

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

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

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Boardroom.com Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia (Tel: +603 7890 0638).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 21 June 2021 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 21 June 2021. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants A, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants A or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

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

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 25 May 2021. Approval has been obtained from Bursa Securities via its letter dated 23 April 2021 for the admission of the Warrants A to the Official List as well as the listing and quotation of the Rights Shares, Warrants A and the new Shares to be issued upon exercise of the Warrants A on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the Rights Shares and Warrants A allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue with Warrants and are not to be taken as an indication of the merits of the Rights Issue with Warrants.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



PASUKHAS GROUP BERHAD

Registration No. 200501009342 (686389-A)

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

RENOUNCEABLE RIGHTS ISSUE OF UP TO 992,394,438 NEW ORDINARY SHARES IN PASUKHAS GROUP BERHAD ("PASUKHAS") ("PASUKHAS SHARES" OR "SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE TOGETHER WITH UP TO 578,896,755 FREE DETACHABLE WARRANTS IN PASUKHAS ("WARRANTS A") ON THE BASIS OF 12 RIGHTS SHARES TOGETHER WITH 7 FREE WARRANTS A FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 21 JUNE 2021

Principal Adviser



MERCURY SECURITIES SDN BHD

Registration No. 198401000672 (113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Monday, 21 June 2021 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Allotments	: Monday, 28 June 2021 at 5.00 p.m.
Transfer of Provisional Allotments	: Wednesday, 30 June 2021 at 4.30 p.m.
Acceptance and payment	: Tuesday, 6 July 2021 at 5.00 p.m.
Excess Rights Shares with Warrants A Application and payment	: Tuesday, 6 July 2021 at 5.00 p.m.

This Abridged Prospectus is dated 21 June 2021

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

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

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

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

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

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

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

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

DEFINITIONS

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

Abridged Prospectus	- This abridged prospectus dated 21 June 2021 in relation to the Rights Issue with Warrants
Act	- Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
Bloomberg	- Bloomberg Finance Singapore L.P. and its affiliates
BNM	- Bank Negara Malaysia
Board	- Board of Directors of the Company
Bursa Depository	- Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	- Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
CDS	- Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	- Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
Circular	- Circular to Shareholders in relation to the Corporate Exercises dated 30 April 2021
Closing Date	- 6 July 2021 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants A
CMSA	- Capital Markets and Services Act, 2007 of Malaysia as amended from time to time and any re-enactment thereof
Code	- Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time
Consolidated Shares	- New Shares after the Share Consolidation
Corporate Exercises	- Collectively, the Share Consolidation and the Rights Issue with Warrants
COVID-19	- Coronavirus disease 2019
DBKL	- Dewan Bandaraya Kuala Lumpur
Deed Poll A	- Deed poll constituting the Warrants A dated 3 June 2021
Directors	- Directors of the Company
e-RSF	- Electronic RSF
e-Subscription	- Electronic subscription

DEFINITIONS (CONT'D)

EGM	- Extraordinary general meeting of the Company
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date in order to be entitled to the Rights Issue with Warrants
Entitlement Date	- 21 June 2021, at the close of business at 5.00 p.m., being the date and time on which the names of Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue with Warrants
EPS	- Earnings per Share
ESOS	- Existing employees' share option scheme of the Company which took effect on 18 December 2020 for a period of 5 years with the option to extend the duration of the scheme for up to a further period of 5 years
ESOS Options	- Options granted and/or which may be granted under the ESOS pursuant to the by-laws governing the ESOS, where each holder of the ESOS Options can subscribe for 1 new Share for every 1 ESOS Option held
Excess Rights Shares with Warrants A	- Rights Shares with Warrants A which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) by the Closing Date
Excess Rights Shares with Warrants A Application	- Application for additional Rights Shares with Warrants A in excess of the Provisional Allotments by the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable)
Exercise Period	- Any time within a period of 3 years commencing from and including the date of issue of the Warrants A to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issue of the Warrants A. Any Warrants A not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	- RM0.10, being the price at which 1 Warrant A is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll A
Factory Project	- Project to design, build and deliver a turnkey glove-manufacturing factory located at Lot 304994, Jalan Chepor 11/8, Kawasan Perusahaan Seramik Chepor, 31200 Mukim Hulu Kinta, Daerah Kinta, Perak
Foreign-Addressed Shareholders	- Shareholders who have not provided to the Company a registered address or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants
FYE	- Financial year ended / ending, as the case may be
Government	- Government of Malaysia
GP	- Gross profit

DEFINITIONS (CONT'D)

JVA	-	Joint venture agreement dated 9 June 2017, entered into between PDSB and Yayasan for the development of Yayasan Project
LAT	-	Loss after taxation
LBT	-	Loss before taxation
Listing Requirements	-	ACE Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	-	25 May 2021, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	-	Loss per Share
LTD	-	2 June 2021, being the last trading day prior to the date of fixing the issue price of the Rights Shares and Exercise Price
M&E	-	Mechanical and electrical
Market Day	-	Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	-	Assuming that all of the Entitled Shareholders and/or their transferee(s) fully subscribe for their respective entitlements under the Rights Issue with Warrants
MCO	-	Movement control order issued by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
Mercury Securities or the Principal Adviser	-	Mercury Securities Sdn Bhd [Registration No. 198401000672 (113193-W)]
Minimum Scenario	-	Assuming that the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
Minimum Subscription Level	-	Minimum subscription level of 100,000,000 Rights Shares together with 58,333,333 Warrants A based on an issue price of RM0.10 per Rights Share to arrive at RM10.00 million
NA	-	Net assets
NPA	-	Notice of provisional allotment in relation to the Rights Issue with Warrants
Official List	-	A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities and not removed
Pasukhas or the Company	-	Pasukhas Group Berhad [Registration No. 200501009342 (686389-A)]
Pasukhas Group or the Group	-	Collectively, Pasukhas and its subsidiaries
Pasukhas Shares or Shares	-	Ordinary shares in the Company
PAT	-	Profit after taxation

DEFINITIONS (CONT'D)

PBT	- Profit before taxation
PDSB	- Pasukhas Development Sdn Bhd [Registration No. 201701009336 (1223501-V)], a wholly-owned subsidiary of the Company
Private Placement December 2020	- Private placement exercise of 268,757,000 Shares, which was completed on 4 December 2020
Private Placement September 2020	- Private placement exercise of 81,441,000 Shares, which was completed on 18 September 2020
Provisional Allotments	- The Rights Shares with Warrants A provisionally allotted to Entitled Shareholders
PSB	- Pasukhas Sdn Bhd [Registration No. 198501012675 (145130-U)], a wholly-owned subsidiary of the Company
Record of Depositors	- A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue with Warrants	- Renounceable rights issue of up to 992,394,438 Rights Shares together with up to 578,896,755 free detachable Warrants A on the basis of 12 Rights Shares together with 7 free Warrants A for every 2 existing Shares held by the Entitled Shareholders on the Rights Entitlement Date
Rights Shares	- Up to 992,394,438 new Shares to be allotted and issued pursuant to the Rights Issue with Warrants
RM and sen	- Ringgit Malaysia and sen respectively
RSF	- Rights subscription form in relation to the Rights Issue with Warrants
Rules of Bursa Depository	- Rules of Bursa Depository as issued pursuant to the SICDA as amended from time to time
Rules	- Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	- Securities Commission Malaysia
Share Consolidation	- Consolidation of every 10 Shares into 1 Consolidated Share, which was completed on 11 June 2021
Share Registrar	- Boardroom.com Sdn Bhd [Registration No. 200801019600 (820910-X)]
Shareholders	- Registered holders of the Shares
SICDA	- Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time and any re-enactment thereof
TEAP	- Theoretical ex-all price

DEFINITIONS (CONT'D)

Undertakings	- Written undertakings from the Undertaking Shareholders dated 17 March 2021 pursuant to which the Undertaking Shareholders have irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for their entitlement of Rights Shares and additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by the Company arising from the subscription by all Entitled Shareholders and/or their renouncee(s) (including the Undertaking Shareholders, if necessary) amount to not less than RM10.00 million, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholders	- Collectively, Wan Thean Hoe (Executive Director cum Chief Executive Officer of Pasukhas) and Mak Siew Wei (Executive Director of Pasukhas)
VWAP	- Volume-weighted average market price
Warrants A	- Up to 578,896,755 free detachable warrants in the Company to be allotted and issued pursuant to the Rights Issue with Warrants
Warrant A Holders	- Holders of the Warrants A
Yayasan	- Yayasan Veteran ATM [Registration No. 199801008052 (464179-T)]
Yayasan Project	- A mixed commercial development project comprising service apartment units, commercial offices, commercial centres and facilities together with carpark lots on a piece of leasehold land (expiring on 29 August 2116) measuring approximately 5,142 square metres held under HSD 120426, located on Lot 20008 (PT 64), Jalan 1/65A, Off Jalan Tun Razak, Seksyen 87A, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

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

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

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

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

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

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

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ADVISERS' DIRECTORY

- COMPANY SECRETARY** : Tan Tong Lang (MAICSA 7045482) (SSM PC NO.: 201908002253)
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor
Tel : +603 – 7890 0638
Fax : +603 – 7890 1032
- PRINCIPAL ADVISER** : Mercury Securities Sdn Bhd
L-7-2, No. 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 6203 7227
Fax : +603 - 6203 7117
- SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS** : Messrs. Chong + Kheng Hoe
Advocates & Solicitors
A3-3-6, Block A3
Solaris Dutamas
1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 6205 3928
- SHARE REGISTRAR** : Boardroom.com Sdn Bhd
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor Darul Ehsan
Tel : +603 - 7890 0638
Fax : +603 - 7890 1032
- REPORTING ACCOUNTANTS** : Crowe Malaysia PLT (201906000005 & AF 1018)
Level 16, Tower C
Megan Avenue 2
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 2788 9999
Fax : +603 - 2788 9898
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

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

Key information	Summary																															
(i) Number of Rights Shares to be issued and basis of allotment	<p>Basis: 12 Rights Shares together with 7 free Warrants A for every 2 existing Shares held by the Entitled Shareholders. Please refer to Section 2.1 of this Abridged Prospectus for further information.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Minimum Scenario</th> <th style="width: 20%; text-align: center;">Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Number of Rights Shares to be issued</td> <td style="text-align: center;">100,000,000</td> <td style="text-align: center;">992,394,438</td> </tr> <tr> <td>Number of Warrants A attached</td> <td style="text-align: center;">58,333,333</td> <td style="text-align: center;">578,896,755</td> </tr> </tbody> </table> <p>The Rights Shares with Warrants A which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants A Applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants A, if any, in a fair and equitable manner in the following priority:-</p> <ol style="list-style-type: none"> (i) firstly, to minimise the incidence of odd lots; (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants A, taking into consideration their respective shareholdings in the Company as at the Entitlement Date; (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants A, taking into consideration the quantum of their respective Excess Rights Shares with Warrants A Applications; and (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess Rights Shares with Warrants A, taking into consideration the quantum of their respective Excess Rights Shares with Warrants A Applications. <p>The Excess Rights Shares with Warrants A will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants A. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants A 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 A are allotted. Please refer to Section 10.7 of this Abridged Prospectus for further information.</p>		Minimum Scenario	Maximum Scenario	Number of Rights Shares to be issued	100,000,000	992,394,438	Number of Warrants A attached	58,333,333	578,896,755																						
	Minimum Scenario	Maximum Scenario																														
Number of Rights Shares to be issued	100,000,000	992,394,438																														
Number of Warrants A attached	58,333,333	578,896,755																														
(ii) Price of the Rights Shares	<p>Issue price of the Rights Shares : RM0.10 per Rights Share Exercise Price for the Warrants A : RM0.10 per Warrant A (payable for every 1 new Share)</p> <p>Please refer to Section 2.2 of this Abridged Prospectus for further information.</p>																															
(iii) Undertakings	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 40%;">Undertaking Shareholders and undertaking amount</td> <td style="width: 60%;"> <ul style="list-style-type: none"> ▪ Wan Thean Hoe (Executive Director cum Chief Executive Officer of Pasukhas): RM5.0 million ▪ Mak Siew Wei (Executive Director of Pasukhas): RM5.0 million </td> </tr> <tr> <td>Minimum Rights Shares to be subscribed for pursuant to the Undertakings</td> <td>100,000,000 Rights Shares (representing 10.08% of the total number of 992,394,438 Rights Shares available for subscription under the Maximum Scenario)</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Undertaking Shareholders</th> <th colspan="2" style="text-align: center;">As at the LPD</th> <th colspan="2" style="text-align: center;">After the Share Consolidation</th> <th colspan="2" style="text-align: center;">Minimum Scenario</th> </tr> <tr> <th style="text-align: center;">No. of Shares</th> <th style="text-align: center;">%</th> <th style="text-align: center;">No. of Shares</th> <th style="text-align: center;">%</th> <th style="text-align: center;">No. of Shares</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Wan Thean Hoe</td> <td style="text-align: center;">100,000</td> <td style="text-align: center;">0.01</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">0.01</td> <td style="text-align: center;">50,010,000</td> <td style="text-align: center;">18.84</td> </tr> <tr> <td>Mak Siew Wei</td> <td style="text-align: center;">100,000</td> <td style="text-align: center;">0.01</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">0.01</td> <td style="text-align: center;">50,010,000</td> <td style="text-align: center;">18.84</td> </tr> </tbody> </table> <p>For avoidance of doubt, the Undertaking Shareholders are not obliged to subscribe for the Rights Shares pursuant to the Undertakings if the Minimum Subscription Level has been achieved via subscription by all other Entitled Shareholders and/or their renounees. However, while the Undertaking Shareholders are not obliged to subscribe for the Rights Shares in such event, the Undertaking Shareholders may still choose to do so at their own discretion.</p> <p>Please refer to Section 3 of this Abridged Prospectus for further information.</p>	Undertaking Shareholders and undertaking amount	<ul style="list-style-type: none"> ▪ Wan Thean Hoe (Executive Director cum Chief Executive Officer of Pasukhas): RM5.0 million ▪ Mak Siew Wei (Executive Director of Pasukhas): RM5.0 million 	Minimum Rights Shares to be subscribed for pursuant to the Undertakings	100,000,000 Rights Shares (representing 10.08% of the total number of 992,394,438 Rights Shares available for subscription under the Maximum Scenario)	Undertaking Shareholders	As at the LPD		After the Share Consolidation		Minimum Scenario		No. of Shares	%	No. of Shares	%	No. of Shares	%	Wan Thean Hoe	100,000	0.01	10,000	0.01	50,010,000	18.84	Mak Siew Wei	100,000	0.01	10,000	0.01	50,010,000	18.84
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SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)

