

All abbreviations and defined terms contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

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 of ICPS with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium Jalan Damaniela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia (Tel: +603 - 2084 9000).

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 7 August 2019 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 7 August 2019. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of ICPS 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 of ICPS with Warrants, application for Excess ICPS with Warrants B, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS 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 ICPS with Warrants or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue of ICPS 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 of ICPS 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 of ICPS 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 of ICPS with Warrants has been obtained from our shareholders at our EGM convened on 10 June 2019. Approval has been obtained from Bursa Securities via its letter dated 26 April 2019 for the admission of the ICPS and Warrants to the Official List as well as the listing and quotation of the ICPS, Warrants and the new Shares to be issued upon conversion of the ICPS and exercise of the Warrants 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 ICPS and Warrants allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not to be taken as an indication of the merits of the Rights Issue of ICPS 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 6 OF THIS ABRIDGED PROSPECTUS.



M N C WIRELESS BERHAD

(Company No. 635884-T)

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

RENOUNCEABLE RIGHTS ISSUE OF UP TO 3,769,226,735 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN MNC ("ICPS") AT AN ISSUE PRICE OF RM0.03 PER ICPS TOGETHER WITH UP TO 75,384,534 FREE DETACHABLE WARRANTS IN MNC ("WARRANTS B") ON THE BASIS OF 50 ICPS TOGETHER WITH 1 FREE WARRANT B FOR EVERY 10 EXISTING ORDINARY SHARES IN MNC HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 7 AUGUST 2019

Principal Adviser



MERCURY SECURITIES SDN BHD

(Company No. 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date : Wednesday, 7 August 2019 at 5.00 p.m.

Last date and time for:

Sale of Provisional Allotments : Tuesday, 20 August 2019 at 5.00 p.m.

Transfer of Provisional Allotments : Thursday, 22 August 2019 at 4.30 p.m.

Acceptance and payment : Wednesday, 28 August 2019 at 5.00 p.m.

Excess ICPS with Warrants B Application and payment : Wednesday, 28 August 2019 at 5.00 p.m.

This Abridged Prospectus is dated 7 August 2019

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

THE DIRECTORS OF THE COMPANY HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE OF ICPS 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 OF ICPS WITH WARRANTS, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE OF ICPS 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 OF ICPS 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 OF ICPS 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 7 August 2019 in relation to the Rights Issue of ICPS with Warrants
Act	- Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
Base Case Scenario	- Assuming that:- <ul style="list-style-type: none"> (i) none of the Convertible Securities are granted and/or exercised into new MNC Shares prior to the Entitlement Date; (ii) all Entitled Shareholders fully subscribe to their entitlements of the ICPS with Warrants B; (iii) all the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at RM0.03 each) without additional cash payment to arrive at the Conversion Price of RM0.06 for 1 new Share; and (iv) all the Warrants B issued are fully exercised into new Shares based on the Exercise Price of RM0.06.
Bloomberg	- Bloomberg Finance Singapore L.P. and its affiliates
BNM	- Bank Negara Malaysia
Board	- Board of Directors of MNC
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	- Bursa Malaysia Securities Berhad (635998-W)
B2B	- Business-to-business
CAGR	- Compound annual growth rate
CDS	- Central Depository System
CDS Accounts	- Securities accounts 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
Closing Date	- 28 August 2019 at 5.00 p.m., being the last date and time for the acceptance of and payment for the ICPS with Warrants
CMSA	- Capital Markets and Services Act, 2007, 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 and any re-enactment thereof
Constitution	- Constitution of the Company

DEFINITIONS (CONT'D)

Constitution Amendments	- Amendments to the Constitution to facilitate the creation and issuance of the ICPS pursuant to the Rights Issue of ICPS with Warrants, which was approved during the EGM on 10 June 2019
Conversion Period	- The period commencing on and including the issue date of the ICPS and up to and including the Market Day immediately preceding the date which is the 10th anniversary from the issue date of the ICPS where the ICPS may be converted into new Shares
Conversion Price	- RM0.06, being the amount to be satisfied in order for an ICPS holder to convert his/her/its ICPS into 1 new Share
Convertible Securities	- Collectively, the Warrants A and ESOS Options
Corporate Exercises	- Collectively, the Rights Issue of ICPS with Warrants and Constitution Amendments
Deed Poll A	- Deed poll dated 27 September 2016 constituting the Warrants A
Deed Poll B	- Deed poll dated 18 July 2019 constituting the Warrants B
Directors	- The directors of the Company which has the meaning given in section 2(1) of the CMSA
EGM	- Extraordinary general meeting of the Company
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date
Entitlement Date	- 7 August 2019 at 5.00 p.m., being the date on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue of ICPS with Warrants
EPS	- Earnings per share
ESOS	- Employees' share option scheme of the Company which took effect on 11 November 2016
ESOS Options	- Options granted under the ESOS where each option holder can subscribe for 1 new MNC Share for every 1 option held
Excess ICPS with Warrants B	- ICPS 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 renouncee(s) (if applicable) prior to the Closing Date
Excess ICPS with Warrants B Applications	- Applications for additional ICPS with Warrants B in excess of the Provisional Allotments
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 Warrant B not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	- RM0.06, being the price at which 1 Warrant B is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll B

DEFINITIONS (CONT'D)

Foreign-Addressed Shareholders	- Shareholders who have not provided to the Company a registered address in Malaysia or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue of ICPS with Warrants by the Entitlement Date
FPE	- Financial period ended / ending, as the case may be
FYE	- Financial year ended / ending, as the case may be
GDP	- Gross domestic product
GL	- Gross loss
GP	- Gross profit
ICPS	- Irredeemable convertible preference shares in the Company to be allotted and issued pursuant to the Rights Issue of ICPS with Warrants
ICT	- Information and communication technologies
IMR Report	- The independent market research report dated 29 July 2019 prepared by PROVIDENCE
ITU	- International Telecommunication Union
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	- 8 July 2019, being the latest practicable date prior to the printing of this Abridged Prospectus
LTD	- 17 July 2019, being the last trading day prior to the date of fixing the issue price of the ICPS
LPS	- Loss per share
Market Day	- Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	- Assuming that:- <ul style="list-style-type: none"> (i) all the Convertible Securities are granted and/or exercised into new MNC Shares prior to the Entitlement Date; (ii) all Entitled Shareholders fully subscribe to their entitlements of the ICPS with Warrants B; (iii) all the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 1 ICPS (which are issued at RM0.03 each) with additional cash payment of RM0.03 to arrive at the Conversion Price of RM0.06 for 1 new Share; and (iv) all the Warrants B issued are fully exercised into new Shares based on the Exercise Price of RM0.06.

DEFINITIONS (CONT'D)

Mercury Securities or the Principal Adviser	- Mercury Securities Sdn Bhd (113193-W)
MNC or the Company	- M N C Wireless Berhad (635884-T)
MNC Group or the Group	- Collectively, MNC and its subsidiaries
MNC Shares or Shares	- Ordinary shares in the Company
MOU	- Memorandum of understanding
Minimum Scenario	- Assuming that:- <ul style="list-style-type: none"> (i) none of the Convertible Securities are granted and/or exercised into new MNC Shares prior to the Entitlement Date; (ii) the Rights Issue of ICPS with Warrants is undertaken on the Minimum Subscription Level; (iii) all the ICPS issued are fully converted into new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at RM0.03 each) without additional cash payment to arrive at the Conversion Price of RM0.06 for 1 new Share; and (iv) all the Warrants B issued are fully exercised into new Shares based on the Exercise Price of RM0.06.
Minimum Subscription Level	- Minimum subscription level of 366,666,667 ICPS together with 7,333,333 Warrants B based on the issue price of RM0.03 per ICPS to arrive at RM11.0 million
N/A	- Not applicable
NA	- Net assets
NPA	- Notice of provisional allotment in relation to the Rights Issue of ICPS with Warrants
Official List	- Official list of the ACE Market of Bursa Securities
PAT	- Profit after taxation
PBT	- Profit before taxation
PROVIDENCE	- Providence Strategic Partners Sdn Bhd (1238910-A)
Provisional Allotments	- The ICPS 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 of ICPS with Warrants	- Renounceable rights issue of up to 3,769,226,735 new ICPS together with up to 75,384,534 free detachable Warrants B on the basis of 50 ICPS together with 1 free Warrant B for every 10 existing MNC Shares held by Entitled Shareholders on the Entitlement Date
RM and sen	- Ringgit Malaysia and sen respectively

DEFINITIONS (CONT'D)

RSF	- Rights subscription form in relation to the Rights Issue of ICPS with Warrants
Rules of Bursa Depository	- The rules of Bursa Depository as issued pursuant to the SICDA
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	- Securities Services (Holdings) Sdn Bhd (36869-T)
Shareholders	- Registered holders of MNC Shares
SICDA	- Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
SMS	- Short messaging service
TEAP	- Theoretical ex-all price
Undertaking	- The written undertaking from the Undertaking Shareholder dated 9 April 2019 pursuant to which the Undertaking Shareholder has irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for his entitlement of ICPS under the Rights Issue of ICPS with Warrants and additional ICPS not taken up by other Entitled Shareholders by way of excess ICPS application to the extent such that the aggregate subscription proceeds of the ICPS received by MNC arising from the subscription by all Entitled Shareholders and/or their renounee(s) amount to not less than RM11.0 million, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholder	- Tan Chor How Christopher, the Chief Executive Officer cum Executive Director of MNC
WVAP	- Volume-weighted average market price
Warrants A	- Outstanding MNC warrants 2016 / 2021 issued by the Company pursuant to the Deed Poll A and expiring on 5 November 2021
Warrants B	- Up to 75,384,534 free detachable warrants in MNC to be allotted and issued pursuant to the Rights Issue of ICPS with Warrants

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

Words importing 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.

DEFINITIONS (CONT'D)

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

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

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

- PRINCIPAL ADVISER** : Mercury Securities Sdn Bhd
L-7-2, No 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur, Malaysia
Tel : +603 - 6203 7227
Fax : +603 - 6203 7117
- SOLICITORS FOR THE RIGHTS
ISSUE OF ICPS WITH
WARRANTS** : Messrs Ben & Partners
7-2, Level 2
Block D2, Dataran Prima
Jalan PJU 1/39
47301 Petaling Jaya
Selangor, Malaysia
Tel : +603 - 7805 2922
Fax : +603 - 7805 3922
- SHARE REGISTRAR** : Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Tel : +603 - 2084 9000
Fax : +603 - 2094 9940; 2095 0292
- AUDITORS AND REPORTING
ACCOUNTANTS** : Ong & Wong Chartered Accountants Malaysia
Unit C-20-5, Block C, 20th Floor
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 2161 1000
Fax : +603 - 2166 9131
- INDEPENDENT MARKET
RESEARCHER** : Providence Strategic Partners Sdn Bhd
67-1, Block D
The Suites, Jaya One
No.72A, Jalan Universiti
46200 Petaling Jaya, Selangor, Malaysia
Tel : +603 - 7625 1769
- Executive Director : Elizabeth Dhoss
(Bachelor of Business Administration from the University of
Malaya, Malaysia)
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

This summary of the Rights Issue of ICPS 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	Section	Summary												
(i) Number of ICPS to be issued and basis of allotment	2.1 & 10.6	<p>Basis: 50 ICPS together with 1 free Warrant B for every 10 existing Shares held by the Entitled Shareholders</p> <table border="1"> <thead> <tr> <th></th> <th>Minimum Scenario</th> <th>Base Case Scenario</th> <th>Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Number of ICPS to be issued</td> <td>366,666,667</td> <td>2,391,917,000</td> <td>3,769,226,735</td> </tr> <tr> <td>Number of Warrants B attached</td> <td>7,333,333</td> <td>47,838,340</td> <td>75,384,534</td> </tr> </tbody> </table> <p>The Rights Issue of ICPS with Warrants 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) prior to the Closing Date shall be made available for Excess ICPS with Warrants B Applications. It is the intention of the Board to allot the Excess ICPS with Warrants B, if any, in a fair and equitable manner in the following priority:-</p> <ol 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 ICPS 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 ICPS with Warrants B, taking into consideration the quantum of their respective excess application; 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 ICPS with Warrants B, taking into consideration the quantum of their respective excess application. <p>The Excess ICPS with Warrants B will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess ICPS with Warrants B. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess ICPS 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 ICPS with Warrants B are allotted.</p>		Minimum Scenario	Base Case Scenario	Maximum Scenario	Number of ICPS to be issued	366,666,667	2,391,917,000	3,769,226,735	Number of Warrants B attached	7,333,333	47,838,340	75,384,534
	Minimum Scenario	Base Case Scenario	Maximum Scenario											
Number of ICPS to be issued	366,666,667	2,391,917,000	3,769,226,735											
Number of Warrants B attached	7,333,333	47,838,340	75,384,534											
(ii) Price of the ICPS	2.2	The Board has fixed the issue price of the ICPS at RM0.03 per ICPS and the Exercise Price at RM0.06.												
(iii) Shareholder's undertaking	3	<p>Undertaking Shareholder : Tan Chor How Christopher (Chief Executive Officer cum Executive Director)</p> <p>Undertaking amount : RM11.0 million (based on entitlement and excess application)</p> <p>Minimum ICPS to be subscribed for if none of the other Entitled Shareholders and/or their transferee(s) and/or their renounee(s) subscribe for the ICPS : 366,666,667 ICPS (representing 15.33% of the total number of 2,391,917,000 ICPS available for subscription under the Base Case Scenario, or 9.73% of the total number of 3,769,226,735 ICPS available for subscription under the Maximum Scenario)</p>												

