

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

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

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, 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 26 July 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 26 July 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, 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 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. In view of the closure of the Registrar of Companies operation counters as a result of the movement control order, the lodgement of the Documents will be made within 2 weeks after lodgement is able to be made with the Registrar of Companies.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 24 June 2021. Approval has been obtained from Bursa Securities via its letter dated 24 May 2021 for the admission of the Warrants to the Official List as well as the listing and quotation of the Rights Shares, Warrants and the new Shares to be issued upon exercise of the Warrants on the ACE Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the Rights Shares and Warrants 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.



BCM ALLIANCE BERHAD

Registration No. 201501009903 (1135238-U)

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

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,220,467,629 NEW ORDINARY SHARES IN BCM ALLIANCE BERHAD ("BCM" OR THE "COMPANY") ("BCM SHARES" OR "SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE TOGETHER WITH UP TO 1,017,056,357 FREE DETACHABLE WARRANTS IN THE COMPANY ("WARRANTS") ON THE BASIS OF 6 RIGHTS SHARES TOGETHER WITH 5 FREE WARRANTS FOR EVERY 4 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 26 JULY 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, 26 July 2021 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Allotments	: Thursday, 5 August 2021 at 5.00 p.m.
Transfer of Provisional Allotments	: Monday, 9 August 2021 at 4.30 p.m.
Acceptance and payment	: Monday, 16 August 2021 at 5.00 p.m.
Excess Rights Shares with Warrants application and payment	: Monday, 16 August 2021 at 5.00 p.m.

This Abridged Prospectus is dated 26 July 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 ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

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

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

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

SECURITIES 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 26 July 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
Base Case Scenario	- Assuming that none of the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renouncee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants
BCM or the Company	- BCM Alliance Berhad [Registration No. 201501009903 (1135238-U)]
BCM Group or the Group	- Collectively, the Company and its subsidiaries
BCM Shares or Shares	- Ordinary shares in the Company
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 Rights Issue with Warrants dated 3 June 2021
Closing Date	- 16 August 2021 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants
CMSA	- Capital Markets and Services Act, 2007 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
COVID-19	- Coronavirus disease 2019
CT	- Computerised tomography

DEFINITIONS (CONT'D)

Deed Poll	- Deed poll constituting the Warrants dated 8 July 2021
Directors	- Directors of the Company
e-RSF	- Electronic RSF
e-Subscription	- Electronic subscription
EGM	- Extraordinary general meeting of the Company
Entitled Shareholders	- Shareholders whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date in order to be entitled to the Rights Issue with Warrants
Entitlement Date	- 26 July 2021, 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 25 March 2021 for a 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	- Rights Shares with Warrants which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) by the Closing Date
Excess Rights Shares with Warrants Application	- Application for additional Rights Shares with Warrants in excess of the Provisional Allotments by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable)
Exercise Period	- Any time within a period of 3 years commencing from and including the date of issue of the Warrants 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. Any Warrants 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 is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll
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
FPE	- Financial period ended
FYE	- Financial year ended / ending, as the case may be
Government	- Government of Malaysia

DEFINITIONS (CONT'D)

GP	- Gross profit
IMR Report	- Independent market research report dated 30 June 2021 prepared by SMITH ZANDER
LAT	- Loss after taxation
Listing Requirements	- ACE Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	- 30 June 2021, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	- Loss per Share
LTD	- 7 July 2021, being the last trading day prior to the date of fixing the issue price of the Rights Shares and the Exercise Price
Market Day	- Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	- Assuming that all the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements of the Rights Shares with Warrants
MCO	- Movement control order issued by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
MDA	- Medical Device Authority, a government agency under the Ministry of Health Malaysia
Mercury Securities or the Principal Adviser	- Mercury Securities Sdn Bhd [Registration No. 198401000672 (113193-W)]
Minimum Scenario	- Assuming that none of the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
Minimum Subscription Level	- Minimum subscription level of 125,000,000 Rights Shares together with 104,166,666 Warrants based on the issue price of RM0.08 per Rights Share to arrive at RM10.00 million
MRI	- Magnetic resonance imaging
NA	- Net assets
NPA	- Notice of provisional allotment in relation to the Rights Issue with Warrants
Official List	- Official list of the ACE Market of Bursa Securities
PAT	- Profit after taxation

DEFINITIONS (CONT'D)

PBT	- Profit before taxation
Private Placement 2021 – 30%	- Private placement exercise previously undertaken by the Company which involved the issuance of 144,433,636 new Shares (representing 30% of the then existing total number of issued Shares), raised a total of RM32.09 million and was completed on 25 March 2021
Provisional Allotments	- The Rights Shares with Warrants provisionally allotted to Entitled Shareholders
Record of Depositors	- A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue with Warrants	- Renounceable rights issue of up to 1,220,467,629 Rights Shares together with up to 1,017,056,357 free detachable Warrants on the basis of 6 Rights Shares together with 5 free Warrants for every 4 existing Shares held by the Entitled Shareholders on the Entitlement Date
Rights Shares	- Up to 1,220,467,629 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 on Take-Overs, Mergers and Compulsory Acquisitions	- Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMA, as amended from time to time
SC	- Securities Commission Malaysia
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
SMITH ZANDER	- Smith Zander International Sdn Bhd [Registration No. 201301028298 (1058128-V)], an independent market researcher
Special Issue	- Share issuance exercise previously undertaken by the Company which involved the issuance of 60,197,000 new Shares (representing 14.29% of the then existing total number of issued Shares), raised a total of RM15.65 million and was completed on 11 December 2020
TEAP	- Theoretical ex-all price
Undertakings	- The irrevocable and unconditional written undertakings from the Undertaking Shareholders dated 5 May 2021, details of which are set out in Section 3 of this Abridged Prospectus

DEFINITIONS (CONT'D)

- Undertaking Shareholders** - Hoo Swee Guan (Executive Director of the Company) and Ho Kee Wee (Executive Director of the Company)
- VWAP** - Volume-weighted average market price
- Warrants** - Up to 1,017,056,357 free detachable warrants in the Company to be allotted and issued pursuant to the Rights Issue with Warrants
- Warrant Holders** - Holders of the Warrants

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

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

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

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

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

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 SECRETARIES : Tan Tong Lang (MAICSA 7045482) (SSM PC NO.: 201908002253)
Thien Lee Mee (LS0009760) (SSM PC NO.: 201908002254)
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor Darul Ehsan
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 : Messrs. Ching, Elaine & Co
Advocates & Solicitors
A 15-15, Tropicana Avenue,
Persiaran Tropicana, PJU13,
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 - 7886 9289

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 : CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF 0886
No. 8-2 & 10-2, Jalan 2/114
Off Jalan Klang Lama
Kuchai Business Centre
58200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 - 7984 8988
Fax : +603 - 7984 4402

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

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

STOCK EXCHANGE LISTING : ACE Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