Key information	Summary																																		
(iv) Rationale of the Rights Issue with Warrants	<p>(a) To raise funds for the development of Yayasan Project.</p> <p>(b) To raise funds for the financing of the Factory Project.</p> <p>(c) To raise funds without incurring additional interest expense from borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.</p> <p>(d) The free Warrants A will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at the Exercise Price during the tenure of the Warrants A and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants A are exercised.</p> <p>Please refer to Section 4 of this Abridged Prospectus for further information.</p>																																		
(v) Utilisation of proceeds	<p>The gross proceeds to be raised from the Rights Issue with Warrants are intended to be utilised in the following manner:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #d3d3d3;">Utilisation of proceeds</th> <th rowspan="2" style="background-color: #d3d3d3;">Intended timeframe for utilisation from completion of the Rights Issue with Warrants</th> <th colspan="2" style="background-color: #d3d3d3;">Minimum Scenario</th> <th colspan="2" style="background-color: #d3d3d3;">Maximum Scenario</th> </tr> <tr> <th style="background-color: #d3d3d3;">RM'000</th> <th style="background-color: #d3d3d3;">%</th> <th style="background-color: #d3d3d3;">RM'000</th> <th style="background-color: #d3d3d3;">%</th> </tr> </thead> <tbody> <tr> <td>(i) Development of Yayasan Project</td> <td>Within 24 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">66,723</td> <td style="text-align: right;">67.2</td> </tr> <tr> <td>(ii) Financing of the Factory Project</td> <td>Within 12 months</td> <td style="text-align: right;">9,300</td> <td style="text-align: right;">93.0</td> <td style="text-align: right;">31,816</td> <td style="text-align: right;">32.1</td> </tr> <tr> <td>(iii) Estimated expenses for the Corporate Exercises</td> <td>Immediate</td> <td style="text-align: right;">700</td> <td style="text-align: right;">7.0</td> <td style="text-align: right;">700</td> <td style="text-align: right;">0.7</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">100.0</td> <td style="text-align: right;">99,239</td> <td style="text-align: right;">100.0</td> </tr> </tbody> </table> <p>Please refer to Section 5 of this Abridged Prospectus for further information.</p>	Utilisation of proceeds	Intended timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		Maximum Scenario		RM'000	%	RM'000	%	(i) Development of Yayasan Project	Within 24 months	-	-	66,723	67.2	(ii) Financing of the Factory Project	Within 12 months	9,300	93.0	31,816	32.1	(iii) Estimated expenses for the Corporate Exercises	Immediate	700	7.0	700	0.7	Total		10,000	100.0	99,239	100.0
Utilisation of proceeds	Intended timeframe for utilisation from completion of the Rights Issue with Warrants			Minimum Scenario		Maximum Scenario																													
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Total		10,000	100.0	99,239	100.0																														
(vi) Risk factors	<p>You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-</p> <p>(a) there is no assurance that the Group's future plans will successfully turnaround the Group's financial performance. The failure of the Rights Issue with Warrants will also postpone or limit the Group's ability to carry out its future plans;</p> <p>(b) the Group's property development business is subject to delay or non-completion of its property development / construction projects which may expose the Group to cost overruns and/or potential claims. This in turn may impact the Group's financial performance;</p> <p>(c) the Group's operations were affected due to the MCO imposed since 2020. Any significant deterioration in the state of the COVID-19 pandemic may lead to further stringent lockdowns which may impact the financial performance of the Group;</p> <p>(d) the Group is dependent on key personnel, skilled labour and subcontractors particularly in its property development business;</p> <p>(e) the Group's businesses in property development and switchboard manufacturing are subject to competition risk; and</p> <p>(f) the Group's renewable energy segment may be disrupted by operator or equipment failure, unanticipated maintenance needs, regulatory limitations and devastating natural events.</p> <p>Please refer to Section 6 of this Abridged Prospectus for further information.</p>																																		
(vii) Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with Warrants A may be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein or by way of electronic submission of RSF via e-Subscription at https://www.registrar-boardroom.com.my.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants A is on Tuesday, 6 July 2021 at 5.00 p.m.</p> <p>Please refer to Section 10 of this Abridged Prospectus for further information.</p>																																		



PASUKHAS GROUP BERHAD

Registration No. 200501009342 (686389-A)

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

Registered Office

Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor, Malaysia

21 June 2021

Board of Directors:-

Mejar Dato' Ismail Bin Ahmad (Independent Non-Executive Chairman)
Wan Thean Hoe (Executive Director cum Chief Executive Officer)
Mak Siew Wei (Executive Director)
Tang Boon Koon (Executive Director)
Teoh Kim Hooi (Independent Non-Executive Director)
Yap Chee Keong (Independent Non-Executive Director)
Dato' Nik Ismail Bin Dato' Nik Yusoff (Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 992,394,438 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE TOGETHER WITH UP TO 578,896,755 FREE DETACHABLE WARRANTS A ON THE BASIS OF 12 RIGHTS SHARES TOGETHER WITH 7 FREE WARRANTS A FOR EVERY 2 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 21 JUNE 2021

1. INTRODUCTION

On 17 March 2021, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

On 23 April 2021, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 23 April 2021, granted its approval for, amongst others, the following:-

- (i) the Share Consolidation;
- (ii) admission of the Warrants A to the Official List;
- (iii) listing and quotation of the Rights Shares and Warrants A; and
- (iv) listing and quotation of the new Shares to be issued arising from the exercise of the Warrants A.

The approval of Bursa Securities for the Rights Issue with Warrants is subject to the following conditions:-

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

The Board is pleased to inform that the Shareholders had, during the EGM held on 25 May 2021, approved the Corporate Exercises.

On 3 June 2021, Mercury Securities had, on behalf of the Board, announced that the Board had on even date resolved to fix the issue price of the Rights Shares at RM0.10 per Rights Share as well as the Exercise Price at RM0.10 per Warrant A.

On 4 June 2021, Mercury Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 21 June 2021.

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

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

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2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails a provisional allotment of up to 992,394,438 Rights Shares together with up to 578,896,755 free Warrants A on a renounceable basis of 12 Rights Shares together with 7 free Warrants A for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.10 per Rights Share.

The actual number of Rights Shares and Warrants A to be issued will depend on the eventual subscription level for the Rights Issue with Warrants. As at the LPD, the Company has 1,653,990,732 Shares in issue and the Company does not have any outstanding convertible securities. In conjunction with the Corporate Exercises, the Company has undertaken not to grant any ESOS Options until the completion of the Corporate Exercises.

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

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

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

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

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

The Rights Shares and Warrants A which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s), as the case may be, shall be made available for Excess Rights Shares with Warrants A Applications.

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

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

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

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

(i) Issue price of the Rights Shares

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

- (a) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus;
- (b) the reference share price of the Shares (after the Share Consolidation);
- (c) the TEAP⁽¹⁾ of the Shares based on the 5-day VWAP of the Shares up to and including the LTD; and
- (d) the rationale for the Rights Issue with Warrants, as set out in Section 4 of this Abridged Prospectus.

The issue price of RM0.10 per Rights Share represents a discount of approximately 10.55% to the TEAP of the Shares of RM0.1118, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.0224 and after adjusting for the effects of the Share Consolidation.

Note:-

(1) TEAP is computed as follows:-

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

where:-

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

Z = 5-day VWAP of Pasukhas Shares up to and including the LTD of RM0.0224 multiplying by 10* to arrive at RM0.2240

* *to include adjustments pursuant to the Share Consolidation of every 10 Shares held at 5.00 p.m. on 11 June 2021 into 1 Consolidated Share*

and the ratio of A:B:C is 12:7:2, in accordance with the entitlement basis of 12 Rights Shares together with 7 free Warrants A for every 2 existing Shares held on the Entitlement Date.

(ii) Exercise Price

The Board had fixed the Exercise Price at RM0.10 per Warrant A after taking into consideration, amongst others, the TEAP of the Shares based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1118 and after adjusting for the effects of the Share Consolidation. This was determined by the Board after taking into consideration the future prospects of the Group, further details of which are set out in Section 7.5 of this Abridged Prospectus, as well as the need to fix an exercise price that makes the Warrants A attractive for the purposes of enhancing the subscription level of the Rights Shares.

The Exercise Price of RM0.10 per Warrant A represents a discount of approximately 10.55% to the TEAP of the Shares of RM0.1118, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.0224 and after adjusting for the effects of the Share Consolidation.

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

(i) Rights Shares

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

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

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

2.4 Last date and time for acceptance and payment

The Closing Date is **5.00 p.m. on Tuesday, 6 July 2021.**

2.5 Salient terms of the Warrants A

The salient terms of the Warrants A to be issued pursuant to the Rights Issue with Warrants are set out below:-

- Issuer : Pasukhas
- Issue size : Up to 578,896,755 Warrants A
- Form and detachability : The Warrants A will be issued in registered form and constituted by the Deed Poll A. The Warrants A which are to be issued with the Rights Shares will immediately be detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
- Board lot : For the purpose of trading on Bursa Securities, a board lot of Warrants A shall be 100 units of Warrants A, or such other number of units as may be prescribed by Bursa Securities.
- Tenure of the Warrants A : 3 years commencing on and including the date of issuance of the Warrants A.
- Exercise Period : The Warrants A may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants A to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issuance of the Warrants A. Any Warrants A not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
- Exercise Price : RM0.10 per Warrant A.
- The Exercise Price and/or the number of Warrants A in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll A.
- Subscription rights : Each Warrant A shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll A.
- Mode of exercise : The holders of the Warrants A are required to lodge a subscription form with the Company's share registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or by way of internet bank transfer for the electronic submission of subscription form via email to admin.registrar@boardroom.com.my or fax to +603 7890 1032 for the aggregate of the Exercise Price payable when exercising their Warrants A to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.

- Adjustments to the Exercise Price and/or the number of Warrants A : Subject to the provisions of the Deed Poll A, the Exercise Price and/or the number of unexercised Warrants A in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants A, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or capital distribution, in accordance with the provisions of the Deed Poll A. Any adjustment to the Exercise Price will be rounded up to the nearest 1 sen.
- Rights of the Warrant A Holders : The Warrants A do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants A exercise their Warrants A for new Shares in accordance with the provisions of the Deed Poll A and such new Shares have been allotted and issued to such holders.
- Ranking of the new Shares to be issued pursuant to the exercise of the Warrants A : The new Shares to be issued pursuant to the exercise of the Warrants A in accordance with the provisions of the Deed Poll A shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants A, rank *pari passu* in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of such new Shares arising from the exercise of the Warrants A.
- Rights of the Warrant A Holders in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then:-
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holders of the Warrants A (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 A; and

- (ii) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, and in any other case and subject always to the provisions in the Deed Poll A, every holder of the Warrants A shall be entitled to exercise his Warrants A at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the holders of the Warrants A credited as fully paid subject to the prevailing laws, and such holder of Warrants A shall be entitled to receive out of the assets of the Company which would be available in liquidation if the holder of the Warrants A would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the aforesaid 6 weeks, all subscription rights shall lapse and cease to be valid for any purpose.

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

Modification of Deed Poll A : Any modification to the terms and conditions of the Deed Poll A may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll A. 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 A without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or, in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant A Holders.

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

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

Governing laws : The Deed Poll A shall be governed by the laws of Malaysia.

2.6 Details of other corporate exercises

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

2.7 Details of past fund-raising exercises undertaken by the Company**(i) Private Placement December 2020**

On 4 December 2020, the Company completed a private placement exercise which involved the issuance of 268,757,000 new Shares (representing 30% of the then existing total number of issued Shares prior to the Private Placement December 2020), raising total proceeds of RM17.08 million. As at the LPD, the said proceeds have been utilised as follows:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Private Placement December 2020	Actual proceeds raised		Amount utilised as at the LPD		Balance available for utilisation	
		(RM'000)	%	(RM'000)	%	(RM'000)	%
(i) Repayment borrowings of	Within 3 months	1,930	11.3	1,930	35.1	-	-
(ii) Development of Yayasan Project ⁽¹⁾	Within 24 months	14,808	86.7	3,220	58.7	11,588	100.0
(iii) Expenses in relation to the Private Placement December 2020	Immediate	340	2.0	340	6.2	-	-
Total		17,078	100.0	5,490	100.0	11,588	100.0

Note:-

- (1) The proceeds have thus far been utilised for the preparation of the building plan submission, and the payment of authority fees and consultancy fees. The balance proceeds are expected to be utilised for piling works which include foundation work in the soil of the ground to form the base for the construction project.

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(ii) Private Placement September 2020

On 18 September 2020, the Company completed a private placement exercise which involved the issuance of 81,441,000 new Shares (representing 10% of the then existing total number of issued Shares prior to the Private Placement September 2020), raising total proceeds of RM8.17 million. As at the LPD, the said proceeds have been fully utilised as follows:-

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Private Placement September 2020	Actual proceeds raised		Amount utilised as at the LPD		Balance available for utilisation	
		(RM'000)	%	(RM'000)	%	(RM'000)	%
(i) Working capital ⁽¹⁾	Within 12 months	8,042	98.4	8,042	98.4	-	-
(ii) Expenses in relation to the Private Placement September 2020	Immediate	127	1.6	127	1.6	-	-
Total		8,169	100.0	8,169	100.0	-	-

Note:-

- (1) The proceeds have been mainly utilised for working capital purposes of the Group such as payment of salaries to staff, payment to contractors as well as rental costs.

