

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

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

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS AP. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue, which is the subject matter of this AP, should be addressed to our Share Registrar, Workshire Share Registration Sdn Bhd at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia (Tel: 03-6413 3271).

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

The approval from our shareholders for the Rights Issue has been obtained at our EGM held on 3 March 2023. Bursa Securities had, vide its letter dated 18 January 2023, approved the admission of the Warrants to the Official List of the ACE Market of Bursa Securities and listing of and quotation for the Rights Shares, Warrants and new AIM Shares to be issued pursuant to the exercise of the Warrants on the ACE Market of Bursa Securities. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue and are not to be taken as an indication of the merits of the Rights Issue. Bursa Securities takes no responsibility for the correctness of any statement made or opinion expressed in the Documents.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on Wednesday, 29 November 2023 at their registered addresses in Malaysia. Entitled Shareholders who do not have a registered address in Malaysia and wish to provide their Malaysian address, should inform their respective stockbrokers or our Share Registrar to effect the change of address by 5.00 p.m. on Wednesday, 29 November 2023. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance and/or renunciation/transfer (as the case may be) of their entitlements to the Rights Issue or application for Excess Rights Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 10 of this AP. Neither our Company, TA Securities nor any other professional advisers to the Rights Issue shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or renunciation/transfer (as the case may be) of their entitlements to the Rights Issue or application for Excess Rights Shares with Warrants made by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions in which the said Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are residents.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 6 OF THIS AP.



ADVANCE INFORMATION MARKETING BERHAD
(Registration No. 200401006266 (644769-D))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 292,662,627 NEW ORDINARY SHARES IN ADVANCE INFORMATION MARKETING BERHAD (“RIGHTS SHARES”) ON THE BASIS OF 3 RIGHTS SHARES FOR EVERY 1 EXISTING SHARE HELD AS AT 5.00 P.M. ON 29 NOVEMBER 2023 AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE, TOGETHER WITH UP TO 195,108,418 FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF 2 WARRANTS FOR EVERY 3 RIGHTS SHARES SUBSCRIBED FOR (“RIGHTS ISSUE”)

Principal Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement date	: Wednesday, 29 November 2023 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Allotments	: Wednesday, 6 December 2023 at 5.00 p.m.
Transfer of Provisional Allotments	: Friday, 8 December 2023 at 4.30 p.m.
Acceptance and payment	: Thursday, 14 December 2023 at 5.00 p.m.
Excess application and payment	: Thursday, 14 December 2023 at 5.00 p.m.

This AP is dated 29 November 2023

UNLESS STATED OTHERWISE, ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE “DEFINITIONS” SECTION OF THIS AP.

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

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

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

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

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

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

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

DEFINITIONS

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

COMPANIES:

“AIM” or “Company”	:	Advance Information Marketing Berhad
“AIM Group” or “Group”	:	AIM and its subsidiaries, collectively
“AMS” or “Franchisee”	:	Advance Medipharm Solutions Sdn Bhd, a wholly-owned subsidiary of our Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“MHSB” or “Franchisor”	:	Mediconstant Holding Sdn Bhd
“TA Securities” or “Underwriter”	:	TA Securities Holdings Berhad

GENERAL:

“5D-VWAP”	:	5-day volume weighted average market price
“9M-FPE”	:	9-month financial period ended
“AP”	:	This Abridged Prospectus dated 29 November 2023 in relation to the Rights Issue
“Act”	:	Companies Act 2016
“AIM Shares” or “Shares”	:	Ordinary shares in our Company
“Board”	:	Board of Directors of our Company
“BPO”	:	Business Process Outsourcing
“CDS Account(s)”	:	A 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 for dealings in such securities by the depositor
“Closing Date”	:	14 December 2023 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants
“CMSA”	:	Capital Markets and Services Act 2007
“Code”	:	Malaysian Code on Take-overs and Mergers 2016
“Consolidated Share(s)”	:	New consolidated Shares pursuant to the Share Consolidation
“Corporate Exercises”	:	The Share Consolidation, Rights Issue and Diversification, collectively
“Deed Poll”	:	The deed poll dated 15 November 2023 constituting the Warrants and governing the rights of the Warrant holders

DEFINITIONS (CONT'D)

“Director”	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“Diversification”	:	Diversification of the principal activities of our Group to include the Pharmacy Business
“e-RSF”	:	Electronic RSF
“e-Subscription”	:	Electronic subscription of the Rights Shares with Warrants via our Share Registrar’s Investor Portal at https://www.wscs.com.my/
“EGM”	:	Extraordinary general meeting of our Company
“Entitled Shareholders”	:	Shareholders whose names appear in the Record of Depositors of our Company as at 5.00 p.m. on the Entitlement Date
“Entitlement Date”	:	29 November 2023 at 5.00 p.m., being the date and time on which the names of our shareholders must be registered in our Company’s Record of Depositors in order to be entitled for the Rights Issue
“EPS”	:	Earnings per AIM Share
“Excess Rights Shares”	:	Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounee(s) and/or transferee(s) before the Closing Date
“Excess Rights Shares Application”	:	Application for additional Rights Shares with Warrants in excess of the Provisional Allotments by the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable)
“Franchise Agreement”	:	A franchise agreement dated 6 October 2022 entered into between AMS and MHSB for the purpose of obtaining the rights and franchise to operate the business system of the Franchisor in the retailing business of pharmaceutical products and services under the name of “CONSTANT PHARMACY”
“Franchise Business”	:	Our Group’s Pharmacy Business carried out pursuant to the Franchise Agreement
“FYE”	:	Financial year ended/ ending, as the case may be
“IMR Report”	:	Independent market research report dated 30 October 2023 prepared by Infobusiness Research & Consulting Sdn Bhd
“IT”	:	Information technology
“LAT”	:	Loss after taxation attributable to the owners of our Company
“LBT”	:	Loss before taxation
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	30 October 2023, being the latest practicable date prior to the printing of this AP
“LPS”	:	Loss per AIM Share

DEFINITIONS (CONT'D)

“LTD”	:	14 November 2023, being the last trading day prior to the price-fixing date of the issue price of Rights Shares and exercise price of Warrants
“Market Day(s)”	:	A day which Bursa Securities is open for trading in securities
“Maximum Scenario”	:	Up to 292,662,627 Rights Shares together with up to 195,108,418 Warrants, after taking into consideration the following: <ul style="list-style-type: none"> (i) 97,554,209 Shares in issue as at the LPD; and (ii) all Entitled Shareholders subscribing in full for their entitlements of the Rights Shares with Warrants
“MCLS”	:	Managed customer loyalty services
“Minimum Scenario”	:	62,500,000 Rights Shares with 41,666,666 Warrants, after taking into consideration the following: <ul style="list-style-type: none"> (i) 97,554,209 Shares in issue as at the LPD; and (ii) subscription by the Undertaking Shareholders pursuant to the Undertakings as well as subscription by the Underwriter pursuant to the Underwriting to ensure a minimum gross proceeds of RM5.00 million is raised, and no other Entitled Shareholders subscribing for their entitlements of Rights Shares with Warrants
“Multi-Unit Franchise Agreement”	:	An agreement to be entered between AMS and MHSB for the setting-up, management and operation of additional 9 outlets under the Constant Pharmacy brand in Malaysia pursuant to an option letter dated 11 November 2022 entered into between AMS and MHSB
“NA”	:	Net assets attributable to the owners of our Company
“NPA”	:	Notice of provisional allotment in relation to the Rights Issue
“Pharmacy Business”	:	Operation of pharmacies including retailing of pharmaceutical, healthcare and personal care products
“Placement Shares”	:	26,605,000 new AIM Shares issued on 17 February 2023 pursuant to the Private Placement
“Premise”	:	1 st retail pharmacy outlet for operating the Franchise Business at a retail premise in Bandar Bukit Raja, Klang, Selangor Darul Ehsan
“Private Placement”	:	On 23 June 2022, our Company had obtained a general mandate pursuant to Sections 75 and 76 of the Act from our shareholders at our Company’s 18 th Annual General Meeting, whereby our Board has been authorised to issue and allot new AIM Shares not exceeding 20% of the total number of issued Shares (excluding treasury shares) at the time of issue (“ 20% General Mandate ”).

The 20% General Mandate shall continue to be in force until 31 December 2022 in accordance with the extension of 20% General Mandate as announced by Bursa Securities on 23 December 2021 (“**Relief Extension**”).

DEFINITIONS (CONT'D)

		In view of the expiry of the Relief Extension (i.e., after 31 December 2022), our Company had on 21 February 2023 completed the private placement of 26,605,000 Placement Shares, representing not more than 10% of the total number of issued AIM Shares (excluding treasury shares), and raised gross proceeds of approximately RM2.05 million
“Provisional Allotment”	:	Rights Shares with Warrants provisionally allotted to the Entitled Holders pursuant to the Rights Issue
“Record of Depositors”	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue”	:	Renounceable rights issue of up to 292,662,627 Rights Shares on the basis of 3 Rights Shares for every 1 existing Share held on the Entitlement Date, together with up to 195,108,418 Warrants on the basis of 2 Warrants for every 3 Rights Shares subscribed for
“Rights Shares”	:	Up to 292,662,627 new AIM Shares to be issued pursuant to the Rights Issue
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Rights subscription form in relation to the Rights Issue
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
“Rules of Bursa Depository”	:	Rules of Bursa Malaysia Depository Sdn Bhd
“Share Consolidation”	:	Consolidation of every 3 existing AIM Shares into 1 AIM Share
“Share Registrar”	:	Workshire Share Registration Sdn Bhd
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991
“TEAP”	:	Theoretical ex-all price
“Undertakings”	:	Unconditional and irrevocable written undertakings dated 21 November 2022 from the Undertaking Shareholders that they: <ul style="list-style-type: none"> (i) will subscribe for their respective entitlements to the Rights Shares with Warrants and, if required, will apply and subscribe for additional Rights Shares with Warrants not taken up by other Entitled Shareholders and/or their renounee(s)/transferee(s) by way of excess application for a total subscription amount of up to RM4.50 million (in aggregate) which consists of up to RM3.00 million by Datuk Chong Loong Men and up to RM1.50 million by Choong Mun Kit, to the extent such that the aggregate gross proceeds from the Rights Issue received by our Company is not less than RM5.00 million; (ii) confirmed that their subscriptions for the Rights Shares by them pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules upon completion of the Rights Issue;

DEFINITIONS (CONT'D)

- (iii) will observe and comply with the provisions of the Code and the Rules at all times and, in the event any of them trigger an obligation to undertake a mandatory take-over offer under the Code and the Rules, they will endeavour to seek from the Securities Commission Malaysia the necessary exemption(s) from undertaking such mandatory take-over offer, if required and permitted under the Rules;
 - (iv) confirmed that they have sufficient financial means and resources to fulfil their respective commitment under the Undertakings; and
 - (v) will not sell, transfer, dispose of or reduce their existing shareholdings in our Company in any manner, save for the effect of the Share Consolidation, from the date of the Undertakings up to the Entitlement Date.
- “Undertaking Shareholders” : Choong Mun Kit (a director and shareholder of our Company) and Datuk Chong Loong Men (a substantial shareholder of our Company), collectively
- “Underwriting” : Underwriting arrangement between our Company and the Underwriter for the underwriting of 6,250,000 Rights Shares together with 4,166,666 Warrants pursuant to the Underwriting Agreement
- “Underwriting Agreement” : Underwriting agreement dated 15 November 2023 entered into between our Company and TA Securities for the Underwriting
- “Warrants” : Up to 195,108,418 free detachable warrants in our Company to be issued pursuant to the Rights Issue

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

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

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

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

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ADVISERS' DIRECTORY

PRINCIPAL ADVISER AND UNDERWRITER : **TA Securities Holdings Berhad**
32nd Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur

Tel : 03-2072 1277

COMPANY SECRETARIES : **Wong Yuet Chyn**
(MAICSA 7047163) (SSM Practicing Certificate No. 202008002451)

Adeline Tang Koon Ling
(LS 0009611) (SSM Practicing Certificate No. 202008002271)

Workshire Corporate Services Sdn Bhd
1-10, Medan Perniagaan Pauh Jaya
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Pulau Pinang
Tel : 04-390 8009

DUE DILIGENCE SOLICITORS : **Messrs. Ching, Elaine & Co**
2-29-3A, Atwater
Jalan Professor Diraja Ungku Aziz
47400 Petaling Jaya, Selangor
Tel : 03-7664 2141

AUDITORS AND REPORTING ACCOUNTANTS : **UHY Chartered Accountants**
AF1411
Suite 11.05, Level 11
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Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2279 3088

INDEPENDENT RESEARCHER **MARKET** : **Infobusiness Research & Consulting Sdn Bhd**
C4-3A-3, Solaris Dutamas
No. 1 Jalan Dutamas 1
50480 Kuala Lumpur
Tel : 03- 6205 3930

Person-in-charge : Leow Hock Bee

Qualification :

- Master in Business Administration from Massey University
- Bachelor of Science (Hons) in Geology from the University of Western Ontario

Leow Hock Bee is the Research Director of Infobusiness Research & Consulting Sdn Bhd. He has more than 32 years of experience in market research, including industry analyses and feasibility studies, in several firms and a commercial bank.

