITH UP TO 621,430,200 FREE DETACHABLE WARRANTS IN GREEN OCEAN ("WARRANTS B") ON THE BASIS OF 4 RIGHTS SHARES TOGETHER WITH 3 FREE WARRANTS B FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 2 DECEMBER 2020

Principal Adviser



MERCURY SECURITIES SDN BHD

[Registration No. 198401000672 (113193-W)]

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Wednesday, 2 December 2020 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Allotments	: Wednesday, 9 December 2020 at 5.00 p.m.
Transfer of Provisional Allotments	: Friday, 11 December 2020 at 4.30 p.m.
Acceptance and payment	: Thursday, 17 December 2020 at 5.00 p.m.
Excess Rights Shares with Warrants B Application and payment	: Thursday, 17 December 2020 at 5.00 p.m.

This Abridged Prospectus is dated 2 December 2020

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

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

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

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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

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

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE "DOCUMENTS") IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

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

DEFINITIONS

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

Abridged Prospectus	- This abridged prospectus dated 2 December 2020 in relation to the Rights Issue with Warrants
Act	- Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
Bloomberg	- Bloomberg Finance Singapore L.P. and its affiliates
BNM	- Bank Negara Malaysia
Board	- Board of Directors of the Company
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd
Bursa Securities	- Bursa Malaysia Securities Berhad
By-Laws	- The by-laws governing the Scheme as may be amended, varied or supplemented from time to time
CAGR	- Compound annual growth rate
CDS	- Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	- Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
CE Marking Certification	- A certification mark that indicates that a product has been assessed by the manufacturer and deemed to meet the European Union safety, health and environmental protection requirements. It is required for products manufactured anywhere in the world that are then marketed in the European Union
Circular	- Circular to Shareholders dated 9 October 2020 in relation to the Corporate Exercises
Closing Date	- 17 December 2020 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants B
CMSA	- Capital Markets and Services Act, 2007 of Malaysia as amended from time to time and any re-enactment thereof
Code	- Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time
Constitution	- Constitution of the Company
Corporate Exercises	- Collectively, the Diversification, the Private Placement November 2020, the Rights Issue with Warrants and the ESOS
COVID-19	- Coronavirus disease 2019

DEFINITIONS (CONT'D)

CPKO	- Crude palm kernel oil
Deed Poll B	- Deed poll dated 18 November 2020 constituting the Warrants B
Directors	- The directors of the Company which have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
Diversification	- Diversification of the existing business of the Group to include the Gloves Business
EGM	- Extraordinary general meeting of the Company
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the Entitlement Date
Entitlement Date	- 2 December 2020, at 5.00 p.m., being the date on which the names of Entitled Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue with Warrants
EPS	- Earnings per Share
ESOS or Scheme	- A scheme of the Company known as 'Green Ocean Group Berhad Employees' Share Option Scheme' for the granting of options under the Scheme to the eligible directors and eligible employees to subscribe for new Shares upon the terms as set out in the By-laws
Excess Rights Shares with Warrants B	- The Rights Shares with Warrants B which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date
Excess Rights Shares with Warrants B Application	- Application for additional Rights Shares with Warrants B in excess of the Provisional Allotments by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable)
Exercise Period	- Any time within a period of 5 years commencing from and including the date of issue of the Warrants B to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 5th anniversary from the date of issue of the Warrants B. Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	- RM0.10, being the price at which 1 Warrant B is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll B
FDA Certification	- Certifications obtained from the Food and Drug Administration, a federal agency of the US Department of Health and Human Services, responsible for the safety of food, dietary supplements, human drugs, vaccines, blood products and other biologicals, medical devices, radiation-emitting electronics, cosmetics, veterinarian products and tobacco products being sold or manufactured in the US

DEFINITIONS (CONT'D)

First Phase	- First phase of the Group's Gloves Business which will comprise the acquisition, installation and the commission of 6 double former glove-dipping lines. Further details are set out in Section 5 of this Abridged Prospectus
Foreign-Addressed Shareholders	- Shareholders who have not provided to the Company a registered address or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants by the Entitlement Date
FPE	- Financial period ended
FYE	- Financial year ended / ending, as the case may be
GDP	- Gross domestic product
GL	- Gross loss
Gloves Business	- Business involving manufacture and sale of rubber gloves. Further details are set out in Section 5 of this Abridged Prospectus
GP	- Gross profit
Green Ocean or the Company	- Green Ocean Corporation Berhad
Green Ocean Group or the Group	- Collectively, Green Ocean and its subsidiaries
Green Ocean Shares or Shares	- Ordinary shares in the Company
GRSB	- G Rubber Sdn Bhd
Government	- Government of Malaysia
IMR Report	- The independent market research report dated 16 November 2020 prepared by Smith Zander
ISO 13485	- International standard that was specifically published to define the requirements of a quality management system for organisations within the medical device industry
LAT	- Loss after taxation
LBT	- Loss before taxation
Listing Requirements	- ACE Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	- 16 November 2020, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	- Loss per Share
LTD	- 17 November 2020, being the last trading day prior to the date of fixing the issue price of the Rights Shares and the Exercise Price

DEFINITIONS (CONT'D)

MARGMA	- Malaysian Rubber Glove Manufacturers Association
Market Day(s)	- Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	- Assuming all the Entitled Shareholders and/or their renounees(s) fully subscribe for their respective entitlements under the Rights Issue with Warrants
MCO	- Movement control order issued by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
Mercury Securities or the Principal Adviser	- Mercury Securities Sdn Bhd
Minimum Scenario	- The Rights Issue with Warrants is undertaken on the Minimum Subscription Level
Minimum Subscription Level	- Minimum subscription level of 125,000,000 Rights Shares together with 93,750,000 Warrants B based on the issue price of RM0.10 per Rights Share to arrive at RM12.5 million
MITI	- Ministry of International Trade and Industry, Malaysia
MT	- Metric tonne
NA	- Net assets
NPA	- Notice of provisional allotment in relation to the Rights Issue with Warrants
NSN Global Resources	- NSN Global Resources Sdn Bhd
Official List	- A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed
PAT	- Profit after taxation
PBT	- Profit before taxation
Private Placement August 2020	- Private placement exercise which involved the issuance of 28,971,000 Shares, which was completed on 26 August 2020
Private Placement November 2020	- Private placement exercise which involved the issuance of 95,605,000 Shares, which was completed on 11 November 2020
Provisional Allotments	- The Rights Shares with Warrants B provisionally allotted to Entitled Shareholders
Record of Depositors	- A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue with Warrants	- Renounceable rights issue of up to 828,573,600 Rights Shares together with up to 621,430,200 free detachable Warrants B on the basis of 4 Rights Shares together with 3 free Warrants B for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date

DEFINITIONS (CONT'D)

Rights Shares	- Up to 828,573,600 new Shares to be allotted and issued pursuant to the Rights Issue with Warrants
RM and sen	- Ringgit Malaysia and sen respectively
RSF	- Rights subscription form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	- The Rules of Bursa Depository as issued pursuant to the SICDA as amended from time to time
Rules on Take-Overs, Mergers and Compulsory Acquisitions	- Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time
SC	- Securities Commission Malaysia
Share Registrar	- ShareWorks Sdn Bhd
Shareholders	- Registered holders of the Shares
SICDA	- Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time
Smith Zander or the Independent Market Researcher	- Smith Zander International Sdn Bhd
sq ft	- Square feet
TEAP	- Theoretical ex-all price
Undertaking	- The written undertaking from the Undertaking Shareholder dated 26 August 2020 pursuant to which the Undertaking Shareholder has irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for his entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Right Shares with Warrants B Application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by the Company arising from the subscription by all Entitled Shareholders and/or their renounee(s) amount to not less than RM12.5 million, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholder	- Mr Mak Siew Wei (the Executive Director of Green Ocean)
US	- United States of America
USD	- United States Dollar, the lawful currency of the United States of America
VWAP	- Volume-weighted average market price
Warrants B	- Up to 621,430,200 free detachable warrants in Green Ocean to be allotted and issued pursuant to the Rights Issue with Warrants
WHO	- World Health Organisation

DEFINITIONS (CONT'D)

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

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

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time and date in this Abridged Prospectus shall be a reference to Malaysian time and date, unless otherwise stated. Any discrepancies in the tables included in this Abridged Prospectus between the actual figures, amounts stated and the totals thereof are, unless otherwise explained, due to rounding.

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

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ADVISERS' DIRECTORY

COMPANY SECRETARY : Wong Yuet Chyn (MAICSA 7047163) (SSM PC No. 202008002451)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel : +603 - 6201 1120
Fax : +603 - 6201 3121

PRINCIPAL ADVISER : Mercury Securities Sdn Bhd
L-7-2, No 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 6203 7227
Fax : +603 - 6203 7117

**SOLICITORS FOR THE RIGHTS
ISSUE WITH WARRANTS** : Mah-Kamariyah & Philip Koh
Advocates & Solicitors
3A07, Block B, Phileo Damansara II
15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7956 8686
Fax : +603 - 7956 2208

SHARE REGISTRAR : ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel : +603 - 6201 1120
Fax : +603 - 6201 3121

**AUDITORS AND REPORTING
ACCOUNTANTS** : Ecovis Malaysia PLT (AF 001825)
No.9-3, Jalan 109F
Plaza Danau 2, Taman Danau Desa
58100 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 7981 1799
Fax : +603 - 7980 4796

**INDEPENDENT MARKET
RESEARCHER** : Smith Zander International Sdn Bhd
15-01, Level 15, Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 2732 7537

Managing Partner: Dennis Tan Tze Wen
(Bachelor of Science from the Memorial University of
Newfoundland, Canada)

STOCK EXCHANGE LISTING : ACE Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

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

Key information	Summary									
(i) Number of Rights Shares to be issued and basis of allotment	<p>Basis: 4 Rights Shares together with 3 free Warrants B for every 2 existing Shares held by the Entitled Shareholders. Please refer to Section 2.1 of this Abridged Prospectus for further information.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Minimum Scenario</th> <th style="width: 20%; text-align: center;">Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Number of Rights Shares to be issued</td> <td style="text-align: center;">125,000,000</td> <td style="text-align: center;">828,573,600</td> </tr> <tr> <td>Number of Warrants B attached</td> <td style="text-align: center;">93,750,000</td> <td style="text-align: center;">621,430,200</td> </tr> </tbody> </table> <p>The Rights Shares with Warrants B which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants B Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants B, if any, in a fair and equitable manner in the following priority:-</p> <ul style="list-style-type: none"> (i) firstly, to minimise the incidence of odd lots; (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants B, taking into consideration their respective shareholdings in the Company as at the Entitlement Date; (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants B, taking into consideration the quantum of their respective Excess Rights Shares with Warrants B Applications; and (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess Rights Shares with Warrants B, taking into consideration the quantum of their respective Excess Rights Shares with Warrants B Applications. <p>The Excess Rights Shares with Warrants B will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants B. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants B will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants B are allotted. Please refer to Section 11.6 of this Abridged Prospectus for further information.</p>		Minimum Scenario	Maximum Scenario	Number of Rights Shares to be issued	125,000,000	828,573,600	Number of Warrants B attached	93,750,000	621,430,200
	Minimum Scenario	Maximum Scenario								
Number of Rights Shares to be issued	125,000,000	828,573,600								
Number of Warrants B attached	93,750,000	621,430,200								
(ii) Price of the Rights Shares	<p>Issue price of the Rights Shares: RM0.10 per Rights Share Exercise Price: RM0.10 per Warrant B</p> <p>Please refer to Section 2.2 of this Abridged Prospectus for further information.</p>									
(iii) Undertaking	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%;">Undertaking Shareholder and undertaking amount</td> <td style="width: 50%;">: Mr Mak Siew Wei (the Executive Director of Green Ocean): RM12.5 million</td> </tr> <tr> <td>Minimum Rights Shares to be subscribed for if none of the other Entitled Shareholders and/or their transferees and/or their renounees subscribe for the Rights Shares</td> <td>: 125,000,000 Rights Shares (representing 15.09% of the total number of 828,573,600 Rights Shares available for subscription under the Maximum Scenario)</td> </tr> </tbody> </table> <p>Please refer to Section 3 of this Abridged Prospectus for further information.</p>	Undertaking Shareholder and undertaking amount	: Mr Mak Siew Wei (the Executive Director of Green Ocean): RM12.5 million	Minimum Rights Shares to be subscribed for if none of the other Entitled Shareholders and/or their transferees and/or their renounees subscribe for the Rights Shares	: 125,000,000 Rights Shares (representing 15.09% of the total number of 828,573,600 Rights Shares available for subscription under the Maximum Scenario)					
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(iv) Rationale for the Rights Issue with Warrants	<ul style="list-style-type: none"> (a) To raise funds and channel them towards the utilisation as set out in Section 6 of this Abridged Prospectus. (b) To raise the requisite funds without incurring additional interest expense from borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs. 									