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3. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKINGS

Pasukhas intends to raise a minimum of RM10.0 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level. To meet the Minimum Subscription Level, the Company has procured the Undertakings from the Undertaking Shareholders. Details of the Undertakings are as follows:-

Undertaking Shareholders	Existing direct shareholding as at the LPD		Direct shareholding after the Share Consolidation		Minimum Rights Shares to be subscribed for pursuant to the Undertakings (based on an issue price of RM0.10 per Rights Share)							
	No. of Shares	%(1)	No. of Shares	%(2)	Subscription based on Entitlement		Subscription based on excess application					
					No. of Rights Shares	%(3)	No. of Rights Warrants A	%(4)	No. of Rights Shares	%(5)	No. of Warrants A	%(6)
Wan Thean Hoe	100,000	0.01	10,000	0.01	60,000	0.01	35,000	0.01	49,940,000	5.03	29,131,666	5.03
Mak Siew Wei	100,000	0.01	10,000	0.01	60,000	0.01	35,000	0.01	49,940,000	5.03	29,131,666	5.03
Undertaking Shareholders	Total Rights Shares with Warrants A to be subscribed pursuant to the Undertakings				Assuming none of the other Entitled Shareholders subscribe for their Rights Shares							
	No. of Rights Shares	%(3)	No. of Warrants A	%(4)	No. of Shares held after the Rights Issue with Warrants		No. of Shares held after the Rights Issue with Warrants and assuming full exercise of the Warrants A		No. of Shares held after the Rights Issue with Warrants and assuming full exercise of the Warrants A		%	
					No. of Shares	%(5)	No. of Shares	%(6)	No. of Shares	%(6)	No. of Shares	%(6)
Wan Thean Hoe	50,000,000	5.04	29,166,666	5.04	50,010,000	18.84	50,010,000	18.84	79,176,666	24.46	79,176,666	24.46
Mak Siew Wei	50,000,000	5.04	29,166,666	5.04	50,010,000	18.84	50,010,000	18.84	79,176,666	24.46	79,176,666	24.46

Notes:-

- (1) Based on the issued share capital of 1,653,990,732 Shares as at the LPD.
- (2) Based on the issued share capital of 165,399,073 Shares after the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the total number of 992,394,438 Rights Shares available for subscription.
- (4) Based on the total number of 578,896,755 free Warrants A based on the total number of 992,394,438 Rights Shares available for subscription.
- (5) Based on the enlarged issued share capital of 265,399,073 Shares under the Minimum Scenario.
- (6) Based on the enlarged issued share capital of 323,732,406 Shares under the Minimum Scenario assuming full exercise of the Warrants A.

Pursuant to the Undertakings, the Undertaking Shareholders have:-

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

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

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

In the event that either of the Undertaking Shareholders triggers an obligation to undertake a mandatory take-over offer under the Code and the Rules pursuant to the Undertakings, a separate announcement will be made.

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

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

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

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

Particulars	Beneficial shareholding as at the LPD		(I) After the Share Consolidation		(II) After the Rights Issue with Warrants		(III) After (I) and assuming full exercise of the Warrants A	
	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(4)%
Issued share capital	1,653,990,732	100.00	165,399,073	100.00	265,399,073	100.00	323,732,406	100.00
Less: Directors, substantial shareholders and their associates								
- Ace Solution Investments Ltd	138,000,000	8.34	13,800,000	8.34	13,800,000	5.20	13,800,000	4.26
- Wan Thean Hoe ⁽⁶⁾	100,000	0.01	10,000	0.01	50,010,000	18.84	79,176,666	24.46
- Mak Siew Wei ⁽⁶⁾	100,000	0.01	10,000	0.01	50,010,000	18.84	79,176,666	24.46
- Teoh Kim Hooi	3,000,000	0.18	300,000	0.18	300,000	0.11	300,000	0.09
- Nazaithul Akmar Binti Mukhtar	3,000	(6)-	300	(6)-	300	(6)-	300	(6)-
Shareholders holding less than 100 Shares	77	(6)-	8	(6)-	8	(6)-	8	(6)-
Public shareholding spread	1,512,787,655	91.46	151,278,765	91.46	151,278,765	57.00	151,278,766	46.73

Notes:-

- (1) Based on the issued share capital of 1,653,990,732 Shares as at the LPD.
- (2) Based on the issued share capital of 165,399,073 Shares after the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the enlarged issued share capital of 265,399,073 Shares pursuant to the Undertakings.
- (4) Based on the enlarged issued share capital of 323,732,406 Shares.
- (5) As at the LPD, Wan Thean Hoe and Mak Siew Wei are not substantial Shareholders. However, they will become substantial Shareholders after the Rights Issue with Warrants following their subscription of the Rights Shares pursuant to the Undertakings under the Minimum Scenario.
- (6) Negligible.

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4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

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

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

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

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

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

5. UTILISATION OF PROCEEDS

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

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		⁽¹⁾ Maximum Scenario	
		RM'000	%	RM'000	%
(i) Development of Yayasan Project	Within 24 months	-	-	66,723	67.2
(ii) Financing of the Factory Project	Within 12 months	9,300	93.0	31,816	32.1
(iii) Estimated expenses for the Corporate Exercises	Immediate	⁽²⁾ 700	7.0	⁽²⁾ 700	0.7
Total		10,000	100.0	99,239	100.0

Notes:-

- (1) The proceeds in excess of the RM10.0 million under the Minimum Scenario are expected to be utilised up to its respective maximum allocations in the following order:-
- (i) financing of the Factory Project; and
 - (ii) development of Yayasan Project.

The actual utilisation of such proceeds is subject to the operational needs at the relevant time and the quantum of proceeds that the Company is able to raise. The Company may fund the deficit for the respective purposes via progressive sales billings, internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken. However, the exact sources of funding cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds to be raised from the Rights Issue with Warrants as well as the availability and suitability of other funding options at the relevant time. In the event the funds raised are higher than the Maximum Scenario of RM99.2 million, such additional funds will be used to fund the working capital requirements of the Group including the development of Yayasan Project.

- (2) If the actual expenses incurred are higher than the budgeted amount of RM0.7 million, the deficit will be funded via internally generated funds. Conversely, any surplus of funds following payment of expenses will be utilised in the order as set out in Note (1) above.

Pending the utilisation of the proceeds from the Rights Issue with Warrants, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments.

(i) Development of Yayasan Project

The Group intends to utilise part of the proceeds to be raised from the Rights Issue with Warrants to further fund the development of Yayasan Project.

Details of Yayasan Project

On 9 June 2017, PDSB (a wholly-owned subsidiary of the Company) entered into a JVA with Yayasan for the development of Yayasan Project. Pursuant to the JVA, PDSB will undertake Yayasan Project as the Yayasan Project owner. PDSB shall be responsible for undertaking and implementing the entire Yayasan Project on a total package basis from initial conceptual studies through the detail design and construction phase to the completion thereof. Further information on the roles and responsibility of PDSB are set out in the circular to Shareholders dated 20 July 2018.

Yayasan Project is the Group's first maiden property development project since the Group diversified into property development on 6 August 2018. Located off Jalan Tun Razak, Kuala Lumpur, Yayasan Project has an estimated gross development value of RM338.0 million and gross development costs of approximately RM257.0 million. After deducting the gross development cost, PDSB shall be effectively entitled to the whole estimated gross development profit of RM81.0 million from Yayasan Project.

Yayasan Project is estimated to have a gross built-up area of approximately 644,000 square feet with a net floor area of approximately 355,000 square feet comprising the following:-

- (a) 224 units of serviced apartments with built-up areas ranging from approximately 640 square feet to 4,400 square feet, spread out over 32 storeys;
- (b) 1 basement car park comprising 42 car park lots;

- (c) an 8-storey podium comprising 2 storeys of commercial centres with a net floor area of approximately 12,000 square feet and 6 storeys containing a total of 607 car park lots;
- (d) 9 storeys of commercial offices with a net floor area of approximately 93,000 square feet; and
- (e) facilities including prayer room, multi-purpose hall, meeting room, childcare centre, kindergarten, laundry, reading room, indoor games room, gymnasium, computer room, hawker centre, workers' recreational space, medical treatment room, taxi-waiting area and other related amenities.

For information, (a), (c) and (d) above are meant for sale entirely to the public (save for 61,000 square feet of office space and a dedicated lobby and reception area of approximately 1,000 square feet allocated to Yayasan) while the operation of the car park in (b) and (c) above (save for the 25 car parking bays allocated to Yayasan) is intended to be outsourced to a third-party operator to be identified. Meanwhile, (e) above is meant to form the common areas and is not for sale nor rent (save for an 8,000-square-foot multi-purpose hall and a 2,000-square-foot pre-function room allocated to Yayasan). The total estimated value in respect of the components allocated to Yayasan amounts to approximately RM90.0 million, and the estimated gross development value of RM338.0 million represents the total estimated value attributable to PDSB, i.e. excluding the total estimated value of RM90.0 million for the components allocated to Yayasan.

The Company obtained the approval from the Shareholders on 6 August 2018 for its diversification into property development, following the execution of the JVA with Yayasan on 9 June 2017. On 4 April 2018, PDSB submitted the development order application for Yayasan Project to DBKL and received an approval letter for the development order from DBKL in May 2019. Following the receipt of DBKL's letter detailing the charges associated with the development order in August 2019, PDSB submitted an appeal for the revision of such charges. DBKL agreed to a revision of charges in May 2020. On 8 December 2020, DBKL issued the Yayasan Project development order. In conjunction with the Yayasan Project development order, the Group is required to submit its building plan within one year of the development order, failing which such development order will lapse. As at the LPD, PDSB is in the midst of preparing a building plan to be submitted to DBKL and is expected to submit the building plan in the third quarter of 2021.

Following the approval of the building plan which is expected to be obtained in the third quarter of 2021, the Group expects to launch Yayasan Project in the third quarter of 2021 under the proposed name of Lushwoods Towers and Residences. Yayasan Project is expected to be completed by the fourth quarter of 2023.

Yayasan Project lies approximately 3 kilometres away from the Kuala Lumpur city centre. Properties in the immediate vicinity comprise predominantly commercial buildings, medical centres, blocks of condominium / apartments and shop offices. Other commercial areas and townships surrounding the vicinity include Pudu, Bangsar, Bukit Damansara, Mont Kiara and Titiwangsa. Shopping centers nearby include Suria KLCC, Pavilion, Starhill Gallery, Lot 10, Sungai Wang Plaza, Plaza Low Yat, Quill City Mall and Sunway Putra Mall.

In terms of connectivity, Yayasan Project can be conveniently accessed via Duta-Ulu Kelang Expressway (DUKE), Middle Ring Road 2 (MRR2), New Klang Valley Expressway (NKVE) and Ampang-Kuala Lumpur Elevated Highway (AKLEH).

The location of Yayasan Project is illustrated below:-



The Group's funding requirement for Yayasan Project is estimated to be RM257.0 million as illustrated below:-

Description	Estimated funding requirement (RM'000)
Piling works ⁽¹⁾	11,000
Building works ⁽²⁾	150,000
Provisions ⁽³⁾	40,200
Professional and project consultant fees ⁽⁴⁾	38,000
Land costs	17,800
Total	257,000

Notes:-

- (1) This involves the construction of a foundation in the soil of the ground to form the base for the construction project.
- (2) This includes, amongst others, preliminaries, structural works, external works, prime cost, provision sum and hydraulics.
- (3) These include provision for fees to the relevant authorities and contingency sums set aside to cover unexpected or underestimation of costs.
- (4) These include professional fees payable to, amongst others, the architect, project managers, engineers, quantity surveyors, interior designers and sales and marketing personnel.

As at the LPD, the Group has incurred a total of RM25.7 million (funded via internally generated funds and the Private Placement December 2020), out of which RM17.8 million was used for land costs and the balance of RM7.9 million was used for authority fees, consultant fees and soil investigation. Pursuant to the Private Placement December 2020, the Group has an unutilised balance of RM11.6 million for the development of Yayasan Project as at the LPD, thus leaving a balance funding requirement of RM219.7 million for Yayasan Project, which will be funded entirely by the Group. Under the Maximum Scenario, an amount of up to RM66.7 million has been allocated to part-finance this balance funding requirement of RM219.7 million.

Any shortfall in the Group's funding requirement for Yayasan Project is expected to be met via progressive sales billings, internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

However, the exact sources of funding cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds to be raised from the Rights Issue with Warrants as well as the availability and suitability of other funding options at the relevant time.

(ii) Financing of the Factory Project

On 27 January 2021, PSB (a wholly-owned subsidiary of the Company) accepted a letter of award from Fintec Glove Sdn Bhd ("**Fintec Glove**") to act as the main engineering, procurement and construction (EPC) contractor for the Factory Project.

Further details of the Factory Project are set out below:-

	Details
Project overview	Design, build and deliver on a turnkey basis a glove-manufacturing factory of up to 20,450 square metres in built-up area on the project site (subject to design proposal and approval by authorities) with the capacity to house up to 14 glove-dipping lines for the sole purpose of manufacturing medical-grade nitrile gloves
Project site	Lot 304994, Jalan Chepor 11/8, Kawasan Perusahaan Seramik Chepor, 31200 Mukim Hulu Kinta, Daerah Kinta, Perak, measuring approximately 18,746 square metres with vacant land
Date of letter of award	27 January 2021
Project owner	Fintec Glove
Main EPC contractor	PSB
Date of commencement	1 February 2021
Duration	No more than 8 months from the date of commencement
Scope of work	(i) Design & engineering work; (ii) Foundation and piling work; (iii) Construction work consisting building 24-meter-high enclosed structure steel production space complete with multi-storey utility area; (iv) Construction work consisting of building 4-storey machinery platform cum packing area; (v) All associated infrastructure work; (vi) All associated mechanical and electrical works; and (vii) Project management.
Contract sum	RM58,874,916.80

The Group intends to utilise proceeds of RM9.3 million under the Minimum Scenario or up to RM31.8 million under the Maximum Scenario to part-finance the costs of development of the Factory Project. The development of the Factory Project is expected to be done in following stages:-

- (i) conducting a site inspection which includes land surveying and soil investigation;
- (ii) designing the land and building layout, applying for permits and approvals, and project planning (including manpower scheduling, determining required resources and costing);
- (iii) constructing earthworks, pilling, and assembling and constructing structural elements;
- (iv) building a high enclosed structural steel production space complete with a multi-storey utility area;
- (v) building a 4-storey machinery platform cum packing area; and
- (vi) installing utility lines and systems (water supply, sewage, electrical and telecommunication lines, etc).

