

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

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

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01 Level 32 Tower A, Vertical Business Suite, Avenue 3 Bangsar South, 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel: +603 - 2783 9299).

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 April 2023 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 April 2023. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants C, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Kenanga IB and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants C or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

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

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 9 March 2023. Approval has been obtained from Bursa Securities via its letter dated 13 February 2023 for the admission of the Warrants C to the Official List as well as the listing and quotation of the Rights Shares, Warrants C and the new Shares to be issued upon exercise of the Warrants C on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the Rights Shares and Warrants C allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue with Warrants and are not to be taken as an indication of the merits of the Rights Issue with Warrants.

Bursa Securities 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.



EDUSPEC HOLDINGS BERHAD

Registration No. 200401008252 (646756-X)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 996,517,704 EDUSPEC SHARES (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.03 PER RIGHTS SHARE TOGETHER WITH UP TO 498,258,852 FREE DETACHABLE WARRANTS IN THE COMPANY (“WARRANTS C”) ON THE BASIS OF 6 RIGHTS SHARES TOGETHER WITH 3 FREE WARRANTS C FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 7 APRIL 2023

Principal Adviser

kenanga

Kenanga Investment Bank Berhad

Registration No. 197301002193 (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	:	Friday, 7 April 2023 at 5.00 p.m.
Last date and time for:		
Sale of Provisional Allotments	:	Friday, 14 April 2023 at 5.00 p.m..
Transfer of Provisional Allotments	:	Tuesday, 18 April 2023 at 4.30 p.m.
Acceptance and payment	:	Tuesday, 25 April 2023 at 5.00 p.m.
Excess Rights Shares with Warrants C Application and payment	:	Tuesday, 25 April 2023 at 5.00 p.m.

This Abridged Prospectus is dated 7 April 2023

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

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

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

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

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

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

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

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

DEFINITIONS

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

Abridged Prospectus	: This abridged prospectus dated 7 April 2023 in relation to the Rights Issue with Warrants
Act	: Companies Act, 2016
Base Case Scenario	: Assuming that none of the outstanding Warrants B as at the LPD are exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants C
Bloomberg	: Bloomberg Finance Singapore L.P. and its affiliates
Board	: Board of Directors of the Company
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
CDS	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	: Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Circular	: Circular to Shareholders in relation to the Corporate Exercises dated 15 February 2023
Closing Date	: 25 April 2023 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants C and the Excess Rights Shares with Warrants C
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
Corporate Exercises	: Collectively, the Share Consolidation and Rights Issue with Warrants
COVID-19	: Coronavirus disease 2019
Deed Poll B	: Deed poll constituting the Warrants B dated 6 September 2019
Deed Poll C	: Deed poll constituting the Warrants C dated 24 March 2023
Directors	: The directors of the Company and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the CMSA
e-NPA	: Electronic NPA
e-RSF	: Electronic RSF
e-Subscription	: Electronic subscription
Eduspec or the Company	: Eduspec Holdings Berhad

DEFINITIONS (CONT'D)

Eduspec Group or the Group	:	Collectively, the Company and its subsidiaries
Eduspec Shares or Shares	:	Ordinary shares in the Company
EGM	:	Extraordinary general meeting of the Company
Entitled Shareholders	:	Shareholders whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date in order to be entitled to participate in the Rights Issue with Warrants
Entitlement Date	:	7 April 2023, at 5.00 p.m, being the date and time on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue with Warrants
EPS	:	Earnings per Share
Excess Rights Shares with Warrants C	:	Rights Shares with Warrants C which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) by the Closing Date
Excess Rights Shares with Warrants C Application	:	Application for additional Rights Shares with Warrants C in excess of the Provisional Allotments by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable)
Exercise Period	:	Any time within a period of 5 years commencing from and including the date of issue of the Warrants C to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 5 th anniversary from the date of issue of the Warrants C. Any Warrants C not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	:	RM0.03, being the price at which 1 Warrant C is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll C
Foreign-Addressed Shareholders	:	Shareholders who have not provided an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants
FPE	:	Financial period ended
FYE	:	Financial year ended / ending 28 February, as the case may be
Kenanga IB or the Principal Adviser	:	Kenanga Investment Bank Berhad
LAT	:	Loss after taxation
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
LPD	:	24 March 2023, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	:	Loss per Share
LTD	:	23 March 2023, being the last trading day prior to the date of fixing the issue price of the Rights Shares and the Exercise Price

DEFINITIONS (CONT'D)

Market Day	:	Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming that all the outstanding Warrants B as at the LPD are exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements of the Rights Issue with Warrants C
MCO	:	Movement Control Order issued by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
Minimum Scenario	:	Assuming none of the outstanding Warrants B as at the LPD are exercised into new Shares prior to the Entitlement Date and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
Minimum Subscription Level	:	Minimum subscription level of 500,000,000 Rights Shares based on an issue price of RM0.03 per Rights Share to arrive at RM15.00 million
NA	:	Net assets
NPA	:	Notice of provisional allotment in relation to the Rights Issue with Warrants
Official List	:	Official list of the ACE Market of Bursa Securities
PAT	:	Profit after taxation
Provisional Allotments	:	The Rights Shares with Warrants C provisionally allotted to Entitled Shareholders
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Rights Issue with Warrants	:	Renounceable rights issue of up to 996,517,704 Rights Shares together with up to 498,258,852 free Warrants C on the basis of 6 Rights Shares together with 3 free Warrants C for every 1 Share held by the Entitled Shareholders on the Entitlement Date
Rights Shares	:	New Shares to be allotted and issued pursuant to the Rights Issue with Warrants
RM and Sen	:	Ringgit Malaysia and sen respectively
RSF	:	Rights subscription form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	:	The Rules of Bursa Depository as issued pursuant to SICDA, as amended from time to time
Rules on Take-Overs, Mergers and Compulsory Acquisitions	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia pursuant to Section 377 of the Capital Markets and Services Act, 2007 as amended from time to time
Share Consolidation	:	Consolidation of every 20 existing Shares into 1 Share, which was completed on 27 March 2023
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd
Shareholders	:	Registered holders of Eduspec Shares

DEFINITIONS (CONT'D)

SICDA	:	Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time and any re-enactment thereof
STEM	:	Science, Technology, Engineering and Mathematics
TEAP	:	Theoretical ex-all price
TIIH Online	:	Share Registrar's proprietary-owned application to facilitate Entitled Shareholders to subscribe for the Provisional Allotments and Excess Rights Shares with Warrants C electronically
Undertakings	:	The written undertakings from the Undertaking Shareholders dated 13 January 2023 (as replaced by amended and restated undertaking letters dated 31 January 2023) and 31 January 2023, respectively, details of which are set out in Section 3.3 of this Abridged Prospectus
Undertaking Shareholders	:	Collectively, Dato' Sri Andrew Tan Jun Suan, Dato' Sri Gan Chow Tee, HiQ Media (Malaysia) Sdn Bhd, Chong Li Ping and Lee Chee Hoon
VWAP	:	Volume-weighted average market price
Warrants B	:	Outstanding Eduspec warrants 2019 / 2024 issued by the Company pursuant to the Deed Poll B and expiring on 30 September 2024. Each Warrant B holder is entitled to subscribe for 1 new Share at the exercise price of RM2.00, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll B
Warrants C	:	Free detachable warrants in the Company to be allotted and issued pursuant to the Rights Issue with Warrants

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

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

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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

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

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.

TABLE OF CONTENTS

	PAGE
ADVISERS' DIRECTORY	vii
SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS	viii
LETTER TO THE ENTITLED SHAREHOLDERS CONTAINING:-	
1. INTRODUCTION	1
2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS	3
2.1 Details of the Rights Issue with Warrants	3
2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price	5
2.3 Ranking of the Rights Shares, Warrants C and new Shares to be issued arising from the exercise of the Warrants C	6
2.4 Last date and time for acceptance and payment	6
2.5 Salient terms of the Warrants C	6
2.6 Details of other corporate exercises	9
3. MINIMUM SUBSCRIPTION LEVEL AND THE UNDERTAKINGS	9
4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS	13
5. UTILISATION OF PROCEEDS	14
6. RISK FACTORS	19
6.1 Risks relating to the Group	19
6.2 Risks relating to the Rights Issue with Warrants	21
7. INDUSTRY OVERVIEW AND PROSPECTS	24
7.1 Malaysian economy	24
7.2 Education industry in Malaysia	25
7.3 Information and Communications Technology industry in Malaysia	26
7.4 Prospects and future plans of the Group	26
8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS	28
8.1 Share capital	28
8.2 NA and gearing	29
8.3 Substantial Shareholders' shareholdings	32
8.4 Earnings and EPS	35
9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS	36
9.1 Working capital and sources of liquidity	36
9.2 Borrowings	36
9.3 Contingent liabilities	37
9.4 Material commitments	37

TABLE OF CONTENTS (CONT'D)

	PAGE
10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT	37
10.1 General	37
10.2 NPA	37
10.3 Last date and time for acceptance and payment	38
10.4 Methods of acceptance and application	38
10.5 Procedures for full acceptance and payment	38
10.6 Procedures for part acceptance	46
10.7 Procedures for sale or transfer of Provisional Allotments	46
10.8 Procedures for acceptance by renounees and/ or transferees	47
10.9 Procedures for the Excess Rights Shares with Warrants C Application	47
10.10 CDS Account	49
10.11 Notice of allotment	49
10.12 Foreign-Addressed Shareholders	
11. TERMS AND CONDITIONS	52
12. FURTHER INFORMATION	52
APPENDIX I : INFORMATION ON THE COMPANY	53

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ADVISERS' DIRECTORY

COMPANY SECRETARIES : Wong Youn Kim (SSM PC NO. 201908000410) (MAICSA 7018778)
Sin May Peng (SSM PC NO. 202008001524) (MAICSA 7018354)

Acclime Corporate Services Sdn Bhd
Level 5, Tower 8 Avenue 5 Horizon 2
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : +603 2280 6388
Fax : +603 2280 6399

PRINCIPAL ADVISER : Kenanga Investment Bank Berhad
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan

Tel : +603 2172 2888
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SOLICITORS : Mah-Kamariyah & Philip Koh
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46350 Petaling Jaya
Selangor Darul Ehsan

Tel : +603 7956 8686
Fax : +603 7956 2208

SHARE REGISTRAR : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : +603 2783 9299
Fax : +603 2783 9222

REPORTING ACCOUNTANTS : UHY
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : +603 2279 3088
Fax : +603 2279 3099

STOCK EXCHANGE LISTING : ACE Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

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

Summary				Reference
Number of Rights Shares to be issued and basis of allotment				Section 2.1
Basis: 6 Rights Shares together with 3 free Warrants C for every 1 existing Share held by the Entitled Shareholders.				
	<u>Minimum Scenario</u>	<u>Base Case Scenario</u>	<u>Maximum Scenario</u>	
Number of Rights Shares to be issued	500,000,000	913,884,504	996,517,704	
Number of Warrants C attached	250,000,000	456,942,252	498,258,852	
The Rights Shares with Warrants C which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants C Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants C, if any, in a fair and equitable manner in the priority as set out in Section 10.9 of this Abridged Prospectus.				Section 10.9
Pricing				Section 2.2
Issue price of the Rights Shares : RM0.03 per Rights Share Exercise Price for the Warrants C : RM0.03 per Warrant C (payable for every 1 new Share)				
Undertakings				Section 3
Undertaking Shareholders and undertaking amount : (i) Dato' Sri Andrew Tan Jun Suan: RM4.50 million (ii) Dato' Sri Gan Chow Tee: RM4.50 million (iii) HiQ Media (Malaysia) Sdn Bhd: RM4.50 million (iv) Chong Li Ping: RM0.75 million; and (v) Lee Chee Hoon: RM0.75 million				
Minimum Rights Shares to be subscribed for if none of the other Entitled Shareholders and/or their transferees and/or their renounees subscribe for the Rights Shares : 500,000,000 Rights Shares (representing 54.7% of the total number of 913,884,504 Rights Shares available for subscription under the Base Case Scenario)				
	<u>Existing direct shareholding as at the LPD</u>		<u>Total Rights Shares with Warrants C to be subscribed pursuant to the Undertakings</u>	
Undertaking Shareholders	<u>No. of Shares</u>	<u>(%)</u>	<u>No. of Rights Shares</u>	<u>No. of Warrants C</u>
Dato' Sri Andrew Tan Jun Suan	10,239,705	6.72	150,000,000	75,000,000
Dato' Sri Gan Chow Tee	4,227,500	2.78	150,000,000	75,000,000
HiQ Media (Malaysia) Sdn Bhd	3,000,000	1.97	150,000,000	75,000,000
Chong Li Ping	25,000	0.02	25,000,000	12,500,000
Lee Chee Hoon	5,000	-	25,000,000	12,500,000
Total	17,497,205	11.49	500,000,000	250,000,000
Assuming none of the other Entitled Shareholders and/or their renounee(s) subscribe for their Rights Shares				
	<u>No. of Shares held after the Rights Issue with Warrants</u>		<u>No. of Shares held after the Rights Issue with Warrants and assuming full exercise of the Warrants C</u>	
Undertaking Shareholders	<u>Issue with Warrants</u>	<u>(%)</u>	<u>Warrants C</u>	<u>(%)</u>
Dato' Sri Andrew Tan Jun Suan	160,239,705	24.56	235,239,705	26.07
Dato' Sri Gan Chow Tee	154,227,500	23.64	229,227,500	25.40
HiQ Media (Malaysia) Sdn Bhd	153,000,000	23.45	228,000,000	25.27
Chong Li Ping	25,025,000	3.84	37,525,000	4.16
Lee Chee Hoon	25,005,000	3.83	37,505,000	4.15
Total	517,497,205	79.33	767,497,205	85.06
Note:-				
* Less than 0.005%.				
As the Minimum Subscription Level will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.				