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

Key information	Summary																																														
(iv) Rationale for the Rights Issue with Warrants (cont'd)	<p>(c) The free Warrants B provides Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants B and to further participate in the future growth of the Company through the exercise of the Warrants B.</p> <p>Please refer to Section 4 of this Abridged Prospectus for further information.</p>																																														
(v) Utilisation of proceeds	<p>The gross proceeds to be raised from the Rights Issue with Warrants will be utilised in the following manner:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #d3d3d3;">Utilisation of proceeds</th> <th rowspan="2" style="background-color: #d3d3d3;">Expected timeframe for utilisation from completion of the Rights Issue with Warrants</th> <th colspan="2" style="background-color: #d3d3d3;">Minimum Scenario</th> <th colspan="2" style="background-color: #d3d3d3;">Maximum Scenario</th> </tr> <tr> <th style="background-color: #d3d3d3;">RM'000</th> <th style="background-color: #d3d3d3;">%</th> <th style="background-color: #d3d3d3;">RM'000</th> <th style="background-color: #d3d3d3;">%</th> </tr> </thead> <tbody> <tr> <td>(i) Repayment of bank borrowings</td> <td>Within 6 months</td> <td style="text-align: right;">7,300</td> <td style="text-align: right;">58.4</td> <td style="text-align: right;">7,300</td> <td style="text-align: right;">8.8</td> </tr> <tr> <td>(ii) Refurbishment of existing factory building for the Gloves Business</td> <td>Within 12 months</td> <td style="text-align: right;">4,300</td> <td style="text-align: right;">34.4</td> <td style="text-align: right;">15,000</td> <td style="text-align: right;">18.1</td> </tr> <tr> <td>(iii) Capital expenditure for the Gloves Business</td> <td>Within 36 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">41,100</td> <td style="text-align: right;">49.6</td> </tr> <tr> <td>(iv) Working capital for the Gloves Business</td> <td>Within 24 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">18,557</td> <td style="text-align: right;">22.4</td> </tr> <tr> <td>(v) Estimated expenses for the Corporate Exercises</td> <td>Immediate</td> <td style="text-align: right;">900</td> <td style="text-align: right;">7.2</td> <td style="text-align: right;">900</td> <td style="text-align: right;">1.1</td> </tr> <tr> <td colspan="2">Total</td> <td style="text-align: right;">12,500</td> <td style="text-align: right;">100.0</td> <td style="text-align: right;">82,857</td> <td style="text-align: right;">100.0</td> </tr> </tbody> </table> <p>Please refer to Section 6 of this Abridged Prospectus for further information.</p>	Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		Maximum Scenario		RM'000	%	RM'000	%	(i) Repayment of bank borrowings	Within 6 months	7,300	58.4	7,300	8.8	(ii) Refurbishment of existing factory building for the Gloves Business	Within 12 months	4,300	34.4	15,000	18.1	(iii) Capital expenditure for the Gloves Business	Within 36 months	-	-	41,100	49.6	(iv) Working capital for the Gloves Business	Within 24 months	-	-	18,557	22.4	(v) Estimated expenses for the Corporate Exercises	Immediate	900	7.2	900	1.1	Total		12,500	100.0	82,857	100.0
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(vi) Risk factors	<p>You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-</p> <p>(a) risks relating to the new Gloves Business, of which the Company is exposed to, including business diversification risks which may expose the Group to risks inherent to the rubber gloves industry, no prior experience in the manufacturing of rubber gloves, delay / failure in obtaining the necessary regulatory certifications which is needed for the Group's diversification into the Gloves Business and fluctuation in prices of raw material required for the Gloves Business;</p> <p>(b) risks relating to the Group's existing business, of which the Company is exposed to, including commodity price risk and the dependence of the Group on political, economic and regulatory considerations;</p> <p>(c) risks relating to the impact of COVID-19 on the Group's businesses; and</p> <p>(d) risks relating to the Rights Issue with Warrants, including failure or delay in the completion of the Rights Issue with Warrants, capital market risk and forward-looking statements and other information contained in this Abridged Prospectus.</p> <p>Please refer to Section 7 of this Abridged Prospectus for further information.</p>																																														
(vii) Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with Warrants B must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants B is on Thursday, 17 December 2020 at 5.00 p.m.</p> <p>Please refer to Section 11 of this Abridged Prospectus for further information.</p>																																														



GREEN OCEAN CORPORATION BERHAD

[Registration No. 200301029847 (632267-P)]

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

Registered Office

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

2 December 2020

Board of Directors:-

Dato' Nik Ismail bin Dato' Nik Yusoff (Independent Non-Executive Chairman)
Mak Siew Wei (Executive Director)
Khoo Chee Siang (Independent Non-Executive Director)
Roy Winston George (Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 828,573,600 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE TOGETHER WITH UP TO 621,430,200 FREE DETACHABLE WARRANTS B ON THE BASIS OF 4 RIGHTS SHARES TOGETHER WITH 3 FREE WARRANTS B FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 2 DECEMBER 2020

1. INTRODUCTION

On 1 September 2020, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

On 6 October 2020, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 6 October 2020, granted its approval for the following:-

- (i) listing and quotation of up to 95,605,000 Shares to be issued pursuant to the Private Placement November 2020;
- (ii) admission of the Warrants B to the Official List;
- (iii) listing and quotation of up to 828,573,600 Rights Shares and up to 621,430,200 Warrants B on the ACE Market of Bursa Securities;
- (iv) listing and quotation of up to 621,430,200 new Shares to be issued upon the exercise of the Warrants B on the ACE Market of Bursa Securities; and
- (v) listing and quotation of such number of additional new Shares, representing up to 30% of the total number of issued Shares of the Company (excluding treasury shares), to be issued upon exercise of options under the ESOS.

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

Condition	Status of compliance
(i) Green Ocean and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Private Placement November 2020 and Rights Issue with Warrants;	To be complied
(ii) Green Ocean and Mercury Securities to inform Bursa Securities upon the completion of the Private Placement November 2020 and Rights Issue with Warrants;	To be complied
(iii) Green Ocean to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement November 2020 and Rights Issue with Warrants are completed;	To be complied
(iv) Green Ocean to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants B as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied
(v) Mercury Securities is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the Shareholders in a general meeting; and	To be complied
(vi) Green Ocean is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of options under the ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 27 October 2020, the Shareholders had approved the Corporate Exercises at the EGM of the Company.

On 11 November 2020, Mercury Securities had, on behalf of the Board, announced that the Private Placement November 2020 has been completed following the listing and quotation of 95,605,000 Shares arising from the Private Placement November 2020 on the ACE Market of Bursa Securities on even date.

On 18 November 2020, Mercury Securities had, on behalf of the Board, announced that:-

- (i) the Board had on even date resolved to fix the issue price of the Rights Shares at RM0.10 per Rights Share and the Exercise Price at RM0.10 per Warrant B; and
- (ii) the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 2 December 2020.

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

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails a provisional allotment of up to 828,573,600 Rights Shares together with up to 621,430,200 free detachable Warrants B on a renounceable basis of 4 Rights Shares together with 3 free Warrants B for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date, at the issue price of RM0.10 per Rights Share.

The actual number of Rights Shares and Warrants B to be issued will depend on the eventual subscription level for the Rights Issue with Warrants. As at the LPD, the total number of issued shares of the Company is 414,286,800 Shares.

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

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

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

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants B and new Shares to be issued arising from the exercise of the Warrants B will be credited directly into the respective CDS Accounts of successful applicants and holders of Warrants B who exercise their Warrants B (as the case may be). No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants B, nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants B.

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

The Rights Shares and Warrants B which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants B Applications.

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

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

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

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

Issue price of the Rights Shares

The Board had fixed the issue price of the Rights Shares at RM0.10 per Rights Share after taking into consideration, amongst others, the following:-

- (i) the funding requirements of the Group as set out in Section 6 of this Abridged Prospectus;
- (ii) the TEAP⁽¹⁾ of RM0.1229 per Green Ocean Shares, calculated based on the 5-day VWAP of Green Ocean Shares up to and including the LTD of RM0.2031 per Green Ocean Shares; and
- (iii) the rationale for the Rights Issue with Warrants, as set out in Section 4 of this Abridged Prospectus.

The issue price of RM0.10 per Rights Share represents a discount of approximately 18.64% to the TEAP of RM0.1229 per Green Ocean Shares, calculated based on the 5-day VWAP of Green Ocean Shares up to and including the LTD of RM0.2031 per Green Ocean Shares.

Note:-

- (1) TEAP is computed as follows:-

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

where:-

- A = Number of Rights Shares
- B = Number of Warrants B
- C = Number of existing Shares
- X = Issue price of the Rights Shares
- Y = Exercise Price
- Z = 5-day VWAP of Green Ocean Shares up to and including the LTD

and the ratio of A:B:C is 4:3:2, in accordance with the entitlement basis of 4 Rights Shares together with 3 free Warrants B for every 2 existing Shares held.

Exercise Price

The Board had fixed the Exercise Price at RM0.10 per Warrant B after taking into consideration the following:-

- (i) the TEAP of Green Ocean Shares based on the 5-day VWAP of Green Ocean Shares up to and including the LTD of RM0.2031 per Green Ocean Shares;
- (ii) the future prospects of the Group, further details of which are set out in Section 8.5 of this Abridged Prospectus; and
- (iii) to fix an exercise price that makes the Warrants B attractive for the purposes of enhancing the subscription level of the Rights Shares.

The Exercise Price per Warrant B represents a discount of approximately 18.64% to the TEAP of RM0.1229 per Green Ocean Shares, calculated based on the 5-day VWAP of Green Ocean Shares up to and including the LTD of RM0.2031 per Green Ocean Shares.

2.3 Ranking of the Rights Shares and new Shares arising from the exercise of the Warrants B

(i) Rights Shares

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

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

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

2.4 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **Thursday, 17 December 2020**.

2.5 Salient terms of the Warrants B

Issuer	:	Green Ocean
Issue size	:	Up to 621,430,200 Warrants B
Form and detachability	:	The Warrants B will be issued in registered form and constituted by the Deed Poll B. The Warrants B which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of Warrants B shall be 100 units of Warrants B, or such other number of units as may be prescribed by Bursa Securities.
Tenure	:	5 years commencing on and including the date of issuance of the Warrants B.
Exercise Period	:	The Warrants B may be exercised at any time within a period of 5 years commencing from and including the date of issuance of the Warrants B to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 5th anniversary from the date of issuance of the Warrants B. Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	:	RM0.10 per Warrant B. The Exercise Price and/or the number of Warrants B in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
Subscription rights	:	Each Warrant B shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
Mode of exercise	:	The holders of the Warrants B are required to lodge a subscription form with the Company's registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the Exercise Price payable when exercising their Warrants B to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustments to the Exercise Price and/or the number of the Warrants B	:	Subject to the provisions of the Deed Poll B, the Exercise Price and/or the number of Warrants B in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants B, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or capital distribution, in accordance with the provisions of the Deed Poll B. Any adjustment to the Exercise Price will be rounded up to the nearest 1 sen.

Rights of the Warrant B holders	: The Warrants B do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants B exercise their Warrants B for new Shares in accordance with the provisions of the Deed Poll B and such new Shares have been allotted and issued to such holders.
Ranking of the new Shares to be issued pursuant to the exercise of the Warrants B	: The new Shares to be issued pursuant to the exercise of the Warrants B in accordance with the provisions of the Deed Poll B shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants B, rank <i>pari passu</i> in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares arising from the exercise of the Warrants B.
Rights of the Warrants B Holders in the event of winding up, liquidation, compromise and/or arrangement	: Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:- <ul style="list-style-type: none"> (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants B (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants B; and (ii) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, and in any other case and subject always to the provisions in the Deed Poll B, every holder of the Warrants B shall be entitled to exercise his Warrants B at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the holders of the Warrants B credited as fully paid subject to the prevailing laws, and such holder of Warrants B shall entitled to receive out of the assets of the Company which would be available in liquidation if the holder of the Warrants B would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the aforesaid 6 weeks, all subscription rights shall lapse and cease to be valid for any purpose.
Modification of rights of Warrants B holders	: Save as otherwise provided in the Deed Poll B, a special resolution of the Warrant B holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrants B holders.

Modification of the Deed Poll B	: Any modification to the terms and conditions of the Deed Poll B may be effected only by a further Deed Poll B, executed by the Company and expressed to be supplemental to the Deed Poll B. Any of such modification shall however be subject to the approval of Bursa Securities (if so required). No amendment or addition may be made to the provisions of the Deed Poll B without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, upon consultation with an approved adviser appointed by the Company, will not be materially prejudicial to the interests of the Warrants B holders.
Listing status	: The Warrants B will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants B on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants B.
Transferability	: The Warrants B shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Governing laws	: The Warrants B and the Deed Poll B shall be governed by the laws of Malaysia.

2.6 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants and ESOS, the Board confirms that there are no other corporate exercises which have been approved by the regulatory authorities but pending completion. The ESOS will be implemented after the completion of the Rights Issue with Warrants.

2.7 Details of past fund-raising exercises undertaken by the Company

(i) Private Placement November 2020

On 11 November 2020, the Company completed a private placement exercise which involved the issuance of 95,605,000 new Shares (representing 30% of the total number of issued Shares prior to the Private Placement November 2020), raising a total of RM11.7 million. As at the LPD, the proceeds have been fully utilised as follows:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of Private Placement November 2020	Actual proceeds raised (RM'000)	Actual utilisation up to the LPD (RM'000)	Balance available for utilisation (RM'000)
(i) Repayment of bank borrowings	Within 6 months	11,675	(11,675)	-
(ii) Expenses for the Private Placement November 2020 ⁽¹⁾	Immediately	65	(65)	-
Total		11,740	(11,740)	-

Note:-

(1) Management fees paid to the placement agent for the management of the placement process and identification of placees respectively.