ADVISERS' DIRECTORY (CONT'D)

SHARE REGISTRAR : **Workshire Share Registration Sdn Bhd**
A3-3-8, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : 03-6413 3271
Fax : 03-6413 3270

STOCK EXCHANGE : ACE Market of Bursa Securities

SUMMARY OF RIGHTS ISSUE

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

Issue size and basis of allotment	: The Rights Issue, which is to be undertaken on a renounceable basis, entails the issuance of up to 292,662,627 Rights Shares, at an issue price of RM0.08, on the basis of 3 Rights Shares for every 1 existing Share held by the Entitled Shareholders, together with up to 195,108,418 Warrants on the basis of 2 Warrants for every 3 Rights Shares subscribed for. Please refer to Section 2 of this AP for further information.																								
Issue price of Rights Shares	: Our Board has fixed the issue price of the Rights Shares at RM0.08 each. Please refer to Section 2.1 of this AP for further information.																								
Exercise price of Warrants	: Our Board has fixed the exercise price of the Warrants at RM0.08 each. The Warrants will be issued at no cost to the Entitled Shareholders and/or their renounee(s)/transferee(s) who successfully subscribe for the Rights Shares. Please refer to Section 2.1 of this AP for further information.																								
Minimum subscription level, Undertakings and underwriting arrangement	: Our Board has determined to undertake the Rights Issue based on the Minimum Subscription Level (as defined in Section 2.2 of this AP) to raise a minimum gross proceeds of RM5.00 million. In order to meet the Minimum Subscription Level, our Company has obtained the Undertakings and Underwriting. The details of the Undertakings based on the issue price of RM0.08 per Rights Share are as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="3"></th> <th rowspan="2">Direct shareholdings as at the LPD</th> <th colspan="2">Subscription pursuant to the Undertakings</th> </tr> <tr> <th colspan="2">No. of Rights Shares</th> </tr> <tr> <th>No. of Shares</th> <th>Entitlement</th> <th>Excess application</th> </tr> </thead> <tbody> <tr> <td>Datuk Chong Loong Men</td> <td>7,632,396</td> <td>22,897,188</td> <td>14,602,812</td> </tr> <tr> <td>Choong Mun Kit</td> <td>10,000</td> <td>30,000</td> <td>18,720,000</td> </tr> <tr> <td>Total</td> <td>7,642,396</td> <td>22,927,188</td> <td>33,322,812</td> </tr> </tbody> </table> Please refer to Section 2.2 of this AP for further information.		Direct shareholdings as at the LPD	Subscription pursuant to the Undertakings		No. of Rights Shares		No. of Shares	Entitlement	Excess application	Datuk Chong Loong Men	7,632,396	22,897,188	14,602,812	Choong Mun Kit	10,000	30,000	18,720,000	Total	7,642,396	22,927,188	33,322,812			
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Total	7,642,396	22,927,188	33,322,812																						
Usage of proceeds	: Based on the issue price of RM0.08 per Rights Share, the gross proceeds to be raised from the Rights Issue under the Minimum Scenario and Maximum Scenario will be used in the following manner: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>Minimum Scenario (RM'000)</th> <th>Maximum Scenario (RM'000)</th> <th>Expected timeframe for use of proceeds (from date of listing of the Rights Shares)</th> </tr> </thead> <tbody> <tr> <td>Expansion of Pharmacy Business</td> <td>1,160</td> <td>5,220</td> <td>Within 12 months</td> </tr> <tr> <td>Working capital of the Pharmacy Business</td> <td>3,110</td> <td>15,979</td> <td>Within 24 months</td> </tr> <tr> <td>Repayment of borrowings</td> <td>-</td> <td>1,484</td> <td>Within 3 months</td> </tr> <tr> <td>Estimated expenses for the Corporate Exercises</td> <td>730</td> <td>730</td> <td>Immediately</td> </tr> <tr> <td>Total proceeds</td> <td>5,000</td> <td>23,413</td> <td></td> </tr> </tbody> </table> Please refer to Section 5 of this AP for further information.		Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected timeframe for use of proceeds (from date of listing of the Rights Shares)	Expansion of Pharmacy Business	1,160	5,220	Within 12 months	Working capital of the Pharmacy Business	3,110	15,979	Within 24 months	Repayment of borrowings	-	1,484	Within 3 months	Estimated expenses for the Corporate Exercises	730	730	Immediately	Total proceeds	5,000	23,413	
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SUMMARY OF RIGHTS ISSUE (CONT'D)

Rationale for the Rights Issue	<p>: Our Board is of the opinion that the Rights Issue is the most suitable mean to raise funds for our Group at this juncture for purposes as set out in Section 5 of this AP due to the following:</p> <ul style="list-style-type: none"> (a) to raise funds expeditiously without incurring interest costs associated with bank borrowings or issuance of debt instruments that will result in cash outflow arising from interest servicing costs; (b) to strengthen the cash flow of our Group and utilisation of the proceeds for, among others, the Pharmacy Business as set out in Section 4 of this AP are expected to contribute positively to our Group's future earnings and financial performance; (c) to provide an opportunity for the Entitled Shareholders to participate in the equity offering of our Company on a pro-rata basis; (d) to issue new AIM Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue and exercise their Warrants subsequently; and (e) to strengthen the capital base of our Company and enhance the overall financial position of our Group. <p>Please refer to Section 3 of this AP for further information.</p>
Key risk factors	<p>: You should carefully consider the following key risk factors before subscribing for the Rights Issue:</p> <ul style="list-style-type: none"> (a) depend largely on the experience, skills and abilities of our existing Executive Directors and/or key senior management personnel; (b) developments in political, socio-economic and regulatory conditions in Malaysia and Indonesia; (c) exposed to foreign currency exchange risk from our MCLS business in Indonesia in respect of Indonesia Rupiah; (d) competition from both new entrants and existing players within the BPO industry; (e) loss of our experts and our inability to find suitable replacements in a timely and cost-efficient manner; (f) delays in the delivery to the end-customers due to unavailability of the third-party logistics service providers; (g) the Pharmacy Business will depend largely on skills, abilities, experience, brand name and business system of Franchisor; (h) no prior experience in the operation of pharmacies; (i) competition from other market players in pharmacy retail industry in Malaysia; (j) market prices of the Rights Shares and Warrants are influenced by, amongst others, prevailing market sentiments, volatility of equity markets, liquidity of AIM Shares, outlook of industries in which AIM operates, changes in regulatory requirements or market conditions, as well as financial performance and fluctuations in our Group's operating results; (k) a delay or failure to implement the Rights Issue; (l) potential dilution of existing shareholders' shareholdings; and (m) no prior market for the Warrants. <p>Please refer to Section 6 of this AP for further information.</p>
Procedures for acceptance and payment	<p>: Acceptance of and payment for the Provisional Allotments and Excess Rights Shares Application must be made by way of RSF enclosed with this AP or by way of e-Subscription via our Share Registrar's Investor Portal at https://www.wscs.com.my/ and must be completed in accordance with the notes and instructions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and Excess Rights Shares Application is on Thursday, 14 December 2023 at 5.00 p.m.</p> <p>Please refer to Section 10 of this AP for further information.</p>



ADVANCE INFORMATION MARKETING BERHAD

(Registration No. 200401006266 (644769-D))

(Incorporated in Malaysia)

Registered Office:

1-10, Medan Perniagaan Pauh Jaya
Jalan Baru, 13700 Perai
Pulau Pinang, Malaysia

29 November 2023

Board of Directors

Dato' Ir. Lim Siang Chai (*Non-Independent Non-Executive Chairman*)

Mak Siew Wei (*Executive Director*)

Choong Mun Kit (*Independent Non-Executive Director*)

Ong Poh Lin Abdullah (*Independent Non-Executive Director*)

Mejar Dato' Ismail Bin Ahmad (*Independent Non-Executive Director*)

Kang Teik Yih (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE

1. INTRODUCTION

On 21 November 2022, TA Securities had, on behalf of our Board, announced that our Company proposes to undertake the Corporate Exercises.

Bursa Securities had vide its letter dated 18 January 2023 approved the:

- (i) Share Consolidation;
- (ii) admission of the Warrants to the Official List of the ACE Market of Bursa Securities; and
- (iii) listing of and quotation for the Rights Shares, Warrants and new AIM Shares to be issued pursuant to the exercise of the Warrants on the ACE Market of Bursa Securities.

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

	Conditions imposed	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Share Consolidation and Rights Issue;	- Complied for the Share Consolidation. - To be complied for the Rights Issue.
(b)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Share Consolidation and Rights Issue;	
(c)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Share Consolidation and Rights Issue are completed; and	

(d)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.
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On 3 March 2023, our shareholders had approved the Corporate Exercises at our EGM.

On 20 March 2023, the Share Consolidation had been completed following the listing of and quotation for 97,554,209 Consolidated Shares on the ACE Market of Bursa Securities.

On 6 June 2023, on behalf of our Board, TA Securities had announced that our Company had on 2 June 2023 submitted an application to Bursa Securities seeking its approval for an extension of time of up to 17 January 2024 for our Company to complete the implementation of the Rights Issue.

On 4 July 2023, on behalf of our Board, TA Securities had announced that Bursa Securities had vide its letter dated 4 July 2023, resolved to approve our application for an extension of time of up to 17 January 2024 to complete the implementation of the Rights Issue.

On 15 November 2023, on behalf of our Board, TA Securities had announced the following:

- (i) the fixing of issue price for the Rights Shares at RM0.08 each;
- (ii) the fixing of exercise price for the Warrants at RM0.08 each; and
- (iii) the Entitlement Date together with the other relevant dates pertaining to the Rights Issue;
- (iv) the execution of the Deed Poll by our Company as well as the execution of the Underwriting Agreement by our Company and TA Securities.

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

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

2. RIGHTS ISSUE

The Rights Issue, which is to be undertaken on a renounceable basis, entails the issuance of up to 292,662,627 Rights Shares, at an issue price of RM0.08, on the basis of 3 Rights Shares for every 1 existing Share held by the Entitled Shareholders, together with up to 195,108,418 Warrants on the basis of 2 Warrants for every 3 Rights Shares subscribed for.

The basis of 3 Rights Shares for every 1 existing Share was arrived at after taking into consideration, among others, the following:

- (i) the rationale for the Rights Issue as set out in **Section 3** of this AP; and
- (ii) the amount of proceeds that AIM wishes to raise as set out in **Section 5** of this AP.

The basis of 2 Warrants for every 3 Rights Shares was arrived at after taking into consideration, among others, the following:

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

- (ii) Rule 6.51 of the Listing Requirements which stipulates that the listed corporation must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities does not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

As at the LPD, the issued share capital of our Company is RM30,097,924 comprising 97,554,209 Shares and our Company does not have any treasury shares and convertible securities.

The actual number of Rights Shares and Warrants to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date and the eventual level of subscription for the Rights Issue.

The Rights Issue will be implemented based on the following scenarios:

Minimum Scenario	62,500,000 Rights Shares with 41,666,666 Warrants, after taking into consideration the following: (i) 97,554,209 Shares in issue as at the LPD; and (ii) subscription by the Undertaking Shareholders pursuant to the Undertakings as well as subscription by the Underwriter pursuant to the Underwriting to ensure a minimum gross proceeds of RM5.00 million is raised, and no other Entitled Shareholders subscribing for their entitlements of Rights Shares with Warrants.
Maximum Scenario	Up to 292,662,627 Rights Shares together with up to 195,108,418 Warrants, after taking into consideration the following: (i) 97,554,209 Shares in issue as at the LPD; and (ii) all Entitled Shareholders subscribing in full for their entitlements of the Rights Shares with Warrants.

The Entitled Shareholders can fully or partially subscribe for and/or renounce the entitlements to the Rights Shares with Warrants. Any unsubscribed Rights Shares with Warrants shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). Our Board intends to allocate any Excess Rights Shares with Warrants in a fair and equitable manner as set out in **Section 10.8** of this AP.

The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they will be entitled to the Warrants in proportion to their acceptances of their Rights Shares entitlements.

Any fractional entitlements of Rights Shares and Warrants under the Rights Issue will be disregarded and dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interests of our Company.

The Warrants are attached to the Rights Shares without any cost and will only be issued to the Entitled Shareholders and/or their renounee(s)/transferee(s) who subscribe for the Rights Shares. The Warrants will be immediately detached from the Rights Shares upon allotment and issuance and will be traded separately from the Rights Shares on the ACE Market of Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

Any dealing in our securities will be subject to, amongst others, the provisions of the SICDA, Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of Warrants will be credited directly into the respective CDS Accounts of the successful applicants and Warrant holders who exercise their Warrants (as the case may be). No physical share certificate and warrant certificate will be issued to the successful applicants of the Rights Shares with Warrants.

Notices of allotment will be issued and despatched to the successful applicants of the Rights Shares with Warrants within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities. The Warrants will be admitted to the Official List and listed and quoted on the ACE Market of Bursa Securities within 2 Market Days upon receipt by Bursa Securities of the application for quotation of the Warrants as specified in the Listing Requirements.

2.1 Basis of determining and justification for the issue price of the Rights Shares and exercise price of the Warrants

(i) Issue price of the Rights Shares

Our Board has fixed the issue price of the Rights Shares at RM0.08 each after taking into consideration, amongst others, the following:

- (a) the amount of proceeds that AIM wishes to raise as set out in **Section 5** of this AP;
- (b) the TEAP of AIM Shares based on the 5D-VWAP of AIM Shares up to and including the LTD; and
- (c) the Board's intention to fix the issue price of the Rights Share such that the issue price is at a discount of between 20% and 40% to the TEAP of AIM Shares.

The issue price of RM0.08 per Rights Share represents a discount of RM0.0207 or approximately 20.56% to the TEAP of AIM Shares of RM0.1007, computed based on the 5D-VWAP of AIM Shares up to and including the LTD of RM0.2043 and the exercise price of RM0.08 per Warrant.

(ii) Exercise price of the Warrants

Our Board has fixed the exercise price of the Warrants at RM0.08 each after taking into consideration, amongst others, the following:

- (a) the future prospects of our Group as set out in **Section 7.5** of this AP;
- (b) the TEAP of AIM Shares based on the 5D-VWAP of AIM Shares up to and including the LTD; and
- (c) the Board's intention to fix the exercise price of the Warrants at a discount of between 20% and 40% to the TEAP of AIM Shares.

The exercise price of RM0.08 per Warrant represents a discount of RM0.0207 or approximately 20.56% to the TEAP of AIM Shares of RM0.1007, computed based on the 5D-VWAP of AIM Shares up to and including the LTD of RM0.2043 and the issue price of RM0.08 per Rights Share.

2.2 Minimum subscription level, undertakings and underwriting arrangement

Our Board has determined to undertake the Rights Issue based on a minimum subscription level to raise a minimum gross proceeds of RM5.00 million which, based on the issue price of RM0.08 per Rights Share, shall entail the subscription of 62,500,000 Rights Shares together with 41,666,666 Warrants ("**Minimum Subscription Level**") after taking into consideration, amongst others, the funding requirements of our Group as set out in **Section 5** of this AP.

In order to meet the Minimum Subscription Level:

- (a) our Company has obtained unconditional and irrevocable written undertakings dated 21 November 2022 from the Undertaking Shareholders that they:
- (i) will subscribe for their respective entitlements to the Rights Shares with Warrants and, if required, will apply and subscribe for additional Rights Shares with Warrants not taken up by other Entitled Shareholders and/or their renounee(s)/transferee(s) by way of excess application for a total subscription amount of up to RM4.50 million (in aggregate) which consists of up to RM3.00 million by Datuk Chong Loong Men and up to RM1.50 million by Choong Mun Kit, to the extent such that the aggregate gross proceeds from the Rights Issue received by our Company is not less than RM5.00 million;
 - (ii) confirmed that their subscriptions for the Rights Shares by them pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules upon completion of the Rights Issue;
 - (iii) will observe and comply with the provisions of the Code and the Rules at all times and, in the event any of them trigger an obligation to undertake a mandatory take-over offer under the Code and the Rules, they will endeavour to seek from the Securities Commission Malaysia the necessary exemption(s) from undertaking such mandatory take-over offer, if required and permitted under the Rules;
 - (iv) confirmed that they have sufficient financial means and resources to fulfil their respective commitment under the Undertakings; and
 - (v) will not sell, transfer, dispose of or reduce their existing shareholdings in our Company in any manner, save for the effect of the Share Consolidation, from the date of the Undertakings up to the Entitlement Date.
- (b) our Company had entered into the Underwriting Agreement with the Underwriter whereby the Underwriter will underwrite 6,250,000 Rights Shares with 4,166,666 Warrants amounting to RM0.50 million, being the remainder portion of the Minimum Subscription Level and representing 10% of the issue size of the Rights Issue under Minimum Scenario.

The underwriting commission payable by our Company is 3.00% of the total value of the number of Rights Shares underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement. The underwriting commission and all costs in relation to the Underwriting will be fully borne by our Company from the proceeds of the Rights Issue.