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

Summary	Reference																														
<p>For avoidance of doubt, the Undertaking Shareholders are not obliged to subscribe for the Rights Shares pursuant to the Undertakings if the Minimum Subscription Level has been achieved via subscription by all other Entitled Shareholders and/or their renounees.</p> <p>However, while the Undertaking Shareholders are not obliged to subscribe for the Rights Shares in such event, the Undertaking Shareholders may still choose to do so at their own discretion. At this juncture, the Undertaking Shareholders have not decided on whether they will subscribe for the Rights Shares in the event that the Minimum Subscription Level has been achieved.</p>																															
<p>Rationale for the Rights Issue with Warrants</p> <p>(i) To raise funds mainly for repayment of borrowings, expansion of the Group's STEM Programs and Digital School Solutions business as well as working capital as set out in Section 5 of this Abridged Prospectus;</p> <p>(ii) To provide an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis without diluting their shareholdings;</p> <p>(iii) To provide the Entitled Shareholders with the option to either increase / maintain their equity participation in the Company by subscribing for the Rights Shares at a discount or to monetize their ordinary rights in the open market;</p> <p>(iv) To raise funds without incurring additional interest expense from borrowings, thus allowing the Group to preserve its cash flow for reinvestment and/or operational purpose; and</p> <p>(v) The free Warrants C which are attached to the Rights Shares are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares.</p>	Section 4																														
<p>Utilisation of proceeds</p> <p>The gross proceeds to be raised from the Rights Issue with Warrants are intended to be utilised as follows:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Utilisation of proceeds</th> <th style="text-align: center;">Intended timeframe for utilisation from completion of the Rights Issue with Warrants</th> <th style="text-align: center;">Minimum Scenario (RM'000)</th> <th style="text-align: center;">Base Case Scenario (RM'000)</th> <th style="text-align: center;">Maximum Scenario (RM'000)</th> </tr> </thead> <tbody> <tr> <td>(i) Repayment of borrowings</td> <td style="text-align: center;">Within 3 months</td> <td style="text-align: center;">15,000</td> <td style="text-align: center;">17,300</td> <td style="text-align: center;">17,300</td> </tr> <tr> <td>(ii) Funding for the Group's STEM Programs and Digital School Solutions business</td> <td style="text-align: center;">Within 24 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">7,000</td> <td style="text-align: center;">7,000</td> </tr> <tr> <td>(iii) Working capital</td> <td style="text-align: center;">Within 24 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">2,217</td> <td style="text-align: center;">4,696</td> </tr> <tr> <td>(iv) Estimated expenses for the Corporate Exercises</td> <td style="text-align: center;">Immediate</td> <td style="text-align: center;">-</td> <td style="text-align: center;">⁽⁴⁾900</td> <td style="text-align: center;">⁽⁴⁾900</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: center;">15,000</td> <td style="text-align: center;">27,417</td> <td style="text-align: center;">29,896</td> </tr> </tbody> </table>	Utilisation of proceeds	Intended timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario (RM'000)	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)	(i) Repayment of borrowings	Within 3 months	15,000	17,300	17,300	(ii) Funding for the Group's STEM Programs and Digital School Solutions business	Within 24 months	-	7,000	7,000	(iii) Working capital	Within 24 months	-	2,217	4,696	(iv) Estimated expenses for the Corporate Exercises	Immediate	-	⁽⁴⁾ 900	⁽⁴⁾ 900	Total		15,000	27,417	29,896	Section 5
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Total		15,000	27,417	29,896																											
<p>Risk factors</p> <p>You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-</p> <p>(i) the Group is exposed to the risk that it may not be able to successfully implement its business strategies;</p> <p>(ii) the Group is exposed to the risk that its learning programs will be able to always remain relevant and competitive; and</p> <p>(iii) the Group is dependent on the abilities, experience and continued efforts of its in-house research & development team to continuously innovate its learning programs.</p>	Section 6																														
<p>Procedures for acceptance and payment</p> <p>Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with Warrants C may be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein or by way of e-Subscription in accordance with the terms and conditions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants C is on Tuesday, 25 April 2023 at 5.00 p.m.</p>	Section 10																														



EDUSPEC HOLDINGS BERHAD

Registration No. 200401008252 (646756-X)
(Incorporated in Malaysia)

Registered Office

Level 5, Tower 8
Avenue 5, Horizon 2
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

7 April 2023

Board of Directors:-

Dato' Seri Dr Mohd Ariff Bin Araff (Non-Independent Non-Executive Chairman)
Gan Chia Way (Executive Director)
Dato' Lee Chin Chong (Executive Director)
Jason Fong Jian Sheng (Independent Non-Executive Director)
Ling Chee Min (Independent Non-Executive Director)
Dato' Sri Dr Yaw Chan Choy (Independent Non-Executive Director)

To: The Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 996,517,704 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.03 PER RIGHTS SHARE TOGETHER WITH UP TO 498,258,852 FREE DETACHABLE WARRANTS C ON THE BASIS OF 6 RIGHTS SHARES TOGETHER WITH 3 FREE WARRANTS C FOR EVERY 1 EXISTING SHARE HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 7 APRIL 2023

1. INTRODUCTION

On 13 January 2023, Kenanga IB had, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

On 31 January 2023, Kenanga IB had, on behalf of the Board, announced that the Undertakings have been revised as follows:-

Undertaking Shareholder	Undertakings as announced on 13 January 2023 (RM)	Revised Undertakings (RM)
Dato' Sri Andrew Tan Jun Suan	5,000,000	4,500,000
Dato' Sri Gan Chow Tee	5,000,000	4,500,000
HiQ Media (Malaysia) Sdn Bhd	5,000,000	4,500,000
Chong Li Ping	-	750,000
Lee Chee Hoon	-	750,000
Total	15,000,000	15,000,000

On 13 February 2023, Kenanga IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 13 February 2023, granted its approval for the following:-

- (i) the Share Consolidation;
- (ii) admission of the Warrants C to the Official List and initial listing and quotation of the Warrants C;
- (iii) the listing and quotation of the Rights Shares and additional Warrants B to be issued arising from the adjustments to the exercise price and number of Warrants B as a result of the Share Consolidation and Rights Issue with Warrants (as the case may be) in accordance with provisions of the Deed Poll B (“**Additional Warrants B**”); and
- (iv) the listing and quotation of the new Shares to be issued arising from the exercise of the Warrants C and Additional Warrants B.

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

Conditions imposed by Bursa Securities	Status of compliance
(a) Eduspec and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Share Consolidation and Rights Issue with Warrants;	To be complied
(b) Eduspec and Kenanga IB to inform Bursa Securities upon the completion of the Share Consolidation and Rights Issue with Warrants;	To be complied
(c) Eduspec to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Share Consolidation and Rights Issue with Warrants are completed; and	To be complied
(d) Eduspec to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants C as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 9 March 2023, the Shareholders had approved, amongst others, the Rights Issue with Warrants at the EGM of the Company.

On 24 March 2023, Kenanga IB had, on behalf of the Board, announced the following:-

- (i) the execution of the Deed Poll C by the Company;
- (ii) the fixing of the issue price of the Rights Shares at RM0.03 per Rights Share;
- (iii) the fixing of the Exercise Price at RM0.03 per Warrant C; and
- (iv) the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 24 March 2023.

On 27 March 2023, Kenanga IB had, on behalf of the Board, announced the completion of the Share Consolidation.

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

2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails a provisional allotment of up to 996,517,704 Rights Shares together with up to 498,258,852 free Warrants C on a renounceable basis of 6 Rights Shares together with 3 free Warrants C for every 1 existing Share held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.03 per Rights Share.

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

As at the LPD, the Company has 152,314,084 Shares in issue as well as 13,772,200 outstanding Warrants B. The Company does not have any treasury shares as at the LPD.

Assuming that none of the outstanding Warrants B as at the LPD are exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements, the Rights Issue with Warrants would entail the issuance of up to 913,884,504 Rights Shares together with up to 456,942,252 Warrants C under the Base Case Scenario.

Assuming that all the 13,772,200 outstanding Warrants B as at the LPD are exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements, the Rights Issue with Warrants would entail the issuance of up to 996,517,704 Rights Shares together with up to 498,258,852 Warrants C under the Maximum Scenario.

Notwithstanding the above, the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level to raise a minimum of RM15.00 million which, based on the issue price of RM0.03 per Rights Share, shall entail the subscription of an aggregate of 500,000,000 Rights Shares together with 250,000,000 Warrants C under the Minimum Scenario. To meet the Minimum Subscription Level, the Company has procured the Undertakings from the Undertaking Shareholders, details of which are set out in Section 3 of this Abridged Prospectus.

The total number of Rights Shares and Warrants C to be issued based on the respective scenarios are illustrated below:-

	Minimum Scenario	Base Case Scenario	Maximum Scenario
Total no. of Shares as at the LPD	152,314,084	152,314,084	152,314,084
New Shares to be issued assuming full exercise of the Warrants B	-	-	13,772,200
Enlarged total number of Shares after full exercise of the Warrants B	152,314,084	152,314,084	166,086,284
No. of Rights Shares to be issued	500,000,000	913,884,504	996,517,704
No. of Warrants C to be issued	250,000,000	456,942,252	498,258,852

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

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

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

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

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

The Rights Shares and Warrants C which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) shall be made available for Excess Rights Shares with Warrants C Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants C, if any, in a fair and equitable manner in the priority as set out in Section 10.9 of this Abridged Prospectus.

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

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

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

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

(i) Issue price of the Rights Shares

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

- (a) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus;
- (b) the TEAP⁽¹⁾ of RM0.0550 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.2798 per Share; and
- (c) the rationale for the Rights Issue with Warrants, as set out in Section 4 of this Abridged Prospectus.

The issue price of RM0.03 per Rights Share represents a discount of 45.43% to the TEAP of RM0.0550 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.2798 per Share and the Exercise Price of RM0.03 per Warrant C.

Note:-

- (1) TEAP is computed as follows:-

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

where:-

- A = Number of Rights Shares
- B = Number of Warrants C
- C = Number of existing Shares
- X = Issue price of the Rights Shares
- Y = Exercise Price
- Z = 5-day VWAP of the Shares

and the ratio of A:B:C is 6:3:1, in accordance with the entitlement basis of 6 Rights Shares together with 3 free Warrants C for every 1 existing Share held.

(ii) Exercise Price

The Board had fixed the Exercise Price at RM0.03 per Warrant C after taking into consideration, amongst others, the following:-

- (a) the TEAP of RM0.0550 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.2798 per Share;

- (b) the future prospects of the Group, further details of which are set out in Section 7.4 of the Abridged Prospectus; and
- (c) the need to fix an exercise price that makes the Warrants C attractive for the purposes of enhancing the subscription level of the Rights Shares.

The Exercise Price of RM0.03 per Warrant C represents a discount of 45.43% to the TEAP of RM0.0550 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.2798 per Share and the issue price of RM0.03 per Rights Share.

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

(i) Rights Shares

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

(ii) Warrants C and the new Shares to be issued arising from exercise of the Warrants C

The Warrant C holders will not be entitled to any voting rights or right to participate in any forms of distribution and/or further securities in the Company until and unless the holders of Warrants C exercise their Warrants C for new Shares in accordance with the provisions of the Deed Poll C and such new Shares have been allotted and issued to such holders.

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

2.4 Last date and time for acceptance and payment

The Closing Date is **5.00 p.m. on Tuesday, 25 April 2023.**

2.5 Salient terms of the Warrants C

Issuer	:	Eduspec
Issue size	:	Up to 498,258,852 Warrants C
Form and detachability	:	The Warrants C will be issued in registered form and constituted by the Deed Poll C. The Warrants C which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.

- Board lot : For the purpose of trading on Bursa Securities, a board lot of Warrants C shall be 100 units of Warrants C, or such other number of units as may be prescribed by Bursa Securities.
- Tenure of the Warrants C : 5 years commencing on and including the date of issuance of the Warrants C.
- Exercise Period : The Warrants C may be exercised at any time within a period of 5 years commencing from and including the date of issuance of the Warrants C to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 5th anniversary from the date of issuance of the Warrants C. Any Warrants C not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
- Exercise Price : RM0.03 per Warrant C.

The Exercise Price and/or the number of Warrants C in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the provisions of the Deed Poll C.
- Subscription rights : Each Warrant C 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 C.
- Mode of exercise : The holders of the Warrants C are required to lodge a subscription form with the Company's share registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or by way of internet bank transfer or via online payment gateway in accordance with the e-Subscription form for the aggregate of the Exercise Price payable when exercising their Warrants C to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
- Adjustments to the Exercise Price and/or the number of Warrants C : Subject to the provisions of the Deed Poll C, the Exercise Price and/or the number of unexercised Warrants C 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 C, whether by way of rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll C.
- Rights of the Warrant C holders : The Warrants C 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 C exercise their Warrants C for new Shares in accordance with the provisions of the Deed Poll C and such new Shares have been allotted and issued to such holders.

- Ranking of the new Shares to be issued pursuant to the exercise of the Warrants C : The new Shares to be issued pursuant to the exercise of the Warrants C in accordance with the provisions of the Deed Poll C shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants C, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares to be issued pursuant to the exercise of the Warrants C.
- Rights of the Warrant C holders in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants C (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 C; and
 - (ii) in any other cases, every Warrant C holder shall be entitled to exercise his / her Warrants C 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 C holder credited as fully paid subject to the prevailing laws, and such Warrant C 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 C shall lapse and cease to be valid for any purpose.