(ii) Private Placement August 2020

On 26 August 2020, the Company completed a private placement exercise which involved the issuance of 28,971,000 new Shares (representing 10% of the total number of issued Shares prior to the Private Placement August 2020), raising a total of RM7.6 million. The status of utilisation of the proceeds from the Private Placement August 2020 as at the LPD is as follows:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of Private Placement August 2020	Actual proceeds raised (RM'000)	Actual utilisation up to the LPD (RM'000)	Balance available for utilisation (RM'000)
(i) Repayment of bank borrowings	Within 6 months	3,000	(3,000)	-
(ii) General working capital ⁽¹⁾	Within 12 months	4,361	(314)	4,047
(iii) Expenses for the Private Placement August 2020	Within 1 month	200	(200)	-
Total		7,561	(3,514)	4,047

Note:-

(1) The proceeds shall mainly be utilised for the Group's administrative expenses such as staff salaries, overhead expenses (i.e. utilities, upkeep of office premise), Directors' remuneration, employer's statutory contribution and other operational expenses.

3. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDER'S UNDERTAKING

Green Ocean intends to raise a minimum of RM12.5 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the utilisation as set out in Section 6 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level.

To meet the Minimum Subscription Level, the Company has procured the Undertaking from the Undertaking Shareholder. Details of the Undertaking are as follows:-

Undertaking Shareholder	Existing direct shareholding as at the LPD		Minimum Rights Shares to be subscribed for pursuant to the Undertaking			Assuming none of the other Entitled Shareholders subscribe for their Rights Shares	
	No. of Shares	% ⁽¹⁾	Subscription based on entitlement	Subscription based on excess shares application	Total ⁽²⁾	No. of Shares held after the Rights Issue with Warrants	% ⁽³⁾
Mak Siew Wei	49,452,950	11.94	98,905,900	26,094,100	125,000,000	174,452,950	32.35

Notes:-

- (1) Based on the issued share capital of 414,286,800 Shares as at the LPD.
- (2) Based on the Undertaking amount of RM12.5 million and issue price of RM0.10 per Rights Share. This represents 15.09% of the total number of 828,573,600 Rights Shares available for subscription under the Maximum Scenario.
- (3) Based on the enlarged share capital of 539,286,800 Shares under the Minimum Scenario.

Pursuant to the Undertaking, the Undertaking Shareholder has:-

- (i) irrevocably and unconditionally warranted that he shall not sell or in any other way dispose of or transfer their existing interest in the Company or any part thereof during the period commencing from the date of the Undertaking up to the Entitlement Date; and
- (ii) confirmed that he has sufficient financial means and resources to fulfil their obligations under the Undertaking.

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

The Undertaking Shareholder has confirmed that he will observe and comply at all times with the provision of the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

In the event that the Undertaking Shareholder triggers an obligation to undertake a mandatory take-over offer under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions pursuant to the Undertaking, a separate announcement will be made.

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

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by the Company under Rule 8.02(1) of the Listing Requirements, 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, the Company does not hold any treasury shares.

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

Particulars	As at the LPD		(I) After the Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants B	
	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(3)%
Issued share capital	414,286,800	100.00	539,286,800	100.00	633,036,800	100.00
Less: Directors, substantial shareholders and their associates	49,452,950	11.94	174,452,950	32.35	268,202,950	42.37
Shareholders holding less than 100 Shares	1,024	(4)-	1,024	(4)-	1,024	(4)-
Public shareholding spread	364,832,826	88.06	364,832,826	67.65	364,832,826	57.63

Notes:-

- (1) Based on the issued share capital of 414,286,800 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 539,286,800 Shares under the Minimum Scenario.
- (3) Based on the enlarged issued share capital of 633,036,800 Shares assuming full exercise of the Warrants B.
- (4) Negligible.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

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

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

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

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

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

5. DETAILS OF THE GLOVES BUSINESS

5.1 Existing business of the Group

The Group is principally involved in the production of CPKO as well as trading of refined palm oil products and CPKO. CPKO is produced through the extraction process of palm kernel while refined palm oil is produced after crude palm oil has undergone the refinery and distillation processes. CPKO and refined palm oil products are widely used as raw materials for the food industries.

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The Group has been facing challenges in the production of CPKO as the market prices for crude palm commodities have remained subdued. This is due to an oversupply of CPKO, higher forecast for inventories or palm oil products and weaker demands. In view of this, the Board has decided to temporarily cease its production of CPKO since August 2019 and is currently focusing on the trading and supply of refined palm oil products and CPKO. The Group currently sources its refined palm oil products and CPKO locally. Nonetheless, the Group intends to resume the production of CPKO should the market prices for crude palm commodities become favourable.

The Group had entered into a joint venture agreement with NSN Global Resources on 17 June 2019 for the trading and handling of coal. Further information on the agreement is set out in Section 7, Appendix I of this Abridged Prospectus. As at the LPD, through the joint venture, the Group managed to import and trade 4,600 MT of coal which were sourced from Indonesia. However, coal trading activities had to be temporarily halted since the first quarter of 2020 as the parties were unable to travel to Indonesia to source, audit and assess the supply of coal due to the imposition of travel restrictions and closing of international borders in both Indonesia and Malaysia to contain the spread of the COVID-19 pandemic.

Due to the uncertainty of the market prices of CPKO, the financial performance of the Group for the for FYE 31 March 2018, FYE 31 March 2019 and 15-month FPE 30 June 2020 has also been fluctuating as follows:-

	Audited		
	FYE 31 March 2018	FYE 31 March 2019	15-month FPE 30 June 2020
	RM'000	RM'000	RM'000
Revenue	154,672	361,477	222,844
PAT / (LAT)	(7,511)	1,925	(11,430)

Further details on the Group's financial performance are set out in Section 4, Appendix I of this Abridged Prospectus.

5.2 Diversification into the Gloves Business

Given the above and after taking into consideration the current market demand for rubber gloves following the COVID-19 pandemic, the Company had on 27 October 2020 obtained its Shareholders' approval for the diversification into the Gloves Business.

Rubber gloves are personal protective equipment used to cover the hands from the wrist to the fingertips of wearers from hazards. Medical gloves, which is a form of rubber gloves, are typically worn by healthcare professionals and workers in the medical industry as a safety measure to safeguard against infection and exposure to potential viruses, bacteria and contaminants. Medical gloves are also widely used in laboratory works to protect against contaminants and harmful chemicals.

Since the outbreak of the COVID-19 pandemic, the demand for personal protective equipment to curb the pandemic has boosted the demand for medical gloves.

As of 16 November 2020, COVID-19 has affected 220 countries, areas or territories, infecting more than 54.30 million persons and causing 1.32 million deaths.

In view of the COVID-19 pandemic, Smith Zander estimates that, on average, approximately 2.17 billion pieces of examination gloves are required worldwide for the COVID-19 response each month in 2020. Hence, the need for medical gloves as personal protective equipment during the COVID-19 pandemic will boost the demand for rubber gloves, especially in countries that are severely affected.

MARGMA expects exports of rubber gloves from Malaysia to reach 240 billion pieces in 2020, an increase of 28.34% from 2019 to support the surge in demand for medical gloves globally due to the on-going COVID-19 pandemic.

If the COVID-19 infection rates globally remain high, the global demand for rubber gloves is expected to continue rising in the near term. Additionally, moving forward, demand for rubber gloves is also expected to be driven by growth in healthcare services and global industrial production activities.

(Source: IMR Report prepared by Smith Zander)

Further details on the prospects for the rubber gloves industry are set out in Sections 8.2, 8.3 and 8.4 of this Abridged Prospectus.

Premised on the above, the Diversification allows the Group to capitalise on the burgeoning demand for rubber gloves while making the most out of the opportunities created by the COVID-19 pandemic. Moreover, the Diversification will provide an alternative source of income to the Group's current core business.

5.3 Details of the Glove Business

The Group plans to commission up to 12 double former glove-dipping lines in stages over the course of 36 months, subject to the total proceeds raised from the Rights Issue with Warrants, the demand of the rubber gloves moving forward and the performance of the Gloves Business. These 12 lines are expected to yield a combined production capacity of up to approximately 2.0 billion pieces of gloves per annum.

As a start, the Group intends to commence the Gloves Business with the First Phase of acquisition, installation and the commission of up to 6 double former glove-dipping lines upon receipt of proceeds from the Rights Issue with Warrants. These 6 lines are expected to yield a combined production capacity of up to approximately 1.0 billion pieces of gloves per annum.

The actual number of glove-dipping lines to be acquired shall depend on, amongst others, the amount of proceeds that the Group is able to raise, the cost to acquire the machines as well as the demand for gloves at the relevant time. Further details on the capital expenditure for the Gloves Business are set out in Section 6 of this Abridged Prospectus.

To facilitate the Group's Diversification, the Group had on 30 July 2020 incorporated a new wholly-owned subsidiary, namely GRSB. The construction of the new factory building, setting up of the glove-dipping lines and subsequent management and operation of the Gloves Business are intended to be undertaken entirely by GRSB.

Subject to the lead time of purchase orders for the raw materials and machineries as well as the completion of the refurbished factory, the production of rubber gloves is expected to commence by the first half of 2021. Please refer to Section 6 of this Abridged Prospectus for further details on the utilisation of proceeds for the Gloves Business.

In terms of target markets, the Group intends to export the rubber gloves to countries with high COVID-19 infection rates such as the US and European countries, Africa, South America and India to capture the demand of rubber gloves in those countries.

To facilitate the export of the rubber gloves to the said countries, the Group will apply for the necessary certifications. For the export to the European region, the Group intends to obtain the CE Marking certification (typically recognised in the European region). For the export of gloves to the US region, the Group intends to obtain the FDA certification (typically recognised in the US).

For the export of gloves to African countries and India, the Group requires a certificate of origin from the MITI to be accompanied with the export of the gloves. Certain countries in South America requires special certifications, such as certificate from the National Health Surveillance Agency (ANVISA) in Brazil and Certificate of Free Sales in Argentina. Upon successful commercialisation of the rubber gloves, the Group shall assess the demand from these other countries that require additional certifications and determine on the viability to apply for such certifications.

Pending the respective certifications and approvals, the Group intends to sell its gloves to countries with lower import/export regulatory requirements for healthcare products, such as African countries and India. Any specific regulatory approvals for the respective countries that the Group intends to export to shall be identified at the relevant time.

As at the LPD, the Group has yet to identify any distribution channels to market and sell rubber gloves.

In Malaysia, the Group is currently preparing the necessary applications and liaising with the following local authorities to obtain the relevant regulatory approvals for the Gloves Business:-

- (i) Department of Environment
- (ii) Fire and Rescue Department Malaysia
- (iii) Local district council
- (iv) Department of Occupational Safety and Health
- (v) Malaysia Investment Development Authority
- (vi) Malaysian Rubber Board
- (vii) Medical Device Authority
- (viii) Ministry of International Trade and Industry, Malaysia

The Group intends to obtain the approvals from the above authorities / regulatory bodies by first half of 2021.

The Group is in the midst of hiring a team of 5 engineers with the relevant gloves manufacturing and technical know-how coupled with the recruitment of approximately 200 employees with relevant glove manufacturing experience to undertake various roles. The Group shall hire managers and executives for finance, human resources, sales and marketing as well as administrative roles. The Group also intends to hire supervisors and production workers to handle the compounding of chemicals, production of raw gloves, packing of final product and wastewater treatment processes.

As at the LPD, the Group is unable to ascertain the breakdown of number of staff for each role and intends to recruit the staff in stages and in accordance to the number of glove-dipping lines being installed. The Group intends to run the production of rubber gloves on 2 shifts, i.e. day shift and night shift and the Group expects the full team to be in place upon completion of the refurbishment of the factory, and prior to the commencement of the gloves production.

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The following table sets out the summary tentative timeline for the Group's Gloves Business:-

Expected timeline	Events
January 2021	<ul style="list-style-type: none"> • Receipt of proceeds from the Rights Issue with Warrants. • Appointment of architect to commence the drawing of building plans and appointment of contractor for the refurbishment of existing factory buildings for the Gloves Business. The refurbishment is expected to take approximately 2 months. • Submit application to the local district council to obtain business licenses and the Malaysian Rubber Board to obtain manufacturing license to operate the Gloves Business. The approval process is expected to take approximately 1 month.
By March / April 2021	<ul style="list-style-type: none"> • Expected completion of the factory refurbishment and application for the necessary approvals for the Refurbished Facilities. The approval process is expected to take approximately 2 months. • Commence installation and commissioning of the first 2 glove-dipping lines and related facilities. The installation is expected to take approximately 2 to 3 months. • Finalise the recruitment of key staffs including chemical engineers and general manager for the Gloves Business. • Submit application to obtain ISO 13485. The approval process is expected to take approximately 2 to 3 months. • Submit applications to Malaysia Investment Development Authority and the MITI to obtain manufacturing license. The approval process is expected to take approximately 2 months. • Submit application to obtain CE Marking Certification. The approval process is expected to take approximately 2 months.
By May / June 2021	<ul style="list-style-type: none"> • Finalise recruitment of operational staffs to operate the glove-dipping lines and commence training and onboarding and finalise the distribution channels. • Complete installation and commission of first 2 glove-dipping line and related facilities. • Submit application to Department of Environment, Department of Occupational Safety and Health as well as Fire and Rescue Department Malaysia. The approval process is expected to range between 1 to 2 months. • Commence production of rubber gloves. • Registration with the Medical Device Authority after obtaining the ISO13485 certification. The registration process is expected to take approximately 1 month. • Application for certificate of origin from the MITI. The approval process is expected to take approximately 2 weeks. • Submit application for the FDA Certification. The approval process ranges between 3 to 5 months.
By second half of 2021	<ul style="list-style-type: none"> • Commercialisation of the rubber gloves upon obtainment of the requisite certifications for distribution of the rubber gloves locally and/or internationally. • Installation and commission of additional 4 glove-dipping lines and related facilities.