For the avoidance of doubt, the Entitled Shareholders and/or their renounees and/or transferees (if applicable), excluding the Underwriter, shall be given priority and shall first be allocated with all their respective entitlements to the Rights Shares with Warrants subscribed for and Excess Rights Shares with Warrants applied for, if any. Upon completion of such allocation and if there is any shortfall from the Minimum Subscription Level, the Underwriter shall only then apply and be allocated for such number of Rights Shares with Warrants to ensure our Company will achieve the Minimum Subscription Level.

TA Securities, being the Principal Adviser for the Rights Issue, has verified that the Undertaking Shareholders have sufficient financial resources to fulfil the Undertakings.

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The details of the Undertakings and Underwriting based on the issue price of RM0.08 per Rights Share are as follows:

	Direct shareholdings		Subscriptions pursuant to the Undertakings and Underwriting									
	As at the LPD		Total amount RM	No. of Rights Shares						No. of Warrants		
	No. of Shares	% ⁽¹⁾		Entitlement	% ⁽²⁾	Excess application	% ⁽²⁾	Total	% ⁽²⁾	Entitlement	Excess application	Total
Undertaking Shareholders												
Datuk Chong Loong Men	7,632,396	7.82	3,000,000	22,897,188	36.64	14,602,812	23.36	37,500,000	60.00	15,264,792	9,735,208	25,000,000
Choong Mun Kit	10,000	0.01	1,500,000	30,000	0.05	18,720,000	29.95	18,750,000	30.00	20,000	12,480,000	12,500,000
Underwriter	-	-	500,000	-	-	6,250,000	10.00	6,250,000	10.00	-	4,166,666	4,166,666
Total	7,642,396	7.83	5,000,000	22,927,188	36.69	39,572,812	63.31	62,500,000	100.00	15,284,792	26,381,874	41,666,666

Notes:

(1) Based on 97,554,209 issued Shares as at the LPD.

(2) Based on 62,500,000 Rights Shares under the Minimum Scenario.

For illustrative purposes, assuming none of the other Entitled Shareholders subscribe for their entitlements of the Rights Shares with Warrants, the Undertaking Shareholders will be subscribing for a total of 56,250,000 Rights Shares based on the issue price of RM0.08 per Rights Share. The remaining number of Rights Shares under the Rights Issue after taking into consideration the Undertakings and Underwriting is 230,162,627 (i.e. after deducting total number of Rights Shares comprised under the Undertakings and Underwriting of 62,500,000 from the total number of Rights Shares under the Rights Issue of 292,662,627) which represents 78.64% of the total number of Rights Shares under the Rights Issue.

The Undertakings are not expected to result in any breach in the public shareholding spread requirement by our Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders, upon completion of the Rights Issue. The public shareholding spread of our Company as at the LPD is approximately 42.37% and is expected to decrease to 29.73% upon completion of the Rights Issue under the Minimum Scenario.

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

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

The Rights Shares and new AIM Shares to be issued from the exercise of Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing AIM Shares, save and except that the Rights Shares and new AIM Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares and the new AIM Shares to be issued arising from the exercise of the Warrants.

2.4 Salient terms of the Warrants

The salient terms of the Warrants are as follows:

Issue price	:	The Warrants will be issued at no cost to the Entitled Shareholders and/or their renounee(s)/transferee(s) who successfully subscribe for the Rights Shares.
Issue size	:	Up to 195,108,418 Warrants.
Form and detachability	:	The Warrants will be issued in registered form and constituted by the Deed Poll. The Warrants will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on the ACE Market of Bursa Securities.
Board lot	:	For the purpose of trading on the ACE Market of Bursa Securities, a board lot of Warrants shall be 100 units of Warrants, or such other number of units as may be permitted by Bursa Securities.
Tenure of the Warrants	:	5 years commencing on and including the date of issuance of the Warrants.
Expiry Date	:	At the close of business at 5.00 p.m. in Kuala Lumpur, on the date immediately preceding the 5 th anniversary commencing from and inclusive of the date of issuance of the Warrants and if such a day is not a market day, then it shall be the market day immediately preceding the said non-market day.
Exercise Period	:	The Warrants may be exercised at any time within a period of 5 years commencing from and including the date of issuance of the Warrants until the close of business at 5.00 p.m. on the Expiry Date. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	:	The exercise price of each Warrant is RM0.08.
Subscription rights	:	Each Warrant 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 provisions of the Deed Poll.

Mode of exercise : The holders of the Warrants are required to lodge a subscription form with our 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 a money order or postal order issued by a post office in Malaysia or by way of internet bank transfer for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new Shares.

Adjustments to the Exercise Price and/or the number of Warrants : Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by our Company or the auditors in the event of any alteration in the share capital of our Company at any time during the tenure of the Warrants, whether by way of, amongst others, capitalisation issues, rights issue, bonus issue, consolidation of shares, subdivision of shares or capital reduction exercises, in accordance with the provisions of the Deed Poll. Any adjustment to the Exercise Price will be rounded up to the nearest 1 sen.

Rights of the Warrant holders : The Warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such holders of Warrants exercise their Warrants into new Shares.

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

Rights of the Warrant 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 our 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 our Company or the amalgamation of our Company with one or more companies, then:-

- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the holders of the Warrants (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; and

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- (ii) every Warrant holder shall be entitled to exercise his/her Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or the granting of the court order approving the compromise or arrangement, whereupon our Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our 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 our Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose.

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

Modification of Deed Poll : Any modification to the terms and conditions of the Deed Poll may be effected only by a further deed poll, executed by our Company and expressed to be supplemental to the Deed Poll. 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 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 our Company upon consultation with the approved adviser appointed by our Company, will not be materially prejudicial to the interests of the Warrant holders.

Listing status : The Warrants will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants on the ACE Market of Bursa Securities is subject to a minimum of 100 Warrant holders holding not less than 1 board lot of the Warrants each.

Transferability : The Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.

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

2.5 Take-over implications

The subscription of the Rights Shares by the Undertaking Shareholders pursuant to the Undertakings will not give rise to any mandatory take-over offer obligation under the Code and the Rules. The Undertaking Shareholders have undertaken to observe and comply at all times with the provisions of the Code and Rules and will seek from the Securities Commission Malaysia the necessary exemptions from undertaking such mandatory take-over offer obligation, if required.

2.6 Details of other corporate exercises

As at the date of this AP, our Board confirms that there are no other corporate exercises which have been approved by the regulatory authorities and/or the shareholders in the EGMs convened but pending completion.

2.7 Previous fund-raising exercise

On 21 February 2023, our Company has completed the Private Placement following the issuance of 26,605,000 Placement Shares which raised gross proceeds of approximately RM2.05 million based on the issue price of RM0.0769 each Placement Share. As at the LPD, our Company has partially utilised the proceeds raised from the Private Placement as follows:

Purposes	Proposed utilisation ⁽¹⁾ (RM'000)	Proposed utilisation ⁽²⁾ (RM'000)	Amount utilised as at the LPD (RM'000)	Balance as at the LPD (RM'000)	Estimated timeframe for utilisation from the date of listing of Placement Shares
Working capital ⁽³⁾	1,399	967 ⁽⁶⁾	967	-	Within 24 months
Upgrade the information technology-related equipment and systems ⁽⁴⁾	1,500	1,017	41	976	Within 24 months
Expenses for the Private Placement ⁽⁵⁾	81	62 ⁽⁶⁾	62	-	Immediately
Total	2,980	2,046	1,070	976	

Notes:

- (1) As illustrated in the circular to our shareholders in relation to the Corporate Exercises dated 7 February 2023 ("**Circular**"), based on the indicative issue price of RM0.112 each as set out in the announcement in relation to the Private Placement made by our Company on 1 April 2022 ("**Private Placement Announcement**"). For clarity, in view of the expiry of the Relief Extension (i.e., after 31 December 2022), our Company has completed the Private Placement following the issuance of 26,605,000 Placement Shares, representing not more than 10% of the total number of issued AIM Shares, on 21 February 2023, instead of the 20% General Mandate as set out in the Private Placement Announcement.
- (2) Based on the issuance of 26,605,000 Placement Shares at an issue price of RM0.0769 each.
- (3) Consists of operational expenses, marketing expenses and administrative expenses to facilitate our Group's expansion of our MCLS business in Malaysia and Indonesia.
- (4) Consists of expenses to upgrade our existing technology-related equipment and systems which include, among others, the upgrading of its software and hardware capability, adoption of data analytics capability, integration of more technology-driven support and services into our MCLS business as well as development of mobile application and/or e-commerce platform to complement our MCLS system.
- (5) Mainly consist of professional fees, placement fees and fees payable to Bursa Securities and other ancillary expenses.
- (6) The total expenses incurred for the Private Placement was approximately RM62,000. As such, the surplus amount allocated for the expenses in relation to the Private Placement of approximately RM19,000 has been reallocated to be used for the working capital of our Group.

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3. RATIONALE FOR THE RIGHTS ISSUE

After due consideration of various means of fund-raising, our Board is of the opinion that the Rights Issue is the most suitable mean to raise funds for our Group at this juncture for purposes as set out in **Section 5** of this AP due to the following:

- (i) the Rights Issue allows our Group to raise funds expeditiously without incurring interest costs associated with bank borrowings or issuance of debt instruments that will result in cash outflow arising from interest servicing costs. Moreover, our Group will also be able to preserve such cash, which otherwise would be used for interest costs, for our Group's day-to-day operations;
- (ii) the proceeds raised from the issuance of Rights Shares will strengthen the cash flow of our Group and utilisation of the said proceeds for, among others, the Pharmacy Business as set out in **Section 4** of this AP are expected to contribute positively to our Group's future earnings and financial performance;
- (iii) the Rights Issue provides an opportunity for the Entitled Shareholders to participate in the equity offering of our Company on a pro-rata basis;
- (iv) the Rights Issue will involve issuance of new AIM Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue and exercise their Warrants subsequently; and
- (v) the Rights Issue will strengthen the capital base of our Company and enhance the overall financial position of our Group.

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

Any exercise of the Warrants in the future will provide our Company with additional funds as and when the Warrants are being exercised over the tenure of the Warrants. In addition, the exercise of Warrants will also increase shareholders' funds, thereby strengthening the financial position of our Company.

4. DIVERSIFICATION

4.1 Details of the Diversification

Our Group is principally involved in the provision of MCLS in Malaysia and Indonesia which comprise the client relationship management, digital fulfilment and outsourced contact center management, of which these are the services offering in the BPO industry.

For the past four FYEs 31 December 2019 to 31 December 2022, our Group has been registering LAT of between RM3.80 million and RM5.16 million. In cognisance of our Group's financial performance, our Group has been actively identifying other business opportunities to expand its revenue stream to mitigate the loss-making position and to reduce dependence on its existing sources of revenue.

In view of the foregoing, on 6 October 2022, AMS had entered into the Franchise Agreement with MHSB for the purpose of obtaining the rights and franchise to operate the business system of the Franchisor in the retailing business of pharmaceutical products and services under the name of "CONSTANT PHARMACY" for a term of five (5) years commencing on 6 October 2022 (which will be automatically renewed for a further five (5) years subject to the terms and conditions.

Pursuant to the Franchise Agreement, the Franchisor grants to the Franchisee the exclusive rights and license to operate the Franchise Business at a retail premise in Bandar Bukit Raja, Klang, Selangor Darul Ehsan in accordance with the business system developed and implemented by the Franchisor (such as operational procedures, record-keeping, information technology systems, training, marketing, advertising and promotional activities as well as use of its proprietary assets (including, among others, patents, trademarks and trade names)).

The renovation of our Group's first retail pharmacy outlet at Bandar Bukit Raja, Klang ("**1st Pharmacy Outlet**") has been completed in October 2022. Our Group had incurred approximately RM0.58 million of start-up costs on the 1st Pharmacy Outlet, which include purchase of initial inventories of approximately RM0.30 million, renovation costs of approximately RM0.18 million, marketing fee and franchise fee of approximately RM0.08 million and miscellaneous expenses of approximately RM0.02 million. These initial set up costs for the 1st Pharmacy Outlet were funded through our Group's internally-generated funds.

AMS has obtained the certificate of registration as a body corporate under the register of pharmacists from Pharmacy Board Malaysia under the Ministry of Health of Malaysia ("**MOH**") and business licence from Majlis Perbandaran Klang for operating at the Premise on 16 November 2022 and 8 September 2023, respectively. In addition, our Group's pharmacist has, on 13 January 2023, obtained the Poison Licence Type A from MOH for pharmacist to import, store and deal with all poisons by wholesale and/or retail at the pharmacy outlets. The 1st Pharmacy Outlet has commenced business on 29 December 2022.

Our Group expects that the demand for pharmaceutical, healthcare and personal care products will continue to grow mainly due to increased general public's awareness on self-protection and importance of practicing personal hygiene in their daily lives after the COVID-19 outbreak. Therefore, our Group intends to venture into the Pharmacy Business with the Franchise Agreement.

The Pharmacy Business will involve the sales of pharmaceutical, healthcare and personal care products to the customers through physical pharmacy outlets. As our Group has no prior experience in the Pharmacy Business, our Group plans to leverage on the expertise of the Franchisor to commence and operate the Pharmacy Business under the brand name of "**CONSTANT PHARMACY**".

In addition to the 1st Pharmacy Outlet, our Group is planning to open up to additional 9 pharmacy outlets in Selangor and Kuala Lumpur within 12 months from the completion date of the Rights Issue depending on the actual amount of proceeds to be raised from the Rights Issue. AMS and MHSB are expected to enter into the Multi-Unit Franchise Agreement in February 2024. With the increased number of pharmacy outlets and the resultant increase in our Group's orders for inventory, our Group may negotiate for better pricing and/or volume discounts for our inventories (i.e., the products that we intend to sell at the pharmacy outlets).

Our Group's venture into the Pharmacy Business came about through negotiations with the Franchisor upon being presented with an opportunity to participate in the Franchise Business which was undertaken as part of our Group's continuous effort to identify business opportunities to address our Group's financial performance, and after due consideration being given to the general outlook of the retail pharmacy industry in Malaysia after the recent outbreak of COVID-19 which has increased the public's awareness on personal health and hygiene. Details of the overview and outlook of the retail pharmacy industry in Malaysia is set out in **Section 7.4** of this AP.

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4.2 Key Management Personnel

Our Group has identified Mak Siew Wei, Yeoh Siok Chen and Kavitha A/P Poobalan to oversee the newly franchised Pharmacy Business. Their profiles are set out below:

(i) Mak Siew Wei

Mak Siew Wei, aged 47, Malaysian, was appointed as an Independent Non-Executive Director on 27 July 2010 and he was re-designated as an Executive Director on 22 September 2010. Subsequently, he was re-designated as a Non-Independent Non-Executive Director on 13 January 2021. He retired upon the conclusion of the 17th Annual General Meeting of our Company on 27 May 2021 and was subsequently re-appointed as an Executive Director of our Company on 8 October 2021.

In 1998, he graduated from the University of Nebraska-Lincoln, United States of America with a Bachelor's Degree in Management Information System. He started his career as a business development manager for Marvic International (NY) Ltd from 1998 to 2000, where he was mainly responsible for expanding the client base of the company and managing the distributing and trading of IT-related accessories such as networking cable and cases. Marvic International (NY) Ltd is principally involved in sales of information technology-related accessories.