Modification of rights of Warrant C holders and Deed Poll C : Save as otherwise provided in the Deed Poll C, a special resolution of the Warrant C holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant C holders.

Any modification to the terms and conditions of the Deed Poll C may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll C. Any of such modification shall however be subject to the approval of Bursa Securities (if so required).

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

Listing : The Warrants C will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants C on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants C.

Transferability : The Warrants C shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.

Deed Poll C : The Warrants C shall be constituted by the Deed Poll C.

Governing laws : The Warrants C and the Deed Poll C shall be governed by the laws and regulations of Malaysia.

2.6 Details of other corporate exercises

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

3. MINIMUM SUBSCRIPTION LEVEL AND THE UNDERTAKINGS

The Company intends to raise a minimum of RM15.00 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level. To meet the Minimum Subscription Level, the Company has procured the Undertakings from the Undertaking Shareholders, namely Dato' Sri Andrew Tan Jun Suan, Dato' Sri Gan Chow Tee, HiQ Media (Malaysia) Sdn Bhd, Chong Li Ping and Lee Chee Hoon, to apply and subscribe in full for their respective entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Shares with Warrants C Application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by the Company arising from the subscription by all Entitled Shareholders and/or their renounee(s) (including the Undertaking Shareholders, if necessary) amount to not less than RM15.00 million.

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

Undertaking Shareholders	Minimum Rights Shares with Warrants C to be subscribed pursuant to the Undertakings							
	Existing direct shareholding as at the LPD	Subscription based on entitlement		Subscription based on Excess Rights Shares with Warrants C Application		Total subscription		
	No. of Shares	(1)%	No. of Rights Shares	(2)%	No. of Rights Shares	(2)%	No. of Warrants C	(3)%
Dato' Sri Andrew Tan Jun Suan	10,239,705	6.72	61,438,230	12.29	88,561,770	17.71	150,000,000	30.00
Dato' Sri Gan Chow Tee	4,227,500	2.78	25,365,000	5.07	124,635,000	5.07	150,000,000	30.00
HiQ Media (Malaysia) Sdn Bhd	3,000,000	1.97	18,000,000	3.60	132,000,000	3.60	150,000,000	30.00
Chong Li Ping	25,000	0.02	150,000	0.03	24,850,000	0.03	25,000,000	5.00
Lee Chee Hoon	5,000	*-	30,000	0.01	24,970,000	0.01	25,000,000	5.00

Direct shareholdings

	(I)		(II)	
	After the Rights Issue with Warrants	(4)%	After (I) and assuming full exercise of the Warrants C	(5)%
	No. of Shares	(4)%	No. of Shares	(5)%
Dato' Sri Andrew Tan Jun Suan	160,239,705	24.56	235,239,705	26.07
Dato' Sri Gan Chow Tee	154,227,500	23.64	229,227,500	25.40
HiQ Media (Malaysia) Sdn Bhd	153,000,000	23.45	228,000,000	25.27
Chong Li Ping	25,025,000	3.84	37,525,000	4.16
Lee Chee Hoon	25,005,000	3.83	37,505,000	4.16

Notes:-

* Less than 0.005%.

(1) Based on the issued share capital of 152,314,368 Shares as at the LPD.

(2) Based on the total number of 500,000,000 Rights Shares to be subscribed by the Undertaking Shareholders pursuant to their collective Undertakings under the Minimum Scenario.

(3) Based on the total number of 250,000,000 free Warrants C attached to the Rights Shares to be subscribed by the Undertaking Shareholders.

(4) Based on the enlarged issued share capital of 662,314,084 Shares under the Minimum Scenario.

(5) Based on the enlarged issued share capital of 902,314,084 Shares under the Minimum Scenario and assuming full exercise of the Warrants C.

Pursuant to the Undertakings, the Undertaking Shareholders have irrevocably and unconditionally warranted that they shall not sell or in any other way dispose of or transfer their existing shareholdings in the Company or any part thereof during the period commencing from the date as stated in their respective Undertakings up to the Entitlement Date and confirmed that they have sufficient financial means and resources to fulfil their obligations under their respective Undertakings.

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

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

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

For the avoidance of doubt, the Undertaking Shareholders are not deemed persons acting in concert with one another pursuant to Sections 216(2) and 216(3) of the CMSA.

As the Minimum Subscription Level comprising 500,000,000 Rights Shares will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining open portion of up to 413,884,504 Rights Shares (Base Case Scenario) or 496,517,704 Rights Shares (Maximum Scenario) not subscribed for by other Entitled Shareholders, which represent 45.29% (Base Case Scenario) or 49.83% (Maximum Scenario) of the total number of 913,884,504 Rights Shares (Base Case Scenario) or 996,517,704 Rights Shares (Maximum Scenario) available for subscription.

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

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

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

Particulars	As at the LPD			(i) After the Rights Issue with Warrants		
	No. of Shares	No. of Shareholders	% ⁽¹⁾	No. of Shares	No. of Shareholders	% ⁽²⁾
Issued share capital	152,314,084	7,762	100.00	652,314,084	7,762	100.00
<u>Less:</u>						
Directors of the Group	2,598,850	4	1.71	2,598,850	4	0.40
Substantial shareholders of the Company	10,239,705	1	6.72	467,467,205	⁽⁴⁾ 3	71.66
Associates of Directors of the Group or substantial shareholders of the Company	6,461,601	5	4.24	2,234,101	⁽⁴⁾ 4	0.34
Shareholders holding less than 100 Shares	24,970	808	0.02	24,970	808	.*
Pro forma public shareholding spread	132,988,958	6,944	87.31	179,988,958	6,943	27.59

Notes:-

* Less than 0.005%.

(1) Based on the issued share capital of 152,314,084 Shares as at the LPD.

(2) Based on the enlarged issued share capital of 652,314,084 Shares under the Minimum Scenario.

(3) Based on the enlarged issued share capital of 902,314,084 Shares under the Minimum Scenario and assuming full exercise of the Warrants C.

(4) Dato Sri' Gan Chow Tee, an Undertaking Shareholder, is the father of Gan Chia Way, a director of Eduspec. Under the Minimum Scenario, Dato Sri' Gan Chow Tee and HiQ Media (Malaysia) Sdn Bhd are expected to emerge as substantial Shareholders upon completion of the Rights Issue with Warrants.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

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

As at 28 February 2023, the Group's cash and bank balances stood at RM0.52 million. As this amount is not sufficient to meet the Group's funding requirements as set out in Section 5 of this Abridged Prospectus, the Group has proposed to undertake the Rights Issue with Warrants to raise the required funds.

After due consideration of the various options available (e.g. private placement and bank borrowings), the Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for the Company for the following reasons:-

(i) Opportunity for Entitled Shareholders to participate in equity offering on a pro rata basis

The Rights Issue with Warrants provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis. It involves the issuance of new Shares without diluting the Entitled Shareholders' shareholdings in the Company provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants C subsequently.

(ii) Option for Entitled Shareholders to increase/maintain their equity participation at a discount or to monetize their ordinary rights in the open market

The Rights Issue with Warrants provides the Entitled Shareholders with the option to either increase / maintain their equity participation in the Company by subscribing for the Rights Shares at a discount or to monetize their ordinary rights in the open market.

(iii) Other alternative means of fund-raising such as private placements are smaller in scale and dilutive

By virtue of a rights issue being a pro rata equity offering, rights issues can be implemented on a larger scale as compared to conventional private placements, which are limited in scale by virtue of the dilutive impact to existing shareholders.

Given the quantum of the Group's funding requirements as set out in Section 5 of this Abridged Prospectus, the Rights Issue with Warrants appears to be the most appropriate equity fund-raising avenue at this juncture.

(iv) Rights issues do not tie down the Group with principal and interest servicing

The Rights Issue with Warrants is mainly intended to settle the HSBC Facilities (as defined in Section 5 below). The Rights Issue with Warrants will also enable the Company to raise funds for its existing STEM Programs and Digital School Solutions business as well as for its working capital requirements without incurring additional interest expense from other means of funding such as bank borrowings, thereby utilised any potential cash outflow.

If the Group were to undertake bank borrowings and/or bonds issuance, the Group will be tied down with principal repayments as well as interest servicing and this may inhibit the Group's ability to conserve its cash flow for reinvestment and/or operational purposes.

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

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

For information, the Company has not undertaken any fund-raising exercises in the past 12 months prior to the announcement of the Corporate Exercises.

5. UTILISATION OF PROCEEDS

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

Utilisation of proceeds	Intended timeframe for utilisation from completion of the Rights Issue with Warrants ⁽¹⁾	Minimum Scenario	Base Case Scenario	Maximum Scenario
		(RM'000)	(RM'000)	(RM'000)
(i) Repayment of borrowings	Within 3 months	15,000	17,300	17,300
(ii) Funding for the Group's STEM Programs and Digital School Solutions business	Within 24 months	-	7,000	7,000
(iii) Working capital	Within 24 months	-	2,217	4,696
(iv) Estimated expenses for the Corporate Exercises	Immediate	(2)	(4)900	(4)900
Total		(3)15,000	27,417	(5)29,896

Notes:-

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

Alternatively, the Company may also consider to revise the utilisation of proceeds, whether partly or wholly, to another purpose depending on the Group's requirements at that point in time. In such event, if the amount to be revised is 5% or more of the total proceeds raised, details of the proposed revision shall be announced. If the amount to be revised is 25% or more of the total proceeds raised, Shareholders' approval will be obtained accordingly as required under the Listing Requirements.

(2) *Under the Minimum Scenario, the expenses for the Rights Issue with Warrants shall be funded via internally generated funds.*

(3) *Any additional proceeds raised in excess of this amount beyond the Minimum Scenario will be allocated up to its respective maximum allocation in the following order:-*

- (i) *estimated expenses for the Corporate Exercises;*
- (ii) *repayment of borrowings;*
- (iii) *funding for the Group's STEM Programs and Digital School Solutions business; and*
- (iv) *working capital (e.g. staff salaries as well as operating and administrative expenses, the indicative breakdown of which is set out in Section 5(v) of this Abridged Prospectus).*

- (4) *If the actual expenses incurred are higher than this budgeted amount, the deficit will be funded via the amount earmarked for working capital and/or internally generated funds. However, the exact funding breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as the internally generated funds available to the Group at the relevant time. Conversely, any surplus of funds following payment of expenses will be utilised in the order as set out in Note (3) above.*
- (5) *The Board wishes to highlight that this illustrative amount that would be raised under the Maximum Scenario is based on the assumption that all the outstanding Warrants B as at the LPD are exercised into new Shares prior to the Entitlement Date.*

The Board is of the view that based on the timeline for implementation of the Rights Issue with Warrants, it is unlikely for all outstanding Warrants B as at the LPD to be exercised into new Shares prior to the Entitlement Date in view that the Warrants B are currently out-of-the-money based on the 5-day VWAP of the Shares up to and including the LPD of RM0.2798 and the exercise price of the Warrants B of RM2.00.

Pending the utilisation of the proceeds from the Rights Issue with Warrants, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments with licensed financial institutions. Any interest earned from interest-bearing deposits and/or gains from investments in money market financial instruments will be utilised for working capital as further set out in item (iii) below which may include payment of staff salaries, marketing expenses and other operating and administrative expenses.

(i) Repayment of borrowings

The Group intends to utilise up to RM17.30 million of the proceeds to be raised from the Rights Issue with Warrants towards the repayment of the Group's borrowings obtained from HSBC Bank Malaysia Berhad ("**HSBC Bank**").

As at 28 February 2023, the Group's total borrowings stood at approximately RM23.13 million, out of which RM19.86 million is comprised of the following outstanding amounts owing to HSBC Bank (inclusive of loan principal, interest and late charges) ("**HSBC Facilities**"):-

<u>Type of facility</u>	<u>Purpose of the facility</u>	<u>Effective interest rate</u>	<u>Outstanding amount</u>	<u>Maturity date⁽²⁾</u>
		(%)	(RM'000)	
Term loan	To fund the acquisition of 2 units of 3-storey semi-detached buildings (" Head Office ")	4.65	12,526	April 2035
Term loan	To fund the renovation costs for the Head Office	6.85	1,141	May 2020
Revolving credit	To fund the Group's working capital requirements	3.15	6,193 ⁽¹⁾	March 2018
Total			19,860	

Notes:-

(1) *The revolving credit is denominated in United States Dollars ("**USD**") and translated into Ringgit Malaysia at the exchange rate of USD1:RM4.4835 as at 28 February 2023.*

(2) *The Group had been in discussions with HSBC Bank to restructure and reschedule the HSBC Facilities and as a result, HSBC Bank offered a full and final settlement option to the Group, of which further details are elaborated below.*

Following a shift in the government policy to cease the implementation of computer classes within a regular school timetable in 2018 and as part of the Group's cash flow management strategy, the Group had approached HSBC Bank to restructure and reschedule the HSBC Facilities.

Subsequently, on 16 November 2022, HSBC Bank had offered a full and final settlement option to the Group in respect of the HSBC Facilities which consists of the settlement of the HSBC Facilities of RM17.30 million (subject to changes in the prevailing exchange rate), with a waiver of the outstanding interest and late charges provided that the Group is able to repay this amount in full by 15 May 2023.

The Group has accepted the offer by HSBC Bank and has allocated up to RM17.30 million of the proceeds from the Rights Issue with Warrants for the settlement of the HSBC Facilities.