6. UTILISATION OF PROCEEDS

Based on the issue price of RM0.10 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants are intended to be utilised in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	⁽¹⁾⁽²⁾ Minimum Scenario (RM'000)		⁽¹⁾⁽²⁾ Maximum Scenario (RM'000)	
		(RM'000)	%	(RM'000)	%
(i) Repayment of bank borrowings	Within 6 months	7,300	58.4	7,300	8.8
(ii) Refurbishment of existing factory building for the Gloves Business	Within 12 months	4,300	34.4	15,000	18.1
(iii) Capital expenditure for the Gloves Business	Within 36 months	-	-	41,100	49.6
(iv) Working capital for the Gloves Business	Within 24 months	-	-	18,557	22.4
(v) Estimated expenses for the Corporate Exercises	Immediate	⁽³⁾ 900	7.2	⁽³⁾ 900	1.1
Total		12,500	100.00	82,857	100.00

Notes:-

(1) The proceeds raised are expected to be utilised up to its respective maximum allocation in the following order:-

- (i) repayment of bank borrowings;
- (ii) refurbishment of existing factory building for the Gloves Business;
- (iii) capital expenditure for the Gloves Business; and
- (iv) working capital for the Gloves Business.

The actual utilisation of such proceeds is subject to the operational needs at the relevant time and the quantum of proceeds that the Company is able to raise. Any shortfall between the Group's funding requirements for (i) to (iv) above and the actual amount of proceeds raised are expected to be funded via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken (if required).

- (2) Pending the utilisation of proceeds for its earmarked purposes, the unutilised proceeds shall be placed in interest-bearing deposits.
- (3) If the actual expenses incurred are higher than the budgeted amount of RM0.9 million, the deficit will be funded via internally generated funds. Conversely, any surplus of funds following payment of expenses will be utilised in the order as set out in Note (1) above.

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(i) Repayment of bank borrowings

As at the LPD, the Group's outstanding bank borrowings stood at RM10.5 million.

The Group intends to allocate RM7.3 million of proceeds to be raised from the Rights Issue with Warrants towards repayment of the following bank borrowings, allocated up to its respective maximum allocation in the following order as set out below:-

Name of bank	Type of facility	Outstanding amount as at the LPD (RM'000)	⁽³⁾ Repayment amount (RM'000)	Estimated annual interest savings from the repayment (RM'000)
AmBank Islamic Berhad	Bank overdrafts ⁽¹⁾	4,849	(4,849)	⁽⁴⁾ 289
AmBank Islamic Berhad	Bankers' acceptances ⁽²⁾	5,698	(2,451)	⁽⁵⁾ 60
Total		10,547	(7,300)	349

Notes:-

(1) These bank overdrafts were drawn down to finance the Group's working capital and has a tenure of up to 36 months from February 2018.

(2) These bankers' acceptances were drawn down to finance the Group's working capital and has a tenure of 90 days from the date of drawdown.

(3) While the Group intends to allocate proceeds of up to RM7.3 million from the Rights Issue with Warrants to repay these borrowings, these borrowings are subject to prevailing interest rate, drawdown and repayment from time to time. As such, the outstanding principal amount of these borrowings at the point of repayment may differ from the current amount as at the LPD.

In this event, any surplus shall be reallocated in the order of utilisation set out in Note (1) of this Section 6 above. Any shortfall shall be funded via the portion earmarked for refurbishment of existing factory building for the Gloves Business, internally generated funds and/or future fund raising exercises to be undertaken (if required).

(4) Based on an effective interest rate of 5.95% per annum.

(5) Based on an effective interest rate of 2.48% per annum.

(ii) Refurbishment of existing factory building for the Gloves Business

To facilitate the Group's venture into the Gloves Business, the Group intends to utilise proceeds of up to RM15.0 million from the Rights Issue with Warrants for the refurbishment of its existing factory buildings into a glove-dipping facility.

Currently, the Group owns a land in Kapar, Klang, Selangor measuring 210,421 sq ft. There are currently 2 factory buildings erected on the said land which has a built-up area of approximately 38,750 sq ft and 21,305 sq ft respectively ("**Existing Properties**"). The Existing Properties include an office, factory buildings, storage facilities and a palm oil fractionation plant. However, since August 2019, the Group has temporarily ceased the production of CPKO due to subdued prices and weaker demand. Instead, the Group has focused on the trading and supply of palm oil products. Currently, the Group is storing the palm oil products at the Existing Properties.

The Group intends to refurbish the Existing Properties to a glove-dipping facility in order to facilitate its venture into the Gloves Business. However, the Group intends to continue to retain parts of the factory buildings, the fractionation plant and storage facility in order to cater for the continued operations of existing business (i.e. trading of CPKO and refined palm oil products). The Group may also resume the production of CPKO at its palm oil fractionation plant should the market prices for crude palm commodities become favourable.

The refurbishment of the Existing Properties into a glove-dipping facility (“**Refurbished Facility**”) is estimated to cost up to RM15.0 million. The Group has engaged contractors to conduct a preliminary assessment on the extent of refurbishment works that are required based on the Group’s needs. This includes tearing down of the existing building and fixtures and the construction of new building structure and/or extensions for the production of medical gloves. The actual cost may differ from the estimated amount in view that there could be variations if the condition of the Existing Properties requires more work than was anticipated. Thus, any shortfall is intended to be met via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken by the Group (if required). Conversely, any surplus shall be reallocated in the order of utilisation set out in Note (1) of this Section 6 above.

Upon completion of the refurbishment, the Refurbished Facility will be able to house up to 12 glove-dipping lines and is expected to have a total built-up area of approximately 10,000 square metres. The refurbishment is expected to take approximately 6 months and shall commence upon receipts of proceeds from the Rights Issue with Warrants, i.e. fourth quarter of 2020. Subject to all relevant approvals being obtained, the refurbishment is expected to be completed by the first half of 2021.

(iii) Capital expenditure for the Gloves Business

As set out in the Circular, based on an illustrative issue price of RM0.125 per Rights Share, the Group is able to raise up to RM103.6 million of proceeds from the Rights Issue of Warrants, of which the Group intends to allocate up to RM81.9 million to fund the capital expenditure of the Group for the Gloves Business.

However, in view that the issue price of the Rights Shares has been fixed at RM0.10, the Group is able to raise up to RM82.9 million from the Rights Issue with Warrants, giving rise to a shortfall of RM20.7 million as compared to the illustrative utilisation of proceeds set out in the Circular, the Group had decided to only proceed with the First Phase of the Glove Business (i.e. acquisition of up to 6 gloves-dipping line).

The Group intends to utilise proceeds of up to RM41.1 million from the Rights Issue with Warrants to acquire, install and commission up to 6 double former glove-dipping lines to manufacture rubber gloves, being the First Phase of the Gloves Business. These 6 lines are expected to yield a combined production capacity of up to approximately 1.0 billion⁽¹⁾ pieces of gloves per annum. The glove-dipping lines are to be housed in the Refurbished Facility as set out in Section 6 (ii) above. The number of glove-dipping lines to be acquired shall depend on the amount of proceeds that the Group is able to raise and the availability of funds at the relevant time.

Note:-

(1) Each double former glove-dipping line is estimated to generate an output of 165 million pieces of gloves per annum.

The Group estimates the cost to acquire, install and commission 1 automated glove-dipping line to cost approximately RM5.8 million. In addition to the costs for the automated glove-dipping line, the Group also has to incur costs relating to installation and commission of related facilities as well as certification expenditures. Further details on the estimated funding requirements for the glove-dipping lines are set out below:-

Breakdown of cost	⁽¹⁾First Phase (i.e. 6 glove-dipping lines) (RM'000)
Acquisition, installation and commission of automated glove-dipping lines for the manufacture of rubber gloves ⁽²⁾	35,040
Installation and commission of related facilities ⁽³⁾	5,760
Certification expenditure ⁽⁴⁾	300
Total	41,100

Notes:-

(1) The total cost for the First Phase, i.e. 6 glove-dipping lines is estimated to amount to RM41.1 million. Under the Minimum Scenario, the First Phase will be funded via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken (if required).

Under the Maximum Scenario, the total capital expenditure to commission 6 glove-dipping lines will be fully funded via the proceeds from the Rights Issue with Warrants. Any shortfall in proceeds raised for the Group's funding requirement for capital expenditure for the Gloves Business after allocation of proceeds for the repayment of bank borrowings under item (i) above and for the Refurbishment under item (ii) above, is expected to be met via internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken (if required). Depending on funding available at the relevant time, the Group may acquire lesser glove-dipping lines. However, the funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the cash to be generated from the initial operations of the Gloves Business as well as the availability and suitability of other funding alternatives at the relevant time.

(2) The automated glove-dipping line consists of dipping tanks, ovens, motors, conveyor system. Each automated double-former glove dipping line costs RM4.9 million. In addition to the costs of the automated glove-dipping lines, in order to fully commission the glove-dipping line to manufacture gloves, the Group shall also set up the ancillary facilities (e.g. online chlorination system to treat gloves) and acquire components (e.g. formers, i.e. the hand-shaped mould). The costs of the ancillary facilities and components shall be subject to, amongst others, the final specifications of the glove-dipping line and the layout of the factory. The estimated total cost to acquire, install and commission 1 automated glove-dipping line with the ancillary facilities and components is approximately RM5.8 million.

Additionally, the above estimated costs of the machines, ancillary facilities and components will be subject to the prevailing market price at the time of order and payment as well as any further negotiations with the machine suppliers from time to time.

(3) These include, amongst others, building systems which enable the supply of utilities (i.e. electricity and water) and wastewater treatment plant to treat the wastewater from the ovens and dipping tanks arising from the manufacturing process.

- (4) In view that the COVID-19 pandemic impacts certain regions (e.g. the Americas and the European continent) more severely, the demand for rubber gloves are expected to continue to be sustained in these regions. As such, the Group intends to obtain the quality certifications that are recognised globally such as the ISO 13485, CE Marking certification and FDA certification for its rubber gloves to cater for the export of the gloves globally.

This includes costs to obtain ISO13485, CE Marking certification (typically recognised in the European region), FDA certification (typically recognised in the US), registration with the Medical Device Authority (MDA) in Malaysia and certificate of origin from the MITI.

The amount allocated for the certification expenditure does not represent the total amount of certification expenditure required for the Group to undertake the Gloves Business and does not include costs for obtaining the certificate from the National Health Surveillance Agency (ANVISA) in Brazil and Certificate of Free Sales in Argentina. The Group shall assess the demand from these countries that require such additional certifications and determine on the viability to apply for the additional certifications upon successful commercialisation of the rubber gloves.

Subject to the lead time of purchase orders for the raw materials and machineries, the production of rubber gloves is expected to commence by the first half of 2021.

(iv) Working capital for the Gloves Business

Arising from the shortfall in proceeds to be raised via the Rights Issue with Warrants as compared to the illustrative scenario as set out in the Circular, the Group had decided to start with the First Phase of the Glove Business (i.e. acquisition of up to 6 gloves-dipping line) and thereafter channel the balance of the amount as the working capital for the Gloves Business. Further details are set out in Section 6 (iii) above.

The Group intends to utilise the balance proceeds from the Rights Issue with Warrants as working capital for the Gloves Business in the following manner:-

Working capital	Percentage allocation (%)	Maximum Scenario (RM'000)
Purchase of raw materials required for the production of rubber gloves ⁽¹⁾ (e.g. raw nitrile, packing materials and chemicals such as calcium nitrate, potassium hydroxide and liquid chlorine and etcetera) and utilities	60	⁽³⁾ 11,134
Staff salaries ⁽²⁾	40	⁽³⁾ 7,423
Total	100	18,557

Notes:-

- (1) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual production requirements of the Group at the relevant time.
- (2) The Group intends to recruit up to 200 employees to undertake various roles (e.g. production, quality control, research and development etc.) for the new Gloves Business.
- (3) The amount allocated from the Rights Issue with Warrants does not represent the total amount of working capital required for the Group to undertake the Gloves Business.

(v) Estimated expenses for the Corporate Exercises

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

Estimated expenses	RM'000
Professional fees ⁽¹⁾	690
Fees to relevant authorities	110
Printing, despatch, advertising and meeting expenses	70
Miscellaneous charges	30
Total	900

Note:-

- (1) Comprises estimated professional fees payable to the Principal Adviser, company secretary, Share Registrar, solicitors, reporting accountants and Independent Market Researcher in relation to the Corporate Exercises. The professional fees excluded management fees and placement commission payable to the placement agent for the management of the placement process and identification of placees respectively, which have been paid using the proceeds from Private Placement November 2020 as detailed in Section 2.7(i) of this Abridged Prospectus.

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be eventually issued.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants B would depend on the actual number of Warrants B exercised. The proceeds from the exercise of the Warrants B will be received on an "as and when basis" over the tenure of the Warrants B.

Strictly for illustrative purposes, based on the Exercise Price of RM0.10 per Warrant B, the Company will raise gross proceeds of up to approximately RM62.1 million upon full exercise of the Warrants B under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants B in the future will be used to finance the Group's general working capital requirements which shall include administrative expenses such as staff salaries, group overhead expenses (i.e. utilities, upkeep of office premise), Directors' remuneration, employer's statutory contribution, purchase of raw materials including those required for the production of rubber gloves and other miscellaneous operating expenses. The exact utilisation breakdown cannot be determined at this juncture as it would depend on the actual requirements of the Group at the relevant time.