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

Key information	Section	Summary																																			
(iv) Utilisation of proceeds	5	<p>The gross proceeds to be raised from the Rights Issue of ICPS with Warrants will be utilised in the following manner:-</p> <table border="1"> <thead> <tr> <th>Utilisation of proceeds</th> <th>Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants</th> <th>Minimum Scenario RM'000</th> <th>Base Case Scenario RM'000</th> <th>Maximum Scenario RM'000</th> </tr> </thead> <tbody> <tr> <td>(i) Upgrading of the Group's bulk SMS messaging platform</td> <td>Within 24 months</td> <td>11,000</td> <td>11,000</td> <td>11,000</td> </tr> <tr> <td>(ii) Upgrading of the Group's premium mobile content platform</td> <td>Within 24 months</td> <td>-</td> <td>15,000</td> <td>15,000</td> </tr> <tr> <td>(iii) Development of an online property management platform</td> <td>Within 24 months</td> <td>-</td> <td>10,000</td> <td>10,000</td> </tr> <tr> <td>(iv) Acquisition and/or investments in other complementary businesses and/or assets</td> <td>Within 24 months</td> <td>-</td> <td>35,058</td> <td>76,377</td> </tr> <tr> <td>(v) Estimated expenses for the Corporate Exercises</td> <td>Immediate</td> <td>-</td> <td>700</td> <td>700</td> </tr> <tr> <td>Total</td> <td></td> <td>11,000</td> <td>71,758</td> <td>113,077</td> </tr> </tbody> </table>	Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	Minimum Scenario RM'000	Base Case Scenario RM'000	Maximum Scenario RM'000	(i) Upgrading of the Group's bulk SMS messaging platform	Within 24 months	11,000	11,000	11,000	(ii) Upgrading of the Group's premium mobile content platform	Within 24 months	-	15,000	15,000	(iii) Development of an online property management platform	Within 24 months	-	10,000	10,000	(iv) Acquisition and/or investments in other complementary businesses and/or assets	Within 24 months	-	35,058	76,377	(v) Estimated expenses for the Corporate Exercises	Immediate	-	700	700	Total		11,000	71,758	113,077
Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	Minimum Scenario RM'000	Base Case Scenario RM'000	Maximum Scenario RM'000																																	
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(ii) Upgrading of the Group's premium mobile content platform	Within 24 months	-	15,000	15,000																																	
(iii) Development of an online property management platform	Within 24 months	-	10,000	10,000																																	
(iv) Acquisition and/or investments in other complementary businesses and/or assets	Within 24 months	-	35,058	76,377																																	
(v) Estimated expenses for the Corporate Exercises	Immediate	-	700	700																																	
Total		11,000	71,758	113,077																																	
(v) Risk factors	6	<p>You should consider the following risk factors before subscribing for or investing in the Rights Issue of ICPS with Warrants:-</p> <ul style="list-style-type: none"> (i) Our bulk SMS messaging platform and premium mobile content platform may be affected by technological obsolescence; and (ii) We face competition from other similar service providers. 																																			
(vi) Procedures for acceptance and payment	10	<p>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. 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, Securities Services (Holdings) Sdn Bhd so as to arrive not later than 5.00 p.m. on Wednesday, 28 August 2019.</p> <p>If you wish to apply for additional ICPS 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 ICPS with Warrants B applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on Wednesday, 28 August 2019.</p>																																			

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M N C WIRELESS BERHAD

(Company No. 635884-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor

7 August 2019

Board of Directors:-

Wong Kok Seong (Chairman, Senior Independent Non-Executive Director)
Tan Chor How Christopher (Chief Executive Officer cum Executive Director)
Pang Siaw Sian (Non-Independent Non-Executive Director)
Thu Soon Shien (Independent Non-Executive Director)
Dato' Kua Khai Shyuan (Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 3,769,226,735 ICPS AT AN ISSUE PRICE OF RM0.03 PER ICPS TOGETHER WITH UP TO 75,384,534 FREE DETACHABLE WARRANTS B ON THE BASIS OF 50 ICPS TOGETHER WITH 1 WARRANT B FOR EVERY 10 EXISTING SHARES HELD BY ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 7 AUGUST 2019

1. INTRODUCTION

On 9 April 2019, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

On 26 April 2019, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 26 April 2019 granted its approval for the following:-

- (i) admission of the ICPS and Warrants B to the Official List;
- (ii) listing and quotation of the ICPS and Warrants B; and
- (iii) listing and quotation of the new Shares to be issued upon the conversion of the ICPS and exercise of the Warrants B.

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

Condition	Status of compliance
(i) MNC and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of ICPS with Warrants;	To be met
(ii) MNC and Mercury Securities to inform Bursa Securities upon the completion of the Corporate Exercises;	To be met
(iii) MNC to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed; and	To be met
(iv) MNC to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICPS and exercise of Warrants B as at the end of each quarter together with a detailed computation of listing fees payable.	To be met

The Board is pleased to inform that the Shareholders had, during the EGM held on 10 June 2019, approved the Rights Issue of ICPS with Warrants and the Constitution Amendments.

On 18 July 2019, Mercury Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the ICPS at RM0.03 per ICPS and the Exercise Price at RM0.06.

On 19 July 2019, Mercury Securities had, on behalf of the Board, announced that the entitlement date for the Rights Issue of ICPS with Warrants has been fixed at 5.00 p.m. on 7 August 2019.

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 of ICPS with Warrants.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE OF ICPS WITH WARRANTS. 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.

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2. PARTICULARS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

2.1 Details of the Rights Issue of ICPS with Warrants

The Rights Issue of ICPS with Warrants entails a provisional allotment of up to 3,769,226,735 ICPS together with up to 75,384,534 free detachable Warrants B on a renounceable basis of 50 ICPS together with 1 free Warrant B for every 10 existing Shares held by Entitled Shareholders on the Entitlement Date, at an issue price of RM0.03 per ICPS.

The actual number of ICPS and Warrants B to be issued will depend on the total number of issued Shares on the Entitlement Date after taking into consideration any new Shares that may be issued pursuant to the granting and/or exercise of any outstanding Convertible Securities as well as the eventual subscription level of the ICPS by Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

As at the LPD, the Company has:-

- (i) 478,383,400 issued Shares;
- (ii) 188,946,927 outstanding Warrants A; and
- (iii) up to 86,515,020 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS.

As the ICPS and Warrants B are prescribed securities, the respective CDS Accounts of 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 of ICPS with Warrants. Entitled Shareholders will find enclosed in this Abridged Prospectus, the NPA notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts and the RSF to enable Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess ICPS with Warrants B if Entitled Shareholders so choose to. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Warrants B are attached to the ICPS without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the ICPS. The Warrants B are exercisable into new Shares and each Warrant B will entitle its holder to subscribe for 1 new Share at the Exercise Price. The Warrants B will be immediately detached from the ICPS 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 ICPS, Warrants B and new Shares to be issued and allotted upon the conversion of the ICPS and exercise of the Warrants B will be credited directly into the respective CDS Accounts of successful applicants and holders of ICPS who convert their ICPS and holders of Warrants B who exercise their Warrants B (as the case may be) (as the case may be). No physical certificates will be issued to the successful applicants of the ICPS with Warrants B, nor will any physical share certificates be issued for the new Shares to be issued arising from the conversion of the ICPS and exercise of the Warrants B.

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

The ICPS with Warrants B that 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 ICPS with Warrants B Applications.

Fractional entitlements arising from the Rights Issue of ICPS 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 deems fit or expedient and in the best interests of the Company.

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

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

2.2 Basis of determining the issue price of the ICPS and the Exercise Price

(i) Issue price of the ICPS

The Board had fixed the issue price of the ICPS at RM0.03 per ICPS after taking into consideration, amongst others, the following:-

- (i) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus;
- (ii) the TEAP⁽¹⁾ of MNC Shares based on the 5-day VWAP of MNC Shares up to and including the LTD; and
- (iii) the rationale for the Rights Issue of ICPS with Warrants as set out in Section 4 of this Abridged Prospectus.

Based on the issue price of RM0.03 per ICPS and the conversion ratio of 2 ICPS for every 1 new Share, the Conversion Price of RM0.06 represents a discount of approximately 2.44% to the TEAP of MNC Shares of RM0.0615, calculated based on the 5-day VWAP of MNC Shares up to and including the LTD of RM0.0654.

Note:-

- (1) TEAP is computed as follows:-

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

where:-

A = Number of ICPS

B = Number of Warrants B

C = Number of existing Shares

D = Conversion ratio

X = Issue price of the ICPS

Y = Exercise Price

Z = 5-day VWAP of MNC Shares up to and including the LTD

and the ratio of A:B:C is 50:1:10, in accordance with the entitlement basis of 50 ICPS together with 1 free Warrant B for every 10 existing Shares held.

(ii) Exercise Price

The Board had fixed the Exercise Price at RM0.06 after taking into consideration, amongst others, the TEAP of MNC Shares based on the 5-day VWAP of MNC Shares up to and including the LTD.

The Exercise Price represents a discount of approximately 2.44% to the TEAP of MNC Shares of RM0.0615, calculated based on the 5-day VWAP of MNC Shares up to and including the LTD of RM0.0654.

2.3 Ranking of the new Shares to be issued arising from the conversion of the ICPS and/or exercise of the Warrants B

(i) New Shares to be issued arising from conversion of the ICPS

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

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

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

2.4 Last date and time for acceptance and payment

The Closing Date is 5.00 p.m. on **28 August 2019**.

2.5 Salient terms of the ICPS

The salient terms of the ICPS are set out below:-

Issuer	: MNC
Issue size	: Up to 3,769,226,735 ICPS
Issue price	: RM0.03 per ICPS
Form and denomination	: The ICPS will be constituted by the Constitution and will be issued in registered form.
Dividend	: The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of the ICPS shall be 100 units of the ICPS, or such other number of units as may be prescribed by Bursa Securities from time to time.
Tenure	: 10 years from the date of issuance of the ICPS.
Maturity Date	: The Market Day immediately preceding the date which is the 10th anniversary from the date of issue of the ICPS.
Conversion Period	: The ICPS may be converted into new Shares on any Market Day commencing on and including the issue date of the ICPS up to and including the Maturity Date. Any remaining ICPS that are not converted by the Maturity Date shall be mandatorily converted into new Shares at the conversion ratio of 2 ICPS for every 1 new Share.
Redemption	: Not redeemable for cash.
Conversion Price	: The Conversion Price of the ICPS to be converted into 1 new MNC Share is RM0.06.
Conversion Mode	: The ICPS may be converted into new Shares at the Conversion Price in the following manner:- <ul style="list-style-type: none"> (i) by surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the Conversion Price, subject to a minimum of 1 ICPS and a maximum of 2 ICPS for every 1 new Share; and (ii) by paying the difference between the aggregate issue price of ICPS surrendered and the Conversion Price, if any, in cash, for every 1 new Share.

Conversion Mode (cont'd) : Based on the above, the 2 conversion modes are illustrated below:-

No. of ICPS to surrender for cancellation	Total issue price of ICPS surrendered RM	Additional cash payment RM	Conversion price RM
1	0.03	0.03	0.06
2	0.06	-	0.06

Conversion Mechanism :

- (i) The conversion of the ICPS into new Shares shall be exercised by the ICPS holders by delivering a duly completed and signed conversion notice ("**Conversion Notice**") and the 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 Conversion Price, if any, to the office of the share registrar of the Company during its business hours on any Market Day during the Conversion Period. The Conversion Notice is irrevocable upon receipt by the Company at the share registrar's office. A holder of the ICPS who has issued a Conversion Notice ("**Converting ICPS Holder**") shall further furnish to the Company such supporting documents or information as may be prescribed by the Company or as may be required under any applicable laws or regulations from time to time. The conversion shall be carried out in accordance with such procedures as may be prescribed by any applicable laws and regulations.
- (ii) All the ICPS that remain outstanding on the Market Day immediately after the Maturity Date will be automatically converted into new Shares
- (iii) Subject to all applicable laws, rules and regulations, within 8 Market Days from the date of receipt by the Company of a Conversion Notice or such other period as may be prescribed or allowed by Bursa Securities or under any applicable laws and regulations, the Company shall:-
 - (a) issue and/or allot to the relevant Converting ICPS Holders, such number of Shares to which such holders are entitled to receive by virtue of the exercise of the Conversion Rights (as defined below), credited as fully paid-up ("**Conversion Shares**"), and shall cause the securities account of the said holders to be credited with such number of Conversion Shares; and
 - (b) dispatch a notice of allotment to the relevant Converting ICPS Holders in respect of the Conversion Shares.
- (iv) Once converted, the ICPS shall not be capable of reissuance.

Conversion rights	<p>(i) Each ICPS carries the entitlement to convert into new Shares at the Conversion Price through the surrender of the ICPS in the manner of the Conversion Mode; and</p> <p>(ii) If the conversion results in a fractional entitlement to MNC Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.</p>
Adjustments to Conversion Price and/or Conversion Mode	<p>The Conversion Price and/or Conversion Mode may from time to time be adjusted by the Board as and when it deems necessary and expedient on or before the Maturity Date, in all or any of the following events:-</p> <p>(i) a bonus issue of Shares by the Company; or</p> <p>(ii) a capital distribution to the Shareholders made by the Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is lost or unrepresented by assets; or</p> <p>(iii) a rights issue of Shares or convertible securities by the Company; or</p> <p>(iv) a consolidation of shares, subdivision of shares or reduction of capital; or</p> <p>(v) any other circumstances deemed necessary by the Board,</p> <p>provided that any adjustment to the Conversion Price will be rounded down to the nearest 1 sen (RM0.01). The adjustments shall be adjusted, calculated or determined by the Board in consultation with and certified by an approved adviser or external auditor appointed by the Company, as the case may be.</p> <p>Any adjustment to the Conversion Price which may give rise to fractional entitlements of new Shares arising from the conversion of the ICPS shall be disregarded.</p>
Ranking of the ICPS and liquidation preference	<p>The ICPS are unsecured and shall upon allotment and issue rank <i>pari passu</i> amongst themselves and shall rank in priority to any other class of shares in the capital of the Company, except that:-</p> <p>(i) they will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared by the Company in respect of the ordinary shares; and</p> <p>(ii) they carry no right to vote at any general meeting of the Company save for the voting rights as set out under the "Rights of the holders of ICPS" section.</p>

<p>Ranking of the ICPS and liquidation preference (cont'd)</p>	<p>: In the event of liquidation or winding-up of the Company:-</p> <ul style="list-style-type: none"> (i) the assets of the Company shall be distributed to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS in preference over the holders of the Shares, provided that there shall be no further right for the holders of ICPS to participate in any surplus capital or surplus profits of the Company; and (ii) in the event that the Company has insufficient assets to permit payment of the full issue price to the holders of ICPS, the assets of the Company shall be distributed pro rata on an equal priority to the holders of ICPS in proportion to the amount that each holder of ICPS would otherwise be entitled to receive.
<p>Ranking of new Shares to be issued pursuant to the conversion of the ICPS</p>	<p>: The new Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issue, 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 that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the conversion of the ICPS.</p>
<p>Rights of the holders of ICPS</p>	<p>: The ICPS holders shall not have the right to vote at any general meeting of the Company except with regard to:-</p> <ul style="list-style-type: none"> (a) on a proposal considering the reduction of the share capital of the Company (excluding any cancellation of capital which is lost or unrepresented by assets); (b) on a proposal for the sale of the whole of the Company's property, business and undertaking; (c) on a proposal that directly affects the rights and privileges attached to the ICPS; (d) on a proposal to wind-up the Company; and (e) during the winding-up of the Company, <p>in which case, the ICPS holders shall be entitled to vote at any general meeting whereby every ICPS shall on a poll, carry 1 vote for each ordinary share into which the ICPS may be converted into, based on the conversion ratio of 2 ICPS for every 1 new Share.</p> <p>The ICPS holders shall be entitled to receive notice of meetings, report and accounts, and attend meetings and vote at any class meeting of the holders of the ICPS in relation to any proposal by the Company to vary or abrogate the rights of the ICPS as stated in the Constitution.</p>

Listing	: The ICPS will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the ICPS on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of ICPS.
Transferability	: As the ICPS will be listed and quoted on the ACE Market of Bursa Securities, they will be deposited with the CDS of Bursa Securities and will be subject to the Rules of Bursa Depository. The ICPS shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.
Modification of rights	: The Company may from time to time without the consent or sanction of the holders of the ICPS make modifications to the terms of the ICPS to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations. Any variation, modification or abrogation of the rights and privileges attached to the ICPS shall require the sanction of a special resolution of the ICPS holders holding or representing not less than 75% of the outstanding ICPS.
Governing laws	: The laws of Malaysia.