For illustrative purposes, the repayment of the HSBC Facilities is expected to result in pre-tax financing cost savings of approximately RM0.86 million per annum, based on the outstanding amount as at 28 February 2023 and a weighted average interest rate of 4.31% per annum for the HSBC Facilities. The repayment of the HSBC Facilities is also expected to result in a one-off saving of approximately RM2.56 million based on the outstanding amount as at 28 February 2023.

For information, the Group prioritises the repayment of term loan over other borrowings after taking into consideration the potential interest savings to be derived as well the nature of the facility that is outstanding. The term loan is prioritised ahead of the other facilities as the other facilities have identified sources of repayment (e.g. margin financing is secured by quoted securities and bankers' acceptances will be repaid from cash generated from operations). In turn, the term loan with the nearest maturity date has been prioritised ahead of the other term loans.

For avoidance of doubt, the Group intends to utilise the proceeds to be raised from the Rights Issue with Warrants to repay its borrowings instead of tapping on its internally generated funds in order to conserve its cash flow for working capital purposes.

(ii) Funding for the Group's STEM Programs and Digital School Solutions business

The Group is principally involved in offering systematic information technology ("IT") learning and robotics programs for students in Malaysia. The Group has been providing IT learning and robotics programmes to students since 1984. Through its collaborations with schools, the Group offers the following services:-

(a) STEM Computer Science and STEM Robotics Programs ("STEM Programs")

Eduspec provides schools STEM educational programs, offering classes in computer science and robotics. Through collaborations with the school administrators and parent teacher associations, Eduspec will set up laboratories for STEM education within the school and conduct such classes either during or after school hours for students. As at the LPD, the Group provides STEM Programs to 49 primary schools and 3 secondary schools in Malaysia.

(b) Digital School Solutions

Eduspec equips schools with the necessary hardware, software and systems to create a digital teaching and learning environment. As at the LPD, the Group provides Digital School Solutions to 45 primary schools in Malaysia.

On 15 December 2019, Eduspec entered into a collaboration agreement with Matlamat Wawasan Sdn Bhd (“**MWSB**”), for the implementation of STEM Computer Science in primary schools and STEM Robotics Programs in secondary schools under the Ministry of Education, Malaysia (“**MOE**”) (“**Collaboration Agreement**”). For information, MWSB is a private company incorporated in Malaysia on 13 February 2013. It is principally engaged in the provision of electronic equipment and other education related solutions and services.

MWSB had on 27 November 2019, received a letter from the MOE allowing MWSB to implement such STEM programs for schools under the MOE. Pursuant to the Collaboration Agreement, Eduspec is responsible for amongst others, creating the curriculum content and teacher training for the provision of the STEM Programs in Malaysian primary and secondary schools while MWSB is responsible for amongst others, the selection of pilot schools and recruiting the teachers to be trained and certified by Eduspec to provide the STEM Programs. For information, the STEM Programs created by Eduspec have obtained the necessary approvals of the MOE for implementation in Malaysian primary and secondary schools.

Once a school has been identified by MWSB, the Eduspec Group shall enter into a collaboration with the school and parent teacher association of such school to set up the STEM Program laboratories as well as manage and send skilled and qualified teachers to the schools. Eduspec shall bear the costs of setting up the STEM Program laboratories in exchange for a yearly fee throughout the duration of the collaboration. Further information on the costs of setting up the STEM Program laboratories is set out below.

However, the imposition of MCO to contain the spread of COVID-19 from 18 March 2020, resulting in the closures of all schools, had prevented a broader roll out of STEM Programs to schools in Malaysia.

As at the LPD, Eduspec’s collaboration with MWSB is ongoing and pilots of the STEM Programs have been implemented in 5 primary and secondary schools in Malaysia.

Following the full resumption of in-person learning in Malaysian schools since May 2022, the Group intends to utilise proceeds of up to RM7.00 million from the Rights Issue with Warrants under both the Base Case Scenario and Maximum Scenario in the following manner:-

Utilisation of proceeds	Percentage allocation	Amount
	(%)	(RM’000)
Cost of setting up STEM Program laboratories in schools ⁽¹⁾	60	4,200
Cost of equipping schools with digital solutions ⁽²⁾	40	2,800
Total	100	7,000

Notes:-

(1) *This amount is intended to be utilised to fund the purchase and installation of equipment required to set up STEM Program laboratories. The cost of setting up one (1) standard STEM Program laboratory mainly comprises purchases of the following equipment and furniture:-*

Equipment & furniture	No. of units
(a) Desktop computer with monitor (for the teacher)	1
(b) Laptop computers with mouse (for the students)	40
(c) Interactive whiteboard	1
(d) Projector	1
(e) Computer server	1

Equipment & furniture	No. of units
(f) Tele-conference camera	1
(g) Multimedia speaker	1
(h) Wireless microphone system	1
(i) Laptop charging cabinet	1
(j) Student table and chairs	40
(k) Teacher table and chair	1
(l) Mobile podium	1

For the avoidance of doubt, the setting up of STEM Program laboratories includes schools serviced through the collaboration with MWSB as well as schools marketed directly by Eduspec.

(2) The amount is intended to be utilised to fund the purchase and installation of digital solutions in each classroom. The equipment to be installed in each classroom includes 1 each of the following:-

- (a) ultra-high definition multimedia touch panel / interactive board;
- (b) visualiser / document camera;
- (c) webcam;
- (d) speakers; and
- (e) network cables and power sockets.

For the avoidance of doubt, the Group's Digital School Solutions business is not part of the collaboration with MWSB and involves only schools marketed directly by Eduspec.

(iii) Working capital

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

Utilisation of proceeds	Base Case Scenario	Maximum Scenario
	(RM'000)	(RM'000)
Payment of staff salaries	1,380	2,070
Marketing expenses for the Group's STEM Programs and Digital School Solutions business ⁽¹⁾	-	1,371
Operating and administrative expenses such as utilities, rental costs, transportation costs and other miscellaneous items ⁽²⁾	837	1,255
Total	2,217	4,696

Notes:-

(1) The Group conducts marketing through various marketing channels including, amongst others, traditional advertising via brochures and banners and digital advertising via social media and electronic mail as well as participation in educational fairs. Additionally, the Group also engages public relation consultants to promote the STEM program and Digital School Solutions.

(2) The actual breakdown of the operating and administrative expenses cannot be determined at this juncture, as it will depend on the actual operating and administrative requirements of the Group at the relevant time.

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

(iv) Estimated expenses for the Corporate Exercises

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

Estimated expenses	Amount (RM'000)
Professional fees ⁽¹⁾	650
Fees to the relevant authorities	100
Printing, despatch, advertising and meeting expenses	130
Miscellaneous expenses and contingencies	20
Total	900

Note:-

(1) *These include advisory fees payable to the Principal Adviser and other professional fees payable to the Company Secretaries, Solicitors, Share Registrar and Reporting Accountants in relation to the Corporate Exercises.*

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

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

Strictly for illustrative purposes, based on the Exercise Price of RM0.03 per Warrant C, the Company will raise gross proceeds of up to RM14.95 million upon full exercise of the Warrants C under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants C in the future will be used to finance the future working capital requirements such as those described above. While the exact breakdown of the utilisation of proceeds for each component of working capital are subject to the actual requirements of the Group at the relevant time, Company intends to utilise proceeds raised from the exercise of the Warrants C within 12 months from the date of receipt of such proceeds.

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 with Warrants:-

6.1 Risks relating to the Group**(i) Business strategy implementation risk**

As set out in Section 5(ii) of this Abridged Prospectus, the Group has allocated proceeds of up to RM7.00 million from the Rights Issue with Warrants to fund the cost of setting up STEM Programs laboratories in schools and equipping schools with its Digital School Solutions.

For the STEM Programs laboratories, the Group is reliant on its ongoing collaboration with MWSB whereby, amongst others, MWSB is responsible for the selection of pilot schools and recruiting the teachers to be trained and certified by Eduspec to provide the STEM Programs while Eduspec is responsible for creating the curriculum content and teacher training for the provision of the STEM Programs in Malaysian primary and secondary schools. Once a school has been identified by MWSB, the Group shall enter into a collaboration with the school and parent teacher association of such school to set up the STEM Program laboratories as well as manage and send skilled and qualified teachers to the schools. For information, MWSB had on 27 November 2019 received a letter from the MOE allowing MWSB to implement STEM programs for schools under the MOE ("**Letter**").

For the Digital School Solutions, the Group provides such solutions directly to primary schools in Malaysia.

Based on the above, the Group is reliant on the following:-

- (i) MWSB to continuously identify schools for which the Group can offer to set up its STEM Programs laboratories; and
- (ii) the Group's ability to continuously market its Digital School Solutions to primary schools in Malaysia.

In this regard, there is no assurance that MWSB will be able to continuously identify schools for which the Group can offer to set up its STEM Programs laboratories. In the event that MOE revokes its Letter or imposes certain changes to terms and conditions of its Letter, this may affect MWSB's ability to identify schools for the Group to offer its STEM Programs laboratories or restrict the Group's ability to set up its STEM Program laboratories in full.

There is also no assurance that the Group will be able to continuously secure contracts to provide its Digital School Solutions to primary schools in Malaysia. As such solutions are tailored to the prevailing education curriculum of the schools at the relevant point in time, such solutions may need to be continuously adjusted or updated as and when the education curriculum is refreshed. Thus, the provision of Digital School Solutions is also dependent on the Group's ability to continuously monitor any changes to the education curriculum and adapt accordingly to ensure that its Digital School Solutions can remain relevant for the schools moving forward.

The STEM Programs laboratories and Digital School Solutions are currently the largest revenue contributors to the Group. In the event that the Group's ability to set up STEM Programs laboratories and/or provide Digital School Solutions is adversely affected due to any of the reasons above, the Group's business and financial performance may be adversely affected.

(ii) Technology obsolescence risk

The Group is principally involved in the offering of systematic IT learning and robotics programs for students in Malaysia, which is subject to the shifting needs of students and schools as well as technological advancements. As the Group is in an industry segment where technology evolves rapidly, there is no assurance that the Group's learning programs will always remain relevant and competitive in the future. Moving forward, new market entrants may emerge and provide more technologically advanced learning programs that may be broadly accepted and adopted by the parents and schools. In such an event, the Group's existing learning programs may become technologically obsolete.

Accordingly, demand for the Group's learning programs is dependent on its ability to constantly keep up with the latest technologies as well as the technical demands of its existing and potential customers to update, upgrade or innovate its learning programs. There is no assurance that the Group will be able to successfully anticipate and pick up new technologies to enhance its existing learning programs or develop new learning programs to cater to the prevailing market expectation or adoption of newer technologies.

In the event that the Group is unable to continuously innovate and enhance its learning programs to meet the latest market expectations in light of the prevailing technological landscape, the demand for the Group's learning programs may be adversely affected and this, in turn, may have an adverse effect on the Group's business and financial performance.

(iii) Dependency on key personnel

The Group's ability to adapt, develop, enhance and innovate its learning programs is highly dependent on its in-house research & development team. The research & development team is tasked with, amongst others, developing quality curriculum content and ensuring that it is updated based on the latest educational requirements, creating assessment and evaluation methods, designing teacher training programs as well as continuously being technologically up-to-date to stay ahead of the curve with respect to education technology.

There is no assurance that the key personnel in the Group's research & development team will continue to remain employed with the Group for the long term. In the event that the Group is unable to retain the continued employment of its key personnel in the research & development team, the Group's ability to continuously adapt, develop, enhance and innovate its learning programs may be adversely affected.

In the event of an unexpected loss of any key personnel of the Group's research & development team, the Group will have to incur time and cost to search and hire new personnel with relevant experience in the technology and/or education industry. Given that the industry segment in which the Group operates in is relatively niche, it may require substantial time and cost for the Group to secure and hire new personnel with the relevant capabilities, experience and/or technical expertise. Such additional cost, coupled with any continued delay in the hiring of new key personnel, may have an adverse effect on the business and financial performance of the Group.

6.2 Risks relating to the Rights Issue with Warrants

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

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

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

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

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

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

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

(ii) Capital market risk

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

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

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

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

(iii) Potential dilution of existing Shareholders' shareholding

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

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

(iv) Forward-looking statements and other information

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

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

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

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7. INDUSTRY OVERVIEW AND PROSPECTS

The Group is principally involved in offering systematic IT learning and robotics programs for students in Malaysia. The Group has been providing IT learning and robotics programmes to students since 1984.

In view of the above, the prospects of the Group are dependent on the prospects of the Malaysian economy and the education industry in Malaysia:-

7.1 Malaysian economy

Despite the softened global growth, Malaysia's economy recorded a strong growth of 8.7% in 2022, exceeding the initial projection of 6.5% - 7%, whereby real output value reached above the pre-pandemic level. The commendable performance was driven by domestic demand and improved labour market in line with the transition to the endemic phase. These resulted from an increase in economic activities which include household spending, investment and tourism. Subsequently, encouraging expansion in all economic sectors primarily the services and manufacturing have also provided continuous impetus to the significant economic growth in 2022. Furthermore, the growth was attributed to robust external demand, especially among Malaysia's major trading partners.

The nation's GDP is forecast to grow approximately 4.5% in 2023. This projection is supported by stable domestic demand, mainly from household spending in line with the labour market recovery. Additionally, the contribution of the tourism-related sector is expected to improve following an increase in tourist arrivals. The acceleration of infrastructure projects with high multiplier effects, robust growth in private investment and continuous external demand particularly among major trading partners will further support the economy.