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7. RISK FACTORS

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

7.1 Risks relating to the Group

7.1.1 Risks relating to the new Gloves Business

(i) Business diversification risks

The diversification of the business of the Group into the Gloves Business may expose the Group to risks inherent to the rubber gloves industry, in which the Group has no prior experience. These may include, amongst others, general economic downturn in the global and regional economies, competition from existing players, socio-political instability, changes in the legal and environmental framework within which this industry operates and changes in demand of rubber gloves.

With the ongoing COVID-19 pandemic, the demand for gloves is expected to increase depending on the severity of the COVID-19 pandemic. However, any availability of a vaccine and the commercial viability to make available such a vaccine to the masses may cause a decrease in the expected demand for the medical gloves among healthcare professionals. If such event occurs, there is no assurance that the demand for gloves will continue to sustain.

Additionally, the Group intends to fund the capital expenditure for the Gloves Business through a combination of proceeds raised from the Rights Issue with Warrants, internally generated funds, bank borrowings and/or future fund raising exercises to be undertaken (if required). There is no assurance that the Group is able to generate sufficient funds through the Rights Issue with Warrants, its existing operations and/or obtain funding from financial institutions or alternative means to carry out the Group's diversification plans.

A lack of funding may lead to, amongst others, a reduction in the number of gloves-dipping lines that the Group is able to acquire, inability to procure raw materials and/or inability to make payment of staff salaries. This may ultimately lead to a halt to the Group's diversification plans.

Although the Group will seek to limit these risks through, amongst others, recruiting personnel with relevant experience and technical knowledge, explore all fund raising avenues available as well as continuously monitoring the latest developments in the rubber gloves industry, no assurance can be given that any occurrence of the aforementioned events will not have a material adverse effect on the Group's business and earnings in the future.

(ii) No prior experience in the manufacturing of rubber gloves

The Group is principally involved in the production of CPKO as well as trading of refined palm oil products and CPKO. As such, the Group does not have any prior experience in the manufacturing of rubber gloves. In particular, the production processes and marketing strategies that may be required to successfully manufacture and sell rubber gloves is relatively unique and distinct from the Group's existing business.

Even though the Group is of the view that there is a sufficient pool of talent with suitable technical expertise that can be recruited from the labour market in Malaysia, there can be no assurance that the Group will be able to recruit, assemble and retain a team with the relevant expertise. In such an event, this may affect the smooth running of the Gloves Business. Further, there may be shortage of foreign labour due to closure of the Malaysian borders to foreigners to contain the COVID-19 outbreak. As such, the Group may incur higher cost of production than its competitors as local labourers typically cost more than foreign labourers. There can be no assurance that the Group would be able to compete in terms of cost of production with existing players in the market. There is also no guarantee that the Glove Business can contribute sufficiently to the future earnings of the Group to offset the associated investment costs and cost of production.

(iii) Risk of delay / failure in obtaining the necessary regulatory certifications

The Group has no prior experience in the application for any medical certifications required for the Gloves Business. The Group intends to obtain the quality certifications that are recognised globally such as the ISO 13485, CE Marking certification and FDA certification for its medical gloves to cater for the export of the gloves globally. In Malaysia, the Group intends to apply for the necessary approvals from the relevant authorities and obtain manufacturing licenses for the Glove Business which includes amongst others, the Medical Device Authority (MDA) in Malaysia, the MITI, Department of Environment and Fire and Rescue Department Malaysia. Further details are set out in Section 5 of this Abridged Prospectus. Any delay in the obtainment of the regulatory certifications and licenses beyond the Group's expected timeframe set out in Section 5.3 of this Abridged Prospectus will cause a corresponding delay to the Group's expected timeline to commence the production of rubber gloves (i.e. by first half of 2021) and commercialisation of the rubber gloves (i.e. by second half of 2021).

There is no assurance that the rubber gloves to be manufactured by the Group can comply with all of the said certifications or that the said certifications and/or approvals from relevant authorities can be obtained in a timely manner. In the event of any adverse development or delay in the application of the relevant certifications, the export of rubber gloves to the target markets may be delayed or some target markets may even be off limits to the Group. For example, a delay or non-approval of the FDA Certification and/or the CE Marking Certification would result in the Company being unable to export to the US and/or the European region. This may severely limit the Group's ability to sell / export rubber gloves on a wider scale, thus limiting the Group's revenue potential.

(iv) Fluctuation in raw material prices

One of the major raw materials required for the Gloves Business is raw nitrile, a synthetic rubber. The prices of synthetic rubber fluctuate in accordance to the materials used to produce synthetic rubber such as petroleum and butadiene. Any material increase in the prices of these raw materials may have an adverse impact on the financial performance and financial condition of the Group. Sustained increases in butadiene prices generally lead to higher costs for raw nitrile, which is a main component used in manufacturing of nitrile gloves.

In such an event, the Group may not be able to fully pass on the higher cost of raw materials to customers. Hence, no assurance can be given that any significant changes to the prices of raw materials will not adversely affect the future profitability of the Group.

7.1.2 Risks relating to the Group's existing business

Aside from the Gloves Business which the Group is undertaking pursuant to the Diversification, the Group is principally involved in the production of CPKO as well as trading of refined palm oil products and CPKO. In relation to the production of CPKO, the Group has temporarily ceased its production of CPKO since August 2019 due to subdued prices and weaker demand.

(i) Commodity price risk

The prices of palm oil products such as CPKO are dependent on the supply and demand conditions in the world's oils and fats market and are also based on or affected by global prices, which tend to be cyclical and subject to fluctuations. Global prices are in turn affected by the availability of agricultural commodities, of which supply is affected by unpredictable factors such as weather conditions, while demand is affected by factors such as changes in population growth, changes in standards of living, bio diesel demand and global production of substitute and competitive crops.

Prices are also affected by a variety of other factors beyond the control of the Group, including environmental and conservation regulations, tariffs and natural disasters. The markets of palm oil products are also sensitive to changes in industry capacity and output levels. As the Group's profitability is linked to the selling prices achieved for palm oil, there can be no assurance that any price fluctuations will not have a material adverse effect on the Group's business operations and financial performance.

In recent years, the market prices for CPKO have been generally on a downwards trend. As such, the Group has temporarily ceased the production of CPKO since August 2019 and is instead focused on the trading and supply of refined palm oil products and CPKO as well as exploring new business opportunities to diversify its revenue such as the Gloves Business. The Group currently mainly derives its revenue from the trading of palm oil products, as such, any fluctuation in the prices of CPKO and other palm oil products will accordingly affect the profitability of the Group.

(ii) Political, economic and regulatory considerations

The financial and business prospects, and the industries in which the Group operates in, will depend on, to some degree, the developments in the political, economic and regulatory environment. Amongst the political, economic and regulatory factors include global economic slowdown, changes in currency exchange rates, changes in interest rates, war, terrorism activities, riots, changes in political leadership and unfavourable changes in the governmental policies such as introduction of new regulations, licensing regulation for agricultural industry, import duties and tariffs.

In the event the Group resumes its CPKO production, it is subject to various health, safety and environmental laws and regulations which include amongst others, standards governing emissions and discharge of materials into the ground, air or water from the facilities, safety and integrity of the refineries and solid waste management. There can be no assurance that material costs and liabilities will not be incurred in the future.

Further, no assurance can be given that the standards imposed by such environmental laws and regulations will not change and compliance with more stringent environmental laws and regulations may increase the costs of operating palm oil processing facilities.

Additionally, any health, safety or environmental related claims or the failure to comply with any present or future regulations could jeopardise the chances of renewing any existing licenses for the operation of the business and facilities.

(iii) Risk associated with joint venture

The Group has a collaboration with NSN Global Resources, to undertake, amongst others, the trading of coal. Although the joint venture is regulated by the joint venture agreement, there can be no assurance that the joint venture partner will continue its partnership with the Group or that it will be able to perform its obligations under the joint venture or that any disputes will not arise and that such disputes will not materially affect the relationship with NSN Global Resources, the joint venture or the Group's financial position.

The Group relies on the expertise of NSN Global Resources in the trading and handling of coal and the securing of coal contracts. If the joint venture partner discontinues its arrangement with the Group and/or is unable to provide the expected expertise, this may have an adverse impact on the joint venture. The planned project(s) pursuant to the joint venture may not be completed in a timely manner and the Group will not be able to derive any profit through its profit sharing proportion of 51% from the joint venture.

7.1.3 Risks relating to the impact of COVID-19 on the Group's businesses

Over the last few months, the COVID-19 pandemic has spread across the world resulting in lockdown or similar measures imposed by governments worldwide to curb the spread of the virus. These have resulted in adverse impact to the performance of the world's economies including Malaysia. Even with the gradual relaxation of lockdown measures moving forward, consumer sentiment is expected to remain dampened in the near future as consumers stay cautious in their spending. Until a vaccine can be developed and mass-distributed to the general population, the dampening effects of the COVID-19 pandemic on consumer spending is expected to remain in the foreseeable future.

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During the MCO period that was imposed by the Government, the Group's operations were categorised as essential services, and hence the Group was able to carry out its palm oil products trading business. However, there were minimal disruptions faced, such as logistics issues due to the road closure and road blocks set up due to implementation of the MCO. While the Group was able to carry out its operations, the management has decided to reduce purchasing of inventory and its trading activities to reduce the Group's exposure to the CPKO market due to the uncertainty amidst the COVID-19 pandemic that may cause fluctuation in the prices of CPKO. The Group's joint venture for trading in coal was also halted temporarily due to the imposition of travel restrictions and closing of international borders as the parties were unable to source, audit and assess the supply of coal overseas.

As a result, the Group's revenue for 3-month FPE 30 September 2020 decreased by RM23.6 million or 48.5% from RM48.8 million to RM25.1 million as compared to the previous corresponding period. Please refer to Section 4(i), Appendix I of this Abridged Prospectus for further details on the Group's financial performance for the 3-month FPE 30 September 2020.

With the current daily global COVID-19 cases reaching another record high, countries around the globe are facing the risk of a prolonged second wave or third wave of COVID-19 infection in the future. Should the respective government around the globe reintroduce and/or reinforce movement restrictions / lockdown, this will potentially reduce economic activities leading to a reduction in demand for the Group's products, i.e. palm oil related products. As a result, the Group may not be able to generate sufficient revenues which might have a material adverse impact on the financial performance of the Group. Further, the Group's venture into the Gloves Business may also be impacted by the COVID-19 pandemic such as delays in obtaining necessary regulatory certifications, potential supply chain disruption, potential delay in the refurbishment of the Group's existing factory building for the Gloves Business if the Government imposed a stricter lockdown measures that might affect the refurbishment as well as the shortage of foreign labour workers due to closure of the Malaysian borders to foreigners.

On the other hand, while the Group has taken opportunities created by the COVID-19 pandemic to venture into the Gloves Business, there is no assurance that the Group may be successful in this new business venture, due to potential risks highlighted in Section 7.1.1 of this Abridged Prospectus.

7.2 Risks relating to the Rights Issue with Warrants

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

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

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There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants. In the event the Rights Shares have been allotted to the successful Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) and/or their transferee(s), if applicable, and the Rights Issue with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act.

Such cancellation may require the approval of the Shareholders by way of a special resolution in a general meeting, consent of the Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by the Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue with Warrants cannot be implemented or completed for any reason, the Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares with Warrants B including the Excess Rights Shares with Warrants B within 14 days after the Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after the Company becomes liable to do so, the Company will repay such monies in accordance with Section 245(7) of the CMSA.

(ii) Capital market risk

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

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

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

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

(iii) Forward-looking statements and other information

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

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

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

8. INDUSTRY OVERVIEW AND PROSPECTS

8.1 Malaysian economy

The Malaysian economy contracted by 17.1% in the second quarter of 2020 (first quarter 2020: 0.7%). The decline reflected the unprecedented impact of the stringent containment measures to control the COVID-19 pandemic globally and domestically. In Malaysia, the nationwide MCO issued by the Government included various measures that restricted production and consumption activities. This resulted in demand and supply shocks that emanated not only from significantly weak external demand conditions, but also production constraints in many economic sectors. On the supply side, most economic sectors registered negative growth, while most expenditure components declined. On a quarter-on-quarter seasonally-adjusted basis, the economy contracted by 16.5%.

Economic activity has resumed since the economy began to reopen in early May 2020. Consequently, growth is expected to have troughed in the second quarter of 2020, with a gradual recovery in the second half. This outlook is underpinned by the rebound of key indicators such as wholesale and retail trade, industrial production, gross exports, and electricity generation.

This improvement in growth will also be supported by the recovery in global growth and continued domestic policy support. In particular, consumption and investment activities are projected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. With the reopening of economic activities, a concurrent improvement in labour market conditions is expected.

Overall, the Malaysian economy is therefore forecasted to grow within the range of -3.5% to -5.5% in 2020, before staging a rebound within a growth range of 5.5% to 8.0% in 2021.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, BNM)

In 2019, the Malaysian economy expanded by 4.3%. 2020 is an exceptionally challenging year for the global economy. Confronted with an unprecedented health crisis, global growth is expected to contract. As an open economy, Malaysia will not be spared. Malaysia's GDP growth is projected to be between -3.5% and -5.5% in 2020, affected by weak global demand, supply chain disruptions and COVID-19 containment measures both abroad and domestic.