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

Key information	Summary																						
(i) Number of Rights Shares to be issued and basis of allotment	Basis: 6 Rights Shares together with 5 free Warrants for every 4 existing Shares held by the Entitled Shareholders. Please refer to Section 2.1 of this Abridged Prospectus for further information.																						
		Minimum Scenario	Base Case Scenario	Maximum Scenario																			
	Number of Rights Shares to be issued	125,000,000	938,821,254	1,220,467,629																			
	Number of Warrants attached	104,166,666	782,351,045	1,017,056,357																			
	<p>The Rights Shares with Warrants 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 applications. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:-</p> <p>(i) firstly, to minimise the incidence of odd lots;</p> <p>(ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;</p> <p>(iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares with Warrants Applications; and</p> <p>(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, taking into consideration the quantum of their respective Excess Rights Shares with Warrants Applications.</p> <p>The Excess Rights Shares with Warrants will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants are allotted. Please refer to Section 10.7 of this Abridged Prospectus for further information.</p>																						
(ii) Pricing	<p>Issue price of the Rights Shares : RM0.08 per Rights Share</p> <p>Exercise Price for the Warrants : RM0.10 per Warrant (payable for every 1 new Share)</p> <p>Please refer to Section 2.2 of this Abridged Prospectus for further information.</p>																						
(iii) Undertakings	<p>Undertaking Shareholders and undertaking amount : (i) Hoo Swee Guan (Executive Director of BCM): RM5.00 million</p> <p>(ii) Ho Kee Wee (Executive Director of BCM): RM5.00 million</p> <p>Minimum Rights Shares to be subscribed for if none of the other Entitled Shareholders and/or their transferees and/or their renounees subscribe for the Rights Shares : 125,000,000 Rights Shares (representing 13.31% of the total number of 938,821,254 Rights Shares available for subscription under the Base Case Scenario)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Undertaking Shareholders</th> <th colspan="2" style="text-align: center;">Existing direct shareholding as at the LPD</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> </tr> </thead> <tbody> <tr> <td>Hoo Swee Guan</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">0.01</td> <td style="text-align: center;">62,510,000</td> <td style="text-align: center;">8.32</td> </tr> <tr> <td>Ho Kee Wee</td> <td style="text-align: center;">1,000</td> <td style="text-align: center;">0.01</td> <td style="text-align: center;">62,501,000</td> <td style="text-align: center;">8.32</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. At this juncture, the Undertaking Shareholders have not decided on whether they will subscribe for the Rights Shares in the event that the Minimum Subscription Level has been achieved.</p> <p>Please refer to Section 3 of this Abridged Prospectus for further information.</p>				Undertaking Shareholders	Existing direct shareholding as at the LPD		Minimum Scenario		No. of Shares	%	No. of Shares	%	Hoo Swee Guan	10,000	0.01	62,510,000	8.32	Ho Kee Wee	1,000	0.01	62,501,000	8.32
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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 mainly for the Group to invest in the business of providing on-demand laundry services and working capital.</p> <p>(b) To raise funds without incurring additional interest expense from borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.</p> <p>(c) The free Warrants which are attached to the Rights Shares are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares.</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="text-align: left;">Utilisation of proceeds</th> <th rowspan="2" style="text-align: center;">Intended timeframe for utilisation</th> <th colspan="2" style="text-align: center;">Minimum Scenario</th> <th colspan="2" style="text-align: center;">Base Case Scenario</th> <th colspan="2" style="text-align: center;">Maximum Scenario</th> </tr> <tr> <th style="text-align: center;">RM'000</th> <th style="text-align: center;">%</th> <th style="text-align: center;">RM'000</th> <th style="text-align: center;">%</th> <th style="text-align: center;">RM'000</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>(i) Investment in the business of providing on-demand laundry services</td> <td style="text-align: center;">Within 18 months</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">100.0</td> <td style="text-align: center;">42,000</td> <td style="text-align: center;">55.9</td> <td style="text-align: center;">42,000</td> <td style="text-align: center;">43.0</td> </tr> <tr> <td>(ii) Working capital</td> <td style="text-align: center;">Within 24 months</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">32,476</td> <td style="text-align: center;">43.2</td> <td style="text-align: center;">55,007</td> <td style="text-align: center;">56.3</td> </tr> <tr> <td>(iii) Estimated expenses for the Rights Issue with Warrants</td> <td style="text-align: center;">Immediate</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">630</td> <td style="text-align: center;">0.9</td> <td style="text-align: center;">630</td> <td style="text-align: center;">0.7</td> </tr> <tr> <td colspan="2" style="text-align: left;">Total</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">100.0</td> <td style="text-align: center;">75,106</td> <td style="text-align: center;">100.0</td> <td style="text-align: center;">97,637</td> <td style="text-align: center;">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	Minimum Scenario		Base Case Scenario		Maximum Scenario		RM'000	%	RM'000	%	RM'000	%	(i) Investment in the business of providing on-demand laundry services	Within 18 months	10,000	100.0	42,000	55.9	42,000	43.0	(ii) Working capital	Within 24 months	-	-	32,476	43.2	55,007	56.3	(iii) Estimated expenses for the Rights Issue with Warrants	Immediate	-	-	630	0.9	630	0.7	Total		10,000	100.0	75,106	100.0	97,637	100.0
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(vi) Risk factors	<p>You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-</p> <p>(a) the Group's medical devices segment is subject to non-recurring demand, fluctuations in foreign currency exchange rates and licensing risk;</p> <p>(b) the Group's commercial laundry equipment segment is subject to non-recurring demand, fluctuations in foreign currency exchange rates and dependency on prevailing consumer preferences;</p> <p>(c) the Group's healthcare products segment is subject to dependency on distributorship arrangement and licensing risk while, in particular, the distribution of COVID-19 test kits is subject to various risks such as potential delay in obtaining the necessary approvals from MDA, competition from other distributors and lower demand moving forward as the COVID-19 pandemic is gradually contained; and</p> <p>(d) the Group has no prior experience in the on-demand laundry services business and this may result in unexpected delays and cost overruns, thereby translating into lower returns on investment and longer payback period.</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 must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein 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 is on Monday, 16 August 2021 at 5.00 p.m.</p> <p>Please refer to Section 10 of this Abridged Prospectus for further information.</p>																																														



BCM ALLIANCE BERHAD
[Registration No. 201501009903 (1135238-U)]
(Incorporated in Malaysia)

Registered Office

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

26 July 2021

Board of Directors:-

Datuk Chin Goo Chai (Independent Non-Executive Chairman)
Liaw Chong Lin (Managing Director)
Hoo Swee Guan (Executive Director)
Ho Kee Wee (Executive Director)
Datin Latiffah Binti Endot (Independent Non-Executive Director)
Ng Kok Wah (Independent Non-Executive Director)
Yap Kim Choy (Independent Non-Executive Director)
Khor Ben Jin (Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,220,467,629 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE TOGETHER WITH UP TO 1,017,056,357 FREE DETACHABLE WARRANTS ON THE BASIS OF 6 RIGHTS SHARES TOGETHER WITH 5 FREE WARRANTS FOR EVERY 4 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 26 JULY 2021

1. INTRODUCTION

On 5 May 2021, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Rights Issue with Warrants.

On 24 May 2021, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 24 May 2021, granted its approval for, amongst others, the following:-

- (i) admission of the Warrants to the Official List;
- (ii) listing and quotation of the Rights Shares and Warrants on the ACE Market of Bursa Securities; and
- (iii) listing and quotation of the new Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities.

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

Conditions imposed by Bursa Securities	Status of compliance
(i) BCM 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 complied
(ii) BCM and Mercury Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
(iii) BCM 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 complied
(iv) BCM to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 24 June 2021, the Shareholders had approved the Rights Issue with Warrants at the EGM of the Company.

On 8 July 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 RM0.08 per Rights Share as well as the Exercise Price at RM0.10 per Warrant.

On 9 July 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 26 July 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 1,220,467,629 Rights Shares together with up to 1,017,056,357 free Warrants on a renounceable basis of 6 Rights Shares together with 5 free Warrants for every 4 existing Shares held by the Entitled Shareholders on the Entitlement Date, at the issue price of RM0.08 per Rights Share.

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

As at the LPD, the Company has 625,880,836 Shares in issue as well as up to 187,764,250 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS.

Based on the enlarged issued share capital of 813,645,086 Shares (assuming all ESOS Options have been granted and exercised), the Rights Issue with Warrants would entail the issuance of up to 1,220,467,629 Rights Shares together with up to 1,017,056,357 Warrants (assuming all Entitled Shareholders fully subscribe to their entitlements of the Rights Shares with Warrants).

The Rights Issue with Warrants will be undertaken on the Minimum Subscription Level of RM10.00 million which shall be satisfied via irrevocable and unconditional Undertakings from the 2 Undertaking Shareholders for an amount of up to RM5.00 million each respectively. Further details are set out in Section 3 of this Abridged Prospectus.

As the Rights Shares and Warrants 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 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 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 are exercisable into new Shares and each Warrant will entitle the Warrant Holder to subscribe for 1 new Share at the Exercise Price. The Warrants will be immediately detached from the Rights Shares upon issuance and traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll. The salient terms of the Warrants 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 and new Shares to be issued arising from the exercise of the Warrants will be credited directly into the respective CDS Accounts of successful applicants and holders of Warrants who exercise their Warrants (as the case may be). No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants, nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants.

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 cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their Rights Shares entitlements will not be entitled to the Warrants. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion to their acceptance of the Rights Shares entitlements.