(Source: Budget 2023, Ministry of Finance Malaysia, 24 February 2023)

Headline inflation has averaged 3.4% for the period January-November 2022. As projected, headline inflation peaked in 3Q 2022, while underlying inflation, as measured by core inflation, has averaged 2.9% up to November 2022. Over the course of 2023, headline and core inflation are expected to moderate but remain at elevated levels amid lingering demand and cost pressures. Existing price controls and fuel subsidies, and the remaining spare capacity in the economy, will continue to partly contain the extent of upward pressures to inflation. The balance of risk to the inflation outlook is tilted to the upside and remains highly subject to any changes to domestic policy on subsidies and price controls, as well as global commodity price developments.

At the current overnight policy rate level, the stance of monetary policy remains accommodative and supportive of economic growth. Further normalisation to the degree of monetary policy accommodation would be informed by the evolving conditions and their implications to the domestic inflation and growth outlook. The Monetary Policy Committee will continue to calibrate the monetary policy settings that balance the risks to domestic inflation and sustainable growth.

(Source: Monetary Policy Statement, Bank Negara Malaysia, 19 January 2023)

7.2 Education industry in Malaysia

To ease the financial burden for parents who provide early education for their children, the Government has agreed to extend until the year of assessment 2024, the tax relief of up to RM3,000 on fees paid for TASKA and TADIKA registered with the Government.

For 2023, the MOE will continue to receive the highest allocation of RM55.2 billion compared to RM52.6 billion in 2022 (representing an increase of approximately 4.94% from 2022 to 2023). Amongst others:-

- (i) A total of RM2.3 billion (2022: RM1.7 billion) is provided to ensure that all schools have the best infrastructure and learning facilities for children.
 - (a) This covers RM920 million for the upgrading of buildings and infrastructure in 380 dilapidated schools, primarily in Sabah and Sarawak through a special procurement process for urgency.

To expedite the project implementation, the quotation threshold for the procurement of repair works for dilapidated schools will be increased to RM1 million compared to RM500,000 previously, while procurement ballot be increased to RM200,000 from RM100,000 previously;
 - (b) RM900 million allocation is also provided for maintenance works for all types of national schools, religious schools, and vernacular schools;
 - (c) In addition, schools with special needs students will have disabled-friendly facilities;
 - (d) The Government will also construct an open hall to provide a comfortable place for children to gather;
- (ii) A total of seven new schools will be built with a cost of RM560 million, including SK Paya Dusun in Terengganu, SMK Denai Alam in Selangor, SMK Nabalun in Sabah and SMK Dudong in Sarawak;
- (iii) For the year 2023, the Government will allocate RM38 million to supply MOE schools and educational institutions with 50,000 laptops; and
- (iv) in safeguarding the welfare of special education students and teachers, the Government will allocate RM20 million for teaching aids and facilities improvement to special needs schools.

(Source: Budget Speech 2023, Ministry of Finance Malaysia, 24 February 2023)

7.3 Information and Communications Technology industry in Malaysia

The information and communications technology subsector expanded by 5.2% in 2022, backed by telecommunication segment soaring usage of e-commerce services and subscription to media streaming including entertainment and sport packages. The expansion of the segment was also attributed by the broadband's wider coverage and better internet speed through the National Digital Network ("JENDELA") initiatives.

The Government will accelerate the implementation of the JENDELA project as a national effort to provide access to the Internet. For the year 2023, RM725 million is provided to implement digital connectivity projects at 47 industrial areas and around 3,700 schools.

The previous administration has spearheaded the 5G initiative through Digital Nasional Berhad (“**DNB**”). By the end of 2022, DNB had achieved 50% coverage of populated areas and is expected to reach 80% coverage by the end of 2023. The Unity Government is now taking an approach where DNB is managed with transparency and inclusivity so that all the industry players will participate.

Further, the Government will strengthen the role of the Digital Economy Centre (“**PEDi**”) to help small entrepreneurs with information and communications and e-commerce knowledge. Before the end of 2023, the Government will ensure that there is at least one PEDi facility in each DUN (1DUN 1PEDi).

To support business automation and digitalisation activities, a total of RM100 million is allocated under the SME Digitalisation Grant Scheme, which includes small hawkers. A matching grant of up to RM5,000 will be paid to SMEs that subscribe to business digitalisation applications such as POS sales systems, accounting, or inventory management.

A financing fund of RM1 billion is allocated under BNM to support SMEs in automating their business processes and digitising their operations.

In 2023, the information and communications technology subsector is anticipated to further expand mainly led by the wider digital adoption of businesses and individuals particularly the utilisation of Fixed Wireless Access and other fit-for-purpose technologies. In addition, efforts to attract high-quality investment in digital-related infrastructures such as data centres and cloud computing services along with continued surge of online streaming activities will further boost the subsector.

(Sources: Budget 2023 & Budget Speech 2023, Ministry of Finance Malaysia, 24 February 2023)

7.4 Prospects and future plans of the Group

The Group’s revenue was significantly impacted by the shift in government policy in 2018 to stop the implementation of computer classes within the school timetable in public schools. The subsequent plan for public schools to offer STEM computer science and STEM robotics classes via the Group’s ongoing collaboration with MWSB (as further elaborated in Section 5(i) of this Abridged Prospectus) was hampered by the imposition of the MCO to contain the spread of COVID-19.

Despite the challenges faced above, the Group continues to market and provide its education services directly to schools. The Group enters into Memorandums of Understanding with school administrators and parent-teacher associations to provide its STEM Programs and Digital School Solutions.

Over the past year, the Group has been rationalising its business to improve its financial condition and focus on its core business of offering education services to schools in Malaysia which generates recurring fee-income.

Furthermore, as part of its strategy to expand its business through the addition of additional product offerings, on 19 May 2021, the Group announced the acquisition of 20% equity interests in Get Success Sdn Bhd (“**GSSB**”) for a purchase consideration of RM6.00 million. This acquisition was completed on 28 July 2021. The Group intends to leverage on this investment in GSSB to expand into the burgeoning e-sports industry in Malaysia with the intent of opening an e-sports academy in Malaysia to offer suitable e-sports training programs targeting students and young adults. As at the LPD, the expected date of opening and the location for the e-sports academy have yet to be determined at this juncture as Eduspec is working on the commercial and business model for this e-sports academy.

In addition, the MOE had in May 2022, allowed in-person learning in schools to fully resume. The Group is optimistic that this measure will enable the Group to secure new contracts through its ongoing collaboration with MWSB. Following the resumption of in-person learning in schools, the Group had progressively recommenced its STEM Programs in schools since July 2022.

Moving forward, the Group will continue to focus on its primary education business and promote business continuity. Accordingly, the Group has allocated up to RM7.00 million from the Rights Issue with Warrants as set out in Section 5(i) of this Abridged Prospectus to further roll out its STEM Programs and Digital School Solutions to a wider market segment and to achieve better financial performance. The funds raised will be used to acquire and install the equipment required to set up the STEM Program laboratories as well as Digital School Solutions in the classroom.

Premised on the above as well as the outlook of Malaysian economy, education industry and the information and communications technology industry in Malaysia as set out in Sections 7.1, 7.2 and 7.3 of this Abridged Prospectus while also considering the risk factors as detailed in Section 6 of this Abridged Prospectus, the Board takes cognisance of the business strategy and the future prospects of the Group which is expected to be positive moving forward.

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8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share capital

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

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	152,314,084	107,317,514	152,314,084	107,317,514	152,314,084	107,317,514
New Shares to be issued assuming full exercise of Warrants B	-	-	-	-	13,772,200	(1)27,544,400
	152,314,084	107,317,514	152,314,084	107,317,514	166,086,284	134,861,914
New Shares to be issued pursuant to the Rights Issue with Warrants	500,000,000	(2)15,000,000	913,884,504	(2)27,416,535	996,517,704	(2)29,895,531
After the Rights Issue with Warrants	652,314,084	122,317,514	1,066,198,588	134,734,049	1,162,603,988	164,757,445
New Shares to be issued assuming full exercise of the Warrants C	250,000,000	(3)7,500,000	456,942,252	(3)13,708,268	498,258,852	(3)14,947,766
	902,314,084	129,817,514	1,523,140,840	148,442,317	1,660,862,840	179,705,211
New Shares to be issued assuming full exercise of Warrants B	47,187,504	(4)21,706,252	66,173,741	(5)21,837,335	-	-
Enlarged issued share capital	949,501,588	151,523,766	1,589,314,581	170,279,651	1,660,862,840	179,705,211

Notes:-

- (1) Based on the exercise price of RM2.00 per Warrant B.
- (2) Based on an issue price of RM0.03 per Rights Share.
- (3) Based on the Exercise Price of RM0.03 per Warrant C.
- (4) Based on the adjusted exercise price of RM0.46 per Warrant B.
- (5) Based on the adjusted exercise price of RM0.33 per Warrant B.

8.2 NA and gearing

As at the LPD, save for the Corporate Exercises, there are no material transactions which may have a material effect on the operations, financial position and results of the Group since the Group's latest unaudited 9-month FPE 30 November 2022.

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

Minimum Scenario

	(I) Unaudited as at 30 November 2022 (RM'000)	(II) After the Share Consolidation (RM'000)	(III) After (I) and the Rights Issue with Warrants ⁽¹⁾⁽²⁾ (RM'000)	(IV) After (II) and assuming the full exercise of the Warrants B ⁽³⁾ (RM'000)	(IV) After (III) and assuming the full exercise of the Warrants B ⁽⁴⁾ (RM'000)
Share capital	98,598	98,598	99,873	121,098	142,805
Reverse acquisition reserve	(18,570)	(18,570)	(18,570)	(18,570)	(18,570)
Foreign exchange translation reserve	2,053	2,053	2,053	2,053	2,053
Warrant reserve	-	-	13,725	-	-
Accumulated losses	(29,965)	(29,965)	(28,460)	(28,460)	(28,460)
Shareholders' equity / NA	52,116	52,116	68,622	76,122	97,828
Non-controlling interest	(202)	(202)	(202)	(202)	(202)
Total equity	51,914	51,914	68,420	75,920	97,626
No. of Shares in issue ('000)	3,046,287	152,314	652,314	902,314	949,502
NA per Share (RM)	0.02	0.34	0.11	0.08	0.10
Total borrowings (RM'000)	30,400	30,400	⁽⁵⁾ 10,694	10,694	10,694
Gearing (times)	0.59	0.59	0.16	0.14	0.11

Notes:-

(1) Based on the issuance of 500,000,000 Rights Shares at an issue price of RM0.03 each together with 250,000,000 Warrants C.

(2) After accounting for the creation of warrant reserve based on the issuance of 250,000,000 Warrants C at an allocated fair value of RM0.0549 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg), estimated expenses incidental to the Corporate Exercises of RM900,000 and a one-off saving arising from repayment of HSBC Facilities (after assuming a deduction of corporate tax at the rate of 24%).

(3) Based on the Exercise Price of RM0.03 per Warrant C and after accounting for the reversal of warrant reserve.

(4) Assuming all the 47,187,504 Warrants B are exercised into new Shares at the adjusted exercise price of RM0.46 each.

(5) Computed based on the total outstanding amount of the HSBC Facilities as at 30 November 2022 of RM19.71 million.

Base Case Scenario

	(I) Unaudited as at 30 November 2022 (RM'000)	(II) After the Share Consolidation (RM'000)	(III) After (I) and the Rights Issue with Warrants ⁽¹⁾⁽²⁾ (RM'000)	(III) After (II) and assuming the full exercise of the Warrants C ⁽³⁾ (RM'000)	(IV) After (III) and assuming the full exercise of the Warrants B ⁽⁴⁾ (RM'000)
Share capital	98,598	98,598	100,929	139,723	161,560
Reverse acquisition reserve	(18,570)	(18,570)	(18,570)	(18,570)	(18,570)
Foreign exchange translation reserve	2,053	2,053	2,053	2,053	2,053
Warrant reserve	-	-	25,086	-	-
Accumulated losses	(29,965)	(29,965)	(28,460)	(28,460)	(28,460)
Shareholders' equity / NA	52,116	52,116	81,038	94,746	116,584
Non-controlling interest	(202)	(202)	(202)	(202)	(202)
Total equity	51,914	51,914	80,836	94,544	116,382
No. of Shares in issue ('000)	3,046,287	152,314	1,066,199	1,523,141	1,589,315
NA per Share (RM)	0.02	0.34	0.08	0.06	0.07
Total borrowings (RM'000)	30,400	30,400	(5)10,694	10,694	10,694
Gearing (times)	0.59	0.59	0.13	0.11	0.09

Notes:-

- (1) Based on the issuance of 913,884,504 Rights Shares at an issue price of RM0.03 each together with 456,942,252 Warrants C.
- (2) After accounting for the creation of warrant reserve based on the issuance of 456,942,252 Warrants C at an allocated fair value of RM0.0549 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg), estimated expenses incidental to the Corporate Exercises of RM900,000 and a one-off saving arising from repayment of HSBC Facilities (after assuming a deduction of corporate tax at the rate of 24%).
- (3) Based on the Exercise Price of RM0.03 Warrant C and after accounting for the reversal of warrant reserve.
- (4) Assuming all the 66,173,741 Warrants B are exercised into new Shares at the adjusted exercise price of RM0.33 each.
- (5) Computed based on the total outstanding amount of the HSBC Facilities as at 30 November 2022 of RM19.71 million.