(items (i) to (iii) will be considered as “**First Stage of Work Progress**” and items (iv) to (vi) will be considered as “**Second Stage of Work Progress**”).

The First Stage of Work Progress has commenced in the first quarter of 2021 and is expected to be completed in the second quarter of 2021. The Second Stage of Work Progress is estimated to commence upon completion of the First Stage of Work Progress, with handover of the factory to Fintec Glove expected in the third quarter of 2021. The Factory Project is approximately 40% completed as at the LPD.

The Rights Issue with Warrants is expected to complete in the third quarter of 2021, and the proceeds to be raised from the Rights Issue with Warrants will be utilised for the Second Stage of Work Progress which is estimated to cost PSB approximately RM31.8 million.

Utilisation	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Construction works ⁽¹⁾	9,300	30,310
Provisions ⁽²⁾	-	641
Professional and project consultant fees ⁽³⁾	-	865
Total	9,300	31,816

Notes:-

- (1) This includes civil and structural works, external works, M&E works, and road works.
- (2) These include provision for fees to the relevant authorities, insurance and contingency sums set aside to cover unexpected, or underestimation of costs.
- (3) These include professional fees payable to, amongst others, the civil and structural engineers, M&E engineers, soil and land surveyors, and authorities.

Any shortfall in the Group’s funding requirement for the Factory Project is expected to be met via progressive sales billings, internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

However, the exact sources of funding and their breakdown cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds to be raised from the Right Issue with Warrants as well as the availability and suitability of other funding options at the relevant time.

(iii) Estimated expenses for the Corporate Exercises

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

Estimated expenses	RM'000
Professional fees ⁽¹⁾	536
Fees to the relevant authorities	97
Printing, despatch, advertising and meeting expenses	57
Miscellaneous charges	10
Total	700

Note:-

- (1) Comprises estimated professional fees payable to the Principal Adviser, company secretary, Share Registrar, solicitors, and reporting accountants for the Corporate Exercises.

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

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

Strictly for illustrative purposes, based on the Exercise Price of RM0.10 per Warrant A, the Company will raise gross proceeds of up to RM57.9 million upon full exercise of the Warrants A under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants A in the future will be used to finance future working capital requirements including payment of salaries to staff of the Group, operating expenses and administrative expenses such as utilities, rental costs, transportation costs, marketing costs and other miscellaneous items within a period of 24 months from the receipt of proceeds. However, the exact breakdown cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time.

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6. RISK FACTORS

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

6.1 Risks relating to the Group

(i) Ability to turnaround the Group's financial performance

For the past 3 financial years up to the FYE 31 December 2020, the Group has been operating at a loss. Revenue has been on a significant downtrend since the FYE 31 December 2018, and while there was an improvement in the GP margin, the increase in costs has led to rising LAT. Further details of the Group's financial performance for the past 3 financial years up to the FYE 31 December 2020 are set out in Section 4, Appendix I of this Abridged Prospectus.

In view of the Group's weak financial performance, it has centralised its financing policies and control over all its operations. With tight control on treasury operations, yields from excess funds are maximised without compromising on risks while average cost of funds for borrowings is lowered. In addition, all banking facilities are secured by joint and several guarantee of certain directors of the Company, as well as corporate guarantees by the Company.

The Group has also expanded into new business segments in an effort to diversify its income stream and push for profitability, diversifying into property development and the Sand Mining Business. Under the property development segment, the major projects include Yayasan Project, which has an estimated gross development value of RM338.0 million and a target completion date of the fourth quarter of 2023, and the Factory Project, which is valued at approximately RM58.9 million and targeted for completion by the third quarter of 2021. The Sand Mining Business, on the other hand, is anticipated to commence in the third quarter of 2021. Further details of Yayasan Project, the Factory Project and the Sand Mining Business are set out in Sections 5 and 7.5 of this Abridged Prospectus.

Notwithstanding the prospects of the industries the Group operates in as set out in Section 7 of this Abridged Prospectus and the Group's future plans, there is no assurance that these future plans will successfully turnaround the financial performance of the Group in the future.

Additionally, as a majority of the proceeds from the Rights Issue with Warrants will be utilised for the development of Yayasan Project and the financing of Factory Project, any delay in the completion, or failure, of the Rights Issue with Warrants will postpone or limit the Group's ability to carry out its future plans. There is also no assurance that the Group will be able to secure new contracts on a continuous basis.

Further, there may be delays in construction or development of the projects due to strict curfews or travelling restrictions under the MCO, or a delay in the commencement of operations of the Sand Mining Business as a result of the general economic slowdown arising from the COVID-19 pandemic.

(ii) Delay or non-completion of property development / construction projects

As at the LPD, the major projects under the Group's property development division (which comprises civil engineering and construction activities) are the development of Yayasan Project, the construction of the Factory Project and the construction of structural works for a 3-storey commercial building located on Jalan Tun Razak, Kuala Lumpur. Further details of Yayasan Project and the Factory Project are set out in Section 5 of this Abridged Prospectus.

The JVA with Yayasan for the development of Yayasan Project was entered into on 9 June 2017, with the development order application submitted to DBKL on 4 April 2018. While construction was initially expected to commence in the second quarter of 2019, the development order was only obtained on 8 December 2020 and PDSB is still in the midst of preparing a building plan for submission to DBKL as at the LPD.

The slow progress of the development of Yayasan Project may be attributed to several factors, including the requirement for the Company to obtain the approval of Shareholders for its diversification into property development (obtained on 6 August 2018), as well as the delay in the attainment of the development order as a result of the appeal for the revision of charges for the said development order. Yayasan Project is currently expected to be launched by the third quarter of 2021 and completed by the fourth quarter of 2023.

As for the Factory Project, it remains on track for completion by the end of September 2021, with completion at approximately 40% as at the LPD.

As the proceeds from the Rights Issue with Warrants will mainly be utilised for the development of Yayasan Project and to finance the Factory Project, any delay in the completion, or failure, of the Rights Issue with Warrants will impact the time and ability to complete these projects, as the Group may need to rely on other sources of financing, including progressive sales billings, internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken (if required).

Any further delay in the development of Yayasan Project, any delay in the construction of the Factory Project, or non-completion of either of these projects, may expose the Group to cost overruns and/or potential claims which may impact the Group's financial performance. Such delays or failure to complete may also affect the Group's reputation and its ability to attract customers in the future.

(iii) Risks relating to the impact of COVID-19 on the Group's businesses

Over the last few months, the COVID-19 pandemic has spread across the world resulting in lockdown or similar measures imposed by governments worldwide to curb the spread of the virus. These have had an adverse impact to the performance of the world's economies including Malaysia. Even if such lockdown measures are gradually relaxed over time, consumer sentiment is expected to remain dampened in the near future as consumers stay cautious in their spending. Until a vaccine and/or a cure can be mass-distributed to the general population, the dampening effects of the COVID-19 pandemic on consumer spending and the economy as a whole is expected to remain in the foreseeable future.

Most of the Group's operations were temporarily suspended for a period of approximately 2 months from March 2020 to May 2020 due to the MCO, resulting in, among others, a delay in a majority of its M&E, civil engineering and construction projects and a corresponding slowdown in collections. Additionally, during the implementation of the third MCO between 1 June 2021 and 14 June 2021, the Group has had to temporarily reduce the size of its workforce to 60% of its original capacity. The general uncertainty in the local and global economy as a result of the COVID-19 pandemic was a major factor in the decrease in the Group's revenue from RM29.1 million for the FYE 31 December 2019 to RM10.9 million for the FYE 31 December 2020.

As at the LPD, approximately 10% of the Group's employees are foreign workers that are employed under their property development segment. Whilst the Group has incurred costs relating to the foreign workers pursuant to the COVID-19 pandemic such as swab test, the costs are minimal. Further, as at the LPD, the Group has not been compounded for any non-compliance with standard operating procedures in relation the MCO measures by the Government.

While operations have since resumed and there has been an uptick in the Group's construction and development projects in 2021 compared to the year before (which includes the Factory Project for a contract sum of RM58.9 million, among others), the Group expects the dampened consumer sentiment due to the COVID-19 pandemic to remain a significant factor moving forward pending the successful containment of COVID-19 globally.

Any significant deterioration in the state of the COVID-19 pandemic may lead to further stringent lockdowns which may impact the financial performance of the Group. The estimated impact of such factor on the business and financial performance of the Group's business remains uncertain and cannot be determined nor quantified at this juncture.

(iv) Dependence on key personnel and skilled labour

The Group believes that its continued success will depend significantly on the skills, abilities, experience, competencies and continued efforts of the Directors, senior management and key personnel in the Group's various segments. Should the Group fail to retain or recruit suitable candidates to replace any such key personnel in a timely manner, the Group's business and operations may be adversely affected. The Group's success also depends on its ability to hire, train and retain qualified and competent personnel. The process of identifying personnel with necessary experience, capabilities and characteristics required to carry out the Group's business strategies and operations can be difficult, time consuming and expensive.

Additionally, the Group is highly dependent on skilled labour in its property development business. There is a shortage of such skilled labour in the country due to the low participation of Malaysians within the sector and restrictions on foreign workers, which has been exacerbated in recent years by the increased demand for construction workers for other large infrastructure projects. Further, even though the Malaysian government had announced that the construction sector is one of three sectors allowed to hire foreign labour during the COVID-19 pandemic, the global closure of international borders had inevitably limited the movement of foreign labour into the country. The Group's profitability may be affected by an increase in competition for foreign workers which may lead to higher skilled labour costs, which is an inherent risk in the construction industry. Higher cost of labour will reduce the Group's profit margin in the event it is unable to pass on the increase in costs to its customers.

(v) Dependence on subcontractors

The Group's property development business is substantially dependent on the support of third-party contractors and subcontractors to ensure satisfactory performance in fulfilling the quality level expected by the Group. The Group's contractors and subcontractors may experience financial and/or other difficulties which may affect their ability to carry out the contracted work satisfactorily, leading to possible delays in completion of projects as well as cost overruns and lower quality of work. Any non-performance or unsatisfactory performance of the Group's appointed contractors and subcontractors, and their inability to supply sufficient labour, whether skilled or unskilled, and quality building materials will inevitably disrupt the progress and/or quality of the Group's operations. Other factors that may cause delays include site accidents, shortage or late arrival of building materials as well as change in regulatory environment, and will have an adverse effect on the Group's financial performance.

The Group cannot assure that the Group's financial performance will not be adversely affected if the Group's third-party contractors / subcontractors fail to provide the agreed contracted services in a timely, reliable and satisfactory manner. Any delay in completing the property development projects within the timeframe may expose the Group to additional cost and potential claims which may impact the Group's financial performance. Such delays may also affect the Group's revenue recognition as well as the Group's reputation and its ability to attract buyers in the future.

(vi) Competition risk

The sustainability of the Group's property development business is dependent on the Group's ability to respond to changes in economic condition and market demand. In turn, this is dependent on the Group's ability to successfully conduct market intelligence surveys to understand home buyer's needs in terms of pricing, size, design and quality.

The Group also face competition from other manufacturers of low-voltage switchboard. The Group's revenue from the manufacturing and distribution of low-voltage switchboards is driven by, among others, the Group's ability to secure new customers based on price competitiveness, timeliness in delivery and the Group's ability to meet customers' specifications. Intense competition in this segment may result in a reduction in the price of low-voltage switchboards and subsequently impact the Group's profitability.

There is no assurance that the Group will be able to succeed in marketing the Group's offerings moving forward or the Group will not suffer erosion in profit margins in order to maintain competitive pricing.

(vii) Business risks inherent in the power and energy industry

The financial performance of the Group's renewal energy division, which contributed 42.9% of the Group's revenue for the FYE 31 December 2020, depends on the successful operation of its mini hydro power plant, which is currently generating up to 3.2 megawatts of renewable energy per annum. Its ability to successfully generate power and deliver the required energy to Tenaga Nasional Berhad is subject to, among others, the following risks:-

- (a) operator's error or failure of equipment or processes such as over-speeding of turbines and failure of diversion dam gates opening during a flood;
- (b) unexpected maintenance needs associated with operational issues;

- (c) operational limitations that may be imposed by environmental or other regulatory authorities; and
- (d) catastrophic events such as fires, explosions, droughts, tropical storms, disaster due to natural calamities such as floods, earthquakes, windstorm which may affect outdoor installations, landslides, or other similar occurrences.

A decrease or elimination of revenues from the power generating plant or an increase in the cost of operating the facilities could have a material adverse effect on the financial position and results of operations of the Group.

6.2 Risks relating to the Rights Issue with Warrants

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

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

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

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

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

(ii) Capital market risk

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

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

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

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

(iii) Potential dilution of existing shareholders' shareholding

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

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

(iv) Forward-looking statements and other information

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

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

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

7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Outlook and prospects of the Malaysian economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (fourth quarter of (“4Q”) 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronic (“E&E”) products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order (“MCO 2.0”) and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On the expenditure side, growth was driven by better private sector spending and strong growth in trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%).

Despite the recent re-imposition of containment measures, the impact on growth would be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the growth recovery will benefit from better global demand, increased public and private sector expenditure as well as continued policy support. This will also be reflected in the recovery in labour market conditions, especially in the gradual improvement in hiring activity. Higher production from existing and new manufacturing facilities, particularly in the E&E and primary-related subsectors, as well as oil and gas facilities will provide further impetus to growth. The roll-out of the domestic COVID-19 vaccine programme will also lift sentiments and contribute towards recovery in economic activity. Nevertheless, the pace of recovery will be uneven across economic sectors.

The balance of risks remains tilted to the downside, arising mainly from ongoing uncertainties in developments related to the pandemic, and continued challenges that affect the roll-out of vaccines both globally and domestically.

(Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2021, BNM)

7.2 Overview and outlook of the construction industry in Malaysia

The construction sector contracted by a smaller rate of 10.4% (4Q 2020: -13.9%). Activity was supported by the ramp up of construction works in commercial projects that are nearing completion and the continued implementation of small-scale projects. This resulted in a strong positive growth in the special trade subsector. However, activity in the residential, non-residential and civil engineering subsectors remained weak, affected by labour shortages and site shutdowns due to COVID-19 outbreaks. The implementation of MCO 2.0 also weighed on growth, as activity in construction sites that did not meet the conditions to operate were halted.

(Source: Economic and Financial Developments in the Malaysian Economy in the First Quarter of 2021, BNM)

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

Among the major infrastructure projects include Mass Rapid Transit 2 (MRT2), Light Rail Transit 3 (LRT3), West Coast Expressway (WCE) and Bayan Lepas Light Rail Transit (LRT) as well as Pan Borneo and Coastal Highways in Sarawak. Utility projects include the Langat 2 Water Treatment Plant, Baleh Hydroelectric Dam and Sarawak Water Supply Grid Programme (Phase 1).

The residential subsector is anticipated to improve, supported by various measures taken by the Government to address the property overhang situation. Among the measures include the extension of Home Ownership Campaign (“**HOC**”), exemption of real property gains tax (“**RPGT**”), the introduction of rent-to-own (“**RTO**”) scheme as well as reduction of foreign ownership threshold.

The performance of the non-residential subsector is expected to recover marginally, supported by on-going commercial projects, including Bukit Bintang City Centre, Cyberjaya City Centre, Forest City and Malaysia Vision Valley 2.0.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

7.3 Overview and outlook of the property market in Malaysia

The property market performance recorded a significant decline in 2020 compared to 2019. A total of 295,968 transactions worth RM119.08 billion were recorded, showing a decrease of 9.9% in volume and 15.8% in value compared to 2019, which recorded 328,647 transactions worth RM141.40 billion.

The residential sub-sector led the overall property market, with 64.7% contribution in volume. This was followed by agriculture (20.7%), commercial (6.8%), development land and others (6.2%) and industrial (1.6%). In terms of value, residential took the lead with 55.3% share, followed by commercial (16.4%), industrial (10.7%), agriculture (10.5%) and development land and others (7.1%).

Volume of transactions across the sub-sectors contracted sharply in 2020. The residential, commercial, industrial, agriculture and development land sub-sectors recorded contraction of 8.6%, 21.0%, 24.0%, 10.7% and 2.6% respectively.

In terms of value of transactions, residential, commercial, industrial and development land sub-sectors recorded sharp decline of 9.0%, 32.6%, 14.0% and 34.0% respectively, whereas agriculture recorded otherwise, increased by 0.6%.

There were two main measures initiated by the government aim to improve property market activities under Budget 2020:-

1. The revision of the base year for RPGT to 1 January 2013 (initially 1 January 2000) for property purchased before the date.
2. The reduction of price threshold for foreign purchase from RM1 million to RM600,000 for unsold completed high-rise properties in urban areas. Consequently, several states have revised the minimum price for foreign purchase.

The property market showed signs of recovery in the third quarter of 2020 following the implementation of Recovery Movement Control Order on 10 June 2020 and various stimulus provided by the government, namely Prihatin Rakyat Economic Stimulus Package or PRIHATIN and short-term Economic Recovery Plan or PENJANA.

For PRIHATIN, the financial initiatives introduced by the government which have helped soften the impact on property market includes:-

1. An automatic six-month loan moratorium for individual borrowers and SMEs from 1 April 2020 ending on 30 September 2020.
2. The Overnight Policy Rate cut with a cumulative 125 basis points in 2020 would help lower the borrowing cost; thus, lower the monthly repayment amount.

For PENJANA, a recovery plan which is related to property, includes:-

1. Reintroduction of HOC - Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM1 million of the home price while full stamp duty exemption is given on loan agreement effective for sales and purchase agreements signed between 1st June 2020 to 31st May 2021.
2. RPGT exemption for disposal of residential homes from 1st June 2020 to 31st December 2021 (This exemption is limited to the disposal of three (3) units of residential homes per individual).
3. The uplifting of the current 70 percent margin of financing limit applicable for the third housing loan onwards for property valued at RM600,000 and above, during the period of the HOC, subject to internal risk management practices of financial institutions.

Retail, office and hotel property segments are expected to remain flat in the first half of 2021. The office segment is forecasted to remain under pressure in 2021. As working from home is becoming a new norm, there is a likelihood of less demand for office space. This may lead to oversupply situation, high vacancy and further downward rental pressure. As a result, the affected office buildings may need resort to other possible options i.e. conversion to other usage such as higher learning institution, hostels, etc.

The residential market is expected to see a slow uptick in the second half of year 2021. The focus would remain on affordable segment. Government has allocated a total of RM1.2 billion fund for providing comfortable and quality housing, especially for the low-income group, under Budget 2021.

Notwithstanding, the property market performance in 2021 is much dependant on the country's economic and financial outlook. The availability and rolling out of COVID-19 vaccine throughout the country is seen as fundamental to deter any new wave of infection spread. This will help boost business confidence, household sentiments as well as the general economy, which will likely see a soft upturn in the property market in the second half of 2021.

(Source: Property Market Report 2020, Valuation and Property Services Department, Ministry of Finance)

7.4 Overview and outlook of the property market in the Central Region (Kuala Lumpur, Putrajaya and Selangor)

The Central Region property market performance softened in the first half of ("H1") 2020, indicated by the contraction in market activity and construction activity. The region registered 26,950 transactions worth RM20.85 billion, decreased by 31.0% and 30.4% in volume and value respectively as compared to H1 2019. Combined, these three states formed about 23.3% and 44.4% of the national volume and value of transactions.

In terms of transaction volume, all three states showed a downward trend. Putrajaya decreased by -57.1%, followed by Selangor (-31.6%), and Kuala Lumpur (-27.8%).

Similar downtrend situation was seen in terms of transaction value. Putrajaya decreased by 33.1%, followed by Kuala Lumpur (-31.3%) and Selangor (-30.0%).

By state, Selangor dominated the region's overall property transactions with 79.5% in volume (21,419 transactions) and 73.3% in value (RM15.28 billion) of the total transactions.

By sub-sector, residential continued to dominate the region's property transactions, contributing 79.3% (21,379 transactions) of the total. Likewise, residential sub-sector dominated the region's overall property transaction value with 55.7% share.

Residential property

Residential sub-sector was the main sub-sector for all states. All states recorded lower volume and value of transactions. Transactions volume in Kuala Lumpur, Selangor and Putrajaya decreased by 22.5%, 28.6% and 62.2% respectively.

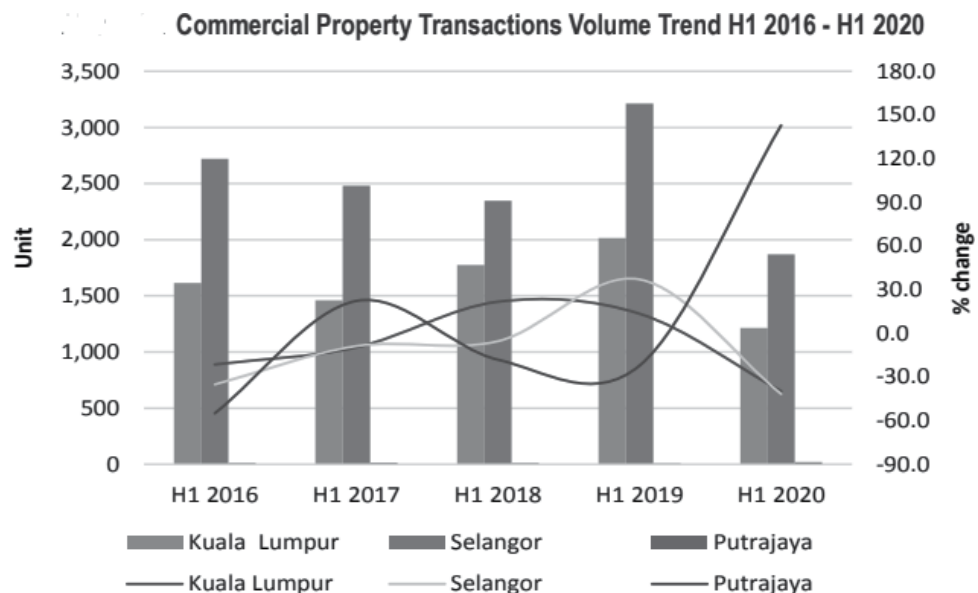
In terms of transaction value, all states showed a downward trend. Putrajaya declined by 55.2%, followed by Selangor (-27.8%) and Kuala Lumpur (-25.3%).

The residential overhang situation in Central Region took a downturn against the preceding half (second half of ("H2") 2019) as more units were recorded in H1 2020 (8,203 units) compared to H2 2019 (7,292 units). Selangor recorded 4,865 overhang units followed by Kuala Lumpur 3,224 units and Putrajaya 114 units in H1 2020.

Unsold under construction recorded an increase of 48.1% and 1.3% in Kuala Lumpur and Selangor.

Commercial property

Market activity in this sub-sector was moderated as the transaction volume in Kuala Lumpur and Selangor decreased by 39.8% and 41.8% respectively. However, Putrajaya recorded increased by more than double to 17 transactions.



Commercial Property Transactions Volume Percentage Change H1 2016 - H1 2020

State	Change (%)				
	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020
Kuala Lumpur	-21.4	-9.7	21.7	13.4	-39.8
Selangor	-35.2	-8.8	-5.4	37.0	-41.8
Putrajaya	-55.0	22.2	-18.2	-22.2	142.9

In terms of transaction value, Selangor and Kuala Lumpur declined by 47.5% and 29.3% respectively, whereas Putrajaya increased by 76.2%.

Shop sub-sector in the Central Region was dominated by shop, accounting for 30.3% in volume and 31.7% in value of the commercial property transaction (939 transactions worth RM1.44 billion).

By state, Selangor led the market with 76.7% share, followed by Kuala Lumpur (22.6%) and Putrajaya (0.8%). In term of transaction value, Selangor drove the market with 63.8% share, followed by Kuala Lumpur (34.8%) and Putrajaya (1.4%).

Compared to H1 2019, Selangor market performance softened, decreasing by 41.2% in volume and 44.4% in value. Similarly, Kuala Lumpur saw a decline by 21.5% in volume and 24.8% in value.

Serviced apartment / small office, home office recorded 1,068 transactions worth RM791.00 million, forming 73.3% of the region commercial property transactions in volume and 80.1% of the total value.

Regional market performance recorded a decrease of 31.3% in volume (H1 2019: 1,554 transactions) and 30.8% in value (H1 2019: RM1.14 million). By state, Kuala Lumpur contributed higher market volume to the regional total with 58.9% (629 transactions) of market share.

For the purpose-built office segment, the review period recorded the transactions of Tower 7 Avenue 3 in Bangsar South, Intan Square in Petaling Jaya and Wisma Comcorp in Shah Alam in which the sale and purchase agreement was signed in 2018 and 2019 but concluded in H1 2020.

The performance of purpose-built office in the Central Region softened with lower overall occupancy rate at 77.8%, compared to 78.1% in H2 2019. Putrajaya remained firm as the occupancy rate slightly increased to 90.3% (H2 2019: 89.1%). However, Kuala Lumpur and Selangor recorded lower occupancy rates at 77.2% and 71.4% respectively compared to H2 2019 (78.3% and 71.6%).

(Source: Property Market Report – Central Region First Half 2020, Valuation and Property Services Department, Ministry of Finance)

7.5 Prospects and future plans of the Group

Historically, the Group is principally involved in the civil engineering and construction business, the M&E engineering services business and the business of manufacturing low-voltage switchboards.

In 2018, the Group diversified into the property development following the execution of a JVA for Yayasan Project. This diversification is a natural extension of the Group's business, allowing it to leverage on existing expertise in civil engineering and construction. Following the submission of the development order application and subsequent appeal of the development order charges, the Group recently obtained DBKL's approval for the project and PDSB is in the midst of preparing for the submission of the building plan. At present, Yayasan Project is targeted for completion by the fourth quarter of 2023.

The Group believes that, given the centrality of the location, easy access to the central business district, and the attractive mix of residential quarters and commercial lots, Yayasan Project will appeal to both local and international home purchasers and investors who appreciate the convenience of being close to the city centre and the connectivity to a network of highways. Buyers of commercial spaces, on the other hand, will benefit from both the built-in residential clientele and foot traffic from users of the office spaces.

Moving forward, the Group intends to build on its property development capabilities as part of its continuous effort to improve its financial performance and maximise value for the Shareholders. It will continue monitoring the latest developments in the property market with the aim of exploring opportunities, including via the formation of strategic alliances or joint ventures, in the property development space.

On 22 September 2020, the Group announced its venture into the sand mining business. Pasukhas Products Sdn Bhd (“**PPSB**”), a wholly-owned subsidiary of the Company, entered into an agreement with BB Energy Sdn Berhad (“**BBESB**”) for the exclusive rights to access, extract and dredge marine sand at Sungai Miang, Mukim Pekan, Pahang Darul Makmur (“**Site**”) for subsequent sale, distribution and/or export (“**Sand Mining Business**”). The contractual term of the agreement is for 12 months from the date of the agreement (22 September 2020) with an option to extend for a further 12 months on a rolling basis, and the agreement shall remain in force as long as the concession / temporary occupational license approved and granted for the Site remain with BBESB. Marine sand is largely used in land reclamation. The Company shall seek the approval of its Shareholders for the Sand Mining Business, if required under the Listing Requirements.

The operations of the Sand Mining Business are expected to commence in the third quarter of 2021 and is anticipated to provide the Group with an additional stream of revenue moving forward.

The Group is continuously expending efforts to secure more contracts for its civil engineering and construction as well as M&E engineering services segments. To this end, the Group aims to work with various property developers and project owners in Malaysia to secure additional M&E contracts for commercial high-rise buildings, mixed development and other specialised projects.

Premised on the above, as well as the outlook of the construction sector and the Malaysian economy as a whole, the Group is cautiously optimistic of its future prospects moving forward.