The Rights Shares and Warrants which are not taken up or not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s) shall be made available for Excess Rights Shares with Warrants 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 within 8 Market Days from the last date for acceptance and payment of the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

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

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 RM0.08 per Rights Share after taking into consideration, amongst others, the following:-

- (a) the funding requirements of the Group as set out in Section 5 of this Abridged Prospectus;
- (b) the TEAP⁽¹⁾ of RM0.0998 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1295 per Share; and
- (c) the rationale for the Rights Issue with Warrants, as set out in Section 4 of this Abridged Prospectus.

The issue price of RM0.08 per Rights Share represents a discount of approximately 20% to the TEAP of RM0.0998 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1295 per Share and the exercise price of RM0.10 per Warrant.

Note:-

(1) TEAP is computed as follows:-

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

where:-

A = Number of Rights Shares

B = Number of Warrants

C = Number of existing Shares

X = Issue price of the Rights Shares

Y = Exercise Price

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

and the ratio of A:B:C is 6:5:4, in accordance with the entitlement basis of 6 Rights Shares together with 5 free Warrants for every 4 existing Shares held.

(ii) Exercise Price

The Board had fixed the Exercise Price at RM0.10 per Warrant 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.

The Exercise Price of RM0.10 per Warrant is approximately equivalent to the TEAP of the Shares of RM0.0998, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1295 and the issue price of RM0.08 per Rights Share.

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

(i) Rights Shares

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

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

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

2.4 Last date and time for acceptance and payment

The Closing Date is **5.00 p.m. on Monday, 16 August 2021.**

2.5 Salient terms of the Warrants

- Issuer : BCM
- Issue size : Up to 1,017,056,357 Warrants
- Form and detachability : The Warrants will be issued in registered form and constituted by the Deed Poll. The Warrants 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 shall be 100 units of Warrants, or such other number of units as may be prescribed by Bursa Securities.
- Tenure of the Warrants : 3 years commencing on and including the date of issuance of the Warrants.
- Exercise Period : The Warrants may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants 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. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
- Exercise Price : RM0.10 per Warrant.
- The Exercise Price and/or the number of Warrants 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.
- Subscription rights : Each Warrant shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll.
- Mode of exercise : The holders of the Warrants 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 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 : Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by 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, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll.
- Rights of the Warrant Holders : The Warrants 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 exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll 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 : The new Shares to be issued arising from the exercise of the Warrants in accordance with the provisions of the Deed Poll shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants, rank equally in all respects with the then existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares arising from the exercise of the Warrants.
- Rights of the Warrant Holders in the event of winding up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding-up of 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 (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of the Warrants; and

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- Rights of the Warrant Holders in the event of winding up, liquidation, compromise and/or arrangement (cont'd) : (ii) in any other cases, every Warrant holder shall be entitled to exercise his / her Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon the Company shall allot the relevant new Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all subscription rights of the Warrants shall lapse and cease to be valid for any purpose.
- Modification of rights of Warrant Holders : Save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant holders.
- Modification of the Deed Poll : Any modification to the terms and conditions of the Deed Poll may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll. Any of such modification shall however be subject to the approval of Bursa Securities (if so required).
- No amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant Holders.
- Listing : The Warrants will be listed and traded on the ACE Market of Bursa Securities. The listing and quotation of the Warrants on the ACE Market of Bursa Securities is subject to a minimum of 100 holders of Warrants.
- Transferability : The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
- Deed Poll : The Warrants B shall be constituted by the Deed Poll.
- Governing laws : The Warrants and the Deed Poll shall be governed by the laws and regulations of Malaysia.

2.6 Details of other corporate exercises

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

2.7 Details of past fund-raising exercises undertaken by the Company**(i) Private Placement 2021 – 30%**

On 25 March 2021, the Company completed a private placement exercise which involved the issuance of 144,433,636 new Shares (representing 30% of the then existing total number of issued Shares prior to the Private Placement 2021 – 30%), raising a total of RM32.09 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 25 March 2021	Actual proceeds raised		Amount utilised as at the LPD		Balance available for utilisation	
		RM'000	%	RM'000	%	RM'000	%
(i) Business expansion into the trading of COVID-19 test kits	Within 24 months	31,689	98.7	⁽¹⁾ 6,543	94.2	⁽²⁾ 25,146	100.0
(ii) Expenses for the Private Placement 2021 – 30%	Immediate	405	1.3	405	5.8	-	-
Total		32,094	100.0	6,948	100.0	25,146	100.0

Note:-

- (1) The proceeds have been utilised by the Group to set up a new office, clean room and storage facility for the COVID-19 test kits located in Bangsar South, Kuala Lumpur with a built-up area of 3,340 square feet, which was completed in May 2021.
- (2) The balance unutilised proceeds are intended to be utilised mainly for the purchase of COVID-19 test kits for sale and distribution.

The Group is now in the midst of receiving orders for COVID-19 test kits and plans to start fulfilling orders immediately upon obtaining MDA's approval, which is expected to be by the end of 3rd quarter of 2021. To date, the Group has received orders for 1,650 boxes of COVID-19 test kits.

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(ii) Special Issue

On 11 December 2020, the Company completed a special issue exercise which involved the issuance of 60,197,000 new Shares to Bumiputera investors identified and/or approved by the Ministry of International Trade and Industry Malaysia, raising a total of RM15.65 million.

The said proceeds have been utilised as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 11 December 2020	Actual proceeds raised		Amount utilised as at the LPD		Balance available for utilisation	
		RM'000	%	RM'000	%	RM'000	%
(i) Purchase of new devices and equipment	Within 24 months	9,750	62.3	7,718	56.7	(1)2,032	100.0
(ii) Working capital	Within 6 months	5,439	34.8	5,439	39.9	-	-
(iii) Expenses in relation to the Special Issue	Within 1 month	462	2.9	462	3.4	-	-
Total		15,651	100.0	13,619	100.0	2,032	100.0

Note:-

- (1) The proceeds are intended to be utilised mainly for the purchase of new medical devices and commercial laundry equipment for sale and distribution. The medical devices and commercial laundry equipment to be purchased have been identified but is subject to change depending on the final orders to be placed by the customers from time to time.

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3. MINIMUM SUBSCRIPTION LEVEL AND THE UNDERTAKINGS

The Company intends to raise a minimum of RM10.00 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level. To meet the Minimum Subscription Level, the Company has procured the Undertakings from the Undertaking Shareholders, namely Hoo Swee Guan (Executive Director of the Company) and Ho Kee Wee (Executive Director of the Company), 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 renounee(s) (including the Undertaking Shareholders, if necessary) amounts to not less than RM10.00 million.

For the avoidance of doubt, the subscription of Rights Shares (including excess Rights Shares, where applicable) by each of the Undertaking Shareholders pursuant to the Undertakings is for an amount of up to RM5.00 million each respectively only.

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

Undertaking Shareholders	Existing direct shareholding as at the LPD		Minimum Rights Shares with Warrants to be subscribed pursuant to the Undertakings			Subscription based on excess application				
	No. of Shares	% ⁽¹⁾	No. of Rights Shares	% ⁽²⁾	No. of Warrants	% ⁽³⁾	No. of Rights Shares	% ⁽²⁾	No. of Warrants	% ⁽³⁾
Hoo Swee Guan	10,000	(6)-	15,000	(6)0.01	12,500	(6)0.01	62,485,000	49.99	52,070,833	49.99
Ho Kee Wee	1,000	(6)-	1,500	(6)-	1,250	(6)-	62,498,500	50.00	52,082,083	50.00

Undertaking Shareholders	Total Rights Shares with Warrants to be subscribed pursuant to the Undertakings		Assuming none of the other Entitled Shareholders subscribe for their Rights Shares	
	No. of Rights Shares	% ⁽²⁾	No. of Shares held after the Rights Issue with Warrants	% ⁽⁴⁾
Hoo Swee Guan	62,500,000	50.00	62,510,000	8.32
Ho Kee Wee	62,500,000	50.00	62,501,000	8.32
			No. of Shares held after the Rights Issue with Warrants and assuming full exercise of the Warrants	% ⁽⁵⁾
			114,593,333	13.40
			114,584,333	13.40

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the total number of 125,000,000 Rights Shares to be subscribed by the Undertaking Shareholders pursuant to their collective Undertakings.
- (3) Based on the total number of 104,166,666 free Warrants attached to the Rights Shares to be subscribed by the Undertaking Shareholders.
- (4) Based on the enlarged issued share capital of 750,880,836 Shares under the Minimum Scenario.
- (5) Based on the enlarged issued share capital of 855,047,502 Shares under the Minimum Scenario and assuming full exercise of the Warrants.
- (6) Less than 0.01%.