Maximum Scenario

	(I) After the Share Consolidation (RM'000)	(II) After (I) and assuming the full exercise of the Warrants B ⁽¹⁾ (RM'000)	(III) After (II) and the Rights Issue with Warrants ⁽²⁾⁽³⁾ (RM'000)	(IV) After (III) and assuming the full exercise of the Warrants C ⁽⁴⁾ (RM'000)
Unaudited as at 30 November 2022	(RM'000)			
Share capital	98,598	126,143	128,684	170,986
Reverse acquisition reserve	(18,570)	(18,570)	(18,570)	(18,570)
Foreign exchange translation reserve	2,053	2,053	2,053	2,053
Warrant reserve	-	-	27,354	-
Accumulated losses	(29,965)	(29,965)	(28,460)	(28,460)
Shareholders' equity / NA	52,116	79,661	111,062	126,009
Non-controlling interest	(202)	(202)	(202)	(202)
Total equity	51,914	79,459	110,860	125,807
No. of Shares in issue ('000)	3,046,287	152,314	1,162,604	1,660,863
NA per Share (RM)	0.02	0.34	0.48	0.08
Total borrowings (RM'000)	30,400	30,400	(5)10,694	10,694
Gearing (times)	0.59	0.59	0.10	0.09

Notes:-

- (1) Assuming all the 13,772,200 Warrants B as at the LPD are exercised into new Shares at the exercise price of RM2.00 each.
- (2) Based on the issuance of 996,517,704 Rights Shares at an illustrative issue price of RM0.03 each together with 498,258,852 Warrants C.
- (3) After accounting for the creation of warrant reserve based on the issuance of 498,258,852 Warrants C at an allocated fair value of RM0.0549 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg), estimated expenses incidental to the Corporate Exercises of RM900,000 and a one-off saving arising from repayment of HSBC Facilities (after assuming a deduction of corporate tax at the rate of 24%).
- (4) Based on the Exercise Price of RM0.03 per Warrant C and after accounting for the reversal of warrant reserve.
- (5) Computed based on the total outstanding amount of the HSBC Facilities as at 30 November 2022 of RM19.71 million.

8.3 Substantial Shareholders' shareholdings

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

Minimum Scenario

Under the Minimum Scenario, Dato' Sri Gan Chow Tee and HiQ Media (Malaysia) Sdn Bhd will emerge as substantial Shareholders of the Company upon their subscription of Rights Shares pursuant to their respective Undertakings while Chong Li Ping and Lee Chee Hoon will not emerge as substantial Shareholders. The pro forma effects of the Rights Issue with Warrants on the substantial Shareholders' shareholdings are as follows:-

	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Dato' Sri Andrew Tan Jun Suan	10,239,705	6.72	-	-	160,239,705	24.56	-	-
Dato' Sri Gan Chow Tee	4,227,500	2.78	-	-	154,227,500	23.64	-	-
HiQ Media (Malaysia) Sdn Bhd	3,000,000	1.97	-	-	153,000,000	23.45	-	-
Laser Capital Holdings Sdn Bhd	-	-	(5)3,000,000	1.97	-	-	(5)153,000,000	23.45
Prolexus Berhad	-	-	(6)3,000,000	1.97	-	-	(6)153,000,000	23.45
Lee Eng Sia	-	-	(7)3,000,000	1.97	-	-	(7)153,000,000	23.45

	(II) After (I) and assuming the full exercise of the Warrants C				(III) After (II) and assuming the full exercise of the Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Dato' Sri Andrew Tan Jun Suan	235,239,705	26.07	-	-	235,325,362	24.78	-	-
Dato' Sri Gan Chow Tee	229,227,500	25.40	-	-	229,227,500	24.14	-	-
HiQ Media (Malaysia) Sdn Bhd	228,000,000	25.27	-	-	228,000,000	24.01	-	-
Laser Capital Holdings Sdn Bhd	-	-	(5)228,000,000	25.27	-	-	(5)228,000,000	24.01
Prolexus Berhad	-	-	(6)228,000,000	25.27	-	-	(6)228,000,000	24.01
Lee Eng Sia	-	-	(7)228,000,000	25.27	-	-	(7)228,000,000	24.01

Notes:-

- (1) Based on the issued share capital of 152,314,084 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 652,314,084 Shares under the Minimum Scenario.
- (3) Based on the enlarged issued share capital of 902,314,084 Shares assuming full exercise of the Warrants C.
- (4) Based on the enlarged issued share capital of 949,501,588 Shares assuming full exercise of the 47,187,504 Warrants B.
- (5) Deemed interested pursuant to Section 8(4) of the Act by virtue of its interest in HiQ Media (Malaysia) Sdn Bhd.
- (6) Deemed interested pursuant to Section 8(4) of the Act by virtue of its interests in HiQ Media (Malaysia) Sdn Bhd and Laser Capital Holdings Sdn Bhd which in turn holds 52.33% equity interest in HiQ Media (Malaysia) Sdn Bhd.
- (7) Deemed interested pursuant to Section 8(4) of the Act by virtue of his interest in Laser Capital Holdings Sdn Bhd which in turn holds 52.33% equity interest in HiQ Media (Malaysia) Sdn Bhd.

Base Case Scenario

Under the Base Case Scenario, Dato' Sri Andrew Tan Jun Suan will remain as a substantial Shareholder while Dato' Sri Gan Chow Tee, HiQ Media (Malaysia) Sdn Bhd, Chong Li Ping and Lee Chee Hoon will not emerge as substantial Shareholders. The pro forma effects of the Rights Issue with Warrants on the substantial Shareholder's shareholdings are as follows:-

	As at the LPD			(I) After the Rights Issue with Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%
Dato' Sri Andrew Tan Jun Suan	10,239,705	6.72	-	-	71,677,935	6.72
						-
	(II) After (I) and assuming the full exercise of the Warrants C			(III) After (II) and assuming the full exercise of the Warrants B		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%
Dato' Sri Andrew Tan Jun Suan	102,397,050	6.72	-	-	102,517,172	6.45
						-

Notes:-

- (1) Based on the issued share capital of 152,314,084 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,066,198,588 Shares under the Base Case Scenario.
- (3) Based on the enlarged issued share capital of 1,523,140,840 Shares assuming full exercise of the Warrants C.
- (4) Based on the enlarged issued share capital of 1,589,314,581 Shares assuming full exercise of the 66,173,741 Warrants B.

Maximum Scenario

Under the Maximum Scenario, Dato' Sri Andrew Tan Jun Suan will remain as a substantial Shareholder while Dato' Sri Gan Chow Tee, HiQ Media (Malaysia) Sdn Bhd, Chong Li Ping and Lee Chee Hoon will not emerge as substantial Shareholders. The pro forma effects of the Rights Issue with Warrants on the substantial Shareholder's shareholdings are as follows:-

	As at the LPD			(I) After assuming the full exercise of the Warrants B		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%
Dato' Sri Andrew Tan Jun Suan	10,239,705	6.72	-	-	10,264,705	6.18
	(II) After (I) and assuming the Rights Issue with Warrants			(III) After (II) and assuming the full exercise of the Warrants C		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%
Dato' Sri Andrew Tan Jun Suan	71,852,935	6.18	-	-	102,647,050	6.18

Notes:-

- (1) Based on the issued share capital of 152,314,084 Shares as at the LPD.
- (2) Based on the issued share capital of 166,086,284 Shares assuming full exercise of the Warrants B.
- (3) Based on the enlarged issued share capital of 1,162,603,988 Shares under the Maximum Scenario.
- (4) Based on the enlarged issued share capital of 1,660,862,840 Shares assuming full exercise of the Warrants C.

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8.4 Earnings and EPS

The potential effects of the Rights Issue with Warrants on the future consolidated earnings / losses of the Group will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants as set out in Section 5 of this Abridged Prospectus.

For illustration, assuming the Rights Issue with Warrants had been completed at the beginning of the FYE 2022, the pro forma effects of the Rights Issue with Warrants on the consolidated losses and LPS of the Group would be as follows:-

	(I)			(II)		
	After the Share Consolidation			After (I) and the Rights Issue with Warrants		
	Audited FYE 2022	Minimum Scenario	Base Case Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario
LAT attributable to owners of the Company (RM'000)	(13,062)	(13,062)	(13,062)	(13,062)	(2)(12,230)	(2)(12,230)
Weighted average no. of Shares ('000)	2,607,504	130,375	130,375	(1)131,064	630,375	1,044,261
LPS (sen)	(0.50)	(10.02)	(10.02)	(9.97)	(1.94)	(1.17)

(III)

After (II) and assuming full exercise of the Warrants C

	Minimum Scenario	Base Case Scenario	Maximum Scenario
LAT attributable to owners of the Company (RM'000)	(12,230)	(12,230)	(12,230)
Weighted average no. of Shares ('000)	880,375	1,501,205	1,625,847
LPS (sen)	(1.39)	(0.81)	(0.75)

Notes:-

(1) After assuming full exercise of the Warrants B as at the LPD into new Shares prior to the Entitlement Date.

(2) After accounting for the following:-

	Amount
	(RM'000)
(i) Annual savings in financing costs for the HSBC Facilities (based on FYE 2022) (after assuming a deduction of corporate tax at the rate of 24%)	590
(ii) One-off saving arising from repayment of HSBC Facilities (after assuming a deduction of corporate tax at the rate of 24%)	1,141
(iii) Estimated expenses for the Corporate Exercises	900
Total	<u>831</u>

The pro forma effects above have not taken into consideration any returns which may be generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants.

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 the Group's existing cash and bank balances, cash generated from operating activities, proceeds from the issuance of equity securities, credit terms granted by suppliers as well as credit facilities from licensed financial institutions.

As at 28 February 2023, the Group's cash and bank balances stood at RM0.52 million.

Apart from the sources of liquidity described above, the Group does not have any unutilised credit facilities and access to other material unused sources of liquidity as at 28 February 2023.

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

9.2 Borrowings

As at 28 February 2023, the Group's total outstanding borrowings (all of which are interest bearing) are set out as follows:-

Borrowings	Currency	Amount in foreign currency ('000)	Amount in RM ('000)
<u>Short term borrowings</u>			
- Bank overdraft	RM	-	123
- Term loan	RM	-	13,667
- Revolving credit	USD	1,387	6,194
- Revolving credit	RM	-	713
<u>Long term borrowings</u>			
- Term loan	RM	-	-
- Revolving credit	RM	-	2,438
Total		<u>1,387</u>	<u>23,135</u>

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

	<u>Amount</u> (RM'000)
<u>Secured</u>	
- Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	23,037

9.4 Material commitments

As at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group.

10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants C Applications and the procedures to be followed should you and/or your transferees and/or your renounees (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 renounees (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

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

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 with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants C that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants C if you choose to do so. This Abridged Prospectus and the RSF are also available at the registered office of the Company, the Share Registrar's website at <https://tiih.online> or on Bursa Securities' website at <https://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 transferees and/or your renounees (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants C and the Excess Rights Shares with Warrants C is **Tuesday, 25 April 2023 at 5.00 p.m.** An announcement shall be made on the subscription rate of the Rights Issue with Warrants after the Closing Date.

10.4 Methods of acceptance and application

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

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

10.5 Procedures for full acceptance and payment

10.5.1 By way of RSF

Acceptance and payment for the Provisional Allotments to you as an Entitled Shareholder and/or your renounees and/or your transferees (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEES AND/OR YOUR TRANSFEREES (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

YOU AND/OR YOUR RENOUNCEES AND/OR YOUR TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

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

Tricor Investor & Issuing House Services Sdn. Bhd.
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur

or

Tricor Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Jalan Kerinchi
59200 Kuala Lumpur

Tel. No.: 03-2783 9299

Fax No.: 03-2783 9222

so as to arrive not later than **5.00 p.m. on Tuesday, 25 April 2023**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by the Board.

One RSF can only be used for acceptance of Provisional Allotments standing to the credit of one CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotments standing to the credit of more than one CDS Account(s). If successful, the Rights Shares with Warrants C subscribed by you and/or your renounees/transferees (if applicable) will be credited into the respective CDS Accounts where the Provisional Allotments are standing to the credit.

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

You and/or your renounees and/or your transferees (if applicable) should take note that a trading board lot for the Rights Shares with Warrants C will comprise 100 Rights Shares and 100 Warrants C each respectively. Successful applicants of the Rights Shares will be given free Warrants C on the basis of 3 Warrants C for every 6 Rights Shares successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share. Fractional entitlements arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

If acceptance and payment for the Rights Shares with Warrants C provisionally allotted to you and/or your renounees and/or your transferees (if applicable) is not received by the Share Registrar by **5.00 p.m. on Tuesday, 25 April 2023**, being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by the Board at their discretion, you and/or your renounees and/or your transferees (if applicable) will be deemed to have declined the Provisional Allotments made to you and/or your renounees and/or your transferees (if applicable) and it will be cancelled. Such Rights Shares with Warrants C not taken up will be allotted to the applicants applying for Excess Rights Shares with Warrants C.

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

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "EDUSPEC RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY THE SHARE REGISTRAR.

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

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

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

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND / DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

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

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

10.5.2 By way of e-Subscription

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

Subsequent to the Entitlement Date, we will, at our discretion, authorise the Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue with Warrants on TIIH Online website.

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

Registered Entitled Shareholders who wish to subscribe for the Rights Shares with Warrants C and apply for Excess Rights Shares with Warrants by way of e-Subscription shall take note of the following:-

- (i) any e-Subscription received by the Share Registrar after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;
- (ii) you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe the Rights Shares Warrants which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;
- (iii) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at our sole discretion. We reserve the right at our absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- (iv) the number of Rights Shares with Warrants you are entitled to under the Rights Issue with Warrants is set out in the e-RSF. You are required to indicate the number of Rights Shares with Warrants you wish to accept and number of Excess Rights Shares with Warrants you wish to apply in the e-RSF;
- (v) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer;
- (vi) a handling fee of RM5.00 per e-RSF is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and

- (vii) the new Shares arising from the Rights Shares with Warrants C accepted and Excess Rights Shares with Warrants C applied (if successful pursuant to the procedure for Excess Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Rights Shares with Warrants C. All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Rights Shares with Warrants C.