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2.6 Salient terms of the Warrants B

The salient terms of the Warrants B are set out below:-

Issuer	: MNC
Issue size	: Up to 75,384,534 Warrants B to be issued pursuant to the Rights Issue of ICPS with Warrants.
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 ICPS will immediately be detached from the ICPS 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 from 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. on the Market Day immediately preceding the date which is the 5th anniversary from the date of issuance of the Warrants B (" Exercise Period "). Any Warrants B not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	: RM0.06 per Warrant B. The Exercise Price and/or the number of Warrants B in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
Subscription rights	: Each Warrant B shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B.
Mode of exercise	: The holders of 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.

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<p>Adjustments to the final Exercise Price and/or the number of the Warrants B</p>	<p>: Subject to the provisions of the Deed Poll B, the Exercise Price and/or the number of unexercised Warrants B in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants B, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll B. Any adjustment to the Exercise Price will be rounded up to the nearest 1 sen.</p>
<p>Rights of the Warrant B holders</p>	<p>: 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.</p>
<p>Ranking of the new Shares to be issued pursuant to the exercise of the Warrants B</p>	<p>: 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, 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 and issuance of such new Shares arising from the exercise of the Warrants B.</p>
<p>Rights of the Warrant B holders in the event of winding up, liquidation, compromise and/or arrangement</p>	<p>: 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:-</p> <p>(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 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</p>

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<p>Rights of the Warrant B holders in the event of winding up, liquidation, compromise and/or arrangement (cont'd)</p>	<p>: (ii) in any other cases, every Warrant B holder shall be entitled to exercise his / her Warrants B at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant B holder credited as fully paid subject to the prevailing laws, and such Warrant B holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants B shall lapse and cease to be valid for any purpose.</p>
<p>Modification of rights of Warrant B holders</p>	<p>: Save as otherwise provided in the Deed Poll B, a special resolution of the Warrant B holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant B holders.</p>
<p>Modification of the Deed Poll B</p>	<p>: Any modification to the terms and conditions of the Deed Poll B may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll B. Any of such modification shall however be subject to the approval of Bursa Securities (if so required).</p> <p>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 or Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant B holders.</p>
<p>Listing</p>	<p>: 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.</p>
<p>Transferability</p>	<p>: The Warrants B shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.</p>
<p>Deed poll</p>	<p>: The Warrants B shall be constituted by the Deed Poll B to be executed by the Company.</p>
<p>Governing Law</p>	<p>: The Warrants B and the Deed Poll B shall be governed by the laws and regulations of Malaysia.</p>

2.7 Details of other corporate exercises

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

3. SHAREHOLDER'S UNDERTAKING

MNC intends to raise a minimum of RM11.0 million from the Rights Issue of ICPS with Warrants to meet the funding requirements of the Group, which will be channelled towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue of ICPS 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 shareholdings as at the LPD		Minimum ICPS to be subscribed for pursuant to the Undertaking			Assuming none of the other Entitled Shareholders subscribe for their ICPS	
	No. of Shares	(1)%	Subscription based on entitlement	Subscription based on excess application	Total ⁽²⁾	No. of Shares held after ICPS conversion	(3)%
Tan Chor How Christopher	⁽⁴⁾ 50,000	0.01	250,000	366,416,667	366,666,667	183,383,333	27.71

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the issue price of RM0.03 per ICPS.
- (3) Based on the enlarged issued share capital of 661,716,733 Shares assuming full conversion of the ICPS by the Undertaking Shareholder at the conversion mode of surrendering 2 ICPS for 1 new Share without additional cash payment.
- (4) This party does not hold any Convertible Securities as at the LPD.

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 his 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 subscribe in full for his entitlement of ICPS under the Rights Issue of ICPS with Warrants and additional ICPS not taken up by other Entitled Shareholders by way of excess ICPS application to the extent such that the aggregate subscription proceeds of the ICPS received by MNC arising from the subscription by all Entitled Shareholders and/or their renounee(s) amount to not less than RM11.0 million.

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

The Undertaking Shareholder has confirmed that his subscription for ICPS and excess ICPS pursuant to the Undertaking will not give rise to any mandatory take-over offer obligation under the Code and the Rules on Take-Overs, Mergers and Compulsory Acquisitions immediately after completion of the Rights Issue of ICPS with Warrants.

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. Nonetheless, the Undertaking Shareholder has confirmed that he will at all times observe and ensure compliance with the provisions 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.

As the Minimum Subscription Level will be fully satisfied via the Undertaking, the Company will not procure any underwriting arrangement for the remaining ICPS 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			After the Rights Issue of ICPS with Warrants		
	No. of Shares	No. of Shareholders	%	No. of Shares	No. of Shareholders	%
Issued share capital	(1)478,383,400	1,937	100.00	(2)661,716,733	1,937	100.00
Less:						
Directors of MNC						
- Tan Chor How Christopher	(3)50,000	1	0.01	183,383,333	1	27.71
Person connected and associated to the Directors	-	-	-	-	-	-
Substantial Shareholders of MNC						
- Metronic Global Berhad	(3)76,856,400	1	16.07	76,856,400	1	11.61
Person connected and associated to the substantial Shareholders	-	-	-	-	-	-
Public shareholding spread	401,477,000	1,935	83.92	401,477,000	1,935	60.67

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 661,716,733 Shares pursuant to the Undertaking and after assuming full conversion of the ICPS by the Undertaking Shareholder.
- (3) This party does not hold any Convertible Securities as at the LPD.

4. RATIONALE FOR THE RIGHTS ISSUE OF ICPS WITH WARRANTS

The Rights Issue of ICPS with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

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

- (i) it will not have an immediate dilution effect on the Group's EPS as the ICPS are expected to be converted over the Conversion Period as opposed to a fund raising exercise via rights issue of ordinary shares which will have an immediate upfront impact on the Group's EPS;
- (ii) it will not dilute the shareholdings of Entitled Shareholders, assuming that all Entitled Shareholders subscribe to their respective entitlement and fully convert their ICPS;
- (iii) it allows Entitled Shareholders to increase their equity participation in the Company through the conversion of the ICPS into new Shares during the Conversion Period; and
- (iv) it enables 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 ICPS are intended to provide an added incentive to Entitled Shareholders to subscribe for the ICPS. 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 the Warrants B are exercised.

The exercise of the Warrants B in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, 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.

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5. UTILISATION OF PROCEEDS

In the Company's circular to Shareholders dated 14 May 2019, it was disclosed that the Rights Issue of ICPS with Warrants will raise gross proceeds of RM47.8 million under the Base Case Scenario and RM75.4 million under the Maximum Scenario, based on an illustrative issue price of RM0.02 per ICPS.

Subsequently, on 18 July 2019, the Board had resolved to fix the issue price at RM0.03 per ICPS after taking into consideration, amongst others, the factors set out in Section 2.2 of this Abridged Prospectus.

Arising from the above, the additional proceeds of RM23.9 million and RM37.7 million under the Base Case Scenario and Maximum Scenario respectively will be allocated for the acquisition and/or investment in other complementary businesses and/or assets, further details of which are set out in Section 5(iv) below.

Hence, based on the issue price of RM0.03 per ICPS, the gross proceeds to be raised from the Rights Issue of ICPS with Warrants are intended to be utilised in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	⁽¹⁾ Minimum Scenario		Base Case Scenario		Maximum Scenario	
		(RM'000)	%	(RM'000)	%	(RM'000)	%
(i) Upgrading of the Group's bulk SMS messaging platform	Within 24 months	11,000	100.0	11,000	15.3	11,000	9.7
(ii) Upgrading of the Group's premium mobile content platform	Within 24 months	-	-	15,000	20.9	15,000	13.3
(iii) Development of an online property management platform	Within 24 months	-	-	10,000	13.9	10,000	8.8
(iv) Acquisition and/or investments in other complementary businesses and/or assets	Within 24 months	-	-	35,058	48.9	76,377	67.5
(v) Estimated expenses for the Corporate Exercises	Immediate	⁽²⁾ -	-	⁽²⁾ 700	1.0	⁽²⁾ 700	0.6
Total		11,000	100.0	71,758	100.0	⁽³⁾113,077	100.0

Notes:-

(1) Any additional proceeds raised in excess of the RM11.0 million under the Minimum Scenario will be allocated up to its respective maximum allocation under the Base Case Scenario and Maximum Scenario in the following order:-

- (i) estimated expenses for the Corporate Exercises;
- (ii) upgrading of the Group's premium mobile content platform;
- (iii) development of an online property management platform; and
- (iv) acquisition and/or investments in other complementary businesses and/or assets.

- (2) Under the Minimum Scenario, the expenses for the Corporate Exercises shall be funded via internally generated funds.

Under the Base Case Scenario and Maximum Scenario, if the actual expenses incurred are higher than the budgeted amount of RM0.70 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.

- (3) The Board wishes to highlight that the illustrative amount of up to RM113.1 million that will be raised under the Maximum Scenario is based on the assumption that all the outstanding Convertible Securities are granted and/or exercised into new Shares prior to the Entitlement Date and all Entitled Shareholders fully subscribe to their entitlements of the ICPS with Warrants B.

The Board is of the view that the Maximum Scenario is an unlikely scenario as it is unlikely for all the Warrants A to be exercised into new Shares prior to the Entitlement Date in view of the closing market price of MNC Shares as at the LPD of RM0.06 vis-à-vis the exercise price of the Warrants A of RM0.10 as well as the remaining tenure of the Warrants A of approximately 27 months from the LPD.

(i) Upgrading of the Group's bulk SMS messaging platform

The Group intends to utilise proceeds of up to RM11.0 million to invest in the upgrading of the Group's bulk SMS messaging platform. The indicative cost breakdown for the upgrade, based on quotations obtained from software developer and advertising firm is as follows:-

	Purpose	Description	RM'000
(i)	Upgrading of the bulk SMS messaging platform with development of additional modules ⁽¹⁾	Costs to upgrade the bulk SMS messaging platform with development of additional modules such as:- <ul style="list-style-type: none"> - user demographic filter module; - quick response ("QR") generator module; - pre-schedule and personalised SMS alerts or greeting message broadcast module; - user access role management module; - reporting module; - rewards point management system module; and - automated email module. 	4,900
(ii)	Infrastructure costs ⁽²⁾	Procurement of 3 units of development server, 6 units of staging server, 6 units of production server, 2 units of database server and 1 unit of server co-location and hosting rack.	1,100
(iii)	Marketing expenses ⁽³⁾	Promotion and advertising costs for the bulk SMS messaging platform.	5,000
			11,000

Notes:-

- (1) The upgrading would be outsourced to a third party software development firm.
- (2) Development servers, staging servers, production servers and database servers are used to host the communication infrastructure for the operation of the platform. Server co-location and hosting rack are used to physically house the servers. These new servers are intended to replace the platform's existing servers which are outdated in terms of memory and processing speed.

- (3) Marketing is expected to be in the form of digital advertising, print media advertising, radio advertising, search engine optimisation (SEO) initiatives and participation in promotional events.

The total cost to upgrade the Group's bulk SMS messaging platform as indicated above is expected to be fully funded via proceeds from the Rights Issue of ICPS with Warrants.

The Group's bulk SMS messaging platform, GO!SMS, is a service that allows its users to send bulk SMS to their targeted audience in a reliable, fast and cost efficient manner. Typical users of the GO!SMS platforms include banks, insurance companies and small and medium enterprises (involved in property, beauty, automobile and media agency sectors).

For banks, GO!SMS is typically used as a means of sending Transaction Authorisation Code (TAC) for verification purposes for banking transactions undertaken by the banks' customers. For businesses, GO!SMS is used to send push advertisements and marketing content to existing or prospective customers to promote their products and services.

To subscribe to the GO!SMS platform, users are offered several packages to choose from, with each package differing in terms of quantity of SMS with tiered pricing (i.e. the larger the package, the cheaper the cost per SMS).

The GO!SMS platform has seen an increasing volume of messages sent through the platform over the past 4 years. The number of SMS delivered per annum grew from 49.4 million in the FYE 31 December 2015 to 145.0 million in the FYE 31 December 2018, representing a CAGR of 43.2% as shown below:-

FYE 31 December	No. of SMS delivered per annum (million)	Year-on year increase / (decrease) (%)
2015	49.4	N/A
2016	82.8	67.6
2017	147.1	77.7
2018	145.0	(1.4)
CAGR: 43.2%		

Currently, based on existing software and hardware which has not been upgraded since 2011, the GO!SMS platform is running on a throughput rate of approximately 5 SMS per second. With the upgrading of the platform including the replacement of existing outdated servers with newer servers, the messaging speed of the platform is expected to be enhanced from approximately 5 SMS per second (as at December 2018) to approximately 180 SMS per second.

This upgraded speed is expected to allow the GO!SMS platform to be competitive against other similar service providers who have more up-to-date software and hardware, thus allowing them to meet clients' demand for larger volumes of SMS to be delivered to their intended recipients within shorter timeframes.

With the improved messaging speed, the Group expects the GO!SMS platform to be more attractive to a wider range of clients especially those with a large customer base such as banks, insurance companies, property developers and government agencies. A faster bulk messaging speed is also useful for retail clients who wish to use SMS as a marketing medium to launch ad-hoc promotional campaigns in real-time. By improving its messaging speed, the Group hopes to expand its existing client base in the banking and insurance sector as well as secure new customers in other untapped sectors.