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8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share capital

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

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	1,653,990,732	144,752,046	1,653,990,732	144,752,046
After the Share Consolidation⁽¹⁾	165,399,073	144,752,046	165,399,073	144,752,046
New Shares to be issued pursuant to the Rights Issue with Warrants	100,000,000	⁽²⁾ 6,560,567	992,394,438	⁽²⁾ 69,511,558
Enlarged issued share capital after the Rights Issue with Warrants ("X")	265,399,073	151,312,613	1,157,793,511	214,263,604
New Shares to be issued assuming full exercise of the Warrants A ("Y")	58,333,333	⁽³⁾ 8,572,766	578,896,755	⁽³⁾ 86,917,562
Enlarged issued share capital	323,732,406	159,885,379	1,736,690,266	301,181,166
Number of Shares under Y / Number of Shares under X (%)	21.98%		50.00%	
Compliance with Rule 6.51 of the Listing Requirements	Yes		Yes	

Notes:-

- (1) The Share Consolidation was completed on 11 June 2021.
- (2) Based on the issue price of RM0.10 per Rights Share and after accounting for the adjustments for the apportionment of the relative illustrative fair values of the Rights Shares and Warrants A (computed based on the Trinomial option pricing model with data sourced from Bloomberg) between the share capital account and the warrants reserve account as well as estimated expenses incidental to the Corporate Exercises of approximately RM0.7 million.
- (3) Assuming full exercise of Warrants A based on the Exercise Price of RM0.10 each and after accounting for the reversal of warrants reserve.

8.2 NA and gearing

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of the Group since the Group's latest audited FYE 31 December 2020.

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

Minimum Scenario

Group level	Audited as at 31 December 2020 (RM'000)	(I) After adjusting for subsequent events ⁽¹⁾ (RM'000)	(II) After (I) and Share Consolidation ⁽²⁾ (RM'000)	(III) After (II) and Rights Issue with Warrants ⁽³⁾⁽⁴⁾ (RM'000)	(IV) After (III) and assuming full exercise of Warrants A ⁽⁵⁾ (RM'000)
Share capital	117,501	144,752	144,752	151,313	159,885
Warrant reserve	-	-	-	2,739	-
Merger deficit	(10,500)	(10,500)	(10,500)	(10,500)	(10,500)
Fair value reserve	17	17	17	17	17
Foreign exchange translation reserve	(1)	(1)	(1)	(1)	(1)
Employee share option reserve	4,129	-	-	-	-
Accumulated losses	(54,922)	(54,639)	(54,639)	(54,639)	(54,639)
Shareholders' equity / NA	56,224	79,629	79,629	88,929	94,762
Non-controlling interests	1,799	1,799	1,799	1,799	1,799
Total equity	58,023	81,428	81,428	90,728	96,561
No. of Shares in issue ('000)	1,164,615	1,653,991	165,399	265,399	323,732
NA per Share (RM)	0.05	0.05	0.48	0.34	0.29
Total borrowings (RM'000)	19,352	19,352	19,352	19,352	19,352
Gearing ratio (times)	0.33	0.24	0.24	0.21	0.20

Notes:-

- (1) After accounting for issuance of 30,102,600 new Shares, 30,102,600 new Shares, 60,000,000 new Shares, 30,000,000 new Shares, 60,000,000 new Shares, 60,642,500 new Shares, 60,000,000 new Shares, 60,000,000 new Shares, 75,791,000 new Shares and 22,737,300 new Shares on 4 January 2021, 7 January 2021, 15 January 2021, 18 February 2021, 19 February 2021, 23 February 2021, 26 February 2021, 4 March 2021, 11 March 2021 and 15 March 2021 at the issue price of RM0.0775, RM0.0725, RM0.0725, RM0.0500, RM0.0500, RM0.0475, RM0.0475, RM0.0450, RM0.0400 and RM0.0400 each respectively pursuant to the ESOS.
- (2) After accounting for the consolidation of every 10 Shares into 1 Consolidated Share pursuant to the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the issuance of 100,000,000 Rights Shares at the issue price of RM0.10 each together with 58,333,333 Warrants A.
- (4) After accounting for the adjustments for the apportionment of the relative fair values of the Rights Shares and Warrants A (computed based on the Trinomial option pricing model with data sourced from Bloomberg) between the share capital account and the warrants reserve account as well as estimated expenses incidental to the Corporate Exercises of approximately RM0.7 million.
- (5) Based on the Exercise Price of RM0.10 per Warrant A.

Maximum Scenario

Group level	Audited as at 31 December 2020 (RM'000)	(I) After adjusting for subsequent events ⁽¹⁾ (RM'000)	(II) After (I) and Share Consolidation ⁽²⁾ (RM'000)	(III) After (II) and Rights Issue with Warrants ⁽³⁾⁽⁴⁾ (RM'000)	(IV) After (III) and assuming full exercise of Warrants A ⁽⁵⁾ (RM'000)
Share capital	117,501	144,752	144,752	214,624	301,181
Warrant reserve	-	-	-	29,028	-
Merger deficit	(10,500)	(10,500)	(10,500)	(10,500)	(10,500)
Fair value reserve	17	17	17	17	17
Foreign exchange translation reserve	(1)	(1)	(1)	(1)	(1)
Employee share option reserve	4,129	-	-	-	-
Accumulated losses	(54,922)	(54,639)	(54,639)	(54,639)	(54,639)
Shareholders' equity / NA	56,224	79,629	79,629	178,169	236,058
Non-controlling interests	1,799	1,799	1,799	1,799	1,799
Total equity	58,023	81,428	81,428	179,968	237,857
No. of Shares in issue ('000)	1,164,615	1,653,991	165,399	1,157,794	1,736,690
NA per Share (RM)	0.05	0.05	0.48	0.15	0.14
Total borrowings (RM'000)	19,352	19,352	19,352	19,352	19,352
Gearing ratio (times)	0.33	0.24	0.24	0.11	0.08

Notes:-

- (1) After accounting for issuance of 30,102,600 new Shares, 30,102,600 new Shares, 60,000,000 new Shares, 30,000,000 new Shares, 60,000,000 new Shares, 60,642,500 new Shares, 60,000,000 new Shares, 60,000,000 new Shares, 75,791,000 new Shares and 22,737,300 new Shares on 4 January 2021, 7 January 2021, 15 January 2021, 18 February 2021, 19 February 2021, 23 February 2021, 26 February 2021, 4 March 2021, 11 March 2021 and 15 March 2021 at the issue price of RM0.0775, RM0.0725, RM0.0725, RM0.0500, RM0.0500, RM0.0475, RM0.0475, RM0.0450, RM0.0400 and RM0.0400 each respectively pursuant to the ESOS.
- (2) After accounting for the consolidation of every 10 Shares into 1 Consolidated Share pursuant to the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the issuance of 992,394,438 Rights Shares at the issue price of RM0.10 each together with 578,896,755 Warrants A.
- (4) After accounting for the adjustments for the apportionment of the relative fair values of the Rights Shares and Warrants A (computed based on the Trinomial option pricing model with data sourced from Bloomberg) between the share capital account and the warrants reserve account as well as estimated expenses incidental to the Corporate Exercises of approximately RM0.7 million.
- (5) Based on the Exercise Price of RM0.10 per Warrant A.

8.3 Substantial Shareholders' shareholdings

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

Minimum Scenario

As at the LPD, Wan Thean Hoe and Mak Siew Wei, the Undertaking Shareholders, are not substantial Shareholders. They will become substantial Shareholders following the completion of the Rights Issue with Warrants pursuant to the Minimum Subscription Level.

Substantial Shareholders	As at the LPD				(i) After the Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Ace Solution Investments Ltd	138,000,000	8.34	-	-	13,800,000	8.34	-	-
Wan Thean Hoe	100,000	0.01	-	-	10,000	0.01	-	-
Mak Siew Wei	100,000	0.01	-	-	10,000	0.01	-	-

Substantial Shareholders	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Ace Solution Investments Ltd	13,800,000	5.20	-	-	13,800,000	4.26	-	-
Wan Thean Hoe	50,010,000	18.84	-	-	79,176,666	24.46	-	-
Mak Siew Wei	50,010,000	18.84	-	-	79,176,666	24.46	-	-

Notes:-

- (1) Based on the issued share capital of 1,653,990,732 Shares as at the LPD.
- (2) Based on the issued share capital of 165,399,073 Shares after the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the enlarged issued share capital of 265,399,073 Shares.
- (4) Based on the enlarged issued share capital of 323,732,406 Shares.

Maximum Scenario

Under the Maximum Scenario, the Undertaking Shareholders will not emerge as substantial Shareholders.

Substantial Shareholder	As at the LPD				(I) After the Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Ace Solution Investments Ltd	138,000,000	8.34	-	-	13,800,000	8.34	-	-

Substantial Shareholder	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Ace Solution Investments Ltd	96,600,000	8.34	-	-	144,900,000	8.34	-	-

Notes:-

- (1) Based on the issued share capital of 1,653,990,732 Shares as at the LPD.
- (2) Based on the issued share capital of 165,399,073 Shares after the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the enlarged issued share capital of 1,157,793,511 Shares.
- (4) Based on the enlarged issued share capital of 1,736,690,266 Shares.

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8.4 Earnings and EPS

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

Assuming that the consolidated earnings of the Company remain unchanged, the EPS of the Company will be diluted as a result of the increase in the number of Shares in issue following the issuance of the Rights Shares and any new Shares arising from the exercise of the Warrants A.

For illustration, assuming that the Corporate Exercises had been completed at the beginning of the FYE 31 December 2020, the pro forma effects of the Rights Issue with Warrants on the consolidated losses and LPS of the Company are as follows:-

	Audited as at 31 December 2020	After the Share Consolidation ⁽¹⁾	Pro forma I		Pro forma II	
			After the Rights Issue with Warrants		After Pro forma I and assuming full exercise of the Warrants A	
			Minimum Scenario	Maximum Scenario	Minimum Scenario	Maximum Scenario
LAT attributable to owners of the Company (RM'000)	(38,971)	(38,971)	(38,971)	(38,971)	(38,971)	(38,971)
Weighted average number of Shares ('000)	864,053	86,405	186,405	1,078,799	244,738	1,657,696
LPS (sen)	(4.51)	(45.10)	(20.91)	(3.61)	(15.92)	(2.35)

Note:-

(1) Adjusted pursuant to the Share Consolidation which was completed on 11 June 2021.

The pro forma effects above have not taken into consideration any returns which may be generated from the proceeds from the Rights Issue with Warrants and the full exercise of Warrants A which are earmarked for the development of Yayasan Project, financing of the Factory Project and future working capital requirements.

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

9.1 Working capital and sources of liquidity

The Group's working capital is funded by cash generated from operating activities, the Group's existing cash and bank balances, credit facilities from financial institutions and proceeds from the issuance of equity securities. As at the LPD, the Group's cash and bank balances stood at approximately RM22.8 million.

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

The Board confirmed that, after taking into consideration the funds generated from the Company's operations, the banking facilities available to the Group, proceeds to be raised from the Rights Issue with Warrants as well as the impact of the COVID-19 pandemic on the businesses of the Group, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

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

Borrowings	RM'000
<u>Long term borrowings</u>	
- Lease liabilities	139
- Islamic medium term notes	12,396
<u>Short term borrowings</u>	
- Lease liabilities	168
- Islamic medium term notes	1,298
- Bank overdrafts	3,352
Total	17,353

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

9.3 Contingent liabilities

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

Contingent liabilities	Amount (RM '000)
Corporate guarantee extended to a customer for the purpose of retention sum	844
Performance bond extended to a customer in respect of a construction related contract entered into by the Group	875
Total	1,719

9.4 Material commitments

As at the LPD, save as disclosed below, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group:-

Material commitments	Amount (RM'000)
Payment to Yayasan for the future entitlements in respect of the JVA for Yayasan Project	2,000

10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

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

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

10.1 General

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

10.2 NPA

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

10.3 Methods of acceptance and application

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

<u>Method</u>	<u>Category of Entitled Shareholders</u>
RSF	All Entitled Shareholders
e-Subscription	All Entitled Shareholders

10.4 Procedures for acceptance and payment

10.4.1 By the method of RSF

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

Renouncee(s)/transferee(s) who wishes to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers or the registered office or Share Registrar's website at <https://www.registrar-boardroom.com.my> or from the Bursa Securities' website at <http://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to Share Registrar of Company in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to the Entitled Shareholders also apply to renouncee(s)/transferee(s) who wishes to accept the Provisional Allotments.

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

If you and/or your renouncee(s)/transferee(s) (if applicable) wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment by using the envelope provided must be despatched by **ORDINARY POST, COURIER or DELIVERED BY HAND** (at your own risk) to the Company's Share Registrar office at the following address:-

Boardroom.com Sdn Bhd
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor.
Tel : +603 – 7890 0638
Fax : +603 – 7890 1032

so as to arrive not later than **5.00 p.m. on Tuesday, 6 July 2021**, being the last date and time for the acceptance and payment for the Rights Shares with Warrants A.

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

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

Successful applicants to the Rights Shares with Warrants A will be given the Warrants A on the basis of 7 Warrants A for every 12 Rights Shares successfully subscribed for. The minimum number of Rights Shares that can be subscribed or accepted is 1 Rights Share. However, you should take note that a trading board lot comprises 100 Rights Shares and 100 Warrants A respectively. Fractions of a Rights Shares and/or Warrant arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company.

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

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of a banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia and which must be made payable to "**PASUKHAS GROUP BHD RIGHTS ISSUE**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters, your contact number, your address and your CDS Account number, and must be received by the Share Registrar by **5.00 p.m. on Tuesday, 6 July 2021**. The payment must be made for the exact amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

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

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

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

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

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

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by the Share Registrar by **5.00 p.m. on Tuesday, 6 July 2021**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any Rights Shares with Warrants A not taken up or not validly taken up to applicants applying for the Excess Rights Shares with Warrants A in the manner as set out in Section 10.7 of this Abridged Prospectus. The Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

10.4.2 By the method of e-Subscription

You and/or your renounee(s)/transferee(s) (if applicable) can have the option to accept and make payment for your entitlement to the Provisional Allotments through the e-Subscription available to you upon your login to Boardroom.com Portal at <https://www.registrar-boardroom.com.my>. You are advised to read the instructions as well as the terms and conditions of the e-Subscription. The e-Subscription is available to Entitled Shareholders including individuals, corporations or institutional shareholders.