He subsequently joined AIM as an Executive Director on 22 September 2010. He was primarily involved in overseeing the day-to-day operations of our Company as well as driving our Company's expansion in Indonesia. He joined AT Systematization Berhad as an Executive Director on 1 March 2013 where he is primarily involved in overseeing the company's business in the fabrication of industrial and engineering parts as well as the design and manufacture of industrial automation systems and machinery. AIM and AT Systematization Berhad are public companies listed on the ACE Market of Bursa Securities.

His past experience in business development will be crucial in leading our Group's venture into the Pharmacy Business.

For information, he also sits on the Board of Directors of several companies listed on Bursa Securities namely, Pasukhas Group Berhad, AE Multi Holdings Berhad and Trive Property Group Berhad as Executive Director.

(ii) Yeoh Siok Chen

Yeoh Siok Chen, aged 61, Malaysian, was appointed as Chief Executive Officer of our Group on 1 March 2020.

He graduated from the University Malaya with a Bachelor Degree in Arts (Economics) in 1985. He worked as a management consultant at Cooper & Lyrand Associates from 1985 to 1989, where he was responsible to review and recommend cost and management control processes and undertake viability and feasibility on new business ventures. Subsequently he joined HBN Management Sdn Bhd as a manager in the corporate finance department from 1989 to 1993, where he was responsible in preparing detailed financial projections, establish strengths, weaknesses, opportunities and threats (SWOT) risk analysis of projects and undertake feasibility and viability studies for new identified investments. In 1993 to 1995, he joined Park May Berhad as a finance senior manager and responsible to identify new business growth areas and establish new financial and management controls. In 1995 to 1997, he joined Shapadu Corporation Sdn Bhd as a corporate finance general manager and responsible to provide advice in steering the core activities of the company. He then joined Panelit Consolidated Sdn Bhd as a corporate group general manager from 1997 to 2019 and was responsible for identifying and incubating new projects ranging from property development, plantation, reforestation to manufacturing. The principal activities of the abovementioned companies are as follows:

Name of company	Principal activities
HBN Management Sdn Bhd	Provision of financial management services.
Park May Berhad	Provision of public transportation services.

Name of company	Principal activities
Shapadu Corporation Sdn Bhd	Involves in diverse businesses ranging from oil and gas, transportation, infrastructure and property development.
Panelit Consolidated Sdn Bhd	Property development.

He is responsible for planning and implementing our Group's overall business strategies such as evaluating for new business opportunities that our Group intends to venture into. In addition, he is also in charged to oversee and manage our Group's overall business operations including driving profitability, allocating capital, overseeing the management team and communicating with the Board.

(iii) Kavitha A/P Poobalan

Kavitha A/P Poobalan, aged 32, Malaysian, was appointed as Pharmacist on 1 November 2022 for the 1st Pharmacy Outlet which has commenced business in December 2022.

She graduated from Malaysia MAHSA University with a Bachelor Degree in Pharmacy in 2016. She worked as a Pharmacist at Allday Pharmacy for the past 6 years from 2017 to 2022, where she was responsible for the day-to-day operation of the outlet including medicine dispensing, medical consultation, health screening and contributes strategic planning to improve the value, service and marketing of the outlet and company.

Her duties and responsibilities also include inventory management to ensure adequate inventory level at the pharmacy and management and training of staff at our Group's pharmacy outlet(s) (including, among others, determining the appropriate staff training programmes required).

Her experience in Allday Pharmacy has provided her the necessary exposure particularly in the relationships with customers in addition to the utilization of her pharmacology and nutritional knowledge.

In addition to the supports from the key management personnel mentioned above, AMS as the franchisee will also enjoy supports from the Franchisor with advice and know-how guidance relating to the management, finance, promotions and methods of operation, brand name and other facilities and assistance such as information technology and customer database support.

Our Group also intends to employ additional key personnel for the management and operation of the Pharmacy Business after obtaining the requisite approvals for the Diversification and completion of the Rights Issue. Our Group is planning to hire 1 head of operation for overseeing the Pharmacy Business and up to 9 registered pharmacists for the further 9 outlets to be opened.

However, the exact size and structure of the team of key personnel may be subject to change due to various factors such as final quantum of the proceeds raised from the Rights Issue, actual number of retail pharmacy outlets, availability of registered pharmacist and suitability of the candidates.

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5. USAGE OF PROCEEDS

Based on the issue price of RM0.08 per Rights Share, the Rights Issue is expected to raise a total gross proceeds of approximately RM5.00 million and RM23.41 million under the Minimum Scenario and Maximum Scenario, respectively. The gross proceeds to be raised from the Rights Issue are intended to be used in the following manner:

Purposes	Notes	Minimum Scenario ⁽ⁱ⁾ (RM'000)	Maximum Scenario ⁽ⁱ⁾ (RM'000)	Expected timeframe for use of proceeds (from the date of listing of the Rights Shares)
Expansion of Pharmacy Business	(1)	1,160	5,220	Within 12 months
Working capital of the Pharmacy Business	(2)	3,110	15,979 ⁽ⁱⁱ⁾	Within 24 months
Repayment of borrowings	(3)	-	1,484 ⁽ⁱⁱ⁾	Within 3 months
Estimated expenses for the Corporate Exercises	(4)	730	730	Immediately
Total proceeds		5,000	23,413	

Notes:

(i) Any additional proceeds raised in excess of the RM5.00 million under the Minimum Scenario will be allocated up to its respective maximum allocation under the Maximum Scenario in the following order:

- (a) estimated expenses for the Corporate Exercises;
- (b) working capital of the Pharmacy Business;
- (c) expansion of the Pharmacy Business; and
- (d) repayment of borrowings.

Our Group will fund any deficit for the respective purposes via its internally-generated funds, bank borrowings and/or future fund-raising exercises to be undertaken by the Company (if required). The exact breakdown cannot be determined at this juncture as it is dependent on the actual amount of deficit, our Group's funding requirements as well as availability and suitability of funding alternative(s) at the relevant point in time.

(ii) Based on the Circular, the amount of proceeds from the Rights Issue to be allocated for the repayment of borrowings was RM1.50 million. Our Company has re-allocated approximately RM0.02 million from the repayment of borrowings to working capital of the Pharmacy Business in view of the amount outstanding for the term loan from CIMB Bank Berhad as at the LPD of approximately RM1.48 million as detailed in Note (3) below. For avoidance of doubt, the change in the utilisation of proceeds from the Rights Issue represents approximately 0.07% of the total proceeds to be raised from the Rights Issue of RM23.41 million under the Maximum Scenario. Therefore, such change in the utilisation of proceeds from the Rights Issue is not subject to an announcement and the approval of our Company's shareholders pursuant to the Listing Requirements.

(1) Our Company intends to allocate up to RM5.22 million for the expansion of the Pharmacy Business which will be used as follows:

Purposes	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
- Start-up costs* for 2 franchise outlets to be opened within 6 months from the date of completion of the Rights Issue.	1,160	1,160
- Start-up costs* for additional 7 franchise outlets to be opened within 12 months from the date of completion of the Rights Issue.	-	4,060
Total	1,160	5,220

* Start-up costs include but not limited to franchise fee, initial inventory cost (e.g., cost of purchasing goods to be sold within approximately 2 months period at the pharmacy outlets), renovation costs (e.g., painting, installing light fixtures, replacing flooring, signboard and furniture), utilities deposits, advance rental payment and payments to authorities for business licence. As at the LPD, our Group has not determined the locations of the new franchise outlets to be opened within Selangor and Kuala Lumpur. The estimated total start-up costs required for 2 franchise outlets (under the Minimum Scenario) and 9 franchise outlets (under the Maximum Scenario) are approximately RM1.20 million and RM5.20 million respectively. The shortfall of funding required in respect of the total start-up costs against the proceeds raised from the Rights Issue is expected to be funded from our Group's internally-generated funds and/or bank borrowings, of which the breakdown for the source of fund cannot be determined at this juncture.

- (2) Our Company intends to allocate up to approximately RM15.98 million for the working capital requirements of the Pharmacy Business in the following manner:

	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
Purchase of inventories	3,000	14,000
Advertising and promotion	60	570
Other operating expenses ^(a)	50	1,409
Total	3,110	15,979

- (a) Inclusive of personnel and related expenses (including salaries and statutory contributions), rental expenses, insurance expenses and miscellaneous expenses (such as telecommunications, water and electricity expenses).

The estimated working capital requirement of each outlet is approximately RM1.30 million per annum. Shortfall of working capital requirements against the proceeds raised from the Rights Issue is expected to be funded from our Group's internally-generated funds and/or bank borrowings, of which the breakdown for the source of fund cannot be determined at this juncture.

- (3) The total borrowings of our Group as at the LPD is approximately RM2.05 million as follows:

Type of facility	Financial institution	Amount outstanding as at the LPD (RM'000)	Interest rate (%)	Maturity date
Term loan ^(a)	CIMB Bank Berhad	1,484	6.85	July 2037
Working capital financing	PT Bank Maybank Indonesia Tbk	564	8.25	October 2024

Our Group intends to utilise approximately up to RM1.48 million to repay our Group's borrowings, i.e. the term loan from CIMB Bank Berhad, as follows:

Type of facility	Financial institution	Amount outstanding as at the LPD (RM'000)	Proposed repayment amount ^(b) (RM'000)	Interest rate (%)	Estimated annual interest savings (RM'000)	Maturity date
Term loan ^(a)	CIMB Bank Berhad	1,484	1,484	6.85	102	July 2037

- (a) The term loan was drawn down on 31 July 2019 for purchase of an office building.
 (b) Notwithstanding the proposed repayment amount stated herein, the actual repayment amount may differ as it will be dependent on, amongst others, the actual amount of proceeds raised from the Rights Issue and the actual amount outstanding in respect of the term loan at the relevant point in time.

The intended repayment of bank borrowings as detailed above is expected to result in estimated interest cost savings of approximately RM0.10 million per annum.

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

Description	RM'000
Professional fees ^(a)	596
Fees to relevant authorities	83
Other incidental expenses in relation to the Corporate Exercises ^(b)	51
Total	730

- (a) Comprising professional fees payable to principal adviser, solicitors, auditor, share registrar, company secretaries and independent marker researcher as well as estimated underwriting commission payable to underwriter.
 (b) Comprising expenses to convene the EGM, printing, advertising and other ancillary expenses related to the Corporate Exercises.

If the actual expenses in relation to the Corporate Exercises incurred are higher than the budgeted amount, the deficit will be funded via the amount earmarked for our Group's working capital. Conversely, any surplus of funds after the payment of expenses in relation to the Corporate Exercises shall be used for the working capital of the Pharmacy Business as detailed in Note (2) above, i.e., purchase of inventories, advertising and promotion and other operating expenses, of which the breakdown for the usage cannot be determined at this juncture.

Our Group may also stagger the opening of those franchise outlets over a period which is longer than the 12-month period from the date of listing of the Rights Shares depending on the availability of funds required for the setting up of the said additional franchise outlets.

The actual gross proceeds to be raised from the Rights Issue is dependent on the number of Rights Shares to be issued (i.e., level of subscription of the Rights Shares). Any variance in the actual gross proceeds raised and the intended gross proceeds to be raised will be adjusted against the amount earmarked for our Group's working capital requirements of the Pharmacy Business such as purchase of inventories, advertising and promotion and other operating expenses as detailed in Note (2) above.

Pending the use of the proceeds as set out above, the unused proceeds may be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments as our Board deems fit. The interest derived from the deposits placed with financial institutions and/or any gains arising from the short-term money market instruments will be used for our Group's working capital requirements such as payments for staff salaries and statutory contributions, trade and other payables and other operating expenses for our Group's operations, of which the breakdown for the usage cannot be determined at this juncture.

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants would depend on the actual number of Warrants exercised. The proceeds from the exercise of the Warrants will be received on an "as and when" basis over the tenure of the Warrants. For illustrative purposes, based on the exercise price of RM0.08 per Warrant, the maximum gross proceeds that may be raised from the exercise of the Warrants is approximately RM15.61 million. Such proceeds shall be used for our Group's working capital requirements such as purchase of inventories for the Pharmacy Business, payments for staff salaries and statutory contributions, annual advertising and promotional activities expenses, monthly information technology expenses and other operating expenses for our Group's operations, of which the exact breakdown cannot be determined by our Company at this juncture subject to the quantum of the proceeds received and our Group's working capital requirements at the relevant point in time. Nonetheless, our Company expects to utilise such proceeds from the exercise of the Warrants within 12 months from the date of receipt of the said proceeds over the tenure of the Warrants.

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6. RISK FACTORS

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

6.1 Risks relating to our Group

(a) Dependency on key personnel

The sustainability in our Group's businesses depends largely on the experience, skills and abilities of our existing Executive Directors and/or key senior management personnel and their continuous contribution to our Group, including our Group's new venture into the Pharmacy Business. The loss of any one of them without suitable or timely replacement, or inability of our Group to attract and retain other qualified personnel could adversely affect our Group's performance and profitability.

There is no assurance that our Group will be able to retain our existing Executive Directors and/or key senior management personnel or identify and attract suitable qualified personnel from time to time in the future to support the growth of our Group and/or as replacement in a timely manner which may result in disruption or adverse impact to our Group's operations and financial performance.

(b) Political, economic and regulatory considerations

Our Group's financial and business operations may be adversely affected by the developments in political, socio-economic and regulatory conditions in Malaysia and Indonesia. Political and socio-economic uncertainties include, but are not limited to, risks of war, change of governments, expropriation, nationalisation, renegotiation or nullification of existing contracts and methods of taxation, interest rate environment and currency exchange controls.

Whilst our Group will continue to take measures such as careful planning in its financial management and ensuring efficient operating procedures, there is no assurance that adverse political, socio-economic and regulatory conditions will not materially affect our business.

(c) Foreign currency exchange risk

Our Group is exposed to foreign currency exchange risk from our MCLS business in Indonesia in respect of Indonesia Rupiah ("IDR"). For the FYE 31 December 2021 and FYE 31 December 2022, the revenue contribution from our MCLS business in Indonesia is approximately RM6.66 million and RM2.82 million, which represents approximately 85.96% and 81.98% of our Group's total revenue respectively. These transactions, which are transacted predominantly in IDR, are translated to the functional currency of our Group, in RM, at exchange rates on the dates of transactions. Any difference in the prevailing exchange rates on the dates of transaction may give rise to foreign currency exchange gains or losses that would affect our Group's financial performance. If significant foreign currency fluctuations occur in the future, they may adversely and materially affect the financial performance of our Group.

6.2 Risks relating to our Group's existing businesses

(a) Competition risk

The BPO industry is competitive in nature and characterised by rapid technological changes, our Group faces direct competition from both new entrants and existing players within the BPO industry. Thus, our Group is dependent on our ability to continuously provide our solutions to existing and new customers while competing with other providers in the BPO industry.

Competition may be in the form of pricing, quality of service, technological competence as well as new innovative inventions. There is no assurance that our Group can remain competitive against its competitors moving forward. The emergence of new competitors who can offer more innovative solutions at a competitive cost may result in our Group losing its market share to such competitors and/or erosion to our Group's profitability in view of the need for our Group to compete in terms of pricing. In turn, this would adversely affect the business and financial performance of our Group.