Pursuant to the Undertakings, the Undertaking Shareholders have confirmed that they have sufficient financial means and resources to fulfil their obligations under their respective 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.

The Undertaking Shareholders have confirmed that:-

- (i) their subscription for Rights Shares pursuant to the Undertakings will not give rise to any consequence of mandatory take-over offer obligation under the Code and the Rules immediately after completion of the Rights Issue with Warrants; and
- (ii) they will observe and comply at all times with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

As the Minimum Subscription Level will be fully satisfied via the 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. At this juncture, the Undertaking Shareholders have not decided on whether they will subscribe for the Rights Shares in the event that the Minimum Subscription Level has been achieved.

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

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

Particulars	Beneficial shareholding as at the LPD		(I) After the Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants	
	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(3)%
Issued share capital	625,880,836	100.00	750,880,836	100.00	855,047,502	100.00
Less:						
Directors ⁽⁶⁾ , substantial shareholders and their associates						
- Sanichi Technology Berhad	44,000,800	7.03	44,000,800	5.86	44,000,800	5.15
- Liaw Chong Lin	200,000	0.03	200,000	0.03	200,000	0.02
- Hoo Swee Guan ⁽⁴⁾	10,000	(5)-	62,510,000	8.32	114,593,333	13.40
- Ho Kee Wee ⁽⁴⁾	1,000	(5)-	62,501,000	8.32	114,584,333	13.40
- Yap Kim Choy	3,800,000	0.61	3,800,000	0.51	3,800,000	0.44
- Chong Wai Mun	4,818,700	0.77	4,818,700	0.64	4,818,700	0.56
- Hew Chun Shun	677,000	0.11	677,000	0.09	677,000	0.08
- Koh Lap Hing	5,600,000	0.89	5,600,000	0.75	5,600,000	0.65
- Kew Kin Chee	6,808,700	1.09	6,808,700	0.91	6,808,700	0.80
Shareholders holding less than 100 Shares	436	(5)-	436	(5)-	436	(5)-
Public shareholding spread	559,964,200	89.47	559,964,200	74.57	559,964,200	65.50

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 750,880,836 Shares under the Minimum Scenario.
- (3) Based on the enlarged issued share capital of 855,047,502 Shares under the Minimum Scenario and assuming full exercise of the Warrants.
- (4) As at the LPD, Hoo Swee Guan and Ho Kee Wee 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 their Undertakings under the Minimum Scenario.
- (5) Less than 0.01%.
- (6) Includes directors of subsidiaries of the Company.

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 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 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 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 and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants are exercised.

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

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5. UTILISATION OF PROCEEDS

As disclosed in the Circular, the Rights Issue with Warrants was expected to raise indicative gross proceeds of RM56.33 million under the Base Case Scenario and RM73.23 million under the Maximum Scenario, based on an illustrative issue price of RM0.06 per Rights Share.

Subsequently, on 8 July 2021, the Board had resolved to fix the issue price at RM0.08 per Rights Share. Pursuant thereto, the Rights Issue with Warrants is now expected to raise indicative gross proceeds of RM75.11 million and RM97.64 million under the Base Case Scenario and Maximum Scenario respectively. The additional proceeds of RM18.78 million and RM24.41 million under the Base Case Scenario and Maximum Scenario respectively will be allocated for the working capital of the Group (in addition to the earlier amounts allocated in the Circular of RM13.70 million and RM30.60 million respectively), further details of which are set out in Section 5(ii) below.

Hence, based on the issue price of RM0.08 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants are intended to be utilised in the following manner:-

Utilisation of proceeds	Intended timeframe for utilisation from completion of the Rights Issue with Warrants ⁽⁵⁾	Minimum Scenario		Base Case Scenario		Maximum Scenario	
		RM'000	%	RM'000	%	RM'000	%
(i) Investment in the business of providing on-demand laundry services	Within 18 months	10,000	100.0	42,000	55.9	42,000	43.0
(ii) Working capital	Within 24 months	-	-	32,476	43.2	55,007	56.3
(iii) Estimated expenses for the Rights Issue with Warrants	Immediate	⁽²⁾ -	-	⁽³⁾ 630	0.9	⁽³⁾ 630	0.7
Total		⁽¹⁾10,000	100.0	75,106	100.0	⁽⁴⁾97,637	100.0

Notes:-

- (1) Any additional proceeds raised in excess of this amount will be allocated up to its respective maximum allocation in the following order -
 - (i) estimated expenses for the Rights Issue with Warrants;
 - (ii) investment in the business of providing on-demand laundry services; and
 - (iii) working capital (e.g. operating and administrative expenses as well as staff salaries, the indicative breakdown of which is set out in Section 5(ii) of this Abridged Prospectus).
- (2) Under the Minimum Scenario, the expenses for the Rights Issue with Warrants shall be funded via internally generated funds.
- (3) If the actual expenses incurred are higher than this budgeted amount, the deficit will be funded via the amount earmarked for working capital. Conversely, any surplus of funds following payment of expenses will be utilised in the order set out in Note (1) above.

- (4) The Board wishes to highlight that this illustrative amount that would be raised under the Maximum Scenario is based on the assumption that all the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are granted and exercised into new Shares prior to the Entitlement Date.

The Board is of the view that based on the timeline for implementation of the Rights Issue with Warrants, it is unlikely for all the ESOS Options to be granted and exercised into new Shares prior to the Entitlement Date in view that the ESOS was only implemented in March 2021 and is effective for a period of 5 years.

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

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

Pending the utilisation of proceeds for the earmarked purposes, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments whereby the interest earned will be channelled towards the Group's working capital.

(i) Investment in the business of providing on-demand laundry services

The Group is principally involved in the following business segments:-

- (a) supply, installation, testing and commissioning of vended and on-premise commercial laundry equipment such as washers and dryers;
- (b) operation of self-service launderette outlets;
- (c) supply, installation, testing and commissioning of medical devices such as MRI systems, CT scanners, digital radiography systems and X-ray systems; and
- (d) trading and distribution of healthcare and clinical devices such as blood pressure monitors, nebulisers, thermometers and COVID-19 test kits.

Leveraging on the Group's existing commercial laundry businesses and after receiving verbal indications of interest by some potential commercial customers in the healthcare sector, the Group now intends to venture into the provision of on-demand laundry services.

Such on-demand laundry services will offer individual and corporate customers convenient access to professional laundry services comprising washing, drying, folding, dry cleaning, ironing and pressing services as well as specialised cleaning and drying of large items (e.g. curtains, table cloths, bedsheets, comforters and carpets).

On top of that, customers will be able to secure pickup and delivery bookings through a mobile application and/or website. With the touch of a button, customers will be able to have their laundry picked up from their homes or offices and delivered back to them at their designated time.

Since the outbreak of the COVID-19 pandemic, the imposition of various movement control orders and physical distancing measures have led to a behavioural shift in consumers to opt for goods and services to be delivered to their doorstep to avoid going out in order to minimise exposure to COVID-19. This has led to an increase in demand for various online delivery services, including on-demand laundry services.

Further, even when movement control orders are lifted, many consumers may still remain cautious and prefer to stay at home until the outbreak ends or until most of the population has been vaccinated. Thus, the new on-demand laundry services will aim to capitalise on this behavioural shift. Moreover, even when the pandemic is over, consumers may still prefer to stick to on-demand laundry services due to its convenience.