(Source: BNM's Sidang Akhbar dated 14 August 2020: "Prestasi Ekonomi Suku Kedua Tahun 2020")

While the MCO and measures to promote social distancing will dampen economic activity temporarily, they are necessary to contain the spread of the virus. The Government's stimulus package will help to cushion the economic fallout. Both Pakej Rangsangan Ekonomi 2020 and Pakej Rangsangan Ekonomi Prihatin Rakyat as well as BNM's financial measures will provide sizable support to households and businesses.

These measures are expected to add 2.8 percentage points to 2020 GDP growth. Also supporting growth is the ongoing large-scale infrastructure projects, which are expected to provide an additional 1 percentage point lift to growth in 2020.

There remain significant uncertainties surrounding the growth outlook, with both upside and downside risks to the outlook. Downside risks stems from more prolonged and wider spread of COVID-19 globally and domestically, recurring commodities supply disruptions and tighter financial conditions following heightened volatility in financial markets. However, there are also upside risks, emanating from potentially larger-than-expected impact from the pro-growth measures, faster normalisation in activity amid pent-up demand and better-than expected global economy, arising from the various stimulus measures. BNM expects the Malaysian economy to rebound in 2021, in line with the projected global recovery.

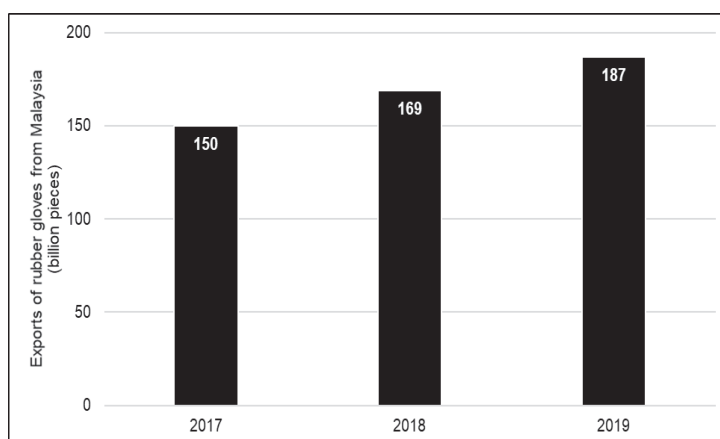
(Source: BNM's press statement dated 3 April 2020: "Bank Negara Malaysia Publishes Annual Report 2019, Economic and Monetary Review 2019 and Financial Stability Review for Second Half 2019")

8.2 Outlook and prospects of the rubber glove exports in Malaysia

In 2019, Malaysia is the world's largest exporter of rubber gloves, where exports of rubber gloves from Malaysia contributed to 63.18% of total global demand for rubber gloves.

To cater to the demand for rubber gloves globally, exports of rubber gloves from Malaysia increased from 150 billion pieces in 2017 to 187 billion pieces in 2019 at a CAGR of 11.65%.

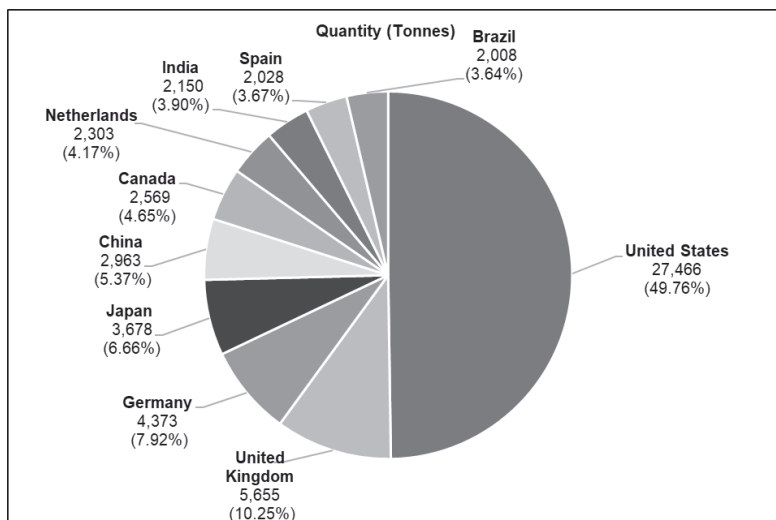
Exports of rubber gloves from Malaysia, 2017 – 2019



MARGMA expects exports of rubber gloves from Malaysia to reach 240 billion pieces in 2020, an increase of 28.34% from 2019 to support the surge in demand for medical gloves globally due to the on-going COVID-19 pandemic.

Based on latest available data, in August 2020, the top export countries of rubber gloves from Malaysia in terms of tonnage is United States (49.76%) followed by United Kingdom (10.25%).

Top 10 export countries of rubber gloves from Malaysia (August 2020)⁽¹⁾



Note:-

(1) Percentage may not add up to 100.00% due to rounding.

Malaysia is a major producer of rubber gloves with approximately 69 rubber glove manufacturing companies. The manufacturing activities of rubber gloves have been increasing to support the increasing exports of rubber gloves from Malaysia to cater for the increasing global demand for rubber gloves.

The growth of rubber glove manufacturing activities in Malaysia is attributed to low production costs, easy access to raw materials and stringent testing to meet international standards, making Malaysian-produced rubber gloves reliable and cost-effective.

Further, rubber glove manufacturing activities in Malaysia grows significantly during epidemic and pandemic disease outbreaks such as Severe Acute Respiratory Syndrome (SARS) in 2003, Ebola virus disease (Ebola) in 2014-2016, Middle East Respiratory Syndrome (MERS) in 2015 and the recent COVID-19 in 2020, as demand for rubber gloves primarily in the healthcare industry, rises substantially during these times. The increase in demand due to the COVID-19 pandemic has led to rising utilisation rates to nearly 100% of production capacity among rubber glove manufacturers in Malaysia.

As such, rubber glove manufacturers seek continuous technological upgrades of rubber glove manufacturing processes and glove-dipping lines to meet rising demand through improved efficiencies such as time, speed, quality, energy usage and cost of glove manufacturing. The need for continuous upgrades of glove-dipping lines grows with increasing demand for rubber gloves.

One of the aspects of technological upgrades in rubber glove manufacturing activities is the increase in automation of glove-dipping lines. Increased automation during the manufacturing of rubber gloves will speed up production, thus increasing the production volume of rubber gloves manufactured in a given time. In line with the increase in automation to replace manual labour, rubber glove manufacturers will be able to reduce reliance on manual labour required to transfer semi-finished rubber gloves from one machine to another.

According to MARGMA, the rubber glove manufacturers have already taken an oversold position prior to the widespread outbreak of the COVID-19 pandemic, thus resulting in new order deliveries of rubber gloves to take between 90 to 120 days. In addition, as a result of the oversold position and surge in demand for medical gloves globally due to the on-going COVID-19 pandemic, rubber glove manufacturers are experiencing higher sales for their rubber gloves and at higher average selling prices.

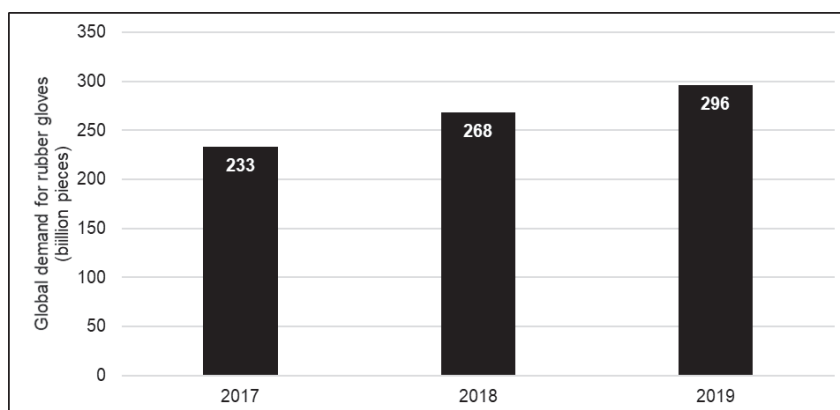
(Source: IMR Report prepared by Smith Zander)

8.3 Outlook and prospects of the global rubber glove market

The global rubber glove market size, as represented by the global demand for rubber gloves, increased from 233 billion pieces in 2017 to 296 billion pieces in 2019, at a CAGR of 12.71%.

As a result of the surge in demand for medical gloves globally due to the on-going COVID-19 pandemic, MARGMA expects global demand for rubber gloves to reach 360 billion pieces in 2020, an increase of 21.62% from 2019.

Rubber glove market size (Global), 2017 – 2019



(Source: IMR Report prepared by Smith Zander)

8.4 Demand for the rubber gloves

If the COVID-19 infection rates globally remain high, the global demand for rubber gloves is expected to continue rising in the near term.

Moving forward, the outlook of the global rubber glove market is positive, premised on the following:-

- (i) The demand for personal protective equipment to curb the spread of COVID-19 pandemic boosts the demand for medical gloves. As of 16 November 2020, COVID-19 has affected 220 countries, areas or territories, infecting more than 54.30 million persons and causing 1.32 million deaths.

In view of the COVID-19 pandemic, Smith Zander estimates that, on average, approximately 2.17 billion pieces of examination gloves are required worldwide for the COVID-19 response each month in 2020. Hence, the need for medical gloves as personal protective equipment during the COVID-19 pandemic will boost the demand for rubber gloves, especially in countries that are severely affected.

- (ii) The growth in healthcare services drives the demand for medical gloves. Medical gloves are used by healthcare professionals who attend to patients during the provision of healthcare services. They protect healthcare professionals against infection and exposure to potential viruses, bacteria and contaminants in the form of aerosols and liquid droplets carried in patients' body fluids or blood, which subsequently eliminate or reduce the chances of cross-contamination among healthcare professionals and patients. As such, the increase in the demand for healthcare services will drive the demand for rubber gloves including medical gloves.

The global healthcare services industry grew in terms of global healthcare expenditure, which increased from USD7.33 trillion (RM28.64 trillion) in 2015 to USD7.97 trillion (RM34.28 trillion) in 2017, at a CAGR of 4.27%.

The demand for healthcare services is driven by various factors including growing accessibility to healthcare services, rising population and growing ageing population and rising prevalence of chronic and contagious diseases.

Smith Zander forecasts global healthcare expenditure to increase from USD7.97 trillion (RM34.28 trillion) in 2017 to USD9.05 trillion (RM38.21 trillion) in 2020, at a CAGR of 4.33%.

- (iii) The growth in the global industrial production activities in the manufacturing sector drives the demand for industrial gloves. The global manufacturing sector, as measured by manufacturing value added, grew from USD13.03 trillion (RM56.04 trillion) in 2017 to USD13.84 trillion (RM57.33 trillion) in 2019, registering a CAGR of 3.06%. Industrial gloves are a form of protective wear used during industrial production activities of the manufacturing sector to cover and protect the hands from hazardous chemical, metal cuts, glass cuts and high-temperature sources. In addition, strict government regulations for workplace safety and increasing incidence of accidents in workplaces globally are expected to continue driving the demand for industrial gloves as a form of protective wear.

According to the United Nations Industrial Development Organization, the global manufacturing sector, as measured by manufacturing value added is forecast to decline by 8.40% from USD13.84 trillion (RM57.33 trillion) in 2019 to USD12.68 trillion (RM53.53 trillion) in 2020. The global manufacturing sector is expected to experience a negative growth in 2020 due to the imposition of lockdowns, temporary closure or disruption in manufacturing operations in the respective countries to curb the spread of COVID-19. However, moving forward, the global manufacturing sector is expected to continue to grow once the outbreak of the COVID-19 subsides.

(Source: IMR Report prepared by Smith Zander)

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8.5 Prospects and future plans of the Group

The Group is principally involved in the production of CPKO as well as trading of refined palm oil products and CPKO. The Group has been facing challenges in the production of CPKO as the market prices for crude palm commodities have remained subdued. In view of this, the Board has decided to temporarily cease its production of CPKO in August 2019. Please refer to Section 5 of this Abridged Prospectus for further details.

The Rights Issue with Warrants is proposed to be undertaken mainly to reduce the Group's outstanding borrowings and to facilitate the Group's venture into the Gloves Business. The repayment of bank borrowings is expected to result in interest savings and allow for greater financial flexibility for the Group in undertaking any future business expansion and/or ventures such as the Gloves Business.

The Group's diversification into the Gloves Business allows it to capitalise on a booming segment with favourable long-term prospects while making the most out of the opportunities created by the COVID-19 pandemic. Moreover, the Group's venture into the Gloves Business will provide an alternative source of income to the Group's current core business. The Gloves Business is expected to contribute positively to the Group's financial performance.

Moving forward, the Group will focus on improving its business strategy by streamlining its operations and continued monitoring of the market demand for crude palm commodities. In respect of the Gloves Business, the Group may from time to time assess the manufacturing capacity of its glove-dipping lines and may expand the glove-dipping lines to 12 lines as and when required, as detailed in Section 5 of this Abridged Prospectus.

Premised on the above as well as the positive outlook and prospects of the rubber glove industry in Malaysia and globally, the management is optimistic about the Group's future prospects.

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9. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

9.1 Share capital

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

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	414,286,800	53,114,204	414,286,800	53,114,204
New Shares to be issued pursuant to the Rights Issue with Warrants	125,000,000	⁽¹⁾ 18,193,360	828,573,600	⁽¹⁾ 59,376,142
Enlarged issued share capital after the Rights Issue with Warrants	539,286,800	61,307,564	1,242,860,400	112,490,346
New Shares to be issued assuming full exercise of the Warrants B	93,750,000	⁽²⁾ 12,781,640	621,430,200	⁽²⁾ 84,724,238
Enlarged issued share capital	633,036,800	74,089,204	1,864,290,600	197,214,584

Notes:-

(1) Based on the issue price of RM0.10 per Rights Share and after accounting for the adjustments for the apportionment of the relative illustrative fair values of the Rights Shares of RM0.2024 per Share and the Warrants B of RM0.1011 (computed based on the Trinomial option pricing model with data sourced from Bloomberg) between the share capital account and the warrants reserve account as well as estimated expenses incidental to the Corporate Exercises of approximately RM0.9 million.