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

(i) Sign up as a user of TIIH Online

- (a) Access TIIH Online at <https://tiih.online>;
- (b) Under e-Services, select "Sign Up" – "Create Individual Account" (applicable for individual shareholders) or "Create Corporate Holder Account" (applicable for corporation or institutional shareholders). You may refer to the tutorial guide posted on the homepage for assistance;
- (c) Registration will be verified and you will be notified by email within two working days; and
- (d) Proceed to activate your account with the temporary password given in the email and reset your own password.

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

(ii) Procedures to make e-Subscription

Individual Registered Entitled Shareholders

- (a) Login to TIIH Online at <https://tiih.online>;
- (b) Select the corporate exercise name: Eduspec Rights Issue with Warrants;
- (c) Read and agree to the Terms & Conditions and confirm the Declaration;
- (d) Preview your CDS Account details and your Provisional Allotments;
- (e) Select the relevant CDS Account and insert the number of Rights Shares with Warrants C to subscribe and the number of Excess Rights Shares with Warrants C to apply (if applicable) in the e-RSF;
- (f) Review and confirm the number of Rights Shares with Warrants C which you are subscribing and the number of Excess Rights Shares with Warrants you are applying (if applicable) and the total amount payable for the Rights Shares with Warrants and Excess Rights Shares with Warrants (if applicable);
- (g) Review the payment of stamp duty at RM10 for each e-RSF and handling fee of RM5 for each e-RSF which is included in the total amount payable;

- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account;
- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address; and
- (j) Print the payment receipt and your e-RSF for your reference and record.

Corporation or institutional Registered Entitled Shareholders

- (a) Login to TIIH Online at <https://tiih.online>;
- (b) Select the corporate exercise name: Eduspec Rights Issue with Warrants;
- (c) Agree to the Terms & Conditions and Declaration;
- (d) Proceed to download the "e-RSF file of Provisional Allotments";
- (e) Preview the respective CDS Account details and the Provisional Allotments;
- (f) Arrange to pay for the subscription of Rights Shares with Warrants C and Excess Rights Shares with Warrants C via telegraphic transfer into our designated bank account as follows:-

Account Name: Eduspec Rights Issue Account
Bank: Malayan Banking Berhad
Bank Account No.: 514012468890

Account Name: Eduspec Excess Rights Issue Account
Bank: Malayan Banking Berhad
Bank Account No.: 514012468905

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

Account Name: Tricor Investor & Issuing House Services Sdn Bhd
Bank: Malayan Banking Berhad
Bank Account No.: 514012025081

- (h) Once payments are completed, prepare the submission of your subscriptions by translating the data into the "e-RSF file on the Rights Shares with Warrants C";
- (i) Login to TIIH Online, select corporate exercise name: Eduspec Holdings Berhad – Rights Issue and proceed to upload the subscription file duly completed;
- (j) Select "Submit" to complete your submission; and
- (k) Print the confirmation report of your submission for your record.

(iii) Terms and conditions for e-Subscription

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

- (a) After login to TIIH Online, you are required to confirm and declare the following information given are true and correct:-
 - (i) you have attained 18 years of age as at the last day for subscription and payment;
 - (ii) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/ or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood; and
 - (iii) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in Section 6 of this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (b) you agree and undertake to subscribe for and to accept the number of Rights Shares with Warrants C and Excess Rights Shares with Warrants C applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares with Warrants C that may be allotted to you;
- (c) by making and completing your e-Subscription, you, if successful, request and authorise the Share Registrar or the Company to credit the Rights Shares with Warrants C allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of the Company or the Share Registrar and irrevocably agree that if:-
 - (aa) the Company or the Share Registrar does not receive your e-Subscription; or
 - (bb) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against the Company or the Share Registrar for the Rights Shares with Warrants C accepted and/ or Excess Rights Shares with Warrants C applied for or for any compensation, loss or damage relating to the e-Subscription;

- (e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository;
- (f) by making and completing an e-Subscription, you agree that:-
 - (aa) in consideration of the Company agreeing to allow and accept your e-Subscription for the Rights Shares with Warrants C and Excess Rights Shares with Warrants C applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (bb) the Share Registrar will not be liable for any delay, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
- (g) the Share Registrar, on the authority of the Company, reserves the right to reject applications which do not conform to these instructions; and
- (h) notification on the outcome of your e-Subscription for the Rights Shares with Warrants C and Excess Rights Shares with Warrants C will be despatched to you by ordinary post to the address as shown in the Record of Depositors of the Company at your own risk within the timelines as follows:-
 - (aa) successful application - a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Rights Shares with Warrants C; or
 - (bb) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day of application and payment for the Rights Shares with Warrants C.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/ distribution. If you have not registered such bank account information to Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

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

If acceptance of and payment for the Rights Shares with Warrants C allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by the Closing Date, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled.

Our Board will then have the right to allot any Rights Shares with Warrants not validly taken up to applicants applying for the Excess Rights Shares with Warrants in the manner as set out in Section 10.9 of this Abridged Prospectus.

10.6 Procedures for part acceptance

You are entitled to accept part of your Provisional Allotments provided always that the minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. Fractions of a Rights Share and/or Warrant C arising from the Rights Issue with Warrants, if any, shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of the Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights Shares with Warrants C which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.5 of this Abridged Prospectus.

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

10.7 Procedures for sale or transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stock brokers for the period up to the last date and time for sale or transfer of the Provisional Allotments, without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed 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. Please refer to Sections 10.5 and 10.6 of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Allotments, you need not deliver any document including the RSF, to any stock broker. However, you must ensure that there is sufficient Provisional Allotments standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchasers or transferees of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from their stock brokers or from our Share Registrar, or at our Registered Office. This Abridged Prospectus and RSF are also available on the website of Bursa Securities (<https://www.bursamalaysia.com>).

10.8 Procedures for acceptance by renounees and/ or transferees

Renounees and/ or transferees (if applicable) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stock brokers or our Share Registrar, or at our Registered Office or from Bursa Securities' website at <https://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Sections 10.5 and 10.6 of this Abridged Prospectus also applies to renounees and/ or transferees (if applicable) who wish to accept the Provisional Allotments.

RENOONEES AND/ OR TRANSFEREES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.9 Procedures for the Excess Rights Shares with Warrants C Application

10.9.1 By way of RSF

You, your renounees and/ or transferees (if applicable) may apply for the Excess Rights Shares with Warrants C in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it (together with a separate remittance made in RM for the full amount payable in respect of the Excess Rights Shares with Warrants C applied for) to our Share Registrar not later than the Closing Date, being the last date and time for application and payment for the Excess Rights Shares with Warrants C.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.5.1 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "EDUSPEC EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

10.9.2 By way of e-Subscription

If you are an Entitled Shareholder, their renounees and/ or transferees (if applicable) who is an individual, you may apply for the Excess Rights Shares with Warrants C via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants C by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus. The e-Subscription for Excess Rights Shares with Warrants C will be made on, and subject to, the same terms and conditions appearing in Section 10.5.2 of this Abridged Prospectus.

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

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

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

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants C 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 10.9(i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares with Warrants B, in full or in part, without assigning any reason thereto.

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

APPLICATIONS FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. 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.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.10 CDS Account

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

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

All Excess Rights Shares with Warrants C 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 RSF(s) must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants C that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

10.11 Notice of allotment

Within 5 Market Days after the Closing Date, the Company will make the relevant announcement on Bursa Securities' website in relation to the subscription rate of the Rights Issue with Warrants.

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

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

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

10.12 Foreign-Addressed Shareholders

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

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

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01 Level 32 Tower A, Vertical Business Suite, Avenue 3 Bangsar South, 8, Jalan Kerinchi, 59200 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.

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

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

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if

applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

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

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

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

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES WITH WARRANTS C 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 Rights Shares and Warrants C pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll-C, the NPA and RSF.

12. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of
EDUSPEC HOLDINGS BERHAD

GAN CHIA WAY
Executive Director



APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**1. SHARE CAPITAL**

As at the LPD, the issued share capital of the Company is RM107,317,514 comprising 152,314,084 Shares. The Company does not have any treasury shares as at the LPD.

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 with Warrants.

3. BOARD OF DIRECTORS

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

Name (Designation)	Age	Address	Nationality
Dato' Seri Dr Mohd Ariff Bin Araff (Non-Independent Non-Executive Chairman)	78	1-5-3 Pantai Panorama Jalan 112H, Bukit Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan	Malaysian
Gan Chia Way (Executive Director)	29	No. 13 Jalan Puncak Perdana 5 Perdana Height 43200 Cheras Selangor Darul Ehsan	Malaysian
Dato' Lee Chin Chong (Executive Director)	52	Block 1, 307 Pandan Indah Condo Jalan Indah 1/16, Pandan Indah 55100 Cheras Wilayah Persekutuan	Malaysian
Jason Fong Jian Sheng (Independent Non-Executive Director)	35	No. 35, Jalan Bpp 4/2, Pusat Bandar Putra Permai 43300 Seri Kembangan Selangor Darul Ehsan	Malaysian
Ling Chee Min (Independent Non-Executive Director)	66	No. 41, Lorong PJU 1/46D Aman Suria Damansara 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian
Dato' Sri Dr Yaw Chan Choy (Independent Non-Executive Director)	54	No. 27, Jalan Kuchai Maju, Kuchai Entrepreneur Park 59200 Kuala Lumpur Wilayah Persekutuan	Malaysian

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

Save for Dato' Seri Dr Mohd Ariff Bin Araff, none of the Directors have any direct and/or indirect shareholding in the Company as the LPD. The pro forma effects of the Rights Issue with Warrants on the shareholdings of Dato' Seri Dr Mohd Ariff Bin Araff in the Company are as follows:-

Minimum Scenario

	As at the LPD		(I) After the Rights Issue with Warrants	
	Direct	Indirect	Direct	Indirect
	No. of Shares (1)%	No. of Shares (1)%	No. of Shares (2)%	No. of Shares (2)%
Dato' Seri Dr Mohd Ariff Bin Araff	-	(5)45,000	-	(5)45,000
	-	*-	-	*-
	(II) After (I) and assuming the full exercise of the Warrants C		(III) After (II) and assuming the full exercise of the Warrants B	
	Direct	Indirect	Direct	Indirect
	No. of Shares (3)%	No. of Shares (3)%	No. of Shares (4)%	No. of Shares (4)%
Dato' Seri Dr Mohd Ariff Bin Araff	-	(5)45,000	-	(5)45,000
	-	*-	-	*-

Notes:-

* Less than 0.005%.

(1) Based on the issued share capital of 152,314,084 Shares as at the LPD.

(2) Based on the enlarged issued share capital of 652,314,084 Shares under the Minimum Scenario.

(3) Based on the enlarged issued share capital of 902,314,084 Shares assuming full exercise of the Warrants C.

(4) Based on the enlarged issued share capital of 949,501,588 Shares assuming full exercise of the 47,187,504 Warrants B.

(5) Deemed interested by virtue of his son's shareholdings in Eduspec.

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

Base Case Scenario

	As at the LPD			(I) After the Rights Issue with Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Dato' Seri Dr Mohd Ariff Bin Araff	-	-	(5)45,000	-	270,000	*-
	(II) After (I) and assuming the full exercise of the Warrants C			(III) After (II) and assuming the full exercise of the Warrants B		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Dato' Seri Dr Mohd Ariff Bin Araff	-	-	405,000	-	405,000	*-

Notes:-

* Less than 0.005%.

(1) Based on the issued share capital of 152,314,084 Shares as at the LPD.

(2) Based on the enlarged issued share capital of 1,066,198,588 Shares under the Base Case Scenario.

(3) Based on the enlarged issued share capital of 1,523,140,840 Shares assuming full exercise of the Warrants C.

(4) Based on the enlarged issued share capital of 1,589,314,581 Shares assuming full exercise of the 66,173,741 Warrants B.

(5) Deemed interested by virtue of his son's shareholdings in Eduspec.

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

Maximum Scenario

	As at the LPD			(I) After assuming the full exercise of the Warrants B			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	No. of Shares	(2)%	No. of Shares	(2)%
Dato' Seri Dr Mohd Ariff Bin Araff	-	-	(5) 45,000	-	-	270,000	*-
	(II) After (I) and assuming the Rights Issue with Warrants			(III) After (II) and assuming the full exercise of the Warrants C			
	Direct		Indirect	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	No. of Shares	(4)%	No. of Shares	(4)%
Dato' Seri Dr Mohd Ariff Bin Araff	-	-	405,000	-	-	405,000	*-

Notes:-

* Less than 0.005%.

(1) Based on the issued share capital of 152,314,084 Shares as at the LPD.

(2) Based on the issued share capital of 166,086,284 Shares assuming full exercise of the Warrants B.

(3) Based on the enlarged issued share capital of 1,162,603,988 Shares under the Maximum Scenario.

(4) Based on the enlarged issued share capital of 1,660,862,840 Shares assuming full exercise of the Warrants C.

(5) Deemed interested by virtue of his son's shareholdings in Eduspec.