The Group's investment in the on-demand laundry business comprises the following 3 key components:-

Estimated breakdown of utilisation		Intended timeframe for utilisation from completion of the Rights Issue with Warrants	RM'000
(a)	Establishment of a centralised laundry facility and team	Within 12 months	12,000
(b)	Development of an on-demand laundry mobile application and/or website	Within 18 months	15,000
(c)	Marketing for the on-demand laundry business	Within 18 months	15,000
Total			42,000

(a) Establishment of a centralised laundry facility and team

The Group plans to establish a centralised laundry facility which will be equipped with commercial laundry equipment to offer washing, drying, folding, dry cleaning, ironing and pressing services as well as specialised cleaning and drying of large items (e.g. curtains, table cloths, bedsheets, comforters and carpets), with capacity to offer such services at a large scale for commercial and industrial users (e.g. hospitals, hotels and factories) in addition to end-consumers (e.g. individuals and households).

In addition to the above, the Group plans to establish a team which will consist of a dedicated delivery fleet comprising pickup and delivery vans and trucks as well as personnel⁽¹⁾ who will handle, amongst others, the pickup and delivery of laundry to the customers.

Note:-

(1) At this juncture, the team is envisaged to comprise 5 sales and marketing staff, 5 technical and operations staff (e.g. supervisor, team leader and administration support) and up to 20 general workers and drivers.

However, this personnel composition is an indication only and the actual composition of the personnel to be hired may differ depending on the progress and needs of the on-demand laundry business moving forward.

At this juncture, the relevant personnel has yet to be identified and recruited. The hiring process is expected to commence by the 4th quarter of 2021 and the personnel will be recruited in stages over the next 12 months in tandem with the progress of the expansion of the on-demand laundry business.

The total cost of establishing the centralised laundry facility and team is estimated to be RM12.00 million as shown below:-

Estimated breakdown of utilisation		⁽⁴⁾RM'000
(a)	Acquisition of laundry equipment and other ancillary items ⁽¹⁾	7,650
(b)	Renovations, fixtures, fittings and other miscellaneous items ⁽²⁾	2,850
(c)	Acquisition of vehicles ⁽³⁾	1,500
	Total	12,000

Notes:-

- (1) This comprises washers, dryers, folders, ironing and pressing machines as well as other ancillary items such as boiler and piping system, feeders as well as trolleys. These will be capable of handling large volume of laundry as well as specialised cleaning and drying of large items (e.g. curtains, table cloths, bedsheets, comforters and carpets). The indicative number of laundry equipment to be acquired are listed below:-

Equipment	Brand	Quantity	Capacity (kg per hour per unit)
Tunnel washer	Sealion	1	1,200
Washers	Sealion	4	100
Dryers	Sealion	4	100
Folders	Jensen	3	800
Ironers	Jensen	2	800
Dry cleaners	Renzacci	2	50
Boiler and piping system	Shin Yang	1	-
Feeders	Jensen	1	-
Trolleys	LYang	50	-

- (2) This comprises installation of electrical, plumbing, drainage, exhaust, fire-fighting systems as well as other miscellaneous items such as office furniture and equipment, water storage tank as well as air-conditioning and ventilation system.

- (3) This comprises a total of 12 vans and trucks.

The actual types and models of the vehicles to be acquired may differ depending on the actual requirements of the Group at the relevant time as well as any potential discounts and/or rebates that may be offered by the vendors.

- (4) Based on quotations obtained from suppliers as well as management's estimation.

The Group intends to establish the centralised laundry facility at a suitable factory building to be identified and rented. As at the LPD, a suitable factory building has yet to be identified, and the Group is looking at renting a factory building located within the Klang Valley with a built-up area of 10,000 square feet. The Group targets to finalise the leasing of the factory building by the 4th quarter of 2021. The Company will make the necessary announcements in accordance with the Listing Requirements as and when it enters into any agreement to rent the factory building, if required.

Upon leasing the factory building, the renovation of the factory, the installation of the laundry equipment and other ancillary items as well as the acquisition of vehicles are expected to be completed within 6 months. In this regard, the on-demand laundry business is expected to be launched by the 2nd quarter of 2022.

At this juncture, the Group has not secured any contracts to provide laundry services to customers as such services are intended to be offered on an “on-demand” basis via a mobile application and/or website, details of which are set out below. Notwithstanding that, depending on the market reception for the services, the Group plans to engage commercial and industrial users such as hospitals, hotels and factories to potentially secure contracts to provide on-demand laundry services on a wholesale basis.

As a start, the Group plans to offer these services to customers within the Klang Valley region. Depending on the progress of the business and the demand for such services, the Group may expand its service coverage to include Penang and Johor in the future.

(b) Development of an on-demand laundry mobile application and/or website

The Group plans to establish a mobile application and/or website as a convenient avenue for customers to gain access to the on-demand laundry services at their fingertips anytime and anywhere.

The mobile application and/or website will be designed for customers to do the following:-

- (i) browse a list of laundry services (e.g. washing, drying, folding, ironing and pressing) and select the desired service(s) by ticking one or more boxes;
- (ii) book for the selected laundry service(s) by selecting pickup and delivery location and time;
- (iii) make payment via debit card, credit card, e-wallet or other payment methods; and
- (iv) track the status of their laundry and delivery.

Once the service is booked and paid, the laundry will be collected from the customer’s stated location by a dedicated delivery fleet at the selected time and then sent to the Group’s centralised laundry facility for cleaning, drying, folding, ironing and/or pressing. Upon completion, the clean laundry will be delivered back to the customer at the selected time and location.

Apart from fees for the laundry and delivery services, other potential sources of income may include advertisement fees derived from advertisement space on the mobile application and/or website.

The total cost to develop the mobile application and/or website is estimated to be RM15.00 million as shown below:-

Estimated breakdown of utilisation		RM'000
(a)	Software development costs ⁽¹⁾	13,950
(b)	Maintenance and support costs ⁽²⁾	1,000
(c)	Web and domain hosting costs ⁽³⁾	50
Total		15,000

Notes:-

- (1) The Group intends to outsource the development of the on-demand laundry mobile application and/or website to a third-party software developer.

The software development costs are estimated based on quotation obtained from Shin Kio Capital Trading Sdn Bhd, a local third-party software developer. At this juncture, the Group does not plan to obtain quotations from other parties for the software development and hence the Group plans to engage Shin Kio Capital Trading Sdn Bhd for the development of the software for its on-demand laundry mobile application and/or website after completion of the Proposed Rights Issue with Warrants. However, in the interim, if the Group is able to identify another software developer with better pricing and/or terms, the Group may switch to that software developer.

The software development costs include the cost to develop various modules (using, amongst others, Apache / Litespeed and PHP) for the mobile application and/or website including user registration module, user details management tool, order management tool, coupon / voucher function, product management tool, commission management tool, payment gateways, newsletter module, enterprise resource planning (ERP) module, inventory module and data analytics module.

The development of the on-demand laundry mobile application and/or website is expected to commence by the 4th quarter 2021 and is expected to be completed within 6 months (i.e. coinciding with the estimated time when the centralised laundry facility and team will be established).

- (2) The Group intends to outsource the maintenance and support of the on-demand laundry mobile application and/or website, including technical support, scheduled backup as well as monthly website traffic analysis, to a third-party service provider. This will allow the Group to focus on operating and expanding its laundry business. The Group has estimated that this will cost RM1.00 million over the next 18 months. At this juncture, the Group has not identified any parties for the maintenance and support of the on-demand laundry mobile application and/or website.

- (3) This includes costs for web hosting, server storage, domain hosting, firewall and the relevant hardware and software. These are vital in the integration of the front-end and back-end of the on-demand laundry mobile application and/or website which in turn will enable the platform to operate in a seamless manner. The Group has estimated that this will cost RM0.05 million over the next 18 months.

(c) Marketing for the on-demand laundry business

The Group plans to implement various marketing and promotional activities for the on-demand laundry business by promoting its services offerings to attract users, increase brand awareness and reinforce brand positioning (i.e. to position and maintain the brand to be a household name in the urban consumer market).

In this regard, the Group intends to spend RM15.00 million towards marketing and promotional activities, which are expected to commence in the 2nd quarter of 2022 in tandem with the expected launch of the on-demand laundry business, as shown below:-

Estimated breakdown of utilisation		(4)RM'000
(a)	Roadshows and promotional campaigns ⁽¹⁾	6,000
(b)	Billboard advertisements ⁽²⁾	1,000
(c)	Digital advertising ⁽³⁾	8,000
Total		15,000

Notes:-

- (1) The Group intends to engage in marketing efforts to increase awareness and attract users through roadshows and promotional campaigns. Third-party advertising agencies or event organisers will be engaged to execute the Group's roadshows and promotional campaigns for its on-demand laundry business.