(b) Availability of experienced and suitable talent in the market

Successful hires for our technical team are subject to the suitability and availability of technical experts that matches the requirements of our Group. We require our technical team to possess certain experience and skillsets to continuously improve our loyalty management support system to drive the digitalisation of our MCLS ecosystem and technology and integrate more technology-driven support and services into our MCLS business as well as develop mobile application and/or e-commerce platform to complement our MCLS system.

Our ability to retain and to attract experts is crucial for our continued success, future business growth and expansion. Any loss of our experts and our inability to find suitable replacements in a timely and cost-efficient manner may cause disruptions to our business operations and our ability to respond to technical issues and changes in technology quickly.

(c) Dependency on third-party logistics service providers

Our Group engages third-party logistics service providers to fulfil the delivery of products to the end-customers of our Group's customers with loyalty programmes as part of our services in our MCLS business.

In view that our Group has no control over the resources and availability of the third-party service providers, there is no assurance that our Group will not face delays in the delivery to the end-customers due to unavailability of the third-party logistics service providers which may result in our Group not being able to complete the fulfilment services in a timely manner. In such event, there may be adverse impact to our Group customers' satisfaction of our services which in turn may adversely affect our Group's reputation and profitability.

6.3 Risks relating to the Pharmacy Business

6.3.1 Dependency on the Franchise Agreement

Our Group's involvement in the Pharmacy Business will depend largely on skills, abilities, experience, brand name and business system of Franchisor. If the Franchisor are not able to fulfil its obligation pursuant to the Franchise Agreement, it may affect the operation of our Group's Pharmacy Business including the disruption of logistic management, inventory management, marketing and promotion, people management as well as IT support.

Our Group will ensure continuous communication with the Franchisor to facilitate smooth operations of the Franchise Business in accordance with the Franchise Agreement and building close working relationship with the Franchisor. In addition, our Group is planning to gradually expand our team for the Pharmacy Business by hiring new staff as mentioned in **Section 4.2** of this AP, which will further strengthen our management team and ensure the Pharmacy Business will not have any major disruption and be supported with adequate resources.

Notwithstanding the efforts by our Group as detailed above, there is no assurance that the Franchise Agreement will not be terminated in the future which may have an adverse impact to the operations of our Pharmacy Business.

6.3.2 No prior experience in the Pharmacy Business

Our Group does not have any prior experience specifically in the operation of pharmacies. In particular, the marketing and operating strategies that may be required for the success of the Pharmacy Business may be relatively distinct from our Group's existing business. Notwithstanding that the Franchise Agreement allows our Group to leverage on the expertise of the Franchisor to commence and operate the Pharmacy Business under the brand name of "CONSTANT PHARMACY", there is no assurance that we will be able to implement our strategies efficiently in respect of our Group's venture into the Pharmacy Business with favourable financial performance.

6.3.3 Competition risks

Our Group faces competition from other market players as well as new market entrants in the pharmacy retail industry in Malaysia in terms of competency and reliability of services. Some of the competitors may have greater financial resources, more extensive networks and exposure to potential business opportunities, and have a more comprehensive range of services than our Group.

In addition, our Group may not be able to provide comparable services at lower prices or respond faster to market trends, compared to competitors who have larger economies of scale and established networks. Intensified competition may result in reduced profit margins, which may adversely affect our Group's financial performance.

Although the management will take proactive measures to maintain a competitive edge in the pharmacy retail industry in Malaysia by ensuring costs are with effective managements, competitive pricing, strategic locations, there can be no assurance that our Group will be able to compete effectively against its competitors.

6.4 Risk factors relating to the Rights Issue

6.4.1 Investment and capital market risk

The market prices of the Rights Shares and Warrants are influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of AIM Shares, the outlook of industries in which AIM operates, changes in regulatory requirements or market conditions, as well as the financial performance and fluctuations in our Group's operating results.

In addition, the performance of the Malaysian share market (where AIM Shares are listed) is dependent on the economic and political conditions in Malaysia and overseas as well as external factors such as, amongst others, the performance of the world bourses and flows of foreign funds. In view of this, there can be no assurance that the Rights Shares and the Warrants will trade above the issue price or TEAP upon or subsequent to their listing on the ACE Market of Bursa Securities.

6.4.2 Delay or failure to implement the Rights Issue

The Rights Issue is exposed to the risk that they may be delayed or not implemented due to the occurrence of force majeure events or circumstances which are beyond the control of our Company and Principal Adviser arising prior to the implementation of the Rights Issue. Such events or circumstances include, epidemics or pandemics, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations, and changes in political leadership.

Pursuant to Rule 6.52 of the Listing Requirements, AIM is required to have at least 100 Warrants holders holding not less than 1 board lot (100 units) of Warrants each, failing which the Rights Issue will not be implemented.

There can be no assurance that the abovementioned events will not occur and cause a delay or failure to implement the Rights Issue. If not implemented, all monies received from the Rights Issue will be refunded without interest to the Entitled Shareholders/subscribers and/or their renouncee(s)/transferee(s) (if applicable).

If such monies are not repaid within 14 days after our Company becomes liable, our Company will repay such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the Securities Commission Malaysia in accordance with Section 243(2) of the CMA.

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

Our Company has procured the Undertakings and Underwriting in order to meet the Minimum Subscription Level. The successful implementation of the Rights Issue is dependent on the fulfilment of the Undertakings from the Undertaking Shareholders.

6.4.3 Potential dilution of existing shareholders' shareholdings

Entitled Shareholders who do not subscribe for their entitlements under the Rights Issue will have their shareholdings being diluted upon completion of the Rights Issue as a result of the issuance of the Rights Shares and exercise of Warrants into new AIM Shares by other shareholders of our Company. Consequently, their proportionate entitlements to any dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after the completion of the Rights Issue will correspondingly be diluted.

6.4.4 No prior market for the Warrants

The Warrants are new instruments to be issued by our Company, for which there is currently no public market. No assurance can be given that an active market for these new instruments will develop upon or subsequent to the listing of and quotation for this instrument on the ACE Market of Bursa Securities or, if developed, that such a market will be sustainable or adequately liquid during the tenure of the Warrants.

The market price of the Warrants, like other securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, amongst others, prevailing market sentiments, volatility of the share market, economic and political condition in Malaysia and overseas, the market price of the underlying Shares, interest rate movements, trades of substantial amounts of the Warrants on Bursa Securities in the future, corporate developments as well as the future prospects of the industries in which our Group operates.

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7. INDUSTRY OUTLOOK AND PROSPECTS

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy is anticipated to register a growth of approximately 4.0% in 2023. The services sector, the largest contributor to the economy, continued to lead growth, following higher tourist arrivals and improved consumer spending.

For 2024, the economy is projected to grow within the range of between 4.0% and 5.0%. The services sector is forecast to increase by 5.6% in 2024 (2023: 5.5%), driven by expansion in all subsectors. In addition, vibrant tourism-related activities as well as continuous consumer spending are expected to further spur the growth of the sector.

The manufacturing sector is forecast to expand by 4.2% in 2024 (2023: 1.4%), driven by better performance in both the export and domestic-oriented industries. The export-oriented industries are expected to benefit from the recovery of external demand for electrical and electronic products, in line with the rebound in demand for technologically advanced products. Similarly, the domestic-oriented industries are anticipated to grow steadily backed by higher output in transport equipment and building materials, in tandem with better consumer spending and business activities.

(Source: IMR Report)

7.2 Overview and outlook of the Indonesian economy

The economic growth in Indonesia is projected at 5.0% in both 2023 and 2024. Domestic demand is replacing commodity exports as the driver of growth in Indonesia. International tourism is recovering strongly and will offset some of the slack from the weakening exports of goods. The full normalisation of mobility from the COVID-19 lockdowns and higher purchasing power in tandem with lower inflation are expected to stoke a rebound in consumer spending, though higher interest rates may somewhat crimp demand.

The downside risks to the forecasts are mainly due to external factors, such as interest rates in the United States could stay higher and longer than expected, and demand from the People's Republic of China, Indonesia's largest trade partner, could fall further if that economy weakens. The El Niño phenomenon (climate patterns in the Pacific Ocean that can affect weather worldwide) and the continuing Russian invasion of Ukraine could trigger price shocks.

The Indonesian economy, however, has enough margin for growth. A large domestic economy provides a cushion for external demand shocks. The stable financial sector and healthy foreign reserves should be able to guard against external financial shocks. Also, potential growth could be enhanced by ongoing structural reforms to promote investments and job creations, improving the business environment and foster financial deepening and efficiency.

(Source: IMR Report)

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7.3 Overview and outlook of the business process outsourcing industry in Malaysia and Indonesia

BPO refers to the transfer of operations and responsibilities, wholly or partly, from a company to a third-party service provider and it is often IT-based. When a business decides to outsource, it enlists the help of service providers not affiliated with it to complete certain functions. It involves the turning over of responsibilities in whole or in part, of a function to an outside vendor.

BPO covers a wide variety of business processes, usually either in the back office, e.g. accounting, finance, human resources, marketing support (including customer loyalty programme), IT services (including development of mobile applications), etc. or in the front office, e.g., customer service in call centres (also known as contact centres), as well as logistics (including digital fulfilment).

BPO service providers can be divided into two types based on their locations:

- onshore outsourcing: when a business hires a service provider that is located in the same country. It is also known as onshoring; and
- offshore outsourcing: when a business hires a service provider in a different country. It is also known as offshoring.

Broadly, the BPO industry can be categorised into two segments:

- horizontal BPO are function-centric services that can be leveraged across various industries such as human resources, accounting, finance, customer loyalty programme, etc; and
- vertical BPO focuses on specialised or process knowledge that services the financial services industry, the healthcare industry, retail industry; etc.

BPO also makes sense to businesses globalising their operations. It would be quite a task for businesses to establish similar operations in each location and BPO is a viable and important alternative to building the needed capability from the ground up. Through BPO, these businesses may obtain the same level of commitments and support throughout their entire operations.

In the BPO industry, it is common for a company and a third party service provider to enter into a Service Level Agreement (SLA), which defines the services to be delivered, the performance standards the third party serviced provider is obligated to meet, and laying out the metrics by which the services are expected, as well as the remedies and penalties available to the company should the agreed service levels are not achieved or delivered by the service provider.

The Malaysian market for BPO expanded by 15.9% to RM5.19 billion in 2022, from RM4.48 billion in 2021. In the case of the Indonesian market, it grew by 19.8% to attain RM4.97 billion in 2022 from RM4.15 billion in 2021.

Post-pandemic, service providers need to maintain or potentially increase investments in new technologies such as migrating to cloud computing (an emerging IT development, deployment and delivery model, enabling real-time delivery of products, services and solutions over the Internet), or improve their technology infrastructure, as well as continue to expand their digital labour force. Cloud computing could also be leveraged upon to reduce the turnaround time required for processing data-intensive business processes. With the availability of skilled manpower in the service providers, businesses can save on recruiting and training.

Cloud computing relies on a global network of data centres linked together with high bandwidth fibre optic cables. Data centres are secure facilities used to cater to business demand for storage and use of digital information. Data centres have shot into prominence in recent years amidst digitalisation. Many businesses are moving their professional applications to cloud services to decrease the costs of running their own centralised computing networks and servers, as well as to access flexible and scalable computing infrastructure.

The BPO industry is expected to benefit from the increasing focus of businesses on improving business agility in order to survive the constantly changing business dynamics, ways of improving efficiency, decreasing operating costs and emphasising core competencies. Businesses may also utilise their existing resources to meet their diversification objectives, such as developing new products or services that are complementary to their core business.

Due to the various government-led digital initiatives to boost the national economy, as well as its relatively lower cost structure (particularly lower costs of operations such as salaries) and an efficient logistics network with well-maintained land, sea and air connections, Malaysia is anticipated to continue being an attractive site for the BPO industry. This is further supplemented by the presence of numerous multinational corporations that assist to integrate Malaysia into their global supply chains. Meanwhile, Indonesia is expected to become an attractive global BPO location for several reasons such as an attractive business environment, relatively low cost, a digital presence, people skills and workforce availability. In addition, there is also an expanding middle-class population in Indonesia that assist to boost domestic demand. These factors are anticipated to further fuel the expansion of the BPO industry in both Malaysia and Indonesia.

The BPO market in Malaysia is anticipated to increase from RM5.19 billion in 2022 to RM5.77 billion in 2023 and RM6.34 billion in 2024, generating growths of 11.2% and 9.9%, respectively. In the case of Indonesia, it is forecasted to expand more rapidly from RM4.97 billion in 2022 to RM5.63 billion in 2023 and RM6.29 billion in 2024, yielding growths of 13.3% and 11.7%, respectively.

(Source: IMR Report)

7.4 Overview and outlook of the pharmacy retail industry in Malaysia

Everyone will, at some point in their lives, take medication to prevent or treat illness. Medications have changed the human ability to live with diseases and generally increased lifespan. However, medications do sometime cause serious harms if taken incorrectly, are monitored insufficiently, or as a result of an error, accident or communications problem. Unsafe medication practices and medication errors are a leading source of avoidable harm in healthcare systems. All medication errors can be greatly reduced or even prevented, by improving the systems and practices of medications, such as ordering, prescribing, dosing, preparation, dispensing, administration, timing and monitoring.

Pharmacy is the science of preparing and dispensing drugs for preventing, diagnosing or treating diseases or disorders in humans, while pharmacists are healthcare professionals who prepare and dispense prescriptions, ensure medicines and doses are correct, prevent harmful drug interactions and counsel patients on the safe and appropriate use of their medications. Pharmacists also advise patients on their medication regimens and assist them to avoid drug interactions and screen them for possible side effects to medications.

Pharmacy service in Malaysia came into existence in 1951 with the enactment of three main legislations governing its profession namely, the Registration of Pharmacists Act 1951, Poisons Act 1952, and Dangerous Drugs Act 1952. Presently, pharmacy retail stores (also known as community pharmacies) convey health solutions to the general population and are essential to the prescription drug market, as well as over-the-counter drugs. They provide convenient services to the general population in the neighbourhood through the establishments of stores in commercial districts and shopping malls.

While some pharmacy retail stores are independent stores, others are national or regional chains. The variety of a pharmacy's merchandise varies from one store to another. Generally, a larger chain of pharmacy stores carries a wider variety of merchandise compared to independent stores. In addition, these chain pharmacy stores may utilise a franchise model which provides corporate branding, management support, training, distribution channels and marketing support to individual owners or businesses who franchises the said pharmacy stores, in exchange for a fee. In contrast, independent stores may face challenges such as lower purchasing power, limited promotional budgets and less merchandise inventory relative to a larger chain of pharmacy. They may also have a presence in only one or two areas, thus limiting their coverage.

Community pharmacies are recognised as providers of preventive healthcare services which aim to prevent disease or injury from occurring (primary prevention), reduce progression of disease by identifying it before it becomes symptomatic (secondary prevention) and decrease the impact of the disease if it does occur (tertiary prevention).

As such, community pharmacies provide opportunities for partnerships with other healthcare professionals to grant the general public access to clinical preventive services such as routine disease screening. It is common for the general public in Malaysia to approach community pharmacies for over-the-counter drugs and for the relief of general discomforts or minor ailments, without going to a general medical practitioner. Consumers pay only the medication costs when they visit a community pharmacy, as pharmacist consultations are free of charge.