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

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

Historical financial performance

	Audited			Unaudited	
	FYE 2020	FYE 2021	FYE 2022	9-month FPE 30 November 2021	9-month FPE 30 November 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	25,846	9,241	8,747	7,243	7,080
Cost of sales	(13,751)	(6,527)	(6,083)	(3,084)	(3,050)
Gross profit ("GP")	12,095	2,714	2,664	4,159	4,030
Other income	7,535	3,574	1,441	643	12,946
Administrative expenses	(16,135)	(19,274)	(10,863)	(9,180)	(7,884)
Selling and distribution expenses	(1,431)	(1,785)	(184)	(306)	(614)
Other expenses	(54,021)	(6,542)	(5,174)	(5,022)	(5,850)
Finance costs	(2,671)	(1,247)	(1,165)	(781)	(994)
Share of results of associates and joint ventures	728	(933)	(72)	(139)	71
(Loss) / Profit before taxation	(53,902)	(23,493)	(13,352)	(10,626)	1,705
Taxation	(523)	(2)	83	74	(26)
(LAT) / PAT	(54,426)	(23,495)	(13,268)	(10,552)	1,679
(Loss) / Profit attributable to:-					
- owners of the Company	(54,271)	(23,456)	(13,062)	(10,240)	2,146
- minority interest	(155)	(39)	(207)	(312)	(467)
GP margin (%)	46.80	29.37	30.46	57.42	56.92
(LAT) / PAT margin (%)	(210.58)	(254.26)	(151.69)	(145.69)	23.71
Weighted average no. of Shares in issue ('000)	1,232,952	1,948,967	2,607,504	2,463,902	3,046,287
(LPS) / EPS					
- Basic (sen)	(4.40)	(1.20)	(0.50)	(0.42)	0.07
- Diluted (sen)	(4.40)	(1.20)	(0.50)	-	-

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

	Audited as at			Unaudited
	28 February 2020	28 February 2021	28 February 2022	as at 30 November 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Non-current assets	49,419	42,850	43,395	33,754
Current assets	51,736	59,520	59,632	68,165
Total assets	101,155	102,370	103,027	101,919
Share capital	45,598	78,598	98,598	98,598
Reserves	(13,791)	(37,076)	(50,023)	(46,482)
Shareholders' equity / NA	31,807	41,522	48,575	52,116
Non-controlling interests	41	(467)	(673)	(202)
Total equity	31,849	41,056	47,901	51,914
Non-current liabilities	23,299	22,301	10,198	9,411
Current liabilities	46,008	39,013	44,928	40,594
Total liabilities	69,307	61,314	55,126	50,005
Total equity and liabilities	101,155	102,370	103,027	101,919

Historical cash flow

	Audited			Unaudited
	FYE 2020	FYE 2021	FYE 2022	9-month FPE 30 November 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>Net cash from / (used in)</u>				
Operating activities	(8,348)	(16,458)	(11,001)	(1,250)
Investing activities	(2,728)	(3,086)	(7,141)	1,116
Financing activities	10,033	25,744	15,322	(470)
Net increase / (decrease) in cash and cash equivalents	(1,043)	6,199	(2,820)	(604)
Effect of exchange rate changes	179	(32)	11	294
Cash and cash equivalents at beginning of the year / period	845	(19)	6,148	764
Cash and cash equivalents at end of the year / period	(19)	6,148	3,339	454

APPENDIX I – INFORMATION ON THE COMPANY (CONT'D)**(i) 9-month FPE 30 November 2022 vs 9-month FPE 30 November 2021**

For the 9-month FPE 30 November 2022, the Group recorded revenue of RM7.08 million, a decrease of approximately 2.25% as compared to RM7.24 million in the previous corresponding period. The decrease was mainly due to a one-off sale of computer and peripherals in the previous corresponding period and a lower contribution from the Group's core STEM Programs in the 9-month FPE 30 November 2022, which was partially mitigated by increase in Digital School Solutions (further details of which are set out in page 16, Section 5(ii) of this Abridged Prospectus) offerings following the full resumption of in-person learning in Malaysian schools since May 2022.

In line with the lower revenue, the Group recorded a lower GP of RM4.03 million (GP margin: 56.92%) for the 9-month FPE 30 November 2022 as compared to RM4.16 million (GP margin: 57.42%) in the previous corresponding period. However, the cost of sales as a proportion of revenue was slightly higher at 43.08% (9-month FPE 30 November 2021: 42.58%) due to the non-recurrence of a discount received on software royalty fee paid to third-party provider in the previous corresponding period.

Despite the lower revenue, the Group recorded a PAT of RM1.68 million for the 9-month FPE 30 November 2022, as compared to the LAT of RM10.55 million recorded in the previous corresponding period. This was primarily contributed by the increase in other income arising from the following:-

- (a) gain on disposal of subsidiaries, namely Open Academic Systems Sdn Bhd, 5T3M Sdn Bhd, Eduspec HK Limited, Cloud Direct Sdn Bhd and Eduspec Pte Ltd amounting to RM10.92 million in aggregate; and
- (b) a reversal of impairment loss on a former associate company amounting to RM1.43 million.

The Group recorded a net decrease in cash and cash equivalents of RM0.60 million (9-month FPE 30 November 2021: net increase/decrease of RM3.36 million) mainly due to net cash used in operating activities of RM1.25 million. However, this was partly offset by net cash inflow from the disposal of subsidiaries (as mentioned above) amounting to RM1.43 million.

(ii) FYE 2022 vs FYE 2021

For the FYE 2022, the Group recorded revenue of RM8.75 million, a decrease of approximately 5.34% as compared to RM9.24 million for the FYE 2021. The decrease was mainly due to lower license income from Philippines following the closure of schools during the financial year as part of the Philippines's government efforts to control the spread of COVID-19.

In line with the lower revenue, the Group recorded a lower GP of RM2.66 million (GP margin of 30.46%) for the FYE 2022 as compared to a GP of RM2.71 million (GP margin of 29.37%) for the FYE 2021.

The Group recorded a lower LAT of RM13.27 million for the FYE 2022, a decrease of approximately 43.53% as compared to the LAT of RM23.50 million recorded in the FYE 2021. The decrease in LAT was mainly due to the following:-

- (a) decrease in administrative expenses due to amongst others, a reduction in staff costs as a result of decrease in staff headcount as well as professional fees of approximately RM3.23 million;

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

- (b) non-recurrence of impairment losses on goodwill and intangible assets written off of approximately RM3.91 million recorded in the FYE 2021; and
- (c) decrease in selling and distribution expenses of approximately RM1.60 million mainly due to a reversal of withholding tax expense in the FYE 2022 of RM0.17 million arising from an over provision in prior years, compared to a withholding tax expense of RM1.31 million for the FYE 2021.

The Group recorded a net decrease in cash and cash equivalents of RM2.82 million (FYE 2021: net increase of RM6.20 million) mainly due to net cash used in operating activities of RM11.01 million and purchase of unquoted investments in Malaysia of RM6.00 million. However, this was partly offset by the proceeds raised from conversion of redeemable convertible preference shares as well as issuance of Shares pursuant to a private placement exercise which was completed on 31 December 2021 amounting to RM18.00 million.

(iii) FYE 2021 vs FYE 2020

For the FYE 2021, the Group recorded revenue of RM9.24 million, a decrease of approximately 64.25% as compared to RM25.85 million in the FYE 2020. The decrease was mainly due to the reduction in revenue from programs income which is mainly due to the closure of schools in Malaysia and Philippines as part of containment measures that were imposed by the local governments in response to the COVID-19 pandemic.

In line with the lower revenue, the Group recorded a lower GP of RM2.71 million (GP margin of 29.37%) for FYE 2021 as compared to a GP of RM12.10 million (GP margin of 46.80%) for the FYE 2020.

The Group recorded a lower LAT of RM23.50 million for the FYE 2021, a decrease of approximately 56.83% as compared to the LAT of RM54.43 million recorded in the FYE 2020. The decrease in LAT was mainly due to the following:-

- (a) decrease in other expenses due to non-recurrence of impairment losses on financial assets incurred during the FYE 2020 amounting to RM43.90 million in respect of an amount due from a former subsidiary, PT Eduspec Indonesia; and
- (b) decrease in finance cost due to the reduction in utilisation of term loan and trade facilities for the Group's business amounting to RM1.42 million.

The Group recorded a net increase in cash and cash equivalents of RM6.20 million (FYE 2020: net decrease of RM1.04 million) mainly due to net cash generated from financing activities amounting to RM25.74 million, which primarily comprised proceeds from conversion of redeemable convertible preference shares of RM34.00 million as well as repayment from associates of RM2.59 million. However, this was partly offset by net cash used in operating activities of RM16.46 million as well as purchase of property, plant and equipment of RM4.69 million.

(iv) FYE 2020 vs 17-month FPE 28 February 2019 (annualised)

For the FYE 2020, the Group recorded revenue of RM25.85 million, a decrease of approximately 51.29% as compared to RM53.06 million in 17-month FPE 28 February 2019 (the annualised revenue for 17-month FPE 28 February 2019 was RM37.45 million, representing a decrease of 30.99% on an annualised basis). The decrease was mainly due to the following:-

- (a) lower revenue in Malaysia due to the full-year effect arising from the shift in government policy in 2018 to stop the implementation of computer classes within the school timetable in public schools; and

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

- (b) non-consolidation of revenue from First Eduspec Inc. as it ceased to be a subsidiary of Eduspec following the disposal of equity interests in First Eduspec, Inc reducing the Group's shareholdings from 95% to 33% in May 2019.

The Group recorded a lower GP of RM12.09 million (GP margin of 46.80%) for FYE 2020 as compared to a GP of RM18.96 million (GP margin of 35.74%) for 17-month FPE 28 February 2019 (the annualised GP for 17-month FPE 28 February 2019 was RM13.39 million, representing a decrease of 9.64% on an annualised basis).

The Group recorded a higher LAT of RM54.43 million for the FYE 2020, an increase of approximately 4.01% as compared to RM52.33 million for 17-month FPE 28 February 2019 (the annualised LAT for 17-month FPE 28 February 2019 was RM36.94 million, representing an increase of 47.35% on an annualised basis). The higher LAT was mainly due to the following:-

- (a) the decrease in revenue as mentioned above; and
- (b) a higher impairment loss on other receivables of RM43.90 million in respect of amount due from a former subsidiary, PT Eduspec Indonesia (17-month FPE 28 February 2019: RM28.84 million).

The Group recorded a net decrease in cash and cash equivalents of RM1.04 million (17-month FPE 28 February 2019: net increase of RM2.13 million) mainly due to net cash used in operating activities of RM8.34 million and net cash used in investing activities of RM2.73 million. However, this was partly offset by proceeds raised from conversion of redeemable convertible preference shares of RM12.50 million.

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

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

	<u>High</u> <u>(RM)</u>	<u>Low</u> <u>(RM)</u>
<u>2022</u>		
April	0.025	0.015
May	0.025	0.020
June	0.025	0.015
July	0.020	0.015
August	0.020	0.015
September	0.020	0.015
October	0.025	0.010
November	0.025	0.015
December	0.025	0.015
<u>2023</u>		
January	0.020	0.010
February	0.020	0.010
March	0.390	0.010
Last transacted market price on 12 January 2023, being the last Market Day immediately prior to the first announcement of the Corporate Exercises		0.020
Last transacted market price on 5 April 2023, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)		0.240
Last transacted market price on the LPD		0.265

(Source: Bloomberg)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save for the outstanding Warrants B, the Provisional Allotments and the Excess Rights Shares with Warrants C, no option to subscribe for any securities of the Company has been granted or is entitled to be granted to any person.

7. MATERIAL CONTRACTS

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

- (i) Agreement dated 19 May 2021 entered into between Lee Wee Terk (as vendor) and Eduspec (as purchaser) to acquire 2,000 ordinary shares representing 20% of the issued share capital in Get Success Sdn Bhd for a cash consideration of RM6,000,000. The transaction has been completed on 28 July 2021.
- (ii) Agreement dated 22 August 2022 entered into between Eduspec Sdn Bhd (as vendor) and Integrated Fyntech Sdn Bhd to dispose 100,000 ordinary shares representing 100% equity interest in Open Academic Systems Sdn Bhd for a cash consideration of RM50,000. The transaction has been completed on 24 August 2022.

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

- (iii) Share purchase agreement dated 7 September 2022 entered into between Eduspec (as vendor) and Ng L'yp-Hau (as purchaser) to dispose 65,000 ordinary shares representing 65% equity interest in 5T3M Sdn Bhd (“**5T3M**”) for an aggregate cash consideration of RM1,000,000. The transaction has been completed on 29 November 2022. Following the completion of the transaction, Eduspec is the owner of 35% equity interest in 5T3M.
- (iv) Agreement dated 29 November 2022 entered into between Eduspec (as vendor) and Integrated Fyntech Sdn Bhd (as purchaser) to dispose 100% equity interest in Eduspec HK Limited, Cloud Direct Sdn Bhd and Eduspec Pte Ltd, respectively, for a total cash consideration of RM500,000. The transaction has been completed on 13 December 2022.

8. MATERIAL LITIGATION

As at the LPD, the Board confirmed that 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 the Board confirmed that there are no proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

9. CONSENTS

The written consents of the Company Secretaries, Principal Adviser, Solicitors, Share Registrar and Reporting Accountants for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.

The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the Constitution of the Company;
- (ii) the Undertakings referred to in Section 3 of this Abridged Prospectus;
- (iii) material contracts referred to in Section 7 of this Appendix I;
- (iv) the letters of consent referred to in Section 9 of this Appendix I; and
- (v) the Deed Poll C.

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

11. RESPONSIBILITY STATEMENT

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained therein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

- (ii) Kenanga IB, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.