The upgraded speed is also expected to provide the GO!SMS platform with the ability to serve more clients simultaneously on demand, thus preventing bottleneck situations. This is crucial as clients typically demand to send bulk SMS at a specific time and are unlikely to tolerate any delay. Hence, the upgraded speed will allow the GO!SMS platform to expand its client base / take in new clients without fear of running into bottleneck situations and jeopardise the service to existing clients.

As the upgrading of the GO!SMS platform will mostly be outsourced (refer above), the Group does not expect to hire additional staff specifically for this initiative. Notwithstanding that, the Group may hire additional staff moving forward as and when required in accordance with the future growth of its business operations.

The upgrading of the GO!SMS platform is expected to commence within 2 months after completion of the Rights Issue of ICPS with Warrants and the upgraded platform is expected to be fully operational within 22 months from commencement.

(ii) Upgrading of the Group's premium mobile content platform

The Group intends to utilise proceeds of up to RM15.0 million under the Base Case Scenario and Maximum Scenario to invest in the upgrading of the Group's premium mobile content platform. The indicative cost breakdown for the upgrade, based on quotations obtained from software developer and advertising firm, is as follows:-

	Purpose	Description	RM'000
(i)	Upgrading of the premium mobile content platform with development of additional modules ⁽¹⁾	Costs to upgrade the premium mobile content platform with development of additional modules such as:- <ul style="list-style-type: none"> - user management modules; - mobile network operator management modules; - premium mobile content short code modules; - keywords modules; - price codes management modules; - subscription service management modules; - gateway connectivity module; - broadcast module; - reporting and audit trail module. 	6,800
(ii)	Infrastructure costs ⁽²⁾	Procurement of 2 units of development server, 6 units of staging server, 6 units of production server, 2 units of database server, 1 unit of storage server and 1 unit of server co-location and hosting rack.	1,200
(iii)	Marketing expenses ⁽³⁾	Promotion and advertising costs for the premium mobile content platform.	7,000
			15,000

Notes:-

- (1) The upgrading would be outsourced to a third party software development firm.
- (2) Development servers, staging servers, production servers, database servers and storage servers are used to host the communication infrastructure for the operation of the platform. Server co-location and hosting rack are used to physically house the servers. These new servers are intended to replace the platform's existing servers which are outdated in terms of memory and processing speed.

- (3) Marketing is expected to be in the form of digital advertising and print media advertising in Malaysia, Thailand, Cambodia, Indonesia, Nepal and Sri Lanka.

The total cost to upgrade the Group's premium mobile content platform as indicated above is intended to be fully funded via proceeds from the Rights Issue of ICPS with Warrants.

However, in the event of any shortfall between the total cost indicated above and the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants, the shortfall shall be funded via bank borrowings. The actual funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants as well as the availability and suitability of other funding options at the relevant time.

The Group's premium mobile content platform, GO!CPA, is a service that allows its users (content providers) to sell premium mobile content such as coloured wallpapers, coloured animations, coloured greeting cards, videos and mobile games to end consumers.

Through GO!CPA, users can send automated SMS to their target end consumers to offer them premium mobile content. The SMS will contain details of the content as well as the steps to be taken to purchase the content, including a short code number (typically a 5-digit code generated and operated by the platform). An end consumer who wish to purchase the premium mobile content will have to send an SMS to that short code number to either request for a specific content or subscribe to a service to receive content on a regular basis.

Upon receiving the acceptance SMS from the end user, the GO!CPA platform will automatically generate and send the requested premium mobile content to the end consumer, who will then be charged. The revenue from the sale of the content will then be shared among the Group, the content provider and the telecommunications services provider.

In addition to earning a commission for every premium mobile content purchased by end consumers, the Group also earns management fee from the content provider on a profit-sharing basis for managing the operations of the platform.

As the Group's premium mobile content platform has already been in operation in Malaysia for more than 10 years, the Group intends to embark on upgrading works so that the platform can be competitive against other similar service providers who have more up-to-date software and hardware.

The upgrade is also intended to cater for the Group's intention to expand its platform into foreign markets such as Thailand, Cambodia, Indonesia, Nepal and Sri Lanka. Such expansion is expected to be undertaken by establishing connectivity between our platform with the foreign mobile network operators' / foreign messaging gateway providers' platform to facilitate the provision and delivery of premium mobile content to the local subscribers in the respective countries. The Group intends to undertake such expansion over the next 2 years from completion of the Rights Issue of ICPS with Warrants.

These foreign markets have vast potential for growth in view of the increasing broadband and mobile penetration rates. Further details on the overview and prospects of the mobile and digital solutions potential in Thailand, Indonesia, Sri Lanka, Cambodia and Nepal are set out in Section 7.3 of this Abridged Prospectus.

As at December 2018, the GO!CPA platform was operating at a utilisation rate of 90% based on a messaging capacity of 1.9 million messages per month. Once the upgrade is completed including the replacement of existing outdated servers with newer servers, the Group expects the messaging capacity of the platform to increase to 17.1 million messages per month. This will help to support the anticipated increase in utilisation of the platform following the Group's plan to expand into the abovementioned foreign markets.

Moreover, the upgrade is also expected to enable the Group to utilise subscription data analytics whereby the Group may analyse the subscription behaviours of the subscribers / end users of GO!CPA. This can then be utilised by the users of GO!CPA to provide more targeted and interactive content to best promote their brands and products to existing subscribers / end consumers of GO!CPA. In turn, this could potentially become an additional revenue stream to the Group.

As the upgrading of the GO!CPA platform will mostly be outsourced (refer above), the Group does not expect to hire additional staff specifically for this initiative. Notwithstanding that, the Group may hire additional staff moving forward as and when required in accordance with the future growth of its business operations.

The upgrading of the GO!CPA platform is expected to commence within 2 months after completion of the Rights Issue of ICPS with Warrants and the upgraded platform is expected to be fully operational within 22 months from commencement.

However, the abovementioned timeline is based on the assumption that the Group has raised sufficient amount of proceeds from the Rights Issue of ICPS with Warrants to meet the funding requirement for the upgrading of the GO!CPA platform.

In the event of any shortfall, the timeline may be delayed and the extent of such delay cannot be determined at this juncture as it will depend on, amongst others, the availability of funding to meet the shortfall.

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(iii) Development of an online property management platform

The Group intends to utilise proceeds of up to RM10.0 million under the Base Case Scenario and Maximum Scenario to invest in the development of an online property management platform. This platform will facilitate communication between stakeholders in residential properties (e.g. residents / tenants of condominiums as well as gated and guarded residential communities) with building managements or residents associations. The indicative cost breakdown for the development, based on quotations obtained from software developer and advertising firm, is as follows:-

	Purpose	Description	RM'000
(i)	Development of the online property management platform and its respective modules ⁽¹⁾	Costs to develop the software for the online property management platform including the following modules:- <ul style="list-style-type: none"> - user interface, dashboard, user profile and user management modules; - billing and payment modules; - third-party service booking modules; - announcement and notices modules; - messaging modules; - discussion board modules; - online polling module; - enquiry and feedback module; - facility booking modules; - security modules; - visitor management module; - application modules. 	5,000
(ii)	Infrastructure costs ⁽²⁾	Procurement of 3 units of development servers, 8 units of staging servers, 8 units of production servers, 2 units of database servers and 2 units of server co-location and hosting rack.	2,000
(iii)	Marketing expenses ⁽³⁾	Promotion and advertising costs for the online property management platform.	3,000
			10,000

Notes:-

- (1) The upgrading would be outsourced to a third party software development firm.
- (2) Development servers, staging servers, production servers and database servers are used to host the communication infrastructure for the operation of the platform. Server co-location and hosting rack are used to physically house the servers.
- (3) Marketing is expected to be in the form of participation in property exhibitions, digital marketing, search engine optimisation (SEO) initiatives and search engine marketing (SEM) initiatives.

The total cost to develop the online property management platform as indicated above is intended to be fully funded via proceeds from the Rights Issue of ICPS with Warrants.

However, in the event of any shortfall between the total cost indicated above and the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants, the shortfall shall be funded via bank borrowings. The actual funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds raised from the Rights Issue of ICPS with Warrants as well as the availability and suitability of other funding options at the relevant time.

The online property management platform to be developed is expected to have, amongst others, bill payment functions and third-party service booking features.

The bill payment feature is expected to enable building management or residents associations to send billing notices or payment reminders for maintenance fee / sinking fund or security fee, and further allows residents / tenants to make payments directly to their building management or residents association's bank account online. Residents / tenants will be able to access the platform to view their billing status and payment history, amongst others.

This feature provides building management or residents associations a systematic way of sending billing notices, tracking payment status as well as collecting and recording payment. Moreover, the convenience of allowing the resident or tenant to view their latest billing status and payment history as well as make payment all under a single integrated platform may encourage timely payment.

The third-party service booking feature will grant residents / tenants access to various third-party service providers for various services such as electrical services, plumbing services, medical services, relocation services, maid / cleaning services, laundry services and grocery delivery. Through the platform, residents / tenants will be able to make bookings as well as payments for such facilities with the service providers online. Service providers will also be able to post advertisements and marketing materials on the platform.

Previously, residents / tenants would have to spend time and effort to conduct their own research to look for various third-party service providers and individually keep the contact details of each service provider. With the platform, residents / tenants will be able to conveniently access all of these services under a single integrated platform.

As booking and payment history will be recorded on the platform, residents / tenants will also be able to access such information for future use e.g. booking the same service again.

Apart from the above, the platform is also envisaged to have other features such as the following:-

- (i) building management or residents associations can make periodic announcements or notices including calling for general meetings and organising festival gatherings / parties or other community events;
- (ii) building management or residents associations can create online polls for residents / tenants to vote on important decisions such as increasing security fee, changing security service provider, imposing certain house rules and installing additional security or building features;
- (iii) residents / tenants can submit general enquiries and feedback or lodge complaints directly to their building management or residents association;
- (iv) residents / tenants as well as building management or residents association can interact and participate in discussions through an online community message board / forum;
- (v) residents / tenants can make bookings for in-house facilities such as community halls and common areas as well as sports facilities within the residential community / condominium;
- (vi) residents / tenants can systematically pre-register visitors and make bookings for visitor parking online rather than liaising with security personnel at the guard house; and

- (vii) residents / tenants can make applications with building management for renovation of their premises.

The Group anticipates the development of the online property management platform to commence within 2 months after completion of the Rights Issue of ICPS with Warrants and complete with commercialisation of a basic version of the platform within 10 months from commencement. The basic version of the platform is expected to have several key basic functions such as billing and payment modules, announcement and notices modules, enquiry and feedback modules as well as facility booking modules. Thereafter, the platform will be gradually developed with additional features being continuously added, as well as existing features being continuously improved. By the end of 24 months from completion of the Rights Issue of ICPS with Warrants, the platform is expected to have at least all the features set out in (i) to (vii) above.

However, the abovementioned timeline is based on the assumption that the Group has raised sufficient amount of proceeds from the Rights Issue of ICPS with Warrants to meet the funding requirement for the development of an online property management platform.

In the event of any shortfall, the timeline may be delayed and the extent of such delay cannot be determined at this juncture as it will depend on, amongst others, the availability of funding to meet the shortfall.

While developing and prior to commercialisation of a basic version of the platform, the Group intends to market the platform to building managements of existing high-rise condominiums as well as residents associations of existing gated and guarded residential communities in Malaysia. The Group may charge a one-off installation fee and/or periodic subscription fees, depending on the final pricing structure to be negotiated with each building management / residents association.

(iv) Acquisition and/or investments in other complementary businesses and/or assets

The Group has earmarked proceeds of up to RM35.1 million and RM76.4 million under the Base Case Scenario and Maximum Scenario respectively to finance any suitable and viable potential business(es) / investment(s) and/or strategic acquisition(s) in similar or other complementary businesses or assets, within 24 months from completion of the Rights Issue of ICPS with Warrants.

This may include, amongst others, investments in the area of e-commerce, online property sales and marketing and home automation. In view thereof, the Rights Issue of ICPS with Warrants will allow the Group to capitalise on suitable and viable investment opportunities as and when it arises, which may in turn generate positive returns to the Group, thereby increasing shareholders value.

As at the LPD, the Board has yet to identify any specific businesses and/or assets for acquisition and/or investment. The Company will make necessary announcement(s) as provided in the Listing Requirements as and when it has entered into any agreement in relation to the acquisition and/or investment of the complementary business and/or assets. In the event that shareholders' approval and/or other regulatory approvals are required, the necessary approval(s) will be sought.

Pending the identification of new businesses to be invested in, the Company will place the unutilised cash proceeds in interest-bearing bank deposits and/or money market financial instruments (such as commercial papers and repurchase agreements) under a separate bank account from the other proceeds allocated for in Sections 5(i), 5(ii), 5(iii) and 5(v) of this Abridged Prospectus. Any form of utilisation from this account shall be subject to the approval of the Audit Committee of the Company. The status of utilisation for Sections 5(i) to 5(v) of this Abridged Prospectus will also be reported in the quarterly financial results announcements as well as annual reports of the Company.

If the Company is unable to identify suitable investments within 24 months from the completion of the Rights Issue of ICPS with Warrants, the timeframe for utilisation of proceeds that has been allocated for the said purpose will be extended and announced as well as disclosed in MNC's quarterly results announcements until the Company has successfully identified a suitable business to acquire and/or invest in.

(v) Estimated expenses for the Corporate Exercises

The breakdown of the estimated expenses is illustrated below:-

Estimated expenses	RM'000
Professional fees ⁽¹⁾	520
Fees to relevant authorities	95
Printing, despatch and advertising expenses	70
Miscellaneous charges	15
Total	700

Note:-

- (1) Comprises estimated professional fees payable to the Principal Adviser, Company Secretary, Share Registrar, Solicitors and Reporting Accountants for the Corporate Exercises.

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

The exact quantum of proceeds that may be raised by the Company from the conversion of the ICPS and/or exercise of the Warrants B would depend on the actual number of ICPS converted during the Conversion Period as well as its Conversion Mode and/or the actual number of Warrants B exercised during the Exercise Period as well as its Exercise Price, which shall be determined by the Board at a later date. The proceeds from the conversion of the ICPS and/or exercise of the Warrants B will be received on an "as and when basis" over the Conversion Period and/or the Exercise Period.