Roadshows allow the Group to reach out and engage potential users face-to-face. During roadshows, the benefits as well as the functions and features of the mobile application and/or website can be demonstrated to potential users to attract them to engage the Group's on-demand laundry services.

Notwithstanding the above, if the COVID-19 pandemic is prolonged and face-to-face roadshows are not feasible, the Group will seek alternative means such as conducting virtual roadshows via videoconferencing applications.

Promotional campaigns (e.g. promotions, discounts and other reward programmes) are expected to boost the attractiveness of the Group's on-demand laundry services. This is aimed at growing the user base of the mobile application and/or website and to create more traffic to these online platforms to generate sales. Promotional campaigns can be conducted through online platforms, other traditional advertising platforms as well as during the Group's roadshows to maximise the impact of the campaigns.

- (2) The Group intends to engage in billboard advertisements to create visibility and awareness towards its on-demand laundry services. The billboard will target areas within the Klang Valley with high concentration of medium to high income urban population.

- (3) The Group intends to advertise on various digital platforms such as websites and social media platforms (e.g. Facebook, YouTube, Instagram and Twitter) through Google Ads or other digital advertising platforms. Digital advertising allows the Group to reach out to their target customers based on their consumer values, personalities, lifestyles and interests.
- (4) Based on the Group's estimation and budget for the next 18 months.

Any shortfall between the final costs and the actual proceeds raised is intended to be met via internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken by the Group (if required). The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the actual shortfall amount as well as the availability and suitability of other funding alternatives at the relevant time. Conversely, any surplus shall be reallocated to working capital and/or further investment in the business of providing on-demand laundry services.

(ii) Working capital

Under the Base Case Scenario and Maximum Scenario, the Group intends to utilise the balance proceeds from the Rights Issue with Warrants for working capital in the following manner:-

Working capital	Percentage allocation %	Base Case Scenario RM'000	Maximum Scenario RM'000
Operating and administrative expenses such as maintenance of machineries and delivery fleet, rental cost, utilities ⁽¹⁾	50	16,238	27,504
Staff salaries ⁽²⁾	50	16,238	27,503
Total	100	32,476	55,007

Notes:-

- (1) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual operating and administrative requirements of the Group at the relevant time.
- (2) To support the Group's expansion into the on-demand laundry business, the Group intends to recruit 35 personnel comprising 5 sales and marketing staff, 5 technical and operations staff (e.g. supervisor, team leader and administration support) and up to 20 general workers and drivers.

However, this personnel composition is an indication only and the actual composition of the personnel to be hired may differ depending on the progress and needs of the on-demand laundry business moving forward. At this juncture, the Group plans to hire local employees.

The hiring process is expected to commence by the 4th quarter of 2021 and the personnel will be recruited in stages over the next 12 months in tandem with the progress of the expansion of the on-demand laundry business.

(iii) Estimated expenses for the Rights Issue with Warrants

The breakdown of the estimated expenses for the Rights Issue with Warrants is illustrated below:-

Estimated expenses	Amount RM'000
Professional fees ⁽¹⁾	505
Fees to relevant authorities	85
Printing, despatch, advertising and meeting expenses	40
Total	630

Note:-

- (1) These include advisory fees payable to the Principal Adviser and other professional fees payable to the solicitors, company secretary, share registrar, independent market researcher and reporting accountants.

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 would depend on the actual number of Warrants exercised. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

Strictly for illustrative purposes, based on the exercise price of RM0.10 per Warrant, the Company will raise gross proceeds of up to RM101.71 million upon full exercise of the Warrants under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants in the future will be used to finance the future working capital requirements of the Group such as those set out in Section 5(ii) of this Abridged Prospectus. The exact breakdown of the utilisation of proceeds for each component of working capital are subject to the actual requirements of the Group at the relevant time and the timeframe for full utilisation from the date of receipt of the proceeds cannot be determined at this juncture.

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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

6.1.1 Risk relating to the Group's medical devices segment

The risk factors relating to the Group's medical devices segment, which contributed 44.71% of the Group's audited total revenue in FYE 31 December 2020, are set out below:-

(i) Non-recurring demand for medical devices

The Group supplies medical devices such as MRI systems and CT scanners primarily to hospitals throughout the country. For information, the outstanding order book of the Group for medical devices as at the LPD is RM20.32 million.

Although the growth in demand for these devices is expected to be in line with the growth in the healthcare industry, these devices are capital in nature. Thus, the demand for such devices is dependent on the respective capital expenditure and/or expansion plans of the Group's customers from time to time.

Given the above, there is no assurance that the Group will be able to secure recurring demand or long-term supply arrangements with its customers for medical devices. Without a consistent or predictable source of demand, the Group's business and financial performance may fluctuate from time to time.

(ii) Fluctuations in foreign currency exchange rates

The Group sources for medical devices such as MRI systems and CT scanners primarily from the United States of America, Europe and Singapore. In the latest audited FYE 31 December 2020, the purchases of medical devices from foreign countries comprise approximately 93% of the total purchases made by the Group for the medical devices segment.

Due to the above, the Group is exposed to foreign currency exchange risk as its revenue is mainly denominated in RM whilst its purchases are mainly denominated in United States Dollar, Euro and Singapore Dollar.

Any substantial and/or volatile fluctuation in the relevant exchange rates may have a material adverse impact on the financial performance and position of the Group.

(iii) Licensing risk

Pursuant to the Medical Device Act, 2012, all medical devices manufactured, imported, exported or placed in the Malaysian market are required to be registered with the MDA and a person shall only import, export or place in the market of any registered medical device with an establishment licence from MDA. As such, it is important that the Group continues to hold the necessary licenses or approvals required in order to carry out medical devices trading activities.

As at the LPD, 12 of the Group's licenses for medical devices are due for renewal in the next 12 months, constitute 9.68% of the total licenses owned by the Group for the medical devices segment. Although these licenses are expected to be renewed, there may be potential delays due to the uncertainty over the various MCO restrictions.

If the Group or its authorised representative(s) fails to obtain, retain and/or renew any of these licenses in a timely manner, or that in event of any non-compliance of terms and conditions resulting in the revocation of such licences, the operations and financial results of the Group may be adversely affected.

6.1.2 Risks relating to the Group's commercial laundry equipment segment

The risk factors relating to the Group's commercial laundry equipment segment, which contributed 37.07% of the Group's audited total revenue in FYE 31 December 2020, are set out below:-

(i) Non-recurring demand for commercial laundry equipment

The Group supplies commercial laundry equipment such as commercial-grade washers and dryers primarily to self-service launderette business owners. For information, the outstanding order book of the Group for commercial laundry equipment as at the LPD is RM0.51 million.

Although the growth in demand for commercial laundry equipment is expected to be in line with the population growth in urban and suburban centres where self-service laundrettes operate in, commercial laundry equipment is capital in nature. Thus, the demand for commercial laundry equipment is dependent on the respective capital expenditure and/or expansion plans of the Group's customers from time to time.

Given the above, there is no assurance that the Group will be able to secure recurring demand or long-term supply arrangements with its customers for commercial laundry equipment. Without a consistent or predictable source of demand, the Group's business and financial performance may fluctuate from time to time.

(ii) Fluctuations in foreign currency exchange rates

The Group sources for commercial laundry equipment primarily from Thailand and the United States of America. In the latest audited FYE 31 December 2020, the purchases of commercial laundry equipment from foreign countries comprise approximately 100% of the total purchases made by the Group for the commercial laundry segment.

Due to the above, the Group is exposed to foreign currency exchange risk as its revenue is mainly denominated in RM whilst its purchases are mainly denominated in Thai Baht and United States Dollar.

Any substantial and/or volatile fluctuation in the relevant exchange rates may have a material adverse impact on the financial performance and position of the Group.

(iii) Dependency on prevailing consumer preferences

As the Group's customers are primarily self-service launderette business owners which operate for the mass market, the demand for the Group's commercial laundry equipment is dependent on the demand for self-service laundrettes, which are primarily located in urban and suburban centres throughout the country.