Most community pharmacies incorporate a pharmacy section for dispensing over-the-counter drugs / prescription drugs, providing consultations on minor ailments or advising on general health matters such as weight loss products to the general public, with a general retail store retailing products such as, amongst others, dietary supplements, medical equipment, medical devices, and cosmetics and personal care consumables. Dispensing refers to the preparation and giving of medicines to patients. At times, there are also nutritionists and dieticians on site to provide dietary advice and guidance on the selection of dietary supplements. Through interacting with both patients and physicians, the pharmacy retail industry plays a fundamental role in the distribution of pharmaceutical drugs to consumers.

Over the years, the role of community pharmacies has evolved from merely focusing on the retail of pharmaceutical drugs to being more patient-centric and in the process, have become an integral part of the community.

The market size for the pharmacy retail industry in Malaysia increased to RM8.03 billion in 2022 from RM7.54 billion in 2021, expanding by 6.5%. It is projected to increase to RM8.51 billion in 2023 and RM9.00 billion in 2024, representing increases of 5.9% and 5.8%, respectively.

The pharmacy retail industry is projected to continue growing due to the rising population, an aging population and increasing urbanisation in Malaysia, as well as the Government's initiatives to improve the health and wellbeing of its citizens, such as providing more screenings and diagnostic services through the establishments of more mobile health clinics and enhancing healthcare awareness programmes. An aging population is defined as a population where those aged 65 years and above constitutes at least 15.0% of the total population. Malaysia is presently facing the prospect of an aging population and this is anticipated to occur by 2030, up from 7.2% in 2022. This will continue to generate sales of products such as pharmaceutical drugs, dietary supplements, medical equipment and medical devices in the pharmacy retail industry.

An aging population is more prone towards illnesses and the onset of health problems associated with old age. Health conditions that are expected to be a challenge to the health care system associated with an aging population encompass cancer, heart disease, obesity, diabetes, Parkinson's disease, Alzheimer's disease and orthopaedic conditions. With the above factors in mind, there are further opportunities for community pharmacies, as there is always growing demand for their services. The role of a pharmacist is further expanding as medications become more and more complex and diverse, along with the emergence of new diseases and pharmaceutical drugs. Only a certified pharmacist is allowed to consult, advise and dispense medications.

The COVID-19 pandemic has also generated a rising demand for certain medications, medical equipment and medical devices. This is expected to continue over the foreseeable future with the emergence of new viral variants due to mutations. For example, community pharmacies are presently allowed to supply medical devices such as COVID-19 self-test kits to the public. This has a knock-on effect on the growth and expansion of the pharmacy retail industry.

The national or regional retail chains are projected to further expand organically or via the acquisition or merger with smaller pharmacy retail chains and independent stores. This will permit the larger entities to gain from competitive advantages such as higher bargaining power when it comes to purchasing supplies from suppliers and enjoying volume discounts, marketing activities such as in advertising and promotions, and economies of scales in operations. The national or regional retail chains may also source their pharmaceutical drugs directly from manufacturers, bypassing the wholesale intermediary in the supply chain. There may also be potentially new entrants into the pharmacy retail industry by franchisees.

The COVID-19 pandemic is expected to lead to rising health awareness amongst the general population. As such, the public is likely to take more initiatives in terms of preventive healthcare and this will lead to more sales of medical devices (e.g. COVID-19 self-test kits, pulse oximeters and thermometers) and dietary supplements as well as other consumables (e.g. face masks and hand sanitisers). These preventive healthcare measures play a key role in reducing infections of the COVID-19 virus among the general public. All these factors augur well for the prospects of the pharmacy retail industry in Malaysia. However, sales of such products linked to the COVID-19 pandemic may decelerate when the country progressively achieves endemicity.

The way businesses and consumers interact during the COVID-19 pandemic brings upon a structural shift in lifestyle and consumption patterns as Malaysia progresses towards a post-pandemic recovery. There has been rising reliance on digitalisation (such as the use of digital payments) due to the COVID-19 pandemic as it permits consumers to transact in a secure and seamless environment as they become more aware about physical hygiene and social distancing. The value propositions of pharmacy retail stores need to evolve with changing consumer behaviours and operating environments.

Based on the abovementioned factors above such as a rising population, an aging population and increasing urbanisation, as well as the Government initiatives to promote the health and wellbeing of its citizens, Infobusiness Research & Consulting Sdn Bhd believes that the pharmacy retail industry in Malaysia is expected to continue to grow, although the impact of the COVID-19 pandemic progressively subsides.

(Source: IMR Report)

7.5 Overview and outlook of our Group

AIM is a regional BPO solutions provider offering a broad spectrum of loyalty management services from digital loyalty marketing, digital fulfilment system, contact centre management and applications development for companies aiming to build business relationship with their Business-to-Consumer (B2C) and Business-to-Business (B2B) customers.

AIM Group has been facing challenges in its core business as service provider of BPO solutions, in view of the increased price competition amongst the BPO providers in the market, resulting in our customers being able to procure cheaper prices as compared to our offering prices. Taking cognisance of this, our Group has made effort to explore for business opportunity to improve its financial performance and position which include, among others, enter into the Franchise Agreement which enable our Group to reduce its dependency solely on its existing BPO business.

The decision of venturing into the Pharmacy Business is expected to expand its revenue stream moving forward. Through the Franchise Agreement, AIM will be able to leverage on the Franchisor's advice, know-how, brand name and market presence and diversify its business operation to include the operation of pharmacies including retailing of pharmaceutical, healthcare and personal care products.

As of to-date, AIM has set up its 1st Pharmacy Outlet in Klang Valley which has commenced operation on 29 December 2022. In addition, AMS had on 11 November 2022 entered into an option letter with MHSB whereby MHSB agreed to provide the option to AMS to enter into the Multi-Unit Franchise Agreement within 6 months from the date of the option letter ("**Option**") to set-up, manage and operate for additional 9 outlets under the Constant Pharmacy brand in Malaysia. On 11 May 2023, AMS and MHSB mutually agreed to further extend the Option for a further 9 months commencing from the even date. AMS and MHSB are expected to enter into the Multi-Unit Franchise Agreement in February 2024.

The set-up of additional 9 outlets if materialised is expected to contribute positively to the revenue stream of our Group and potentially enable our Group to enjoy economy of scale on its purchase of inventories which will then contribute positively to the profit margin of our Group's pharmacies business.

For the avoidance of doubt, our Group will also continue to focus on its existing BPO business and make efforts to improve its financial performance and position in the immediate and medium term which include, among others, trimming down the operational costs and source for new customers.

Premised on the above and the outlook and prospects of the BPO industry in Malaysia and Indonesia and pharmacy retail industry in Malaysia as set out in **Sections 7.3** and **7.4** of this AP, the management is cautiously optimistic about our Group's prospects in the future.

(Source: Management of AIM)

8. EFFECTS OF THE RIGHTS ISSUE

8.1 Share capital

The pro forma effects of the Rights Issue on the share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	97,554,209	30,097,924	97,554,209	30,097,924
Issuance of the Rights Shares	62,500,000	5,000,000 ⁽¹⁾	292,662,627	23,413,010 ⁽¹⁾
	160,054,209	35,097,924	390,216,836	53,510,934
Assuming full exercise of the Warrants	41,666,666	3,333,333 ⁽²⁾	195,108,418	15,608,673 ⁽²⁾
Enlarged issued share capital	201,720,875	38,431,257	585,325,254	69,119,607

Notes:

(1) Based on the issue price of RM0.08 per Rights Share.

(2) Based on the exercise price of RM0.08 per Warrant.

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8.2 NA and gearing

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

Minimum Scenario

	(Unaudited) As at 30 September 2023 (RM'000)	(I) After the Rights Issue (RM'000)	(II) After (I) and assuming full exercise of the Warrants (RM'000)
Share capital	30,098	35,098 ⁽¹⁾	38,431 ⁽⁴⁾
Revaluation reserve	1,252	1,252	1,252
Fair value reserve	(1,737)	(1,737)	(1,737)
Foreign currency translation reserve	(868)	(868)	(868)
Warrant reserve	-	2,967 ⁽²⁾	-
Other reserve	-	(2,967) ⁽²⁾	-
Accumulated losses	(20,891)	(21,621) ⁽³⁾	(21,621)
Total equity / NA	7,854	12,124	15,457
No. of Shares in issue ('000)	97,554	160,054	201,721
NA per Share (RM)	0.08	0.08	0.08
Total borrowings (RM)	1,722	1,722	1,722
Gearing (times)	0.22	0.14	0.11

Notes:

- (1) Based on the issue price of RM0.08 per Rights Share.
- (2) Computed based on the issuance of 41,666,666 Warrants with each Warrant assumed to have a fair value of RM0.0712 based on the Black-Scholes Options Pricing Model.
- (3) After taking into account the estimated expenses of RM730,000 for the Corporate Exercises.
- (4) Based on the exercise price of RM0.08 for each Warrant.

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Maximum Scenario

	(Unaudited) As at 30 September 2023 (RM'000)	(I) After the Rights Issue (RM'000)	(II) After (I) and assuming full exercise of the Warrants (RM'000)
Share capital	30,098	53,511 ⁽¹⁾	69,120 ⁽⁴⁾
Revaluation reserve	1,252	1,252	1,252
Fair value reserve	(1,737)	(1,737)	(1,737)
Foreign currency translation reserve	(868)	(868)	(868)
Warrant reserve	-	13,775 ⁽²⁾	-
Other reserve	-	(13,775) ⁽²⁾	-
Accumulated losses	(20,891)	(21,621) ⁽³⁾	(21,621)
Total equity / NA	7,854	30,537	46,146
No. of Shares in issue ('000)	97,554	390,217	585,325
NA per Share (RM)	0.08	0.08	0.08
Total borrowings (RM)	1,722	238 ⁽⁵⁾	238
Gearing (times)	0.22	0.01	0.01

Notes:

- (1) Based on the issue price of RM0.08 per Rights Share.
- (2) Computed based on the issuance of 195,108,418 Warrants with each Warrant assumed to have a fair value of RM0.0706 based on the Black-Scholes Options Pricing Model.
- (3) After taking into account the estimated expenses of RM730,000 for the Corporate Exercises.
- (4) Based on the exercise price of RM0.08 for each Warrant.
- (5) After taking into account the repayment of our Group's term loan as detailed in Section 5 of this AP.

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8.3 Earnings/Losses and EPS/LPS

The Rights Issue is not expected to have an immediate material effect on the consolidated earnings / losses of our Group and EPS / LPS for the FYE 31 December 2023. However, the effect on the consolidated earnings / losses of our Group and EPS / LPS upon completion of the Rights Issue will depend on, the number of Rights Shares to be issued and the level of returns generated from the use of proceeds to be raised from the Rights Issue.

The EPS / LPS will be diluted as a result of the increase in the number of issued AIM Shares following the issuance of the Rights Shares and any new AIM Shares arising from the exercise of the Warrants.

8.4 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities.

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

9.1 Working capital and sources of liquidity

Our business has been financed by a combination of sources of funds which include cash generated from our operations, bank borrowings from financial institutions and proceeds from issuance of equity securities (such as the Private Placement).

As at the LPD, our Group has cash and cash equivalents of RM1.0 million.

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

Our Board is of the opinion that our Group will have sufficient working capital for our operations for a period of 12 months from the date of this AP including the Pharmacy Business after taking into consideration our Group's existing cash and bank balances, profits and cash flows that our Group expects to generate from our business operations and proceeds to be raised from the Rights Issue based on the Minimum Scenario.

9.2 Borrowings

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

	Total (RM'000)
<u>Long-term borrowings</u>	
Term loan	1,417
<u>Short-term borrowings</u>	
Term loan	67
Working capital financing	564
Total	2,048

There has not been any default on payments of either interest and/or principal sums for any borrowings throughout the throughout the FYE 31 December 2022 and the subsequent period up to the LPD.

9.3 Contingent liabilities

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

9.4 Material commitments

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

9.5 Material transactions

Save for the Rights Issue, Diversification (which was approved by our shareholders at the EGM on 3 March 2023) and the Private Placement (which was completed on 21 February 2023), our Board confirms that there are no other transactions which may have a material effect on our Group's operations, financial position and results since our Group's latest unaudited consolidated financial statements for the 9M-FPE 30 September 2023.

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS ISSUE

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

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

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. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

This AP and the RSF are also available at the registered office of our Company, our Share Registrar 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 Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your transferee(s) and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants and the Excess Rights Shares Application is **Thursday, 14 December 2023 at 5.00 p.m.**

10.4 Methods of acceptance and application

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

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

10.5 Procedures for full acceptance and payment

10.5.1 By way of RSF

Acceptance and payment for the Provisional Allotment to you as an Entitled Shareholder and/or your transferees and/or your renounees/transferees (if applicable) must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, 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 our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND EXCESS RIGHTS SHARES APPLICATIONS AS WELL AS THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEES/TRANSFEREES (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS, ARE SET OUT IN THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN.

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

If you and/or your renounees and/or transferees (if applicable) wish to accept all or part of your Provisional Allotments, please 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 our Share Registrar at the following address:

Workshire Share Registration Sdn Bhd

A3-3-8, Solaris Dutamas
 No. 1, Jalan Dutamas 1
 50480 Kuala Lumpur
 Wilayah Persekutuan
 Tel No. : 03-6413 3271
 Fax No. : 03-6413 3270

so as to arrive not later than **5.00 p.m. on Thursday, 14 December 2023**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares with Warrants subscribed by you and/or your renounees and/or 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 AP. To facilitate the processing of the RSF by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You and/or your renounees/transferees (if applicable) should take note that a trading board lot for the Rights Shares and Warrants will comprise 100 Rights Shares and 100 Warrants, respectively. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share. Subscribers of the Rights Shares will be allotted with Warrants at no cost on the basis of 2 Warrants for every 3 Rights Shares validly subscribed for. Fractional entitlements arising from the Rights Issue will be disregarded and dealt with by our Board in such manner as it may at its absolute discretion deem fit and expedient and in the best interest of our Company. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

If acceptance and payment for the Provisional Allotments allotted to you and/or, in the case where you have sold part or all of your Provisional Allotments, your renounees and/or transferees (if applicable), is not received by our Share Registrar by **Thursday, 14 December 2023 at 5.00 p.m.** being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by our Board at their discretion, you and/or your renounees and/or transferees (if applicable) will be deemed to have declined the Provisional Allotments made to you and/or your renounees and/or transferees (if applicable) and it will be cancelled. Such Rights Shares with Warrants not taken up will be allotted to the applicants applying for Excess Rights Shares with Warrants.

Our 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 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 at <https://www.bursamalaysia.com>, our Share Registrar at the address stated above or at our 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 "AIM RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS, CONTACT NUMBER AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THURSDAY, 14 DECEMBER 2023 AT 5.00 P.M.. CHEQUES OR ANY OTHER MODE OF PAYMENTS NOT PRESCRIBED HEREIN ARE NOT ACCEPTABLE.

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

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

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE WHICH SHALL BE DESPATCHED TO YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) BY ORDINARY POST TO THE LAST ADDRESS MAINTAINED WITH 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 WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES WITH WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES AND/OR TRANSFEREES (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATE OR WARRANT CERTIFICATE WILL BE ISSUED.