It is unlikely for the Company to receive significant additional proceeds from the conversion of the ICPS as the ICPS are expected to be converted mainly based on the conversion mode of surrendering 2 ICPS without additional cash payment instead of the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.03 (to arrive at the Conversion Price of RM0.06 for 1 new Share).

Nevertheless, any proceeds arising from the conversion of ICPS (via the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.03) during the Conversion Period will be used to finance the Group's working capital requirements such as staff salaries, rental, utilities, maintenance costs, audit fees and secretarial fees. The exact breakdown of such utilisation cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time. Strictly for illustrative purposes, assuming all the ICPS are converted based on the conversion mode of surrendering 1 ICPS with additional cash payment of RM0.03, the Company will raise gross proceeds of approximately RM113.1 million upon full conversion of the ICPS under the Maximum Scenario.

Strictly for illustrative purposes, based on the Exercise Price of RM0.06, the Company will raise gross proceeds of up to RM4.5 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 working capital requirements such as those described above. The exact breakdown cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time.

6. 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 of ICPS with Warrants:-

6.1 Risks relating to the Group

6.1.1 Our bulk SMS messaging platform and premium mobile content platform may be affected by technological obsolescence

Our bulk SMS business is heavily reliant on the usage of SMS. While the usage of SMS may remain popular in some developing countries, it may not be as popular in more developed countries where the usage of messaging applications such as WhatsApp, WeChat and Line are more prevalent. This would be more so for countries with higher smartphone and broadband penetration rates as well as more developed broadband cellular network technology such as 4G infrastructure. As mobile data becomes cheaper, messaging applications are likely to be used more widely since they can support bigger content and more features as compared to conventional SMS.

In this regard, our bulk SMS businesses may be affected by technological obsolescence. Some of our clients use our GO!SMS platform to send push advertisements and marketing content to existing or prospective customers to promote their products and services. There is no assurance that our GO!SMS platform can continue to remain relevant and useful for these clients as they may eventually prefer to use messaging applications as a more modern way of connecting with their audience.

As for our premium mobile content business, our GO!CPA platform is used by our clients, comprising content providers, to sell premium mobile content such as coloured wallpapers, coloured animations, coloured greeting cards, videos and mobile games to end consumers. There is no assurance that there will continue to be sufficient demand for premium mobile content by end consumers. The rising usage of smartphones may lead to a decline in the popularity of such premium mobile content as smartphones are able to support more sophisticated and interactive content. In turn, this may result in a decline in the usage of our GO!CPA platform.

To this end, there may be material adverse effect to our business and financial performance if there is a significant decline in the usage of our GO!SMS and GO!CPA platforms by our clients due to the reasons set out above.

6.1.2 We face competition from other similar service providers

The Group's ICT business via its mobile applications as well as wireless and multimedia related services segments operates in a highly competitive environment that is characterised by rapid changes in technology, low barriers to entry and diverse consumer preferences. In particular, the Group's bulk SMS messaging platform and premium mobile content platform faces competition from other similar service providers in terms of pricing, speed and quality of service, amongst others.

In this context, the Group's performance in the ICT business is dependent on its ability to continuously innovate and upgrade its systems, software and infrastructure to ensure that its services remain relevant in the current technological landscape. This would then allow the Group to compete effectively against other service providers moving forward.

While the Group intends to upgrade its bulk SMS messaging platform and premium mobile content platform, there is no assurance that these upgrades will allow the Group to remain relevant in future technological landscapes given the potential for rapid technological advancements.

If the Group's competitors have more advanced technology which allows to consistently deliver better pricing, speed and quality of service, amongst others, the Group may suffer substantial loss of clients as they switch to these competitors. In this event, the Group's business and financial performance would be adversely affected.

6.1.3 We are exposed to cyber security risk

Our GO!SMS and GO!CPA platforms are exposed to cyber security risk as they may be susceptible to data breaches, malware attack and phishing activities, amongst others.

Although the Group has put in place security measures to protect against cyber attacks, there is no assurance that these measures are sufficient to prevent the occurrence of any cyber attacks on our GO!SMS and GO!CPA platforms in the future which would compromise the security of our users' data.

The occurrence of such incidences may, amongst others, hinder the Group's ability to attract and retain customers, materially damage the Group's reputation and potentially expose the Group to litigation. Consequently, we may be required to devote a significant amount of resources to recover from cyber attacks and strengthen our security measures which may then have a material adverse effect to our business and financial performance.

6.1.4 We have not identified any complementary business and/or asset to acquire or invest in for the utilisation of proceeds set out in Section 5(iv) of this Abridged Prospectus

The Board has yet to identify any new businesses and/or assets for investment. In the event that the Group has identified new businesses which are outside of its core expertise or experience, the Group will be exposed to additional risks inherent in such new businesses.

While the Board will exercise due care in evaluating the Group's future investments and adopt prudent investment strategies prior to making investment decisions, there is no assurance that the Group will be able to derive sufficient profits from the new businesses and/or assets to offset the associated acquisition costs.

6.2 Risks relating to the Rights Issue of ICPS with Warrants

6.2.1 Failure or delay in the completion of the Rights Issue of ICPS with Warrants

The Rights Issue of ICPS with Warrants 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 of ICPS with Warrants.

The Company has procured the Undertaking from the Undertaking Shareholder to subscribe in full for his entitlement and to apply and subscribe for additional ICPS not taken up by other Entitled Shareholders, in order to meet the Company's minimum funding requirement. The successful implementation of the Rights Issue of ICPS with Warrants is dependent on the fulfilment by the Undertaking Shareholder of his obligations under the Undertaking.

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 of ICPS with Warrants.

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

In the event the Rights Issue of ICPS with Warrants cannot be implemented or completed due to a stop order issued by the SC pursuant to Section 245 of the CMSA, 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 Issue of ICPS and Warrants including the Excess ICPS with Warrants B within 14 days after the Company becomes liable to do so, in accordance with the 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.

6.2.2 Capital market risk

The market price of the new securities arising from the Rights Issue of ICPS 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 the ICPS and any new Shares issued pursuant to the exercise of the Warrants B) will trade at or above the TEAP disclosed in Section 2.2 of this Abridged Prospectus after completion of the Rights Issue of ICPS 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.

6.2.3 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 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. Such factors include, but are not limited to, those set out in this Abridged Prospectus.

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7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Malaysian economy

The Malaysian economy grew by 4.5% in the first quarter of 2019. Private sector activity remained the key driver of growth, supported mainly by firm private consumption growth during the quarter. On the supply side, major sectors continued to expand, with the exception of the mining sector due to the decline in oil and natural gas production arising from unplanned closure of production facilities. The rebound in the agriculture sector (1Q 2019: 5.6%; 4Q 2018: -0.1%) on account of strong recovery in oil palm yields provided an additional lift to growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.1%.

Private sector demand is expected to remain the anchor of growth amid lower public sector spending. The external sector is likely to grow marginally in tandem with modest global demand. Overall, the baseline projection is for the Malaysian economy to grow between 4.3% - 4.8% for the year.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2019, BNM)

Against the backdrop of a challenging global environment, the Malaysian economy is expected to sustain its growth momentum, expanding by 4.3% – 4.8% in 2019 (2018: 4.7%). The external sector is expected to register a more moderate expansion in tandem with the moderation in global growth. Private sector activity will remain the anchor of growth amid continued rationalization in the public sector. Labour market conditions are expected to remain supportive of growth, while inflation is projected to be broadly stable compared to 2018.

(Source: BNM's Annual Report 2018)

7.2 Mobile and digital solutions industry in Malaysia

The rapid development of mobile and digital communications in Malaysia has led to high population coverage and penetration rates. This has brought widespread economic benefits to the national economy through value-add, employment and productivity improvements. The mobile and digital solutions industry in Malaysia comprises industry players that offer content, as well as technology solutions. The mobile and digital solutions industry in Malaysia, based on the revenue of industry players, grew from RM7.2 billion in 2015 to an estimated RM8.1 billion in 2018 (Source: Malaysia Digital Economy Corporation (MDEC) and PROVIDENCE analysis) at a CAGR of 4.0%. PROVIDENCE anticipates the mobile and digital solutions industry in Malaysia to grow from an estimated RM8.1 billion in 2018 to RM8.6 billion in 2020 at a CAGR of 3.0%.

Mobile and digital devices play an important role in consumer lifestyles today, among both the urban and rural population. Consumers use and interact with their devices on a daily basis for communication, entertainment as well as for business use. Mobile and digital devices have altered the landscape; changing the way Malaysians communicate, obtain news and shop.

According to the ITU, the percentage of households with a computer more than doubled from 31.3% in 2005 to 71.7% in 2018. The percentage of households with access to the internet increased from 15.2% in 2005 to 87.0% in 2018.

In Malaysia, smartphone penetration has increased from 51.0% in 2014 to 75.9% in 2017. Mobile devices, and particularly smartphones, are becoming part of the lifestyle for Malaysians who use it for communication, and as a platform for obtaining information, socialising, entertainment and performing banking activities.

The growth in smartphone penetration in Malaysia was primarily contributed by extensive mobile broadband coverage and competition that led to competitively priced for mobile broadband packages. In addition, smartphone prices have become more affordable as a result of service providers launching innovative packages. Coupled with an ongoing demand for digital services among Malaysians, these have encouraged mobile phone users to migrate to smartphones.

(Source: IMR Report)

7.3 Mobile and digital solutions potential in Thailand, Indonesia, Sri Lanka, Cambodia and Nepal

Thailand

The mobile communications industry in Thailand has experienced rapid growth and development, bringing about economic and social benefits for the population of Thailand. In 2018, Thailand's mobile phone subscription rate was 180.2% while mobile broadband penetration rate was 104.7%. During the same period, the percentage of households with computers was 20.9% while the percentage of households with access to the internet was 67.7%.

In 2018, the Government of Thailand launched the Thailand 4.0 initiative, which aims to transform Thailand into a high-income nation through digitalisation. In line with the Thailand 4.0 initiative, the Ministry of Digital Economy and Society introduced the Digital Agenda 2018 and Smart Cities Framework, which focus on the development of smart cities and the Internet of Things (IoT) with the aim of building 77 smart cities by 2023. Three cities, namely Phuket, Chiang Mai, and Khon Kaen, have been earmarked as part of Thailand's pilot smart cities endeavour which began in 2016. Following this pilot project, the cities of Chon Buri, Rayong, Chaochengsao, and Bangkok will also be developed as smart cities. To date, 10 zones in the provinces of Phuket, Chiang Mai, Khon Kaen, Chon Buri, Rayong, Chaochengsao and Bangkok have already begun their transformation into smart cities.

These smart cities will serve as testbeds to refine the approach as the Government of Thailand accelerates the implementation process with a goal of at least 30 smart cities between 2019 and 2021 in order to meet its target of 77 developed smart cities by 2023. The National Smart City Committee, which has been tasked to drive smart city development in Thailand, facilitate smart city projects and monitor their progress, had in March 2019, urged cities in Thailand to submit their smart city proposals for evaluation and approval.

Indonesia

As the population of Indonesia transitions to smartphones, data revenue is fast becoming a main revenue driver for telecommunication, mobile and digital companies in Indonesia. The potential for growth in mobile and digital solutions is influenced by the uptake of smartphones, growth of over-the-top (OTT) services, growing digital native population, as well as competitive data package pricing. In 2018, the percentage of households with mobile phones was 89.4%, in comparison to the 20.1% of households with computers. Based on latest available statistics from the ITU, Indonesia's mobile penetration rate was 71.9% in 2017.

In July 2019, Indonesia's Communications and Information Ministry announced its plan of targeting 8.0 million micro, small and medium enterprises ("**MSMEs**") to be partners of the Go Online program. Involving MSMEs and marketplace in the country, Go Online is a collaborative program between the Government of Indonesia, MSMEs, and online shopping platforms to level digital market access and build a digital economy in Indonesia.

As a larger percentage of the households in Indonesia have mobile phones instead of computers, the majority of the country's population relies on mobile broadband to access the internet. Mobile services in Indonesia is expected to continue to grow as it is accessible, affordable and can be obtained on a prepaid basis (does not require a contract or a line of credit). This, coupled with the Government of Indonesia's plans to support the digitisation of 8.0 million MSMEs by 2020, will bode well for the mobile and digital solutions industry in Indonesia.

Sri Lanka

Approximately half of the population in Sri Lanka owns a mobile device (Source: Country Overview: Sri Lanka, GSMA Intelligence). The ability to connect with each other and have access to information at their fingertips constantly is changing the way Sri Lankans work, play and buy as a population.

According to the Telecommunication Regulatory Commission of Sri Lanka, the number of mobile subscriptions as at December 2018 was 32.5 million, in comparison to the population count of 21.7 million. The number of mobile broadband connections rose from 91,359 in 2009 to 5.7 million in 2018 at a CAGR of 58.4%. Between 2013 and 2018, subscriber growth is driven by increasing household incomes, expanding mobile network coverage and price competition between mobile operators.

Despite the strong growth in Sri Lanka's mobile broadband market, the country's mobile broadband penetration rate of 58.8% is still below many other developed Asian countries such as Japan (188.9%) and Singapore (145.7%). As such, the mobile broadband penetration rate in Sri Lanka is expected to continue to grow on the back of demand for broadband data services driven by 4G adoption and increased smartphone penetration. Mobile services in Sri Lanka are also moving from 4G towards 5G, with Dialog Axiata PLC having carried out a 5G network capability trial in Colombo with its technology partners, Ericsson and Huawei in 2017. In April 2019, Dialog Axiata, announced the successful launch of a pilot fully standards-based 5G mobile service, integrating 5G network infrastructure with a mobile 5G device.

As part of Sri Lanka's efforts in becoming a digital economy, the Government of Sri Lanka has earmarked Polonnaruwa as Sri Lanka's first smart city. In March 2019, Sri Lanka Telecom announced that it was partnering with Huawei for the smart city project at Colombo Port City, which aims to position the city as Southeast Asia's premier smart city. The Colombo Port City is to sit on more than 200 hectares of reclaimed land, of which 269 hectares had been reclaimed in January 2019. The Colombo Port City project is expected to be completed by 2041.

The smart city concept however, is not limited to both these cities, as the Government of Sri Lanka will also be implementing this concept in various verticals in the areas of education, health and transportation, across the country. For example, by end-2019, Sri Lanka Telecom plans to connect 2,500 schools in Sri Lanka through wireless connection to enable smart education. The increasing mobile broadband penetration rate, the transition from 4G to 5G, and the implementation of the smart city concept in various verticals in Sri Lanka will positively affect the country's mobile and digital solutions industry.