While the demand for self-service laundrettes is expected to grow in line with the growth in the urban and suburban population, there is no assurance that the demand for self-service laundrettes will continue to grow moving forward as consumer preferences may gradually change over time.

In particular, consumers may gradually prefer to invest in their own household laundry equipment due to the convenience, potential cost savings over time as well as heightened sense of cleanliness in light of the COVID-19 pandemic. Technological advancements have also increasingly made household laundry equipment to be more desirable and/or cost saving as newer versions are being made to be more compact, energy efficient and cheaper.

Given the above, there is no assurance that there will be sustainable long-term demand for self-service laundrettes and, by extension, the Group's commercial laundry equipment.

6.1.3 Risk relating to the Group's healthcare products segment

The risk factors relating to the Group's healthcare products segment, which contributed 17.96% of the Group's audited total revenue in FYE 31 December 2020, are set out below:-

(i) Dependency on distributorship arrangement

The Group is a non-exclusive distributor of Rossmax-branded healthcare devices such as blood pressure monitors, nebulisers and thermometers in Malaysia. Rossmax is a Taiwan-based supplier of healthcare products. In the latest audited FYE 31 December 2020, the revenue contribution from Rossmax-branded healthcare products comprise 100% of the total revenue for the healthcare products segment.

In view of the above, the sustainability of the Group's healthcare products segment moving forward is dependent on the continuity of its distributorship arrangement with Rossmax.

In the event of a termination or non-renewal of the Group's distributorship arrangement with Rossmax, the Group will be unable to distribute Rossmax-branded healthcare devices, which provide a major revenue contribution for the Group's healthcare products segment. Further, the Group may not be able to secure alternative distributorship arrangements for other healthcare devices on a similar scale. In turn, the Group's business and financial performance may be adversely affected.

(ii) Risks relating to the distribution of COVID-19 test kits

The Group had recently ventured into the trading and distribution of COVID-19 test kits since March 2021. These test kits are antigen rapid test kits (RTK) which are intended to serve as a rapid screening method for COVID-19. The Group had in March 2021 completed the Private Placement 2021 – 30%, raising proceeds of RM32.09 million which are intended to be utilised mainly to fund the Group's expansion into the trading of COVID-19 test kits.

In May 2021, the Group has set up a new office, clean room and storage facility for the COVID-19 test kits located in Bangsar South, Kuala Lumpur with a built-up area of 3,340 square feet. The Group is now in the midst of receiving orders for COVID-19 test kits and is pending the necessary approval from the MDA for the distribution of COVID-19 test kits in Malaysia. To date, the Group has received orders for 1,650 boxes of COVID-19 test kits. The application for MDA approval was submitted on 12 May 2021 and is expected to be approved by the end of 3rd quarter of 2021.

As the Group has already invested in the setting up of an office, clean room and storage facility for the COVID-19 test kits and is currently incurring monthly rental, any unexpected delay in obtaining the necessary approval from the MDA may result in cost overrun as well as longer payback period for the Group.

Upon obtaining approval from the MDA, the Group's distribution of COVID-19 test kits in Malaysia would be subject to its continued compliance with the terms and conditions of such approval. In the event of a revocation or non-renewal of such approval from the MDA, the Group will not be able to distribute COVID-19 test kits in Malaysia and this may result in material adverse effect to the Group's business and financial performance, particularly if there is a substantial inventory of COVID-19 test kits remaining.

Besides that, the Group is subject to competition from other distributors in the market as COVID-19 test kits are homogeneous in nature. In particular, the Group may not be able to compete with distributors which are able to source for COVID-19 test kits at a cheaper cost. Further, there is no assurance that the Group will be able to secure any long-term sales contracts with any major customer (e.g. hospitals and clinics) moving forward.

Moving forward, with the eventual containment of the COVID-19 pandemic once the nation has achieved herd immunity via the vaccination programme, the demand for COVID-19 test kits are expected to gradually decrease. In this regard, there is no assurance that the Group would be able to have long term sustainable demand for its COVID-19 test kits. A substantial reduction in demand for COVID-19 test kits may result in material adverse effect to the Group's business and financial performance.

(iii) Licensing risk

Pursuant to the Medical Device Act, 2012, all medical devices manufactured, imported, exported or placed in the Malaysian market are required to be registered with the MDA and a person shall only import, export or place in the market of any registered medical device with an establishment licence from MDA. As such, it is important that the Group continues to hold the necessary licenses or approvals required in order to carry out healthcare products trading activities.

If the Group or its authorised representative(s) fails to retain and/or renew any of these licenses in a timely manner, or that in event of any non-compliance of terms and conditions resulting in the revocation of such licences, the operations and financial results of the Group may be adversely affected.

For information, as at the LPD, none of the Group's licenses for healthcare products are due for renewal in the next 12 months.

6.1.4 Risk relating to the Group's new on-demand laundry services business

(i) Risks relating to the establishment of the new on-demand laundry services business

Although the Group is already involved in the distribution of commercial laundry equipment primarily to self-service launderette business owners, the Group does not have any prior experience specifically in operating an on-demand laundry services business. In particular, the operation of a centralised laundry facility that is coordinated through a centralised mobile application and/or website may be relatively distinct from the Group's business model for its existing segments.

In this regard, the establishment of the new on-demand laundry business may be subject to unexpected delays or cost overruns as it is dependent on several factors including, amongst others, the identification of a suitable factory building for the establishment of a centralised laundry facility that is within the Group's budget, the renovation of factory, the installation of the laundry equipment and other ancillary items as well as the design and development of the mobile application and/or website.

There is no assurance that the Group will be able to:-

- (a) identify a suitable factory building for the centralised laundry facility that is within the Group's budget;
- (b) renovate the factory and carry out installation of the laundry equipment and the other ancillary items within the estimated budget time frame, especially in light of the imposition of various MCOs by the Government to curb the spread of the COVID-19;
- (c) design and develop a mobile application and/or website that is attractive and user friendly as well as effective and efficient in terms of payment system and order management, amongst others.

Due to the lack of experience, the Group may also encounter additional or hidden costs which may not have been previously factored into the Group's estimations when budgeting for the establishment of the on-demand laundry services business.

Any delays and/or cost overruns may result in lower returns on investment and longer payback period for the Group. In this regard, there is no assurance that the on-demand laundry services business can contribute sufficiently to the future earnings of the Group to offset the associated investment costs.

(ii) Competition from other similar service providers

The Group's new on-demand laundry services business will be a new entrant into the market and will face competition from other similar service providers.

There is no assurance that the Group will be able to compete effectively against existing players in the market who may already have an existing customer base, experience in providing customer services as well as an established reputation or track record in providing on-demand laundry services.

If the Group is unable to compete effectively against existing players in the market, the Group may only be able to tap on a limited section of the overall market share or adjust its pricing such that it would have to lower its profit margins.

In order to stay ahead of the competition, the Group may need to incur additional cost to run marketing, advertising and promotional activities from time to time for the continuous acquisition of customers. If the Group is required to continuously invest heavily in these activities to remain relevant in the market, the Group's profit margin may be further reduced.

6.1.5 Risk 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.

Revenue from the medical devices segment for FYE 31 December 2020 decreased by RM28.83 million or 48.69% as compared to the previous financial year. This was mainly due to a decrease in hospital budgets for non-COVID-19 related medical devices which the Group sells. For information, since the MCO was first implemented on 18 March 2020 up to date, the Group's medical devices segment remained operational and was not forced to close temporarily.

Revenue from the commercial laundry equipment segment for FYE 31 December 2020 decreased by RM9.26 million or 27.19% as compared to the previous financial year. This was mainly due to the temporary closure of its business for 2 months due to the MCO and the conservative approach adopted by its existing customers who withheld some of their investment plans amidst the COVID-19 pandemic as customers switched to home-laundry to reduce their exposure to public spaces under the COVID-19 climate.

On the other hand, revenue from the healthcare products segment for FYE 31 December 2020 increased by RM2.02 million or 19.73% as compared to the previous financial year mainly due to higher demand for its healthcare products as consumers became more health-conscious under the COVID-19 climate. For information, since the MCO was first implemented on 18 March 2020 up to date, the Group's healthcare products segment remained operational and was not forced to close temporarily.

Saved as disclosed above, there were no operational or financial impact towards the Group arising from the COVID-19 pandemic such as disruptions towards the supply chain and cancellation/suspension of orders from customers.