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

10.5.2 By way of e-Subscription

The e-Subscription is available to all Entitled Shareholders who are registered users of our Share Registrar's Investor Portal at <https://www.wscs.com.my/>. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

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

- (a) the e-Subscription will be closed at **5.00 p.m. on Thursday, 14 December 2023**. All valid e-Subscription received by our Share Registrar is irrevocable and cannot be subsequently withdrawn;
- (b) the e-Subscription must be made in accordance with the procedures and terms and conditions of the e-Subscription, this AP and the notes and conditions contained in the e-RSF. Any incomplete or incorrectly completed e-RSF submitted via our Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of our Board.
- (c) your subscription/application for the Rights Shares with Warrants and Excess Rights Shares with Warrants must be accompanied by the remittance in RM via internet bank transfer to the following bank account:

Name of Bank : Malayan Banking Berhad
Name of Account : AIM RIGHTS ISSUE ACCOUNT
Bank Account No : 564070633678

You are required to pay an additional fee of **RM15.00** being the stamp duty and handling fee for each application via e-Subscription.

- (d) all Entitled Shareholders who wish to subscribe/apply for the Rights Shares with Warrants and Excess Rights Shares with Warrants by way of e-Subscription are required to follow the procedures and read the terms and conditions as stated below:

(i) **Procedures**

Procedures		Action
User Registration		
1.	Register as a user with the Investor Portal	<ul style="list-style-type: none"> - Access the website at https://www.wscs.com.my/. Click “Investor Portal”. Refer to the online help tutorial for assistance. - Read and agree to the terms and conditions and confirm the declaration. - Upon submission of your registration, your account will be activated within one working day. - If you have already registered an account with the Investor Portal, you are not required to register again.
e-Subscription		
2.	Sign in to Investor Portal	<ul style="list-style-type: none"> - Login with your user ID and password for e-Subscription before the Closing Date.
3.	Complete the e-Subscription	<ul style="list-style-type: none"> - Select the corporate exercise “ADVANCE INFORMATION MARKETING BERHAD – RIGHTS ISSUE WITH WARRANTS”. - Key in/check your full name, CDS Account number, contact number, the number of units for acceptance of your Rights Shares with Warrants and Excess Rights Shares with Warrants (if you choose to apply for Excess Rights Shares with Warrants). - Proceed to make payment via online banking and indicate your name and last 9 digits of the CDS Account number for reference. - Upload the proof of payment(s) and ensure all the information provided is accurate before submitting the e-RSF. - Print your e-RSF for your reference and record.

If you encounter any problems during the registration or submission, please email our Share Registrar at support@wscs.com.my for assistance.

(ii) **Terms and conditions of the e-Subscription**

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

- (A) You acknowledge that your submission by way of e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:
- (i) our Company or our Share Registrar does not receive your submission of the e-RSF; or

- (ii) data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted, your submission of the e-RSF will be deemed as failed and not to have been made. Our Company and our Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your e-Subscription due to the above reasons and you further agree that you may not make any claims whatsoever against our Company or our Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your e-Subscription.
- (B) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from the records of Bursa Depository, your application by way of e-Subscription may be rejected at the absolute discretion of our Board without assigning any reason.
- (C) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.
- (D) You agree that all the Rights Shares and Warrants to be issued pursuant to the Rights Issue will be allotted by way of crediting the Rights Shares and Warrants into your CDS Account. No physical share or warrant certificates will be issued.
- (E) You agree that our Company and our Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.
- (F) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the last address maintained with Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.
- (G) Where your application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest by banker's cheque within 15 Market Days from the Closing Date and will be despatched by ordinary post to the last address maintained with Bursa Depository at your own risk.

You are not required to complete and lodge the physical RSF at our Share Registrar's office if you have successfully submitted the e-RSF on the acceptance of the Provisional Allotments and the application for excess Rights Shares with Warrants by way of e-Subscription.

10.6 Procedures for part acceptance

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

You must complete both Part I(A) of the RSF or e-RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of the RSF or e-RSF and deliver the completed and signed RSF or submit the e-RSF together with the relevant payment to our Share Registrar in the same manner as set out in **Section 10.5** of this AP.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF OR E-RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR E-RSF (AS THE CASE MAY BE).

10.7 Procedures for sale or transfer of Provisional Allotments

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

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU AND/OR YOUR RENOUNCEE(S)/TRANSFeree(S) (IF APPLICABLE) ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

If you have sold or transferred only part of your Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Part I(A) and Part II of the RSF or e-RSF and delivering the RSF or submit the e-RSF together with the full amount payable on the balance of the Rights Shares with Warrants applied for to our Share Registrar. Please refer to **Section 10.5** of this AP for the procedures for acceptance and payment.

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

10.8 Procedures for the Excess Rights Shares Application

10.8.1 By way of RSF

You and/or your renounee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in addition to those provisionally allotted to you by completing Part I(B) of the RSF (in addition to Part I(A) and Part II) and forward it (together with a **combined remittance made in RM** for the full amount payable in respect of the Rights Shares with Warrants and the Excess Rights Shares with Warrants applied for) to our Share Registrar not later than **5.00 p.m. on Thursday, 14 December 2023**, being the last time and date for application and payment for the Excess Rights Shares with Warrants.

Payment for the Excess Rights Shares Application should be made in the same manner as set out in **Section 10.5.1** of this AP. Applications accompanied by payments other than in the manner stated above or with excess or insufficient remittances may or may not be accepted at the absolute discretion of our Board. Details of the remittances must be completed in the appropriate boxes provided in the RSF (i.e., Parts I(A) and I(B) of the RSF).

10.8.2 By way of e-Subscription

You and/or your renounee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in **Section 10.5.2** of this AP.

The application for Excess Rights Shares with Warrants via e-Subscription shall be made on, subject to, the same terms and conditions as set out in **Section 10.5.2** of this AP.

Any Rights Shares with Warrants which are not taken up or not validly taken up by you and/or your renounee(s) and/or transferee(s) (if applicable) shall be made available for Excess Rights Shares Application. It is the intention of our Board to allot the Excess Rights Shares with Warrants, 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 our Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares Applications; and
- (iv) lastly, on a pro-rata basis and in board lots, to the renounee(s) and/or transferee(s) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares Applications.

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

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

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

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

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES APPLICATIONS, THE FULL AMOUNT OR THE BALANCE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE WHICH SHALL BE DESPATCHED TO YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) BY ORDINARY POST TO THE LAST ADDRESS MAINTAINED WITH BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.9 Procedures to be followed by transferees and/or renounees

As a transferee and/or renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants and/or payment are the same as that which are applicable to our Entitled Shareholders as described in **Sections 10.3 to 10.8** of this AP. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this AP and/or accompanying RSF, you can request the same from your stockbroker, our Share Registrar at the address stated in **Section 10.5.1** of this AP, the registered office of our Company or Bursa Securities' website at <https://www.bursamalaysia.com>.

TRANSFEREES AND/OR RENOUNCEES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

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 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. 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 shall signify your consent to receive such Rights Shares with Warrants as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares with Warrants allotted shall be credited directly into the CDS Accounts of successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants 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, our Company will make the relevant announcements on Bursa Securities in relation to the subscription rate of the Rights Issue.

Upon allotment of the Rights Shares with Warrants in respect of your acceptance and/or your renounee and/or transferee acceptance (if applicable) and Excess Rights Shares Application (if any), the Rights Shares with Warrants 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. However, a notice of allotment will be despatched to you and/or your renounee and/or 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 last address maintained with Bursa Depository at your own risk.

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

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

10.12 Foreign-Addressed Shareholders

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

The distribution of this AP, 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 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 AP, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares with Warrants, 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 to which this AP relates is only available to Entitled Shareholders receiving this AP, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this AP, the NPA and the RSF have not been (and will not be) sent to shareholders who have not provided to our Company a registered address or an address in Malaysia for the service of documents (“**Foreign-Addressed Shareholders**”). However, Foreign-Addressed Shareholders may collect this AP, the NPA and the RSF from our Share Registrar, Workshire Share Registration Sdn Bhd at A3-3-8, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia. Our Share Registrar will be entitled to request evidence from the Foreign-Addressed Shareholders as it deems necessary to satisfy itself as to the identity and authority of the person collecting this AP, the NPA and the RSF.

Our 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. Our Company will assume that the Rights Issue and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue 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 only to the extent that it would be lawful to do so, and our Company, our Board and officers, TA Securities and/or the advisers named herein (“**Parties**”) would not, in connection with the Rights Issue, 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 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.

Our 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 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 AP, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this AP or subscribing for or acquiring the Rights Shares with Warrants, 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, 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 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 AP and has/have read and understood the contents of this AP, 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; 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, 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.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS AP 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 AP 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 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 with Warrants pursuant to the Rights Issue is governed by the terms and conditions as set out in this AP and the accompanying NPA and RSF as well as the Deed Poll.

12. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of our Board
ADVANCE INFORMATION MARKETING BERHAD


MAK SIEW WEI
Executive Director

INFORMATION ON OUR GROUP**1. SHARE CAPITAL**

As at the LPD, the issued share capital of our Company is RM30,097,924 comprising of 97,554,209 Shares and our Company does not hold any treasury shares and convertible securities.

2. BOARD OF DIRECTORS

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

Name	Age	Designation	Address	Nationality
Dato' Ir. Lim Siang Chai	68	Non-Independent Non-Executive Chairman	38, Jalan Canselor UI/13A, Glenmarie Residences, 40150 Shah Alam, Selangor.	Malaysian
Mak Siew Wei	48	Executive Director	A-12-02, Surian Residences, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor.	Malaysian
Choong Mun Kit	48	Independent Non-Executive Director	No. 108, Jalan First Garden Satu, Taman Pertama, 30100 Ipoh, Perak.	Malaysian
Mejar Dato' Ismail Bin Ahmad	74	Independent Non-Executive Director	No. 2, Jalan Kapur 3/3, Seksyen 3, 40000 Shah Alam, Selangor.	Malaysian
Kang Teik Yih	48	Independent Non-Executive Director	No. 51, Jalan P11 A1/12, Presint 11, 62300 Putrajaya, Wilayah Persekutuan Putrajaya.	Malaysian
Ong Poh Lin Abdullah	36	Independent Non-Executive Director	18-12, 231 TR, Jalan Tun Razak, 50400 Kuala Lumpur.	Malaysian

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INFORMATION ON OUR GROUP (CONT'D)

3. DIRECTORS' SHAREHOLDINGS

Save as disclosed below, none of our Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue on the shareholdings of our Directors based on the Register of Directors' Shareholdings as at LPD are as follows:

Minimum Scenario

Name	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mak Siew Wei	23,914,472	24.51	-	-	23,914,472	14.94	-	-
Choong Mun Kit	10,000	0.01	-	-	18,760,000	11.72	-	-

Name	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Mak Siew Wei	23,914,472	11.86	-	-
Choong Mun Kit	31,260,000	15.50	-	-

Maximum Scenario

Name	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mak Siew Wei	23,914,472	24.51	-	-	95,657,888	24.51	-	-
Choong Mun Kit	10,000	0.01	-	-	40,000	0.01	-	-

Name	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Mak Siew Wei	143,486,832	24.51	-	-
Choong Mun Kit	60,000	0.01	-	-

INFORMATION ON OUR GROUP (CONT'D)

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue on the substantial shareholders' shareholdings in our Company based on the Register of the Substantial Shareholders as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mak Siew Wei	23,914,472	24.51	-	-	23,914,472	14.94	-	-
CG Assets Pte Ltd	15,792,940	16.19	-	-	15,792,940	9.87	-	-
Datuk Chong Loong Men	7,632,396	7.82	-	-	45,132,396	28.20	-	-
Ang Huat Keat	-	-	15,792,940 ⁽¹⁾	16.19	-	-	15,792,940 ⁽¹⁾	9.87
Ngai Yoon Fatt	-	-	15,792,940 ⁽¹⁾	16.19	-	-	15,792,940 ⁽¹⁾	9.87
Choong Mun Kit ⁽²⁾	10,000	0.01	-	-	18,760,000	11.72	-	-
H'ng Bok Chuan	8,868,333	9.09	-	-	8,868,333	5.54	-	-
Underwriter	-	-	-	-	6,250,000	3.90	-	-

Name	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Mak Siew Wei	23,914,472	11.86	-	-
CG Assets Pte Ltd	15,792,940	7.83	-	-
Datuk Chong Loong Men	70,132,396	34.77	-	-
Ang Huat Keat	-	-	15,792,940 ⁽¹⁾	7.83
Ngai Yoon Fatt	-	-	15,792,940 ⁽¹⁾	7.83
Choong Mun Kit ⁽²⁾	31,260,000	15.50	-	-
H'ng Bok Chuan	8,868,333	4.40	-	-
Underwriter	10,416,666	5.16	-	-

Notes:

(1) Deemed interest by virtue of their interest in CG Assets Pte Ltd pursuant to Section 8 of the Act.

(2) Not a substantial shareholder of AIM as at the LPD.

INFORMATION ON OUR GROUP (CONT'D)

Maximum Scenario

Name	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mak Siew Wei	23,914,472	24.51	-	-	95,657,888	24.51	-	-
CG Assets Pte Ltd	15,792,940	16.19	-	-	63,171,760	16.19	-	-
Datuk Chong Loong Men	7,632,396	7.82	-	-	30,529,584	7.82	-	-
Ang Huat Keat	-	-	15,792,940 ⁽¹⁾	16.19	-	-	63,171,760 ⁽¹⁾	16.19
Ngai Yoon Fatt	-	-	15,792,940 ⁽¹⁾	16.19	-	-	63,171,760 ⁽¹⁾	16.19
Choong Mun Kit ⁽²⁾	10,000	0.01	-	-	40,000	0.01	-	-
H'ng Bok Chuan	8,868,333	9.09	-	-	35,473,333	9.09	-	-

Name	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Mak Siew Wei	143,486,832	24.51	-	-
CG Assets Pte Ltd	94,757,640	16.19	-	-
Datuk Chong Loong Men	45,794,376	7.82	-	-
Ang Huat Keat	-	-	94,757,640 ⁽¹⁾	16.19
Ngai Yoon Fatt	-	-	94,757,640 ⁽¹⁾	16.19
Choong Mun Kit ⁽²⁾	60,000	0.01	-	-
H'ng Bok Chuan	53,210,000	9.09	-	-

Notes:

- (1) Deemed interest by virtue of their interest in CG Assets Pte Ltd pursuant to Section 8 of the Act.
(2) Not a substantial shareholder of AIM as at the LPD.