Cambodia

In 2018, the percentage of households in Cambodia with mobile phones was 83.8%, in comparison to the 15.0% of households with computers. Approximately 40.0% of households had access to the Internet in 2018. (Source: Cambodia Profile, ITU).

Recognising the importance of ICT in spurring socioeconomic development, the Government of Cambodia announced the ICT Master Plan 2020 and the Telecom-ICT Development Policy 2020 in August 2014 and April 2016 respectively. Under the Cambodian ICT Master Plan 2020, five priority projects were announced, namely the e-government framework developed since 2004, cyber-security, e-education, e-commerce and e-tourism. With the vision of transforming Cambodia into a society with ICT connectedness and readiness, the Telecom-ICT Development Policy 2020 aims to strengthen and widen ICT infrastructure connectivity; to enhance human resource development; and to promote the ICT industry and ICT use.

The Government of Cambodia aims to have 100.0% broadband coverage in urban areas and 70.0% broadband coverage in rural areas, as well as an internet penetration rate of 80.0% by 2020. As such, the Government of Cambodia aims to partner with infrastructure companies to help achieve its targets. In line with this, Edotco (Cambodia) Co., Ltd., a telecommunications infrastructure services company in Cambodia, has agreed to partner with the relevant authorities, governments and mobile network operators to develop Cambodia's telecommunications infrastructure and enhance network availability across the country.

Further, the Ministry of Posts and Telecommunications had in March 2019 signed memorandums of understanding with India with the aim of boosting the local ICT and telecommunications sector. These memorandums of understanding include the creation of 'smart villages' in Cambodia, as well as deployment of advanced telecommunications technology and wireless solutions in rural areas. The enhancement of the telecommunications infrastructure and network availability across Cambodia as well as the creation of 'smart villages' will have a positive effect on the mobile and digital solutions industry in Cambodia due to greater internet accessibility and connectivity, whether via mobile or computer.

Nepal

According to the Nepal Telecommunications Authority (NTA), the mobile service penetration rate in Nepal was 133.7% of the population in December 2018, indicating that many Nepalese have subscribed to more than one service. As of December 2018, the number of mobile subscriptions in Nepal was 37.3 million, in comparison to the total population of approximately 29.3 million.

With the rise in the number of mobile phone users, internet penetration has also increased to 56.7% as of December 2018. As of December 2018, there were approximately 16.6 million internet users in Nepal. Smartphone ownership is among the factors that has contributed to the rise in internet penetration in Nepal.

The Government of Nepal introduced the Digital Nepal Framework in 2018 in order to expand mobile phone services and broadband internet services across the country, especially to underserved areas. In line with this, the Government of Nepal has initiated projects such as optical fibre laying and the installation of base transceiver stations across the country.

Further, several other initiatives have also taken place recently, whereby these initiatives will help enhance Nepal's digital connectivity. Among these initiatives include:

- In January 2019, Vianet Communications Pvt. Ltd., an internet and television service provider in Nepal, announced plans to deploy a nationwide ultra-highspeed fibre to the home (FTTH) network capable of connecting 200,000 users by end-2019.

- Further, in March 2019, the Nepal Telecommunications Authority and Thales Alenia Space, a Franco-Italian satellite manufacturer, signed an agreement under which Thales Alenia Space will build a national satellite communication system for Nepal. This satellite is to be launched by 2022, with the aim of making high-speed internet available throughout Nepal, spearheading services such as telemedicine, e-learning, e-government, disaster management, information technologies, agriculture, and tourism.

Improved telecommunications infrastructure and enhanced network connectivity in Nepal will bode well for the country's mobile and digital solutions industry.

(Source: IMR Report)

7.4 Property management platforms in Malaysia

Advancements in technology has also resulted in a shift in the property landscape, with property technology ("**prop-tech**") companies developing applications and programmes which connect with property developers, property owners, tenants, and management. Prop-tech is expected to streamline processes, and reduce property management costs. Funding for prop-tech companies globally has grown from RM945.0 million in 2012 to over RM8.5 billion in 2016, and is expected to gain traction in Malaysia as property developers place focus on digitalisation, with property developers working with information technology (IT) developers to create their own platforms.

In 2017, IFCA MSC Bhd, in collaboration with Google Cloud, launched its RM10.0 million IFCA Accelerator Programme. This programme aims to nurture and develop Malaysia-based prop-tech companies by providing fundraising, business networking and mentorship, thus helping create a competitive ecosystem for prop-tech in the country. In addition, the Malaysian Institute of Property and Facility Managers (formerly known as Malaysian Institute of Professional Property Managers) organises and holds annual prop-tech conferences to provide property managers with the knowledge base and understanding of prop-tech and its utilisation.

In Malaysia, these property management platforms are mainly focused on security and property management. These property management platforms and applications serve as a communication platform between home owners, tenants and the management office. They allow, amongst others, facilities bookings and payment, renovation applications, dashboard and reports, general notices, pre-registration and registration of visitors, and complaint lodging and tracking to be carried out on the platform, providing better communication, management and cost-effectiveness. The property management platform market in Malaysia was approximately RM16.9 million in 2017. PROVIDENCE anticipates the property management platform market in Malaysia to grow from an estimated RM18.5 million in 2018 to RM22.0 million in 2019 at a CAGR of 18.9%.

Property management platforms are expected to become more widespread in Malaysia due to the country's increasingly tech-savvy population as mobile and digital devices continue to play an important role in consumer lifestyles today, among both the urban and rural population. Consumers use and interact with their devices on a daily basis for communication, entertainment as well as for business use. According to ITU, the percentage of households with a computer more than doubled from 31.3% in 2005 to 74.1% in 2017. The percentage of households with access to the internet increased from 15.2% in 2005 to 85.7% in 2017. In addition, smartphone penetration in Malaysia has increased from 51.0% in 2014 to 75.9% in 2017. The potential market for property management platforms in Malaysia stands at 2.8 million commercial and residential units, including 3,498 non-landed developments, worth RM66.0 million annually.

(Source: IMR Report)

7.5 Overview and prospects of the Group

The prospects of the Group's mobile applications as well as wireless and multimedia related services segments are expected to be supported by the increasing broadband and mobile penetration rates in Malaysia. In addition, the increasing adoption of digital marketing solutions by businesses is expected to augur well for the Group's businesses, which mainly focus on providing digital marketing solutions via their proprietary bulk mobile messaging platform (GO!SMS) and premium mobile content platform (GO!CPA) as well as other mobile and web applications.

Further details on the overview and prospects of the mobile and digital solutions industry in Malaysia are set out in Section 7.2 of this Abridged Prospectus.

Moving forward, the Group will also focus on expanding its premium mobile content platform business in foreign markets such as Thailand, Cambodia, Indonesia, Nepal and Sri Lanka. These markets have vast potential for growth in view of increasing broadband and mobile penetration rates.

Further details on the overview and prospects of the mobile and digital solutions potential in Thailand, Indonesia, Sri Lanka, Cambodia and Nepal are set out in Section 7.3 of this Abridged Prospectus.

As the Group's businesses are principally reliant on digital technology, it is imperative that the Group continuously invests in the upgrading of its infrastructure in order to ensure that its digital solutions remain relevant to the current technological landscape. In this regard, the Group intends to undertake the Rights Issue of ICPS with Warrants to finance the upgrading of its bulk SMS messaging platform and premium mobile content platform, in the manner set out in Sections 5(i) and 5(ii) of this Abridged Prospectus.

These aforementioned upgrades are expected to enhance both the capacity, speed and features of the services provided by the platforms. In turn, this is expected to contribute positively to the future earnings of the Group as its digital solutions become more attractive to prospective customers. At the same time, the upgrades are also expected to encourage higher usage among existing customers. The future prospects of the Group are dependent on these upgrades as without them, the Group may lose out to competitors who are able to offer more advanced features.

In addition to these existing platforms, the Group intends to venture into the online property management space to tap on the increasing adoption of technological-based solutions for day-to-day / conventional activities as well as the ongoing technological advancements and developments in the property technology (prop-tech) space. Further details on the overview and prospects of property management platforms in Malaysia are set out in Section 7.4 of this Abridged Prospectus.

Given the above, the Group is optimistic on the potential market for online property management platforms in Malaysia and intends to fund the development of this platform via funds raised from the Rights Issue of ICPS with Warrants, as set out in Section 5(iii) of this Abridged Prospectus. Once developed and commercialised, the online property management platform is expected to provide another source of income to the Group and thus contribute positively to its future earnings.

(Source: Management of MNC)

8. EFFECTS OF THE RIGHTS ISSUE OF ICPS WITH WARRANTS

8.1 Share capital

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

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	Share capital RM	No. of Shares	Share capital RM	No. of Shares	Share capital RM
Issued share capital as at the LPD	478,383,400	44,556,012	478,383,400	44,556,012	478,383,400	44,556,012
New Shares to be issued assuming full granting and exercise of the ESOS Options	-	-	-	-	86,515,020	⁽¹⁾ 8,426,563
New Shares to be issued assuming full exercise of the Warrants A	-	-	-	-	188,946,927	⁽²⁾ 23,618,366
After full granting and exercise of the Convertible Securities	478,383,400	44,556,012	478,383,400	44,556,012	753,845,347	76,600,941
New Shares to be issued assuming full conversion of the ICPS	183,333,333	⁽³⁾ 10,669,253	1,195,958,500	⁽⁴⁾ 69,599,913	3,769,226,735	⁽⁵⁾ 222,753,623
New Shares to be issued assuming full exercise of the Warrants B	7,333,333	⁽⁶⁾ 770,747	47,838,340	⁽⁶⁾ 5,027,898	75,384,534	⁽⁶⁾ 7,923,053
Enlarged issued share capital	669,050,066	55,996,012	1,722,180,240	119,183,823	4,598,456,616	307,277,617

Notes:-

- (1) Assuming all the 86,515,020 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS are fully granted and exercised into 86,515,020 new Shares based on an illustrative exercise price of RM0.06 each (based on 10% discount to the 5-day VWAP of MNC Shares up to and including the LPD of RM0.0573 and rounded up to the nearest Sen) and after accounting for the reversal of ESOS reserve.
- (2) Assuming all the outstanding Warrants A are fully converted into new Shares based on the exercise price of RM0.10 each and after accounting for the reversal of warrant reserve.
- (3) Assuming all 366,666,667 ICPS issued under the Minimum Scenario are fully converted into 183,333,333 new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at RM0.03 each) without additional cash payment to arrive at the Conversion Price of RM0.06 for 1 new Share and after accounting for the creation of warrant reserve.

- (4) Assuming all 2,391,917,000 ICPS issued under the Base Case Scenario are fully converted into 1,195,958,500 new Shares based on the conversion mode of surrendering 2 ICPS (which are issued at RM0.03 each) without additional cash payment to arrive at the Conversion Price of RM0.06 for 1 new Share and after accounting for the creation of warrant reserve.
- (5) Assuming all 3,769,226,735 ICPS issued under the Maximum Scenario are fully converted into 3,769,226,735 new Shares based on the conversion mode of surrendering 1 ICPS (which are issued at RM0.03 each) with additional cash payment of RM0.03 to arrive at the Conversion Price of RM0.06 for 1 new Share and after accounting for the creation of warrant reserve.
- (6) Assuming all the Warrants B are fully converted into new Shares based on an exercise price of RM0.06 each and after accounting for the reversal of warrant reserve.

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8.2 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 16-month FPE 30 April 2019.

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

Minimum Scenario

	Unaudited As at 30 April 2019 RM'000	(I) After the Rights Issue of ICPS with Warrants ⁽¹⁾⁽²⁾ RM'000	(II) After (I) and assuming full conversion of the ICPS ⁽³⁾ RM'000	(III) After (II) and assuming full exercise of Warrants B ⁽⁴⁾ RM'000
Share capital				
- Ordinary shares	44,556	44,556	55,225	55,996
- ICPS	-	10,669	-	-
Revaluation reserve	2,780	2,780	2,780	2,780
Warrant reserve	4,724	5,055	5,055	4,724
ESOS reserve	-	-	-	-
Accumulated losses	(14,415)	(15,115)	(15,115)	(15,115)
Total equity	37,645	47,945	47,945	48,385
No. of Shares in issue ('000)	478,383	478,383	661,717	669,050
NA per Share (RM)	0.08	0.10	0.07	0.07
Total borrowings (RM'000)	780	780	780	780
Gearing (times)	0.02	0.02	0.02	0.02

Notes:-

- (1) Based on the issuance of 366,666,667 ICPS at an issue price of RM0.03 per ICPS together with 7,333,333 Warrants B.
- (2) After accounting for the warrant reserve based on the issuance of 7,333,333 Warrants B at an allocated fair value of RM0.0451 per Warrant B (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Corporate Exercises of approximately RM0.70 million.
- (3) Assuming all the 366,666,667 ICPS are fully converted into 183,333,333 Shares based on the conversion mode of surrendering 2 ICPS (which are issued at RM0.03 each) without additional cash payment to arrive at the Conversion Price of RM0.06 for 1 new Share.
- (4) Based on the Exercise Price of RM0.06.

Base Case Scenario

	Unaudited As at 30 April 2019 RM'000	(I) After the Rights Issue of ICPS with Warrants ⁽¹⁾⁽²⁾ RM'000	(II) After (I) and assuming full conversion of the ICPS ⁽³⁾ RM'000	(III) After (II) and assuming full exercise of Warrants B ⁽⁴⁾ RM'000
Share capital				
- Ordinary shares	44,556	44,556	114,156	119,184
- ICPS	-	69,600	-	-
Revaluation reserve	2,780	2,780	2,780	2,780
Warrant reserve	4,724	6,882	6,882	4,724
ESOS reserve	-	-	-	-
Accumulated losses	(14,415)	(15,115)	(15,115)	(15,115)
Total equity	37,645	108,702	108,702	111,573
No. of Shares in issue ('000)	478,383	478,383	1,674,342	1,722,180
NA per Share (RM)	0.08	0.23	0.06	0.06
Total borrowings (RM'000)	780	780	780	780
Gearing (times)	0.02	0.01	0.01	0.01

Notes:-

- (1) Based on the issuance of 2,391,917,000 ICPS at an issue price of RM0.03 per ICPS together with 47,838,340 Warrants B.
- (2) After accounting for the warrant reserve based on the issuance of 47,838,340 Warrants B at an allocated fair value of RM0.0451 per Warrant B (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Corporate Exercises of approximately RM0.70 million.
- (3) Assuming all the 2,391,917,000 ICPS are fully converted into 1,195,958,500 Shares based on the conversion mode of surrendering 2 ICPS (which are issued at RM0.03 each) without additional cash payment to arrive at the Conversion Price of RM0.06 for 1 new Share.
- (4) Based on the Exercise Price of RM0.06.