(2) Assuming full exercise of the Warrants B based on the exercise price of RM0.10 each and after accounting for the reversal of warrants reserve.

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9.2 NA and gearing

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of the Group since the Group's latest unaudited 3-month FPE 30 September 2020.

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

Minimum Scenario

Group level	Unaudited as at 30 September 2020 (RM'000)	After adjusting for the Private Placement November 2020 ⁽¹⁾ (RM'000)	After (I) and Rights Issue with Warrants ⁽²⁾⁽³⁾ (RM'000)	After (II) and assuming full exercise of Warrants B ⁽⁴⁾ (RM'000)
Share capital	41,439	53,114	61,307	74,089
Revaluation reserve	8,930	8,930	8,930	8,930
Warrant reserve	-	-	3,407	-
Accumulated losses	(33,047)	(33,047)	(33,047)	(33,047)
Total equity / NA	17,322	28,997	40,597	49,972
No. of Shares in issue ('000)	318,682	414,287	539,287	633,037
NA per Share (RM)	0.05	0.07	0.08	0.08
Total borrowings (RM'000)	25,068	⁽⁵⁾ 13,393	⁽⁶⁾ 6,093	6,093
Gearing ratio (times)	1.45	0.46	0.15	0.12

Notes:-

- (1) Based on the issuance of 95,605,000 new Shares at an issue price of RM0.1228 each pursuant to the Private Placement November 2020 and partial repayment of bank borrowings with the proceeds from the Private Placement November 2020 and after accounting for expenses incidental to the Private Placement November 2020 of RM65,000.
- (2) Based on the issuance of 125,000,000 Rights Shares at an issue price of RM0.10 each together with 93,750,000 Warrants B.
- (3) After accounting for the adjustments for the apportionment of the relative RM0.2024 per Share and the Warrants B of RM0.1011 (computed based on the Trinomial option pricing model with data sourced from Bloomberg) between the share capital account and the warrants reserve account as well as estimated expenses incidental to the Corporate Exercises of approximately RM0.9 million.
- (4) Based on exercise price of RM0.10 per Warrant B and after accounting for the reversal of warrant reserve.

- (5) As set out in Section 2.7(i) of this Abridged Prospectus, proceeds of RM11.7 million from the Private Placement November 2020 has been utilised for partial repayment of bank borrowings.
- (6) As set out in Section 6 of this Abridged Prospectus, proceeds of RM7.3 million from the Rights Issue with Warrants will be utilised for partial repayment of bank borrowings.

Maximum Scenario

Group level	Unaudited as at 30 September 2020 (RM'000)	After adjusting for the Private Placement November 2020 ⁽¹⁾ (RM'000)	After (I) and Rights Issue with Warrants ⁽²⁾⁽³⁾ (RM'000)	(III) and assuming full exercise of Warrants B ⁽⁴⁾ (RM'000)
Share capital	41,439	53,114	112,490	197,214
Revaluation reserve	8,930	8,930	8,930	8,930
Warrant reserve	-	-	22,581	-
Accumulated losses	(33,047)	(33,047)	(33,047)	(33,047)
Total equity / NA	17,322	28,997	110,954	173,097
No. of Shares in issue ('000)	318,682	414,287	1,242,860	1,864,291
NA per Share (RM)	0.05	0.07	0.09	0.09
Total borrowings (RM'000)	25,068	⁽⁵⁾ 13,393	⁽⁶⁾ 6,093	6,093
Gearing ratio (times)	1.45	0.46	0.06	0.04

Notes:-

- (1) Based on the issuance of 95,605,000 new Shares at an issue price of RM0.1228 each pursuant to the Private Placement November 2020 and partial repayment of bank borrowings with the proceeds from the Private Placement November 2020 and after accounting for expenses incidental to the Private Placement November 2020 of RM65,000.
- (2) Based on the issuance of 828,573,600 Rights Shares at an issue price of RM0.10 per Rights Share together with 621,430,200 Warrants B.
- (3) After accounting for the adjustments for the apportionment of the relative illustrative fair values of the Rights Shares of RM0.2024 per Share and the Warrants B of RM0.1011 (computed based on the Trinomial option pricing model with data sourced from Bloomberg) between the share capital account and the warrants reserve account as well as estimated expenses incidental to the Corporate Exercises of approximately RM0.9 million.
- (4) Based on exercise price of RM0.10 per Warrant B and after accounting for the reversal of warrant reserve.

- (5) As set out in Section 2.7(i) of this Abridged Prospectus, proceeds of RM11.7 million from the Private Placement November 2020 has been utilised for partial repayment of bank borrowings.
- (6) As set out in Section 6 of this Abridged Prospectus, proceeds of RM7.3 million from the Rights Issue with Warrants will be utilised for partial repayment of bank borrowings.

9.3 Substantial Shareholders' shareholdings

The substantial Shareholders of the Company based on the Register of Substantial Shareholders as at the LPD and the pro forma effects of the Rights Issue with Warrants on their shareholdings are as follows:-

Minimum Scenario

	(I)			
	As at the LPD		After the Rights Issue with Warrants	
	Direct	Indirect	Direct	Indirect
Substantial Shareholder	No. of Shares	(1)%	No. of Shares	(2)%
Mak Siew Wei	49,452,950	11.94	174,452,950	32.35
				(2)%
				-

	(II)			
	After (I) and assuming full exercise of the Warrants B			
	Direct	Indirect	Direct	Indirect
Substantial Shareholder	No. of Shares	(3)%	No. of Shares	(3)%
Mak Siew Wei	268,202,950	42.37	-	-

Notes:-

- (1) Based on the issued share capital of 414,286,800 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 539,286,800 Shares.
- (3) Based on the enlarged issued share capital of 633,036,800 Shares.

Maximum Scenario

Under the Maximum Scenario, the Undertaking Shareholder will not be substantial Shareholder of the Company.

	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Substantial Shareholder								
Mak Siew Wei	49,452,950	11.94	-	-	148,358,850	11.94	-	-

	(II) After (I) and assuming full exercise of the Warrants B			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Substantial Shareholder				
Mak Siew Wei	222,538,275	11.94	-	-

Notes:-

- (1) Based on the issued share capital of 414,286,800 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,242,860,400 Shares.
- (3) Based on the enlarged issued share capital of 1,864,290,600 Shares.

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9.4 Losses and LPS

The Board expects the Rights Issue with Warrants to contribute positively to the future financial performance of the Group via the utilisation of proceeds as set out in Section 6 of this Abridged Prospectus.

Subsequent to the completion of the Rights Issue with Warrants, the LPS of the Group shall be correspondingly diluted as a result of the increase in the number of Rights Shares to be issued and the exercise of the Warrants during the Exercise Period.

The potential effects of the Rights Issue with Warrants on the future consolidated earnings and EPS (or LPS) of the Company will depend on, amongst others, the number of Warrants B exercised at any point in time and the level of returns generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants.

For illustration purposes, the pro forma effects of the Corporate Exercises on the consolidated losses and LPS of the Company is set out as follows:-

	Unaudited 3-month FPE 30 September 2020	Pro forma I		Pro forma II	
		After the Rights Issue with Warrants		After Pro forma I and assuming full exercise of the Warrants B	
		Minimum Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario
LAT attributable to owners of the Company (RM'000)	(490)	(490)	(490)	(490)	(490)
Weighted average number of Shares ('000)	301,047	426,047	1,129,621	519,797	1,751,051
LPS (sen)	(0.16)	(0.12)	(0.04)	(0.09)	(0.03)

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

10.1 Working capital and sources of liquidity

The Group's working capital is funded by a combination of internal and external sources of funds. The internal sources of funds comprise cash generated from operating activities and the Group's existing cash and bank balances, while the external funds are from credit facilities from financial institutions.

As at the LPD, the Group's cash and bank balances stood at approximately RM10.6 million. The Group also has unutilised bankers' acceptances and bank overdraft of approximately RM19.3 million and RM0.2 million respectively as at the LPD.

The Board confirmed that, after taking into consideration the funds generated from the Group's operations, existing cash and bank balance, the banking facilities available to the Group as well as the proceeds to be raised from the Rights Issue with Warrants, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

10.2 Borrowings

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

Borrowings	Total (RM'000)
Short term borrowing (secured)	
- Bankers' acceptances	5,698
- Bank overdraft	4,849
Total	10,547

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

10.3 Contingent liabilities

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

10.4 Material commitments

As at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group.

11. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

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

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

11.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants B that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants B if you choose to do so. This Abridged Prospectus and the RSF are also available at the registered office of the Company, the Share Registrar's website at <http://www.shareworks.com.my> or on Bursa Securities' website at <http://www.bursamalaysia.com>.

11.2 NPA

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

11.3 Procedures for acceptance and payment

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

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to the Share Registrar, ShareWorks Sdn Bhd, at the following address:-

ShareWorks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel : +603 - 6201 1120
Fax : +603 - 6201 3121

so as to arrive not later than 5.00 p.m. on **Thursday, 17 December 2020**, being the last date and time for the acceptance and payment for the Rights Shares with Warrants B.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from the registered office of the Company, the Share Registrar's website at <http://www.shareworks.com.my> or Bursa Securities' website at <http://www.bursamalaysia.com>.

1 RSF must be used for acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. The Rights Shares with Warrants B accepted by you will be credited into the CDS Account(s) where the Provisional Allotments are standing to the credit.

Successful applicants to the Rights Shares with Warrants B will be given the Warrants B on the basis of 3 Warrant B for every 4 Rights Shares successfully subscribed for. The minimum number of Rights Shares that can be subscribed or accepted is 1 Rights Share. However, you should take note that a trading board lot comprises 100 Rights Shares and 100 Warrants B respectively. Fractions of a Rights Shares and/or Warrant B arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company.

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

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of a banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia and which must be made payable to "**GOCEAN RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters, your contact number, your address and your CDS Account number, and must be received by the Share Registrar by 5.00 p.m. on **Thursday, 17 December 2020**. The payment must be made for the exact amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein may not be acceptable.

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

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

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

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 the Share Registrar by 5.00 p.m. on **Thursday, 17 December 2020**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any Rights Shares with Warrants B not taken up or not validly taken up to applicants applying for the Excess Rights Shares with Warrants B in the manner as set out in Section 11.6 of this Abridged Prospectus. The Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

11.4 Procedures for part acceptance

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

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

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

11.5 Procedures for sale or transfer of Provisional Allotments

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

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants B applied for to the Share Registrar. Please refer to Section 11.3 of this Abridged Prospectus for the procedures for acceptance and payment.

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

11.6 Procedures for the Excess Rights Shares with Warrants B Application

If you wish to apply for additional Rights Shares with Warrants B in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights Shares with Warrants B applied for, to the Share Registrar so as to arrive not later than 5.00 p.m. on **Thursday, 17 December 2020**, being the last time and date for Excess Rights Shares with Warrants B Applications and payment.

Payment for the Excess Rights Shares with Warrants B Application(s) be made in the same manner as set out in Section 11.3 of this Abridged Prospectus except that the banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia must be made payable to "**GOCEAN EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar by 5.00 p.m. on **Thursday, 17 December 2020**. The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants B Applications. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein may not be acceptable.

It is the intention of the Board to allot the Excess Rights Shares with Warrants B, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants B, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants B, taking into consideration the quantum of their respective Excess Rights Shares with Warrants B Applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renouncee(s) who have applied for Excess Rights Shares with Warrants B, taking into consideration the quantum of their respective Excess Rights Shares with Warrants B Applications.

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

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants B applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 11.6 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares with Warrants B, in full or in part, without assigning any reason thereof.

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

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

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS B APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.7 Procedures to be followed by transferee(s) and/or renounee(s)

As a transferee and/or renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants B and/or payment is the same as that which is applicable to the Entitled Shareholders as described in Sections 11.3 to 11.6 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of the Company, the Share Registrar's website at <http://www.shareworks.com.my> or Bursa Securities' website at <http://www.bursamalaysia.com>.

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

11.8 CDS Account

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

Your subscription for the Rights Shares with Warrants B shall signify your consent to receiving such Rights Shares with Warrants B as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

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

11.9 Notice of allotment

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

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

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

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

11.10 Foreign-Addressed Shareholders

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

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

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

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to our Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

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

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

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

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

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants B, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

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

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

12. TERMS AND CONDITIONS

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

13. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of
GREEN OCEAN CORPORATION BERHAD



MAK SIEW WEI
Executive Director

APPENDIX I - INFORMATION ON THE COMPANY

1. SHARE CAPITAL

As at the LPD, the issued share capital of the Company is RM53,114,204 comprising 414,286,800 Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

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

3. DIRECTORS

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

Name (<i>Designation</i>)	Age	Address	Nationality
Dato' Nik Ismail bin Dato' Nik Yusoff <i>(Independent Non-Executive Chairman)</i>	74	No. 3, Jalan Oniks Dua 7/11B, Seksyen 7 40000 Shah Alam Selangor Darul Ehsan	Malaysian
Mak Siew Wei <i>(Executive Director)</i>	45	A-12-02 Surian Residences Jalan PJU 7/15 Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian
Khoo Chee Siang <i>(Independent Non-Executive Director)</i>	44	Block A-23A-7 Le Yuan Residence No. 8, Jalan Selesaria Taman Gembira 58200 Kuala Lumpur Wilayah Persekutuan	Malaysian
Roy Winston George <i>(Independent Non-Executive Director)</i>	55	No. 116-10-8 Pines Condo Jalan Sultan Abdul Samad Brickfields 50470 Kuala Lumpur Wilayah Persekutuan	Malaysian

Save as Mr Mak Siew Wei, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD. Please refer to Section 9.3 of this Abridged Prospectus on the pro forma effects of the Rights Issue with Warrants on his shareholding.