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

- (i) any e-Subscription received after the Closing Date by Share Registrar of the Company may not be accepted at the absolute discretion of the Board. All valid e-Subscription received by Share Registrar of the Company are irrevocable and cannot be subsequently withdrawn;

- (ii) the e-Subscription must be made in accordance with the procedures and terms and conditions of the e-Subscription, this Abridged Prospectus and the notes and conditions contained in the e-RSF. Any incomplete or incorrectly completed e-RSF submitted via Boardroom.com Portal may or may not be accepted at the absolute discretion of the Board;
- (iii) your application for the Rights Shares with Warrants A and excess Rights Shares with Warrants A (if applicable) must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:-

Name of account	PASUKHAS GROUP BHD RIGHTS ISSUE	PASUKHAS GROUP BHD EXCESS RIGHTS ISSUE
Name of bank	Malayan Banking Berhad	
Bank account no.	562759700846	562759700830

You are required to pay an **additional fee of RM15.00** being the stamp duty and handling fee for each e-Subscription per CDS account into the Company's Share Registrar's bank account as follows:-

Name of account	BOARDROOM.COM SDN BHD
Name of bank	CIMB Bank Berhad
Bank account no.	8010020271

- (iv) All Entitled Shareholders who wish to submit by way of e-Subscription are required to follow the procedures and read the terms and conditions as stated below:-

Procedures

Procedure	Action
User registration	<ul style="list-style-type: none"> • Access the Boardroom.com Portal at https://www.registrar-boardroom.com.my • Click <<Login/Register>> followed by <<Register New User>> to register as a new user. • Complete the registration by filling up the information required and upload a clear copy of your MyKAD (both front and back page) or Passport. • Read and agree to the terms & conditions and thereafter submit your registration. • Please enter a valid email address in order for you to receive the verification email from the Boardroom.com Portal. • Please verify your email address before the link expire in one (1) hour from your registration. • Your registration will be verified and approved by the Boardroom.com Portal. Once approved, an email notification will be sent to you. • If you have already registered an account with Boardroom.com Portal, you are not required to register again. A notification email will be sent to your email address that you have registered with the Boardroom.com Portal.

Procedure	Action
e-Subscription	<ul style="list-style-type: none"> • Sign in to https://www.registrar-boardroom.com.my • Login with your user ID and password for e-Subscription before the Closing Date. • Click the “MY RIGHTS ISSUE”. • Select the Company name from the drop selection and click the relevant Corporate Exercise event name. • Select the CDS account that you wish to submit and input the number of Right Shares to subscribe and number of excess Rights Shares to apply (if you choose to do so). • Ensure all information in the form is accurate before submitting the form. • Please indicate the details with the last 9 digits of CDS account and shareholder name when payment is made. • Upload the proof of payment(s) for the subscription and fill up the payment transaction number as your reference number. • Click the confirm button to submit the e-RSF.

If you encounter any problems during the registration or submission, please email the Company’s Share Registrar at admin.registrar@boardroom.com.my or call at **+603-7890 0638** for assistance.

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 A (if applicable) by way of e-Subscription:-

- (a) you confirmed that you have attained 18 years of age as at the last day for subscription and payment;
- (b) you confirmed that you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities’ website at www.bursamalaysia.com, the contents of which you have read and understood;
- (c) you agree to all the terms and conditions for the e-Subscription and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;

(d) you agree and undertake to subscribe for and to accept the number of Rights Shares and Excess Rights Shares with Warrants A applied for (if applicable) as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares with Warrants that may be allotted to you;

(e) 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 the Company or the Company's Share Registrar and irrevocably agree that if:-

- the Company or its Share Registrar does not receive your submission of the e-RSF; or
- data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted or not communicated to the Company's Share Registrar,

your submission of the e-RSF will be deemed as failed and not to have been made. The Company and its 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 the Company or its Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your e-Subscription;

(f) 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 the Board without assigning any reason. Therefore:-

- you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository; and
- by making and completing an e-Subscription, you agree that:-

1. in consideration of the Company agreeing to allow and accept your e-Subscription for the Provisional Allotments and Excess Rights Shares with Warrants A applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
2. the Company's Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond the Company's control;

- (g) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.
- (h) You agree that all the Rights Shares and Warrants A to be issued pursuant to the Rights Issue will be allotted by way of crediting the Rights Shares and Warrants A into your CDS account. No physical share or warrant certificates will be issued.
- (i) You agree that the Company and its Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.
- (j) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date.
- (k) 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 address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by the Share Registrar by **5.00 p.m. on Tuesday, 6 July 2021**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any Rights Shares with Warrants A not taken up or not validly taken up to applicants applying for the Excess Rights Shares with Warrants A in the manner as set out in Section 10.7 of this Abridged Prospectus. The Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

10.5 Procedures for part acceptance

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

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants A which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 10.3 of this Abridged Prospectus.

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

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

10.6 Procedures for sale or transfer of Provisional Allotments

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

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

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants A applied for to the Share Registrar. Please refer to Section 10.3 of this Abridged Prospectus for the procedures for acceptance and payment.

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

10.7 Procedures for the Excess Rights Shares with Warrants A Application

10.7.1 By the method of RSF

If you wish to apply for additional Rights Shares with Warrants A in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights Shares with Warrants A applied for, to the Share Registrar so as to arrive not later than **5.00 p.m. on Tuesday, 6 July 2021**, being the last time and date for Excess Rights Shares with Warrants A Applications and payment.

Payment for the Excess Rights Shares with Warrants A Application(s) be made in the same manner as set out in Section 10.3 of this Abridged Prospectus except that the banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia must be made payable to "**PASUKHAS GROUP BHD EXCESS RIGHTS ISSUE**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar by **5.00 p.m. on Tuesday, 6 July 2021**. The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants A Applications. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

10.7.2 By the method of e-Subscription

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants A 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 A by following the same steps as set out in Section 10.4.2 of this Abridged Prospectus. The e-Subscription for Excess Rights Shares with Warrants A will be made on, and subject to, the same terms and conditions appearing in Section 10.4.2 of this Abridged Prospectus.

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

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

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

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants A applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 10.7 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares with Warrants A, in full or in part, without assigning any reason thereof.

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

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

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

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

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

As a transferee and/or renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants A and/or payment is the same as that which is applicable to the Entitled Shareholders as described in Sections 10.3 to 10.7 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

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

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

10.9 CDS Account

Bursa Securities has already prescribed the Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants A. 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 A shall signify your consent to receiving such Rights Shares with Warrants A as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

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

10.10 Notice of allotment

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

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

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

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

10.11 Foreign-Addressed Shareholders

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

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

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

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to the Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, Boardroom.com Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

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

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

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

The Company reserves the right, in 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 A available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

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

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to;

- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(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 renouncee(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 renouncee(s) is/are aware that the Rights Shares with Warrants A 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 renouncee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renouncee's decision to subscribe for or purchase the Rights Shares and Warrants A; and
- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants A, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants A.

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

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11. TERMS AND CONDITIONS

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

12. FURTHER INFORMATION

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

Yours faithfully
For and on behalf of the Board of
PASUKHAS GROUP BERHAD



WAN THEAN HOE
Executive Director cum Chief Executive Officer

APPENDIX I – INFORMATION ON THE COMPANY

1. SHARE CAPITAL

As at the LPD, the issued share capital of the Company is RM144,752,046 comprising 1,653,990,732 Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

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

3. DIRECTORS

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

Name (Designation)	Age	Address	Nationality
Mejar Dato' Ismail Bin Ahmad (Independent Non-Executive Chairman)	72	No. 2, Jalan Kapur 3/3 Seksyen 3 40000 Shah Alam Selangor	Malaysian
Wan Thean Hoe (Executive Director cum Chief Executive Officer)	52	26, Jalan Impian 5B, Ambang Botanic 2 41200 Klang, Selangor	Malaysian
Mak Siew Wei (Executive Director)	46	A-12-02, Surian Residences Jalan PJU 7/15 Mutiara Damansara 47810 Petaling Jaya Selangor	Malaysian
Tang Boon Koon (Executive Director)	51	2A, Jalan Bendahara 4/7 Seksyen 7 Bandar Mahkota Cheras 43200 Kajang Selangor	Malaysian
Teoh Kim Hooi (Independent Non-Executive Director)	66	B-19-1 Greenview Residence Persiaran Sg Long 2 Bandar Sg Long 43000 Kajang Selangor	Malaysian
Yap Chee Keong (Independent Non-Executive Director)	66	25 Liku Bruas Damansara Heights 50490 Kuala Lumpur	Malaysian
Dato' Nik Ismail Bin Dato' Nik Yusoff (Independent Non-Executive Director)	75	No. 3 Jalan Oniks Dua 7/11B Seksyen 7 40000 Shah Alam Selangor	Malaysian

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

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

Minimum Scenario

Substantial Shareholders	As at the LPD				(I) After the Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Teoh Kim Hooi	3,000,000	0.18	-	-	300,000	0.18	-	-
Wan Thean Hoe	100,000	0.01	-	-	10,000	0.01	-	-
Mak Siew Wei	100,000	0.01	-	-	10,000	0.01	-	-

Substantial Shareholders	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Teoh Kim Hooi	300,000	0.11	-	-	300,000	0.09	-	-
Wan Thean Hoe	50,010,000	18.84	-	-	79,176,666	24.46	-	-
Mak Siew Wei	50,010,000	18.84	-	-	79,176,666	24.46	-	-

Notes:-

- (1) Based on the issued share capital of 1,653,990,732 Shares as at the LPD.
- (2) Based on the issued share capital of 165,399,073 Shares after the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the enlarged issued share capital of 265,399,073 Shares.
- (4) Based on the enlarged issued share capital of 323,732,406 Shares.

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

Maximum Scenario

Substantial Shareholder	As at the LPD				(I) After the Share Consolidation			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Teoh Kim Hooi	3,000,000	0.18	-	-	300,000	0.18	-	-
Wan Thean Hoe	100,000	0.01	-	-	10,000	0.01	-	-
Mak Siew Wei	100,000	0.01	-	-	10,000	0.01	-	-

Substantial Shareholder	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants A			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Teoh Kim Hooi	2,100,000	0.18	-	-	3,150,000	0.18	-	-
Wan Thean Hoe	70,000	0.01	-	-	105,000	0.01	-	-
Mak Siew Wei	70,000	0.01	-	-	105,000	0.01	-	-

Notes:-

- (1) Based on the issued share capital of 1,653,990,732 Shares as at the LPD.
- (2) Based on the issued share capital of 165,399,073 Shares after the Share Consolidation which was completed on 11 June 2021.
- (3) Based on the enlarged issued share capital of 1,157,793,511 Shares.
- (4) Based on the enlarged issued share capital of 1,736,690,266 Shares.

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

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

Historical financial performance

	Audited		
	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020
	RM'000	RM'000	RM'000
Revenue	97,375	29,087	10,860
Cost of sales	(93,817)	(23,217)	(7,679)
GP	3,558	5,870	3,181
Other income	11,666	7,327	1,426
Administrative expenses	(13,262)	(9,893)	(13,577)
Other expenses	(4,921)	(7,231)	(3,471)
Finance costs	(2,800)	(3,287)	(2,247)
Net reversal of impairment losses / (impairment losses) on financial assets and contract assets	(1,843)	(4,087)	(27,471)
Share of results in associates, net of tax	-	-	-
PBT / LBT	(7,602)	(11,301)	(42,159)
Tax income / (expense)	(686)	152	46
PAT / LAT	(8,288)	(11,149)	(42,113)
PAT / (LAT) attributable to:-			
- owners of the Company	(7,267)	(10,918)	(38,971)
- non-controlling interests	(1,021)	(231)	(3,142)
GP margin (%)	3.65	20.18	29.29
PAT / (LAT) margin (%)	(8.51)	(38.33)	(387.78)
Weighted average no. of Shares in issue (‘000)	811,573	813,684	864,053
EPS / (LPS)			
- basic (sen)	(0.90)	(1.34)	(4.51)
- diluted (sen)	(0.90)	(1.34)	(4.51)

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

Historical financial position

	Audited		
	31 December 2018	31 December 2019	31 December 2020
	RM'000	RM'000	RM'000
Non-current assets	39,362	40,295	37,134
Current assets	132,055	103,860	79,154
Total assets	171,417	144,156	116,288
Share capital	89,783	89,922	117,501
Merger deficit	(10,500)	(10,500)	(10,500)
Fair value reserve	17	17	17
Foreign exchange translation reserve	(1)	(1)	(1)
Employee share option reserve	-	-	4,129
Accumulated losses	(5,033)	(15,951)	(54,922)
Equity attributable to owners of the Company	74,266	63,487	56,225
Non-controlling interests	5,172	4,941	1,799
Total equity	79,438	68,429	58,024
Non-current liabilities	10,757	17,650	15,544
Current liabilities	81,222	58,077	42,720
Total liabilities	91,979	75,727	58,264
Total equity and liabilities	171,417	144,156	116,288

Historical cash flow

	Audited		
	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020
	RM'000	RM'000	RM'000
<u>Net cash from / (used in)</u>			
Operating activities	(25,643)	(4,756)	1,602
Investing activities	14,650	681	8,698
Financing activities	948	(275)	20,552
Net (decrease) / increase in cash and cash equivalents	(10,045)	(4,350)	30,852
Effects of changes in exchange rate	749	(47)	8
Cash and cash equivalents at beginning of the year	(2,659)	(11,955)	(16,351)
Cash and cash equivalents at end of the year	(11,955)	(16,351)	14,509

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

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

The Group's revenue for the FYE 31 December 2020 decreased by RM18.2 million or 62.7% to RM10.9 million as compared to the previous corresponding period. This was mainly due to lower contribution from the civil engineering and construction services segment by RM18.8 million as a result of the slowdown in construction activities following the outbreak of COVID-19. Besides that, the Group became more cautious in selecting its customers as it is mindful that many contractors and project owners may be suffering from financial difficulties as a result of COVID-19.