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Maximum Scenario

	Unaudited As at 30 April 2019 RM'000	(ii) Assuming full exercise of Convertible Securities ⁽¹⁾ RM'000	(ii) After (i) and after the Rights Issue of ICPS with Warrants ⁽²⁾⁽³⁾ RM'000	(iii) After (ii) and assuming full conversion of the ICPS ⁽⁴⁾ RM'000	(iv) After (iii) and assuming full exercise of Warrants B ⁽⁵⁾ RM'000
Share capital					
- Ordinary shares	44,556	76,601	76,601	299,355	307,278
- ICPS	-	-	109,677	-	-
Revaluation reserve	2,780	2,780	2,780	2,780	2,780
Warrant reserve	4,724	-	3,400	3,400	-
ESOS reserve	-	-	-	-	-
Accumulated losses	(14,415)	(17,651)	(18,351)	(18,351)	(18,351)
Total equity	37,645	61,730	174,107	287,185	291,708
No. of Shares in issue ('000)	478,383	753,845	753,845	4,523,072	4,598,457
NA per Share (RM)	0.08	0.08	0.23	0.06	0.06
Total borrowings (RM'000)	780	780	780	780	780
Gearing (times)	0.02	0.01	0.00	0.00	0.00

Notes:-

- (1) Assuming the following:-
- (i) 188,946,927 outstanding Warrants A are exercised at the exercise price of RM0.10 per Warrant A and after accounting for the reversal of warrant reserve; and
 - (ii) all the 86,515,020 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS are fully granted and exercised into 86,515,020 new Shares based on an illustrative exercise price of RM0.06 each (based on 10% discount to the 5-day VWAP of MNC Shares up to and including the LPD of RM0.0573 and rounded up to the nearest Sen) and after accounting for the creation and reversal of ESOS reserve.
- (2) Based on the issuance of 3,769,226,735 ICPS at an issue price of RM0.03 per ICPS together with 75,384,534 Warrants B.
- (3) After accounting for the warrant reserve based on the issuance of 75,384,534 Warrants B at an allocated fair value of RM0.0451 per Warrant B (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Corporate Exercises of approximately RM0.70 million.
- (4) Assuming all the 3,769,226,735 ICPS are fully converted into 3,769,226,735 Shares based on the conversion mode of surrendering 1 ICPS (which are issued at RM0.03 each) with additional cash payment of RM0.03 to arrive at the Conversion Price of RM0.06 for 1 new Share.
- (5) Based on the Exercise Price of RM0.06.

8.3 Substantial Shareholders' shareholdings

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

Minimum Scenario

Substantial Shareholders	(I)					
	As at the LPD		Assuming full conversion of the ICPS			
	Direct	Indirect	Direct	Indirect		
No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	
Metronic Global Berhad	76,856,400	16.07	-	76,856,400	11.61	-
Tan Chor How Christopher	50,000	0.01	-	183,383,333	27.71	-

Substantial Shareholders	(II)				
	After (I) and assuming full exercise of the Warrants B		Indirect		
	Direct	Indirect	No. of Shares	% ⁽³⁾	
No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Metronic Global Berhad	76,856,400	11.49	-	-	-
Tan Chor How Christopher	190,716,666	28.51	-	-	-

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 661,716,733 Shares.
- (3) Based on the enlarged issued share capital of 669,050,066 Shares.

Base Case Scenario

Under the Base Case Scenario, the Undertaking Shareholder will not emerge as a substantial Shareholder of the Company.

	(I)			
	As at the LPD		Assuming full conversion of the ICPS	
	Direct	Indirect	Direct	Indirect
Substantial Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Metronic Global Berhad	76,856,400	-	268,997,400	-
	16.07	-	16.07	-

	(II)			
	After (I) and assuming full exercise of the Warrants B			
	Direct	Indirect	Direct	Indirect
Substantial Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Metronic Global Berhad	276,683,040	-	-	-
	16.07	-	-	-

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,674,341,900 Shares.
- (3) Based on the enlarged issued share capital of 1,722,180,240 Shares.

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Maximum Scenario

Under the Maximum Scenario, the Undertaking Shareholder will not emerge as a substantial Shareholder of the Company.

	(I)			
	As at the LPD		Assuming full exercise of the Convertible Securities	
	Direct	Indirect	Direct	Indirect
Substantial Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	% ⁽¹⁾	% ⁽¹⁾	% ⁽²⁾	% ⁽²⁾
Metronic Global Berhad	76,856,400	-	76,856,400	-
	16.07	-	10.20	-

	(II)				(III)			
	After (I) and assuming full conversion of the ICPS		After (II) and assuming full exercise of the Warrants B		After (II) and assuming full exercise of the Warrants B		After (II) and assuming full exercise of the Warrants B	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Substantial Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	% ⁽³⁾	% ⁽³⁾	% ⁽³⁾	% ⁽³⁾	% ⁽⁴⁾	% ⁽⁴⁾	% ⁽⁴⁾	% ⁽⁴⁾
Metronic Global Berhad	461,138,400	-	461,138,400	-	468,824,040	-	468,824,040	-
	10.20	-	10.20	-	10.20	-	10.20	-

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 753,845,347 Shares.
- (3) Based on the enlarged issued share capital of 4,523,072,082 Shares.
- (4) Based on the enlarged issued share capital of 4,598,456,616 Shares.

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8.4 Earnings and EPS

The Board expects the Rights Issue of ICPS with Warrants to contribute positively to the future financial performance of the Group via the utilisation of proceeds as set out in Section 5 of this Abridged Prospectus.

Subsequent to the completion of the Rights Issue of ICPS with Warrants, the EPS / LPS of the Group shall be correspondingly diluted as a result of the increase in the number of Shares arising from the conversion of the ICPS during the Conversion Period and the exercise of the Warrants B during the Exercise Period.

The potential effects of the conversion of the ICPS and the exercise of the Warrants B on the future consolidated earnings and EPS / LPS of the Company will depend on, amongst others, the Conversion Mode of the ICPS to be chosen by the holders of the ICPS during the Conversion Period and any additional contributions to earnings that may be derived from the utilisation of proceeds received from the conversion of the ICPS with cash option and exercise of the Warrants B as well as the number of Warrants B exercised at any point in time.

For illustration, assuming the Rights Issue of ICPS with Warrants had been completed on 1 January 2018 (being the beginning of the latest unaudited 16-month FPE 30 April 2019), the pro forma effects of the Rights Issue of ICPS with Warrants on the consolidated losses and LPS of MNC would be as follows:-

	Unaudited 16-month FPE 30 April 2019	Pro forma I			Pro forma II		
		After the Rights Issue of ICPS with Warrants and assuming full conversion of the ICPS			After Pro forma I and assuming full exercise of the Warrants B		
		Minimum Scenario	Base Case Scenario	Maximum Scenario	Minimum Scenario	Base Case Scenario	Maximum Scenario
(LAT) attributable to owners of the Company (RM'000)	(3,447)	(3,447)	(3,447)	(3,447)	(3,447)	(3,447)	
Weighted average no. of MNC Shares ('000)	431,053	614,386	4,200,280	621,720	1,674,850	4,275,664	
(LPS) (sen)	(0.80)	(0.56)	(0.21)	(0.55)	(0.21)	(0.08)	

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

9.1 Working capital and sources of liquidity

The Group's working capital is funded through cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as the Group's existing cash and bank balances.

As at the LPD, we held cash and bank balances of RM1.7 million, short-term deposits with non-financial institutions of RM19.9 million and short-term deposits with licensed banks of RM0.1 million.

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

9.2 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	RM'000
<u>Secured</u>	
- Hire purchases	742

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.

9.3 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 may have a material impact on the financial results or position of the Group.

9.4 Material commitments

As at the LPD, there are no material commitments for capital expenditure.

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10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess ICPS 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 CMA, 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.

10.1 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 of ICPS 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 ICPS with Warrants B that you have been provisionally allotted as well as to apply for Excess ICPS with Warrants B if you choose to do so. This Abridged Prospectus and the RSF are also available from the registered office of the Company, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

10.2 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.

10.3 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, Securities Services (Holdings) Sdn Bhd, at the following address:-

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Malaysia

Tel : +603 - 2084 9000
Fax : +603 - 2094 9940; 2095 0292

so as to arrive not later than 5.00 p.m. on **Wednesday, 28 August 2019**, being the last date and time for the acceptance and payment for the ICPS 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 or Bursa Securities' website (<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 ICPS 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 ICPS with Warrants B will be given the Warrants B on the basis of 1 Warrant B for every 50 ICPS successfully subscribed for. The minimum number of ICPS that can be subscribed or accepted is 1 ICPS. However, you should take note that a trading board lot comprises 100 ICPS and 100 Warrants B. Fractions of an ICPS and/or Warrant B arising from the Rights Issue of ICPS 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 Issue of ICPS 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 "**MNC 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 **Wednesday, 28 August 2019**. The payment must be made for the exact amount payable for the ICPS 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 are not 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 OF ICPS 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) 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 OUR 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 OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL ICPS AND WARRANTS B TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF ICPS WITH WARRANTS B WILL BE ALLOTTED BY WAY OF CREDITING SUCH ICPS 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 our Share Registrar by 5.00 p.m. on **Wednesday, 28 August 2019**, 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 ICPS with Warrants B not taken up or not validly taken up to applicants applying for the Excess ICPS with Warrants B in the manner as set out in Section 10.6 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.

10.4 Procedures for part acceptance

If you do not wish to accept the ICPS 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 ICPS that may be subscribed or accepted is 1 ICPS. Fractions of an ICPS and/or Warrant B arising from the Rights Issue of ICPS 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. Applicants should take note that a trading board lot comprises 100 ICPS and 100 Warrants B respectively.

You must complete both Part I(A) of the RSF by specifying the number of ICPS 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 10.3 of this Abridged Prospectus.

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

10.5 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 ICPS with Warrants B applied for to the Share Registrar. Please refer to Section 10.3 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.

10.6 Procedures for the Excess ICPS with Warrants B Application

If you wish to apply for additional ICPS 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 ICPS with Warrants B applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on **Wednesday, 28 August 2019**, being the last time and date for Excess ICPS with Warrants B Applications and payment.

Payment for the Excess ICPS with Warrants B Application(s) must be made in the same manner as set out in Section 10.3 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 "**MNC 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 our Share Registrar by 5.00 p.m. on **Wednesday, 28 August 2019**. The payment must be made for the exact amount payable for the Excess ICPS with Warrants B Application(s). 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 are not acceptable.

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It is the intention of the Board to allot the Excess ICPS 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 ICPS 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 ICPS with Warrants B, taking into consideration the quantum of their respective excess application; 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 ICPS with Warrants B, taking into consideration the quantum of their respective excess application.

The Excess ICPS with Warrants B will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess ICPS with Warrants B. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess ICPS 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 ICPS with Warrants B are allotted.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess ICPS 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 10.6 (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 ICPS 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 ICPS 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 ICPS 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 ICPS 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.

10.7 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 ICPS with Warrants B and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 10.3 to 10.6 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 or Bursa Securities' website (<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.

10.8 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 of ICPS 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 ICPS 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 ICPS with Warrants B shall signify your consent to receiving such ICPS with Warrants B as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess ICPS 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 ICPS with Warrants B that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

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10.9 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 ICPS 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 of ICPS with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any ICPS, 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 of ICPS 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, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia, 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.

If you are a Foreign-Addressed Shareholder, 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 our 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 of ICPS with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue of ICPS 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 of ICPS 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 of ICPS with Warrants only to the extent that it would be lawful to do so, and our Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue of ICPS 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.

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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 of ICPS 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 ICPS 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 ICPS 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 of ICPS 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 ICPS 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 ICPS 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 ICPS 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 ICPS and Warrants B.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY ICPS 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.

11. TERMS AND CONDITIONS

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

12. FURTHER INFORMATION

You are requested to refer to the enclosed Appendices for further information.

Yours faithfully
For and on behalf of the Board of
M N C WIRELESS BERHAD



TAN CHOR HOW CHRISTOPHER
Chief Executive Officer cum Executive Director

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

As at the LPD, the issued share capital of the Company is RM44,556,011.88 comprising 478,383,400 Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 8.3 of this Abridged Prospectus for information on the substantial Shareholders' shareholdings before and after the Rights Issue of ICPS with Warrants.

3. DIRECTORS

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

Name (Designation)	Age	Address	Nationality
Wong Kok Seong (Senior Independent Non-Executive Director)	50	10, Lintang Delima Empat, 11700 Gelugor, Pulau Pinang	Malaysian
Tan Chor How Christopher (Chief Executive Office cum Executive Director)	39	No. 2, Jalan Damar Bayu 3A, Glenmarie Cove, 42000 Pelabuhan Klang, Selangor	Malaysian
Pang Siaw Sian (Non-Independent Non-Executive Director)	32	No. 17, Jalan Pulai 56, Taman Pulai Utama, 81300 Skudai, Johor	Malaysian
Thu Soon Shien (Independent Non-Executive Director)	38	21, High Street, 98000 Miri, Sarawak	Malaysian
Dato' Kua Khai Shyuan (Independent Non-Executive Director)	35	No. 51, Jalan Putri 2/5, Taman Puteri Wangsa, 81800 Ulu Tiram, Johor	Malaysian

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

Save for Tan Chor How Christopher, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD. The pro forma effects of the Rights Issue of ICPS with Warrants on the shareholding of Tan Chor How Christopher are as below:-

Minimum Scenario

Director	As at the LPD		(I) After full conversion of the ICPS		(II) After (I) and assuming full exercise of the Warrants B		
	Direct	Indirect	Direct	Indirect	Direct	Indirect	
	No. of Shares (1)%	No. of Shares (1)%	No. of Shares (2)%	No. of Shares (2)%	No. of Shares (3)%	No. of Shares (3)%	
Tan Chor How Christopher	50,000	-	183,383,333	-	190,716,666	28.51	-

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 661,716,733 Shares.
- (3) Based on the enlarged issued share capital of 669,050,066 Shares.

Base Case Scenario

Director	As at the LPD		(I) After full conversion of the ICPS		(II) After (I) and assuming full exercise of the Warrants B		
	Direct	Indirect	Direct	Indirect	Direct	Indirect	
	No. of Shares (1)%	No. of Shares (1)%	No. of Shares (2)%	No. of Shares (2)%	No. of Shares (3)%	No. of Shares (3)%	
Tan Chor How Christopher	50,000	-	175,000	-	(4)180,000	0.01	-

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,674,341,900 Shares.
- (3) Based on the enlarged issued share capital of 1,722,180,240 Shares.
- (4) This party does not hold any Convertible Securities as at the LPD.