INFORMATION ON OUR GROUP (CONT'D)**5. HISTORICAL FINANCIAL PERFORMANCE OF OUR GROUP**

The summary of key financial information of our Group for the audited FYE 31 December 2020 to 31 December 2022 as well as the unaudited 9M-FPEs 30 September 2022 and 30 September 2023 are as follows:

(i) Historical financial performance

	(Audited)			(Unaudited)	
	FYE 31 December 2020 (RM'000)	FYE 31 December 2021 (RM'000)	FYE 31 December 2022 (RM'000)	9M-FPE 30 September 2022 (RM'000)	9M-FPE 30 September 2023 (RM'000)
Revenue	10,851	7,752	3,438	3,672	2,612
Gross profit	1,043	953	362	934	301
Other income	454	168	74	183	124
Administrative expenses	(5,098)	(6,173)	(4,644)	(3,513)	(3,354)
Distribution costs	(98)	(36)	(34)	(8)	(73)
Other expenses	(22)	(8)	(43)	(23)	(4)
Finance costs	(100)	(91)	(149)	(120)	(89)
LBT	(3,821)	(5,187)	(4,434)	(2,547)	(3,095)
Taxation	26	25	(9)	-	-
LAT	(3,795)	(5,162)	(4,443)	(2,547)	(3,095)
No. of Shares in issue (excluding treasury shares) ('000)	241,968	266,059	266,059	266,059	97,554
Weighted average no. of Shares (excluding treasury shares) ('000)	241,968	266,059	266,059	266,059	97,554
LPS (sen) ⁽¹⁾	(1.57)	(1.94)	(1.67)	(0.96)	(3.17)
Gross profit margin (%)	9.61	12.29	10.53	25.44	11.52
LBT margin (%)	(35.21)	(66.91)	(128.97)	(69.36)	(118.49)
LAT margin (%)	(34.97)	(66.59)	(129.23)	(69.36)	(118.49)

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INFORMATION ON OUR GROUP (CONT'D)

(ii) Historical financial position

	(Audited)			(Unaudited)
	As at 31 December 2020 (RM'000)	As at 31 December 2021 (RM'000)	As at 31 December 2022 (RM'000)	As at 30 September 2023 (RM'000)
Total non-current assets	15,505	9,516	10,234	10,388
Total current assets	6,810	6,224	1,138	1,245
Total assets	22,315	15,740	11,372	11,633
Share capital	28,052	28,052	28,052	30,098
Treasury shares	(4,058)	-	-	-
Reserves	(4,427)	(15,525)	(19,347)	(22,244)
Shareholders' funds / NA / Total equity	19,567	12,527	8,705	7,854
Total non-current liabilities	1,851	1,749	1,861	1,855
Total current liabilities	897	1,464	806	1,924
Total liabilities	2,748	3,213	2,667	3,779
Total equity and liabilities	22,315	15,740	11,372	11,633
NA per Share (sen) ⁽²⁾	8.09	4.71	3.27	8.05

(iii) Historical cash flows

	(Audited)			(Unaudited)
	FYE 31 December 2020 (RM'000)	FYE 31 December 2021 (RM'000)	FYE 31 December 2022 (RM'000)	9M-FPE 30 September 2023 (RM'000)
Net cash used in operating activities	(3,678)	(3,065)	(3,584)	(2,336)
Net cash from investing activities	2,484	98	2,104	21
Net cash (used in) / from financing activities	(86)	4,202	(691)	1,952
Net (decrease) / increase in cash and cash equivalents	(1,280)	1,235	(2,171)	(363)
Cash and cash equivalents at the beginning of financial year/period	2,893	1,459	2,765	567
Effect of exchange translation differences on cash and cash equivalents	(154)	71	(27)	(169)
Cash and cash equivalents at the end of financial year/period	1,459	2,765	567	35

Notes:

- (1) Computed based on the LAT divided by the weighted average number of Shares in issue (excluding treasury shares).
- (2) Computed based on the NA divided by the number of Shares in issue (excluding treasury shares).

INFORMATION ON OUR GROUP (CONT'D)**Commentaries:****(a) 9M-FPE 30 September 2023 vs 9M-FPE 30 September 2022**

Our Group recorded revenue of RM2.61 million in 9M-FPE 30 September 2023, representing a decrease by RM1.06 million or 28.87% as compared to the revenue recorded at RM3.67 million in the 9M-FPE 30 September 2022 mainly due to the decrease in revenue of the MCLS segment attributable from Indonesia market by RM1.97 million or 60.78% to RM1.27 million in 9M-FPE 30 September 2023 (9M-FPE 30 September 2022: RM3.25 million) as a result of the change in management team in Indonesia (whereby a new General Manager was appointed in July 2022 to lead the operations in Indonesia) which disrupted the business process and led to the absence of projects sales.

In line with the decrease in revenue, our Group recorded a higher LAT of RM3.10 million in 9M-FPE 30 September 2023 (9M-FPE 30 September 2022: LAT of RM2.55 million), representing an increase of LAT of RM0.55 million or 21.52%. The increase in LAT was mainly due to higher operating loss of RM3.01 million in 9M-FPE 30 September 2023 (9M-FPE 30 September 2022: RM2.43 million) as a result of lower revenue as explained above.

Our Group recorded a net cash used in operating activities for 9M-FPE 30 September 2023 of RM2.34 million mainly due to the LBT of RM3.10 million and increase in receivables of RM0.59 million as well as increase in inventories of RM0.01 million. Our Group recorded a decrease in net cash and cash equivalents of RM0.36 million as at 30 September 2023.

(b) FYE 31 December 2022 vs FYE 31 December 2021

Our Group recorded revenue of RM3.44 million in FYE 31 December 2022, representing a decrease by RM4.31 million or 55.61% as compared to the revenue recorded at RM7.75 million in the FYE 31 December 2021 mainly due to:

- (i) the decrease in revenue of the MCLS segment attributable from Malaysia market by RM0.47 million or 43.12% to RM0.62 million in FYE 31 December 2022 (FYE 31 December 2021: RM1.09 million) as a result of decrease in sales orders and revision of sales prices by our Group to maintain competitiveness in the strong market competition environment; and
- (ii) the decrease in revenue of MCLS segment attributable from Indonesia by RM3.84 million or 57.66% to RM2.82 million in FYE 31 December 2022 (FYE 31 December 2021: RM6.66 million) was mainly due to disruption in our business operations of PT CLS System, a wholly-owned subsidiary of our Company arising from mismanagement, as announced by our Company on 15 December 2021. In this regard, our Group had on 20 May 2021 undertaken legal action against the perpetrators* and appointed a new general manager in July 2022 to oversee the business operations in Indonesia.

Note:

* Pursuant to the court sessions at the District Court of West Jakarta held on 17 May 2022 and 28 September 2022, the perpetrators, namely Fajar Nurzaman and Jejen Zainudin Ali, have been sentenced to 2 years and 6 months of imprisonment and 1 year and 6 months of imprisonment respectively.

Our Group recorded a lower LAT of RM4.44 million (FYE 31 December 2021: LAT of RM5.16 million), representing a decrease of LAT of RM0.72 million or 13.95%. The decrease in LAT was mainly due to lower administrative expenses by RM1.53 million or 24.80% to RM4.64 million (FYE 31 December 2021: RM6.17 million) due to lower professional fees by RM1.23 million to RM0.02 million (FYE 31 December 2021: RM1.25 million) incurred by our Group in relation to legal suits brought by or against our Group as announced by our Company on 14 September 2021 and 2 June 2021, the proceedings of which have been discontinued or concluded in November 2021 and January 2022 respectively.

INFORMATION ON OUR GROUP (CONT'D)

Our Group recorded a net cash used in operating activities for FYE 31 December 2022 of RM3.58 million mainly due to the LBT of RM4.43 million and increase in inventories of RM0.13 million as well as interest paid of RM0.15 million. Our Group recorded a decrease in net cash and cash equivalents of RM2.17 million as at 31 December 2022.

(c) FYE 31 December 2021 vs FYE 31 December 2020

Our Group recorded revenue of RM7.75 million in FYE 31 December 2021 (FYE 31 December 2020: RM10.85 million), representing a decrease of RM3.10 million or 28.57% due to the decrease in customers and customers' orders from Indonesia for the MCLS business as a result of strong competition from other industry player.

In line with the decreased revenue, our Group recorded a higher LAT of RM5.16 million (FYE 31 December 2020: LAT of RM3.80 million), representing an increase of LAT of RM1.36 million or 36.02% mainly due to higher other operating expenses representing an increase of RM0.77 million or 163.83% to RM1.24 million (FYE 31 December 2020: RM0.47 million) arising from legal fees incurred by our Group in relation to legal suits brought by or against our Group as announced by our Company on 14 September 2021 and 2 June 2021, the proceedings of which have been discontinued or concluded in November 2021 and January 2022 respectively.

Our Group recorded a net cash used in operating activities for FYE 31 December 2021 of RM3.07 million mainly due to the LBT of 5.19 million and decrease in payables of RM0.10 million as well as the interest paid of RM0.09 million. Our Group recorded an increase in net cash and cash equivalents of RM1.24 million as at 31 December 2021.

(d) FYE 31 December 2020 vs FYE 31 December 2019

Our Group recorded revenue of RM10.85 million in FYE 31 December 2020 (FYE 31 December 2019: RM4.94 million), representing an increase of RM5.91 million or 119.64% due to the increase in customer orders from our Group's major clients for its MCLS business as a result of points redemption fulfilment as a new service being provided and our Group's Indonesia's business operation being able to secure more businesses and new corporate clients for e-vouchers services under MCLS segment.

In line with the increased revenue, our Group recorded a lower LAT of RM3.80 million (FYE 31 December 2019: LAT of RM4.08 million), representing a decrease of LAT of RM0.28 million or 6.86% mainly due to increase in gross profit in our Group's business operations as a result of increase in revenue and effective cost management measures adopted by our Group.

Our Group recorded a net cash used in operating activities for FYE 31 December 2020 of RM3.68 million mainly due to the LBT of RM3.82 million and increase in receivables of RM1.03 million as well as the interest paid in RM1.00 million. Our Group recorded a decrease in net cash and cash equivalents of RM1.28 million as at 31 December 2020.

6. OPTION TO SUBSCRIBE FOR SHARES

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

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INFORMATION ON OUR GROUP (CONT'D)**7. HISTORICAL SHARE PRICES**

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

	Highest (RM)	Lowest (RM)
<u>2022</u>		
November	0.175	0.075
December	0.110	0.075
<u>2023</u>		
January	0.085	0.070
February	0.105	0.075
March	0.300 ⁽¹⁾	0.065
April	0.245 ⁽¹⁾	0.180 ⁽¹⁾
May	0.215 ⁽¹⁾	0.150 ⁽¹⁾
June	0.250 ⁽¹⁾	0.175 ⁽¹⁾
July	0.230 ⁽¹⁾	0.180 ⁽¹⁾
August	0.215 ⁽¹⁾	0.175 ⁽¹⁾
September	0.210 ⁽¹⁾	0.180 ⁽¹⁾
October	0.200 ⁽¹⁾	0.170 ⁽¹⁾

Note:

(1) After the Share Consolidation which was completed on 20 March 2023.

The last transacted market price of AIM Shares on 17 November 2022 (being the last trading date prior to the announcement of the Corporate Exercises) was RM0.11.

The last transacted market price of AIM Shares on the LPD was RM0.170.

The last transacted market price of AIM Shares on 27 November 2023 (being the last trading date prior to the ex-date for the Rights Issue) was RM0.175.

(Source: Bloomberg Finance L.P.)

8. MATERIAL CONTRACTS

As at the LPD, save for the Deed Poll, the Franchise Agreement and the following sub-let agreement, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the past 2 years immediately preceding the date of this AP:

- (i) On 11 October 2022, AMS and Mediconstant Pharmacy (Ampang) Sdn Bhd (“MPA”), a wholly-owned subsidiary of MHSB had entered into a sub-let agreement (“**Sub-Let Agreement**”) in which MPA has agreed to sub-let and AMS has agreed to take the sub-tenancy of the premises at the ground floor of 6 (Ground Floor) Jalan Astaka 1 C/KU2, Bandar Bukit Raja, 41050 Klang, Selangor for a period of two years commencing from 1 October 2022 until 30 September 2024 with a monthly rental of RM6,500.00 which shall be paid by way of cash/ cheque deposit or online transfer to the bank account of MPA subject to the terms and conditions in the Sub-Let Agreement.

INFORMATION ON OUR GROUP (CONT'D)**9. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

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

(i) Originating summons by our Company under suit no. WA-22NCC-279-05/2023

Our Company had, on 18 May 2023, filed an originating summons at Kuala Lumpur High Court against a former executive director of our Company, Chean Meng Hee ("**Chean**") for the following reliefs:

- (a) a declaration that Chean has breached his fiduciary duties, duty of care and statutory duties to our Company;
- (b) a declaration that Chean has breached the terms of the directors' circular resolution dated 1 October 2021 ("**DCR**");
- (c) special damages of RM2,597,665.71;
- (d) interest at 5% per annum on RM2,597,665.71 from the judgment date to the date of full payment;
- (e) an order that Chean to indemnify our Company against any and/or all liability, costs and damages in respect of the breach of the Listing Requirements, if any;
- (f) general damages to be assessed by the court;
- (g) interest;
- (h) the cost of the originating summons application and all subsequent and incidental costs shall be paid by Chean to our Company; and
- (i) any further or other reliefs which is deemed just and expedient by the court.

Pursuant to the DCR, the board of directors of our Company has resolved:

- (a) to give approval for our Company to resell or transfer the treasury shares of our Company at:
 - (i) a price which is not less than the weighted average market price for the 5 market days immediately before the resale/ transfer; or
 - (ii) a discounted price of not more than 5% to the weighted average market price for the Shares for the 5 market days immediately before the resale/transfer provided that the resale/transfer does not take place earlier than 30 days from the date of purchase and the resale/transfer price is not less than the cost of purchase of the Shares;
- (b) to give authority to Chean as the executive director of our Company at that material time to, amongst others, give orders or instructions for the purchase or sale of securities in all transactions including to manage and handle the sale of the treasury shares of our Company.

INFORMATION ON OUR GROUP (CONT'D)

The originating summons was filed on the grounds that Chean has, amongst others:

- (a) failed or neglected or refused to comply with the terms of the DCR wherein the treasury shares of our Company were sold at a price significantly lower than the minimum price as provided by the terms set out in the DCR; and/or
- (b) failed or neglected or refused to ensure that all reasonable steps or actions were taken to examine or make inquiries in respect of the weighted average market price prior to his instructions for the sale of the said treasury shares.

The hearing of the originating summons has been fixed on 6 February 2024. The solicitors in charge are of the opinion that our Company has a fair chance of obtaining a favourable court decision in light of the documents presented.

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ADDITIONAL INFORMATION

1. CONSENTS

The Principal Adviser and Underwriter, Company Secretaries, Due Diligence Solicitors for the Rights Issue, Reporting Accountants, Independent Market Researcher, Share Registrar and Bloomberg have each given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Company's Registered Office at 1-10, Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Perai, Pulau Pinang, during normal business hours from Monday to Friday (excluding public holidays) for the period of at least 6 months from the date of this AP:

- (i) our Constitution;
- (ii) the IMR Report;
- (iii) the Undertakings;
- (iv) the Deed Poll;
- (v) the material contracts as referred to in **Section 8 of Appendix I** of this AP;
- (vi) the relevant cause papers as referred to in **Section 9 of Appendix I** of this AP; and
- (vii) the letters of consent as referred to in **Section 1** of this Appendix.

3. RESPONSIBILITY STATEMENT

Our Board has seen and approved this AP together with its accompanying documents and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

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

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