In line with the lower revenue, the Group recorded a lower GP of RM3.2 million (GP margin of 29.29%) as compared to a GP of RM5.9 million (GP margin of 20.18%) in the previous corresponding period, representing a decrease of RM2.7 million or 45.8%.

The Group recorded a higher LAT of RM42.1 million as compared to an LAT of RM11.1 million in the previous corresponding period, representing an increase of 277.7%. In addition to the lower GP, the increase in LAT was also attributed to impairment losses on trade receivables and contract assets of RM27.5 million (FYE 31 December 2019: RM4.1 million), mainly attributable to the following:-

- (a) RM20.1 million from the impairment of an advance paid to supplier for coal. As the Group was subsequently unable to secure orders for the coal, and hence unable to take delivery for said coal, the quality of these coals deteriorated over time. As a result, the Group recognised an impairment loss on the cash advance paid to the supplier; and
- (b) RM7.2 million from an impairment of contract asset, arising from work done for a variation order which was not recognised by the customer and for which the Group could not claim.

The Group recorded a net increase in cash and cash equivalents of RM30.9 million in the FYE 31 December 2020 (FYE 31 December 2019: net decrease of RM4.4 million) mainly due to the proceeds from the private placement exercises undertaken by the Company totalling RM25.2 million and from the exercise of employees' share options of RM2.3 million in the FYE 31 December 2020.

(ii) FYE 31 December 2019 vs FYE 31 December 2018

The Group's revenue for the FYE 31 December 2019 decreased by RM68.3 million or 70.1% to RM29.1 million as compared to the previous financial year. This was mainly due to lower contribution from the coal trading segment by RM60.2 million as the Group did not secure any contracts for supply of steam coals during the FYE 31 December 2019 (FYE 31 December 2018: 3 contracts).

Despite the lower revenue, the Group achieved a higher GP of RM5.9 million (GP margin of 20.18%) as compared to a GP of RM3.6 million (GP margin of 3.65%) in the previous financial year, representing an increase of RM2.3. This is mainly due to higher profit contributions from the civil engineering and construction services, as well as the M&E engineering services, segments which secured more contracts with better profit margins in 2019. These contracts with favourable GP margins have more than offset the GP decrease from the coal trading segment, which has historically recorded relatively low margins.

Additionally, in the FYE 31 December 2018, the Group incurred a cost overrun on its M&E engineering services segment which impacted the Group's GP margin for the financial year.

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

Despite the higher GP, the Group recorded a higher LAT of RM11.1 million in the FYE 31 December 2019 as compared to LAT of RM8.3 million in the previous financial year, representing an increase of 34.5%. The higher LAT was mainly due to the following:-

- (a) higher impairment loss on trade receivables of RM4.1 million (FYE 31 December 2018: RM1.8 million) as the Group encountered difficulty in collection from project owners towards the completion of the projects; and
- (b) unrealised and realised foreign exchange loss amounting to RM0.2 million as compared to unrealised and realised foreign exchange gain amounting to RM1.9 million in the previous financial year.

The Group recorded a net decrease in cash and cash equivalents of RM4.4 million in the FYE 31 December 2019 (FYE 31 December 2018: net decrease of RM10.0 million) mainly due to negative operating cash flows of RM4.8 million as a result of the Group's operating loss in the FYE 31 December 2019.

5. HISTORICAL SHARE PRICES

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

	High RM	Low RM
2020		
June	0.050	0.025
July	0.080	0.035
August	0.090	0.050
September	0.190	0.065
October	0.080	0.045
November	0.100	0.045
December	0.080	0.070
2021		
January	0.075	0.060
February	0.070	0.040
March	0.050	0.030
April	0.035	0.020
May	0.025	0.015
Last transacted market price on 16 March 2021, being the last Market Day immediately prior to the first announcement of the Rights Issue with Warrants (RM)	0.045	
Last transacted market price on 17 June 2021, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)	⁽¹⁾ 0.230	
Last transacted market price on the LPD (RM)	0.020	

Note:-

(1) Adjusted pursuant to the Share Consolidation which was completed on 11 June 2021.

(Source: Bloomberg)

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

6. OPTION TO SUBSCRIBE FOR SHARES

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

- (i) under the ESOS, the Company may grant ESOS Options to subscribe for new Shares up to but not exceeding 30% of the Company's total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of 5 years and subsequently extended for another 5 years (i.e. a total of 10 years) from the effective date of the ESOS (i.e. 18 December 2020). The exercise price for such ESOS Options shall be determined by the Board at its discretion upon recommendation of the ESOS committee based on the 5-day VWAP of the Shares immediately prior to the date of offer with a discount of not more than 10%.

As at the LPD, the Company has up to 6,821,200 ESOS Options (approximately 0.41% of the total number of issued Shares as at the LPD, excluding treasury shares) which may be granted pursuant to the maximum allowable amount under the ESOS. In conjunction with the Corporate Exercises, the Company has undertaken not to grant any ESOS Options until completion of the Rights Issue with Warrants.

7. MATERIAL CONTRACTS

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

- (i) On 7 January 2020, PSB had entered into a settlement agreement with Emerald Capital (Ipoh) Sdn Bhd ("**ECI**") as the property developer of the project comprises 18 storeys apartment, 5 storeys carpark and 2 storeys office lots on Lot 225117 and Lot 225118, Mukim Hulu Kinta, Daerah Kinta, Perak ("**Project**") and Essential Value Sdn Bhd ("**EVSB**") ("**Settlement Agreement**"). PSB had subcontracted mechanical and engineering works to EVSB, a 55%-owned subsidiary of PSB. EVSB had entered into a sale and purchase agreement dated 28 January 2014 with ECI in respect of the purchase of unit S63 and 63A of Festival Walk by EVSB from ECI, in which EVSB had not as of the date of the Settlement Agreement settled the balance purchase price of RM1,000,000.00 to ECI.

The Settlement Agreement is to settle several disputes which have arisen pursuant to a letter of award dated 10 September 2013 for the Project. Among the terms of the settlement are:-

- (a) PSB is to undertake to undergo rectification works upon request by ECI; and
- (b) PSB is to purchase 2 units of D'Festivo Residences from ECI for RM1,779,500.00 ("**Purchase Price**"); and
- (c) a settlement sum of RM2,279,500.00 (after deductions of the balance purchase price owed by EVSB to ECI, interest owed, liquidated ascertained damages, costs of rectifications works, reimbursement of service taxes and utilities and adding adjudication costs payable by ECI to PSB) is to be paid by ECI to PSB partly by off-setting the amount against the Purchase Price, and the balance sum of RM500,000.00 is to be paid by ECI to PSB by way of 10 equal post-dated cheques commencing from 15 December 2019.

Payment of the cheques have been completed and the settlement agreement is deemed to have completed on 15 September 2020 pursuant to the clearance of all the post-dated cheques.

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

- (ii) On 27 November 2019, PSB ("**Vendor**") and Lim Siow Jin ("**Purchaser**") had entered into a sale and purchase agreement in respect of 100,000 ordinary shares in Pasukhas Cherating Sdn. Bhd ("**Agreement**") for a purchase consideration of RM13,312,500.00.

A supplemental agreement was subsequently entered into between the Vendor and Purchaser dated 24 February 2020 to vary the terms of the Agreement, among them being:-

- (a) the amendment of the purchase consideration to RM5,700,000.00; and
- (b) the addition of clause 2.4 which reads that the Purchaser has paid to the Vendor RM4,500,000 as deposit which shall account for part of the purchase consideration and the balance purchase consideration of RM1,200,000.00 shall be paid within 3 months upon the issuance of the certificate of completion and compliance of the hotel building located in Kuantan ("**Hotel Building**"); and
- (c) amendment of Clause 2.3 which reads that the Vendor shall complete construction of the hotel building at the costs of RM7,612,500.00 which shall be payable to the Vendor within 3 months upon the issuance of the certificate of completion and compliance.

The Agreement has been completed subsequent to the completion of the share transfer between the Vendor and Purchaser on 20 May 2020.

8. MATERIAL LITIGATION

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

- (i) **In the matter of adjudication between Empire Multiple Sdn Bhd ("**EMSB**") and PSB as follows:-**

On 6 February 2018, PSB, a wholly-owned subsidiary of the Company, served a payment claim under Section 5 of the Construction Industry Payment & Adjudication Act 2012 ("**CIPAA**") against EMSB, claiming a total amount of RM6,332,275.63 ("**CIPAA Payment Claim**") being the outstanding sum due and owing by EMSB.

The CIPAA Payment Claim is related to the project known as "Sub-contract for the Supply of Materials, Labour, Machineries, Equipment & Tools for Structural Works Only for Construction & Completion of Apartment Housing Scheme which includes: (1) Apartment Block A (14 storeys) (i) 13-storey (130 units) Apartment (ii) 1-storey carpark (iii) 1 unit electrical sub-station (2) Apartment Block B (14 storeys) (i) 13-storey (130 units) Apartment (ii) 1-storey carpark (3) 1-storey club house and swimming pool (4) guard house on Lot 208397, 69040, 69041, 69042 and 69043, Taman Bintang, Bandaraya Ipoh, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan ("**Project**").

PSB received the CIPAA's decision dated 17 August 2018 for the CIPAA Payment Claim ("**CIPAA Decision**"). The CIPAA Decision was as follows:

- (a) for the adjudicated sum:-
 - 1. EMSB shall pay to PSB the sum of RM4,799,321.99; and

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

2. interest on the sum of RM4,799,321.99 commencing from 6 February 2018 until full settlement at a rate of 5% per annum.
- (b) for the adjudicated costs:
1. the sum of RM40,000.00 as party to party costs within 10 working days from the date of release of the CIPAA Decision;
 2. costs of adjudication which includes Asian International Arbitration Centre's ("**AIAC**") (previously known as KLRCA) registration of adjudication fee of RM265.00, appointment of adjudicator RM424.00 and administrative costs of RM60,000.00 (and GST if any) within 10 working days; and
 3. interest of 5% per annum on such costs in the event of default until full settlement.

On 20 September 2018, PSB filed an application at the High Court of Malaya to enforce the CIPAA Decision. On 12 February 2019, the High Court of Malaya allowed PSB's application to enforce the CIPAA Decision.

On 5 March 2019, EMSB filed an appeal against the High Court of Malaya's decision dated 12 February 2019. PSB then filed a motion dated 13 August 2019 to strike out EMCB's appeal. The next case management is fixed on 2 August 2021 and hearing on 16 August 2021.

EMSB also filed an Ex-Fortuna Injunction on 19 March 2019 to restrain PSB from continuing and advertising winding-up proceedings against EMSB in which such injunction was granted to EMSB on 27 March 2019. PSB is appealing against the Ex-Fortuna Injunction being granted to EMSB. The case management on 5 May 2021 had initially confirmed the previously fixed date for the hearing, which was to be held on 27 May 2021. However, this date has recently been vacated indefinitely due to the other side's lawyers contracting COVID. Subsequently, the next case management for the Ex-Fortuna Injunction has been fixed on 23 November 2021 and the hearing has been fixed on 9 December 2021.

PSB also filed a judgement debtor summons against EMSB in Ipoh High Court. The hearing that was scheduled for 30 March 2021 was postponed to 13 April 2021 for case management to be conducted via email. Following this, the Court fixed 7 May 2021 for the next case management for the fixing of the next hearing date.

On 7 May 2021, the Court had fixed for 29 June 2021 for the next hearing of the Judgment Debtor Summons.

EMSB has on 25 February 2019 filed a claim against PSB in AIAC arbitration for the amount of RM4,147,850.00 in relation to the Project. PSB is counter claiming against Claimant for the amount of RM8,025,938.28 being the total unpaid value of works done for the Project and RM100,689.00 being the costs awarded in the CIPAA Decision. This claim is held in abeyance as it is pending mediation between the parties.

The Board is of the view that PSB has a fair chance in obtaining the motions in its favour in the matters above.

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

(ii) PSB v EMSB and others – Ipoh High Court Civil Suit No. AA-22NCC-7-02/2020

On 14 February 2020, PSB filed a writ of summons against EMSB, EMSB's directors and EMSB's auditors claiming for, amongst others, that the 2nd to 6th Defendants⁽¹⁾ to the suit had carried on the business of EMSB with the intention to defraud PSB.

On 30 March 2020, the 9th Defendant⁽¹⁾ filed a counter claim against PSB claiming for, amongst others, general damages for tort of abuse of process, aggravated damages and exemplary damages.

On 1 June 2020 for 7th and 8th Defendants⁽¹⁾, 15 May 2020 for 9th Defendant⁽¹⁾ and 28 May 2020 for 1st Defendant⁽¹⁾, four out of the 9 Defendants⁽¹⁾ also filed striking out applications against PSB.

The hearing date which was initially fixed for 18 May 2021 for the applications of striking out was vacated to 25th October 2021 instead.

The Board is of the view that PSB has a fair chance of success in its claims in the Writ, the defence against the applications of striking out and the defence against the counter-claim by the 9th Defendant.

Note:-

- (1) The names of the 9 Defendants are as follows:-
- (i) 1st Defendant - Empire Multiple Sdn. Bhd;
 - (ii) 2nd Defendant - Lee Kong Choong;
 - (iii) 3rd Defendant - Yee Loon Ming;
 - (iv) 4th Defendant - Tan Chuan Swee;
 - (v) 5th Defendant - Ho Seng Loong;
 - (vi) 6th Defendant - Yee Kok Ching;
 - (vii) 7th Defendant – Chai Pin Fah;
 - (viii) 8th Defendant – Phuan Eng Sing; and
 - (ix) 9th Defendant – Messrs Peter Ooi & Co.

9. CONSENTS

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

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the Constitution of the Company;
- (ii) the Undertakings referred to in Section 3 of this Abridged Prospectus;
- (iii) the letters of consent referred to in Section 9 of this Appendix I;
- (iv) the Deed Poll A;
- (v) the material contracts referred to in Section 7 of this Appendix I; and
- (vi) the relevant cause papers in respect of the material litigation referred to in Section 8 of this Appendix I.

11. RESPONSIBILITY STATEMENT

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

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