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

Director	As at the LPD		(I) Assuming full granting and/or exercise of the Convertible Securities		(II) After (I) and full conversion of the ICPS	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Shares (1)%	No. of Shares (1)%	No. of Shares (2)%	No. of Shares (2)%	No. of Shares (3)%	No. of Shares (3)%
Tan Chor How Christopher	50,000	-	50,000	-	300,000	-

Director	(III) After (II) and assuming full exercise of the Warrants B	
	Direct	Indirect
	No. of Shares (4)%	No. of Shares (4)%
Tan Chor How Christopher	(5)305,000	-

Notes:-

- (1) Based on the issued share capital of 478,383,400 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 753,845,347 Shares.
- (3) Based on the enlarged issued share capital of 4,523,072,082 Shares.
- (4) Based on the enlarged issued share capital of 4,598,456,616 Shares.
- (5) This party does not hold any Convertible Securities as at the LPD.

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

The following table sets out a summary of the financial performance and position of the Group for the FYE 31 December 2015, FYE 31 December 2016, FYE 31 December 2017 and 16-month FPE 30 April 2019:-

Historical financial performance

	Audited			Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FYE 31 December 2017	16-month FPE 30 April 2019 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	20,258	17,146	16,364	27,528
Cost of sales	(14,486)	(12,713)	(12,550)	(21,901)
GP / (GL)	5,773	4,433	3,814	5,627
Other operating income	250	264	609	922
Sales and distribution costs	(15)	(8)	(39)	(13)
Administrative expenses	(4,045)	(4,069)	(5,038)	(9,653)
Finance costs	(92)	(116)	(51)	(60)
PBT / (LBT)	1,871	505	(706)	(3,178)
Taxation	(2,261)	(192)	6	(269)
PAT / (LAT)	(390)	313	(700)	(3,447)
Profit / (loss) attributable to:-				
- owners of the Company	(390)	313	(700)	(3,447)
GP / (GL) margin (%)	28.50	25.85	23.31	20.44
PAT / (LAT) margin (%)	(1.92)	1.83	(4.28)	(12.52)
Weighted average no. of Shares in issue ('000)	94,474	136,404	431,053	431,053
EPS / (LPS)				
- basic (sen)	(0.41)	0.23	(0.16)	(0.80)
- diluted (sen)	(2) ₋	0.10	(3) ₋	(3) ₋
Dividend (sen)	-	-	-	-

Notes:-

- (1) As a result of the change in the Company's financial year end from 31 December to 30 April, the next audited financial statements of the Company will be prepared for a period of 16 months from 1 January 2018 to 30 April 2019.
- (2) Diluted LPS is not presented as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.
- (3) Diluted LPS is not presented as the exercise price of the Convertible Securities have exceeded the average market price of ordinary shares during the financial year / period.

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

Historical financial position

	Audited			Unaudited
	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	16-month FPE 30 April 2019
	RM'000	RM'000	RM'000	RM'000
Non-current assets	6,151	7,104	10,332	12,405
Current assets	7,719	33,781	36,307	32,098
Total assets	13,870	40,885	46,639	44,503
Share capital	9,447	37,789	44,556	44,556
Share premium	2,231	-	-	-
Revaluation reserve	1,017	1,954	1,932	2,780
Fair value reserve	(31)	-	-	-
Warrant reserve	-	4,724	4,724	4,724
ESOS reserve	-	-	65	-
Accumulated losses	(7,640)	(10,380)	(11,057)	(14,415)
Total equity attributable to owners of the Company	5,024	34,088	40,220	37,645
Non-controlling interests	-	-	-	-
Total equity	5,024	34,088	40,220	37,645
Non-current liabilities	3,113	3,256	2,367	1,613
Current liabilities	5,733	3,542	4,052	5,245
Total liabilities	8,846	6,798	6,419	6,858
Total equity and liabilities	13,870	40,885	46,639	44,503

Historical cash flow

	Audited			Unaudited
	FYE 31 December 2015	FYE 31 December 2016	FYE 31 December 2017	16-month FPE 30 April 2019
	RM'000	RM'000	RM'000	RM'000
<u>Net cash from / (used in)</u>				
Operating activities	(1,718)	(6,514)	1,451	(269)
Investing activities	(518)	174	(2,437)	(2,611)
Financing activities	(245)	27,693	(13,893)	(1,184)
Net increase / (decrease) in cash and cash equivalents	(2,481)	21,353	(14,879)	(4,064)
Cash and cash equivalents at beginning of the year / period	4,864	2,383	23,737	8,858
Cash and cash equivalents at end of the year / period	2,383	23,737	8,858	4,794

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**(i) 16-month FPE 30 April 2019 vs FYE 31 December 2017**

The Group's revenue for 16-month FPE 30 April 2019 increased by 68.22% to RM27.53 million as compared to FYE 31 December 2017 (the annualised revenue for 16-month FPE 30 April 2019 was RM20.65 million, representing an increase of RM4.29 million or 26.17% on an annualised basis). The revenue growth was mainly due to higher contribution from both the bulk SMS messaging platform and premium mobile content platform as a result of increased marketing efforts via SMS broadcasting campaign and online advertisement by the Group with its business partners.

The Group recorded a GP of RM5.63 million (GP margin of 20.44%) in 16-month FPE 30 April 2019 (the annualised GP for the 16-month FPE 30 April 2019 was RM 4.22 million) as compared to a GP of RM3.81 million (GP margin of 23.31%) in FYE 31 December 2017. The increase in GP was mainly due to higher revenue as described above but partly offset by the slightly lower GP margin. The slightly lower GP margin was mainly due to sales of outdoor digital display panels which commenced during the 16-month FPE 30 April 2019 which attracted a lower GP margin compared to the Group's other businesses.

Despite the higher GP, the Group recorded a higher LAT of RM3.45 million for 16-month FPE 30 April 2019 (the annualised LAT was RM2.59 million) as compared to RM0.70 million for FYE 31 December 2017. The higher LAT was mainly due to an impairment loss on investment in quoted shares of RM2.13 million as a result of reduction in the market value of quoted shares held by the Group.

The Group recorded a 6.40% decrease in NA from RM40.22 million as at 31 December 2017 to RM37.65 million as at 30 April 2019. This was mainly due to the LAT incurred for the 16-month FPE 30 April 2019 as set out above.

For 16-month FPE 30 April 2019, the Group recorded a decrease in cash and cash equivalents of RM4.06 million (FYE 31 December 2017: decrease of RM14.88 million) mainly due to the following:-

- (a) acquisition of quoted shares for investment amounting to RM3.35 million; and
- (b) repayment of term loan and hire purchase facilities amounting to RM1.12 million.

(ii) FYE 31 December 2017 vs FYE 31 December 2016

The Group's revenue for FYE 31 December 2017 decreased by 4.6% to RM16.36 million as compared to the previous financial year. The lower revenue was mainly due to lower contribution from the Group's premium mobile content platform but partly offset by higher contribution from the Group's bulk SMS messaging platform.

The Group's premium mobile content platform recorded lower revenue as a result of intense competition from other similar platform providers. On the other hand, the higher contribution from the Group's bulk SMS messaging platform was achieved on the back of several marketing initiatives undertaken by the Group. The said platform recorded an increase in SMS delivered from 82.8 million SMS in FYE 31 December 2016 to 147.1 million SMS in FYE 31 December 2017.

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

With the decrease in revenue and a slightly lower GP margin of 23.31% in FYE 31 December 2017 as compared to 25.86% in the previous financial year, the Group's GP decreased by 14.0% to RM3.81 million in FYE 31 December 2017.

The Group recorded a LAT of RM0.70 million in FYE 31 December 2017 as compared to a PAT of RM0.31 million in the previous financial year. Apart from the lower GP, the LAT was mainly due to:-

- (a) higher depreciation of property, plant and equipment of RM0.56 million in FYE 31 December 2017 (FYE 31 December 2016: RM0.26 million) as a result of higher depreciable amounts following purchases of property, plant and equipment amounting to RM2.14 million during the FYE 31 December 2017; and
- (b) one-off share-based payment of RM0.18 million in FYE 31 December 2017 arising from the issuance of ESOS Options to eligible employees.

Despite the LAT above, the Group recorded a 17.99% increase in NA from RM34.09 million as at 31 December 2016 to RM40.22 million as at 31 December 2017. This was mainly due to increase in share capital arising from the following:-

- (a) issuance of 43,489,400 new Shares pursuant to a private placement exercise completed in August 2017, raising gross proceeds of RM2.37 million; and
- (b) issuance of 57,000,000 new Shares pursuant to the exercise of ESOS Options during the FYE 31 December 2017, raising gross proceeds of RM4.28 million.

For FYE 31 December 2017, the Group recorded a decrease in cash and cash equivalents of RM14.88 million (FYE 31 December 2016: increase of RM21.35 million) notwithstanding the proceeds raised from the private placement exercise and exercise of ESOS Options. This was mainly due to the following:-

- (a) placement of short term deposit with non-financial institutions amounting to RM18.57 million (FYE 31 December 2016: nil); and
- (b) repayment of term loans amounting to RM1.82 million (FYE 31 December 2016: RM0.16 million).

(iii) FYE 31 December 2016 vs FYE 31 December 2015

The Group's revenue for FYE 31 December 2016 decreased by 15.4% to RM17.15 million as compared to the previous financial year. The lower revenue was mainly due to lower contribution from the Group's premium mobile content platform but partly offset by higher contribution from the Group's bulk SMS messaging platform.

The Group's premium mobile content platform recorded lower revenue following tighter restrictions imposed by telecommunications companies (i.e. the gateway providers for the Group's premium mobile content platform) on content providers (i.e. the Group's customers).

On the other hand, the higher contribution from the bulk SMS messaging platform was achieved on the back of several marketing initiatives undertaken by the Group. The said platform recorded an increase in SMS delivered from 49.4 million SMS in FYE 31 December 2015 to 82.8 million SMS in FYE 31 December 2016.

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

With the decrease in revenue and a slightly lower GP margin of 25.86% in FYE 31 December 2016 as compared to 28.50% in the previous financial year, the Group's GP decreased by 23.2% to RM4.4 million in FYE 31 December 2016.

Despite the lower GP, the Group recorded a PAT of RM0.31 million in FYE 31 December 2016 as compared to a LAT of RM0.39 million in the previous financial year. This was mainly due to lower taxation of RM0.19 million in FYE 31 December 2016 (FYE 31 December 2015: RM2.26 million). In FYE 31 December 2015, the Group recorded an under provision of taxation in prior years of RM1.82 million.

The Group recorded a 578.50% increase from RM5.02 million as at 31 December 2015 to RM34.09 million as at 31 December 2016. This was mainly due to increase in share capital and creation of warrant reserve arising from the issuance of new Shares and Warrants A pursuant to a rights issue with warrants exercise completed in November 2016, raising gross proceeds of RM28.34 million.

For FYE 31 December 2016, the Group recorded an increase in cash and cash equivalents of RM21.35 million (FYE 31 December 2015: decrease of RM2.48 million) mainly due to the proceeds raised from a rights issue with warrants exercise as described above (FYE 31 December 2015: nil).

However, the above was partly offset by an advance payment of RM5.0 million in relation to projects for development of telecommunication, internet service provider (ISP) and Wi-Fi data management.

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

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

	High RM	Low RM
2018		
August	0.070	0.060
September	0.060	0.055
October	0.060	0.045
November	0.060	0.045
December	0.050	0.040
2019		
January	0.060	0.040
February	0.050	0.040
March	0.045	0.035
April	0.050	0.035
May	0.045	0.035
June	0.045	0.040
July	0.070	0.050

Last transacted market price on 8 April 2019, being the last Market Day immediately prior to the announcement of the Rights Issue of ICPS with Warrants **RM**
0.045

Last transacted market price on 5 August 2019, being the Market Day immediately prior to the ex-date for the Rights Issue of ICPS with Warrants 0.060

Last transacted market price on at the LPD 0.060

(Source: Bloomberg)

6. OPTION TO SUBSCRIBE FOR SHARES

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

- (a) 188,946,927 outstanding Warrants A, each carrying the right to subscribe for 1 new Share at the exercise price of RM0.10 per Warrant A; and
- (b) under the ESOS, the Company may grant options to subscribe for new Shares up to but not exceeding 30% of the Company's total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of 5 years from the effective date of the ESOS i.e. 11 November 2016. The exercise price for such options shall be determined by the Board at its discretion upon recommendation of the ESOS committee based on the 5-day VWAP of MNC Shares immediately prior to the date of offer with a discount of not more than 10%. As at the LPD, the Company has up to 86,515,020 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS.

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

7. MATERIAL CONTRACTS

Save as disclosed below, the Board confirms 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) agreement dated 12 December 2017 between the Director General of Inland Revenue and Moblife TV Sdn Bhd (a wholly-owned subsidiary of MNC) for the full settlement of tax and penalties amounting to RM1.0 million for the understatement of income for years of assessment 2008 to 2013 imposed by Director General of Inland Revenue on Moblife TV Sdn Bhd. As at the LPD, the tax and penalties have been duly settled; and
- (ii) subscription and shareholders' agreement dated 24 October 2017 between the Company and SPNB Dana Sdn Bhd ("**SPNB Dana**") for, amongst others, the formation and operation of a special purpose vehicle to jointly assist and support SPNB Dana in its undertaking and development of the business of providing short-term loans for down-payment and/or differential sum for eligible homebuyers of housing developments developed by SPNB and its subsidiaries and/or such other purposes deemed appropriate. The said agreement has lapsed on 24 January 2019.

8. MATERIAL LITIGATION

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claim 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, to the best of the Board's knowledge and belief, the Board confirmed that there are no proceedings pending or threatened against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company and/or its subsidiaries.

9. CONSENTS

- (i) The written consents of the Principal Adviser, Share Registrar, Reporting Accountants and the Solicitors for the Rights Issue of ICPS 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.

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia following the date of this Abridged Prospectus 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) Constitution of MNC;
- (ii) the Undertaking referred to in Section 3 of this Abridged Prospectus;
- (iii) the material contracts referred to in Section 7 above;
- (iv) the letters of consent referred to in Section 9 above;
- (v) the Deed Poll B; and
- (vi) the IMR Report referred to in Section 7 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 of ICPS 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 of ICPS with Warrants.

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