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

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

Historical financial performance

	Audited			Unaudited	
	FYE 31 March 2018	FYE 31 March 2019	15-month FPE 30 June 2020	3-month FPE 30 September 2019	3-month FPE 30 September 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	154,672	361,477	222,844	48,764	25,134
Cost of sales	(159,305)	(355,889)	(229,427)	(49,965)	(24,838)
GP / (GL)	(4,633)	5,588	(6,583)	(1,201)	296
Other income	157	371	58	1	14
Administrative expenses	(1,449)	(2,355)	(3,106)	(550)	(610)
Selling and distribution costs	(50)	(347)	(525)	(164)	(51)
Other expenses	(1,165)	(56)	(1)-	-	-
Finance costs	(371)	(1,272)	(1,300)	(308)	(137)
Share of results of joint venture	-	-	30	-	(2)
PBT / (LBT)	(7,511)	1,929	(11,426)	(2,222)	(490)
Tax income / (expense)	-	(4)	(4)	-	-
PAT / (LAT)	(7,511)	1,925	(11,430)	(2,222)	(490)
GP / (GL) margin (%)	(3.00)	1.55	(2.95)	(2.46)	1.18
PAT / (LAT) margin (%)	(4.86)	0.53	(5.13)	(4.56)	(1.95)

Historical financial position

	Audited			Unaudited
	FYE 31 March 2018	FYE 31 March 2019	15-month FPE 30 June 2020	3-month FPE 30 September 2020
	RM'000	RM'000	RM'000	RM'000
Non-current assets	19,900	19,509	18,914	18,778
Current assets	17,955	37,111	18,554	27,741
Total assets	37,855	56,620	37,468	46,519
Share capital	34,189	34,189	34,189	41,439
Revaluation reserve	8,930	8,930	8,930	8,930
Accumulated losses	(23,052)	(21,126)	(32,556)	(33,047)
Total equity	20,067	21,993	10,563	17,322
Non-current liabilities	780	609	609	609
Current liabilities	17,008	34,018	26,296	28,588
Total liabilities	17,788	34,627	26,905	29,197
Total equity and liabilities	37,855	56,620	37,468	46,519

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**Historical cash flow**

	Audited			Unaudited	
	FYE 31 March 2018	FYE 31 March 2019	15-month FPE 30 June 2020	3-month FPE 30 September 2019	3-month FPE 30 September 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Net cash from / (used in)</u>					
Operating activities	(9,613)	(10,910)	8,123	(3,987)	(427)
Investing activities	(489)	(46)	(51)	-	-
Financing activities	11,921	6,716	(7,627)	6,633	10,405
Net increase / (decrease) in cash and cash equivalents	1,819	(4,240)	445	2,646	9,978
Cash and cash equivalents at beginning of the year / period	680	2,499	(1,741)	(1,741)	(1,296)
Cash and cash equivalents at end of the year / period	2,499	(1,741)	(1,296)	905	8,682

Note:-

(1) Negligible.

(i) 3-month FPE 30 September 2020 vs 3-month FPE 30 September 2019

The Group's revenue for 3-month FPE 30 September 2020 decreased by RM23.6 million or 48.5% from RM48.8 million to RM25.1 million as compared to the previous corresponding period. The lower revenue was mainly due to lower trading of palm oil products following the management's decision to reduce the Group's exposure to the CPKO market due to the uncertainty amidst the COVID-19 pandemic. As a result, there was a decrease in quantity of refined palm oil and CPKO sold by 68.6% from 29,164 MT in 3-month FPE 30 September 2019 to 9,172 MT in 3-month FPE 30 September 2020.

The Group achieved a GP of RM0.3 million (GP margin: 1.18%) for 3-month FPE 30 September 2020 as compared to a GL of RM1.2 million (GL margin: 2.46%) in the previous corresponding period. This was mainly due to reduced exposure to the CPKO market as mentioned above as compared to 3-month FPE 30 September 2019. During the 3-month FPE 30 September 2019, the Group was exposed to consistent subdued market prices for crude palm commodities. This has led to selling prices of CPKO that is lower than the inventory cost thus contributing to the erosion of the GP margin in 3-month FPE 30 September 2019.

In line with the improvement in GP recorded in current financial period, the Group recorded a lower LAT of RM0.5 million in 3-month FPE 30 September 2020 as compared to a LAT of RM2.2 million in the previous corresponding period. In addition, the improved LAT was also contributed by the reduced finance cost of RM0.1 million (3-month FPE 30 September 2019: RM0.3 million) mainly due to lower utilisation of bankers' acceptance due to lower trading of palm oil products as mentioned above.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

For 3-month FPE 30 September 2020, the Group recorded an increase in cash and cash equivalents of RM10.0 million (15-month FPE 30 June 2020: increase of RM0.4 million) mainly due to the proceeds raised from the Private Placement August 2020 amounting to RM7.6 million.

(ii) 15-month FPE 30 June 2020 vs FYE 31 March 2019

The Group's revenue decreased by RM183.2 million or 50.7% from RM361.5 million in FYE 31 March 2019 to RM178.3 million in FPE 30 June 2020 on an annualised basis. The decrease in revenue was mainly due to the following:-

- (a) general decrease in market price of CPKO which also led to a decrease in the selling price of the Group's CPKO. The average market price of CPKO decreased by approximately 14.8% from RM3,247 per MT in FYE 31 March 2019 to RM2,768 per MT in FPE 30 June 2020;
- (b) management decision to limit the production of CPKO and palm kernel expeller including the temporary suspension of the Group's palm kernel crushing plant in order to minimise risk exposure due to the uncertainty of CPKO market price. As a result, revenue derived from the production and trading of CPKO and palm kernel expeller decreased by 38.0% from RM158.4 million in FYE 31 March 2019 to RM98.2 million in 15-month FPE 30 June 2020;
- (c) decrease in quantity of refined palm oil and CPKO sold by 37.7% from 175,643 MT in FYE 31 March 2019 to 109,427 MT in FPE 30 June 2020; and
- (d) non-renewal of a tolling contract due to the downtrend of CPKO market price. Further details of the contract are set out in Section 4(iii)(b) below.

The Group recorded an annualised GL of RM5.3 million (GL margin: 2.95%) in 15-month FPE 30 June 2020 as compared to GP of RM5.6 million (GP margin: 1.55%) in FYE 31 March 2019, representing a decrease of 10.9 million. Apart from the lower annualised revenue recorded in 15-month FPE 30 June 2020 due to the reasons as mentioned above, the erosion of GP margin was also because the Group is unable to reduce its production cost for CPKO to cope with the decrease in CPKO market price.

In line with the annualised GL recorded in 15-month FPE 30 June 2020, the Group recorded annualised LAT of RM9.2 million in the same period as compared to PAT of RM1.9 million for FYE 31 March 2019.

For 15-month FPE 30 June 2020, the Group recorded an increase in cash and cash equivalents of RM0.4 million (FYE 31 March 2019: decrease of RM4.2 million) mainly due to the net cash generated from operating activities of RM8.14 million. This was mainly due to lower inventory and trade receivables in line with reduced business activities in 15-month FPE 30 June 2020.

The above was offset mainly by the following:-

- (a) net repayment of banker acceptances amounting to RM6.3 million; and
- (b) interest paid for bank overdraft and bankers' acceptance amounting to RM1.3 million.

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**(iii) FYE 31 March 2019 vs FYE 31 March 2018**

The Group's revenue increased by RM206.8 million or 133.7 % from RM154.7 million in FYE 31 March 2018 to RM361.5 million in FYE 31 March 2019. The increase in revenue was mainly due to:-

- (a) increase in quantity of CPKO and palm kernel expeller produced and sold by 389.7% from 35,865 MT in FYE 31 March 2018 to 175,643 MT in FYE 31 March 2019;
- (b) a 10-month back to back purchase contract secured for the period from 1 March 2018 to 31 December 2018 to purchase Roundtable Sustainable Palm Oil ("RSPO") palm kernel and process the palm kernel into mass balance CPKO ("Tolling Contract").

Under the terms of the Tolling Contract, the Group charges the customer a tolling fee to process the RSPO palm kernel into mass balance CPKO at an agreed extraction rate of 45.5%. The purchase price of RSPO palm kernel as well as the selling price of mass balance CPKO is determined on a monthly basis. The Tolling Contract generated a gross revenue of approximately RM40.0 million during the FYE 31 March 2019 (FYE 2018: RM3.7 million); and

- (c) higher revenue generated from trading of refined palm oil and CPKO as the Group received larger orders from existing customers as well as new customers secured during the FYE 31 March 2019.

The Group recorded a GP of RM5.6 million (GP margin: 1.6%) in FYE 31 March 2019 as compared to a GL of RM4.6 million (GL margin: 3.0%) in 31 March 2018. The increase in GP was mainly due to the Tolling Contract which yielded higher GP margin. The Group was able to minimise the financial impact of the declining market price of CPKO through the Tolling Contract as the purchase price of RSPO palm kernel and the selling price of mass balance CPKO are pre-agreed on a monthly basis. In addition to the tolling fee income, the Group was also able to achieve a higher extraction rate of 46.2% which increased the profitability of the Tolling Contract.

The Group recorded a PAT of RM1.9 million for FYE 31 March 2019 as compared to a LAT of RM7.5 million for the previous financial year. This was mainly attributable to:-

- (a) lower write-down of inventory amounting to RM1.2 million (FYE 31 March 2018: RM2.7 million) due to higher sales and trading of the Group's CPKO products;
- (b) non-presence of impairment of fixed assets in current financial year as compared to the impairment of fixed assets amounting to RM1.2 million in previous financial year in relation to the Group's manufacturing plant to produce Novelin (a premium and healthier alternative of cooking oil) which has ceased operation; and
- (c) lower depreciation expenses of RM0.5 million in current financial year due to impairment of fixed assets mentioned above in previous financial year (FYE 31 March 2018: RM 1.3 million).

For FYE 31 March 2019, the Group recorded a decrease in cash and cash equivalents of RM4.2 million (FYE 31 March 2018: increase of RM1.8 million) mainly due to the following:-

- (a) net cash used in operating activities of RM10.9 million. This was mainly due to the increase in trade payables with the increased activities in the trading of refined palm oil and CPKO; and

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

(b) interest paid for banking facilities amounting to RM1.3 million.

The above was mainly funded by the net drawdown of banking facilities amounting to RM8.1 million.

5. HISTORICAL SHARE PRICES

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

	High	Low
	RM	RM
2019		
December	0.130	0.090
2020		
January	0.120	0.100
February	0.150	0.100
March	0.130	0.080
April	0.100	0.085
May	0.120	0.095
June	0.155	0.105
July	0.360	0.110
August	0.575	0.230
September	0.390	0.175
October	0.240	0.145
November	0.240	0.140
Last transacted market price on 28 August 2020, being the last Market Day immediately prior to the first announcement of the Corporate Exercises (RM)	0.345	
Last transacted market price on 30 November 2020, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)	0.160	
Last transacted market price on the LPD (RM)	0.210	

(Source: Bloomberg)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save for the Provisional Allotments as well as Excess Rights Shares with Warrants B, no option to subscribe for the Shares has been granted or is entitled to be granted to any person.

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APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

7. MATERIAL CONTRACTS

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

- (i) joint venture agreement dated 17 June 2019 entered into between ACE Green Energy Sdn Bhd, a wholly-owned subsidiary of Green Ocean (“**ACE Green Energy**”) and NSN Global Resources under which the parties agreed to form a joint venture company under the name of NSN ACE Joint Venture Sdn Bhd (“**JV Company**”) in the equity proportions of 51% (ACE Green Energy) : 49% (NSN Global Resources), for the purpose of (i) performing an identified terminal services agreement entered into between NSN Global Resources and a third party and (ii) jointly engaging in the business related to purchasing and selling of coal locally and/or internationally; and
- (ii) shareholders’ agreement dated 17 June 2019 entered into between ACE Green Energy and NSN Global Resources to govern their respective rights, duties and obligations and to regulate their relationship as shareholders of the JV Company. The JV Company was subsequently incorporated on 1 July 2019.

8. MATERIAL LITIGATION

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

9. CONSENTS

- (i) The written consents of the Principal Adviser, company secretary, Share Registrar, auditors and reporting accountants, Independent Market Researcher and the solicitors for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Green Ocean at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the Constitution;
- (ii) the Undertaking referred to in Section 3 of this Abridged Prospectus;
- (iii) the material contracts referred to in Section 7 of Appendix I above;

APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

- (iv) the letters of consent referred to in Section 9 of Appendix I above;
- (v) the Deed Poll B; and
- (vi) the IMR Report referred to in Sections 5, 8.2, 8.3 and 8.4 of this Abridged Prospectus.

11. RESPONSIBILITY STATEMENT

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

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