While the Group is seeking to take advantage of the opportunities created by the COVID-19 pandemic by venturing into the provision of on-demand laundry services, there is no assurance that the Group may be successful in this new business venture. If the Government continues to impose strict lockdown measures, the Group may encounter cost overrun and delays in the identification of a suitable factory building for the establishment of a centralised laundry facility that is within the Group's budget, the renovation of factory, the installation of the laundry equipment and the other ancillary items.

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

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

(iii) Potential dilution of existing shareholders' shareholding

Those Entitled Shareholders who do not subscribe for their entitlement of Rights Shares with Warrants 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 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 Malaysian economy

The Malaysian economy registered a smaller decline of 0.5% in the first quarter (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 expenditure and strong exports. 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 is expected to 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 sub-sectors, as well as oil and gas facilities will provide a 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.

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

Reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the second half of the year, cushioning the significant contraction in the first half. Thus, Malaysia’s gross domestic product (“**GDP**”) is expected to contract by 4.5% in 2020 (2019: expanded by 4.3%), before rebounding between 6.5% and 7.5% in 2021.

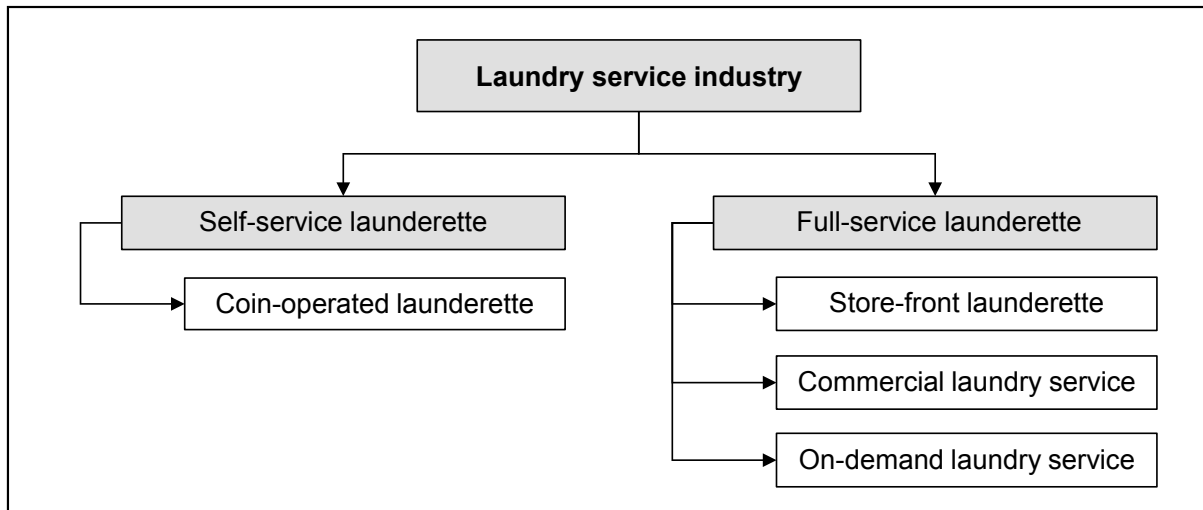
(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

Overall, Malaysia’s GDP growth contracted by 5.6% in 2020 (2019: expanded by 4.3%).

(Source: Annual Report 2020, Bank Negara Malaysia)

7.2 Laundry service industry in Malaysia

Laundry generally refers to items that require cleaning or washing, drying and/or ironing such as articles of clothing and other textiles. Laundry also loosely refers to articles of clothing and other textiles that have been cleaned or washed and/or dried. Laundry service is the provision of cleaning or washing, drying and/or ironing services for laundry consumers.



There are two types of laundry services, namely self-service launderette and full-service launderette.

(a) Self-service launderette

A coin-operated launderette is a type of self-service launderette. Customers operate the washing machines and dryers at a self-service launderette on their own by inserting coins into built-in coin slots on the washing machines and/or dryers as payment and then load and unload the laundry into and from the washing machines and/or dryers. Some washing machines and dryers in self-service launderette accepts notes and cashless payments such as credit card, debit card and e-wallet payments.

A self-service launderette can be partially attended or fully unattended. An attendant or attendants may be stationed at the launderette during scheduled maintenance of washing machines and dryers, and/or at specific time to ensure smooth operations of all washing machines and dryers, maintain cleanliness of the premise and provide assistance to customers. Certain self-service launderettes operate for 24 hours daily to cater to customers with busy schedules.

(b) Full-service launderette

Full-service launderette offers a wider range of laundry services such as washing, drying, dry cleaning, ironing, pressing and folding. It may also offer professional laundry services for fabric that requires unique care such as suits, gowns, silk, knitted wear, leather and lingerie. Customers of full-service launderette may drop off their dirty laundry and pick up their laundry at the launderette upon completion of service.

(i) Store-front launderette

Traditionally, full-service launderette operates through a physical store front. A store-front launderette generally has an attendant/ attendants stationed at the store at all times to handle drop off/ pick up of laundry by customers, mend the store and some may also be involved in the cleaning, drying, ironing, pressing and/or folding of the laundry. Some full-service launderettes may also provide added services by picking up and/or delivering of laundry from and to the customers' preferred location at the time of their choice.

As a result of development of technology, traditional store-front laundrettes began to automate the process of handling the drop off and pick up of laundry from customers by converting the store counter to fully-automated lockers. These lockers operate 24 hours daily and may be located at the laundrette or other locations such as within the compounds of high-rise residential buildings and shopping centres for added accessibility. Customers can drop off their dirty laundry in the lockers and select the required laundry services and preferred pickup time. The dirty laundry will be picked up for cleaning by the laundrette personnel. Upon completion of laundry service, the laundrette personnel will return the cleaned laundry to the locker where the laundry will be picked up by the customers.

To use the laundry locker service, customers need to register an account with the laundrette through a mobile application or website and select details such as drop-off or pick-up of laundry and type of service (e.g. dry cleaning, iron, wash and fold and laundry and press) upon which the mobile application generates a Quick Response (“QR”) code.

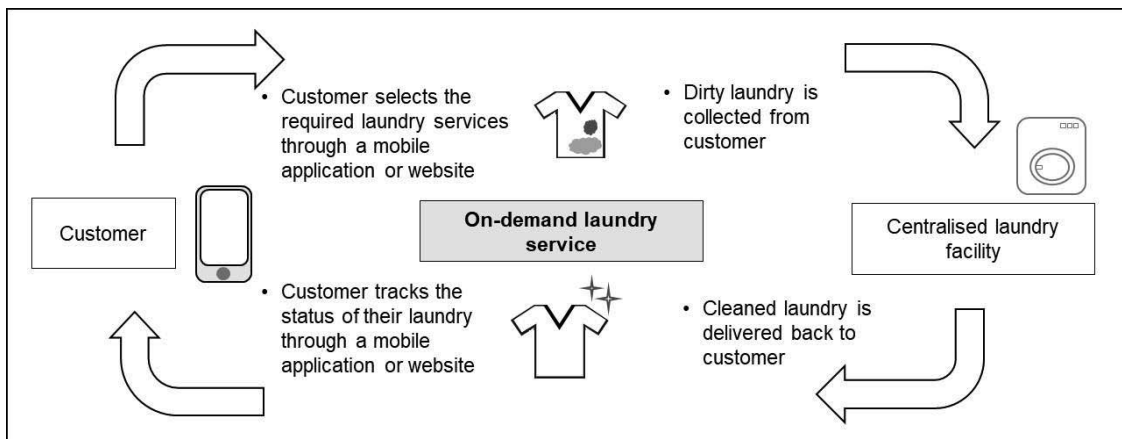
For added security, the locker, which is installed with a barcode scanner, only unlocks when scanned with a valid QR code generated by the mobile application.

(ii) Commercial laundry service

Commercial laundry service caters for businesses such as hotels, restaurants and hospitals which generate large amount of laundry in terms of size of the articles and laundry load from their daily operations. Many of these businesses choose to outsource their laundry to professional commercial laundrettes which have the right equipment and cleaning detergent to handle their laundry. This allows businesses to focus on their principal business activities and eliminate costs pertaining to doing laundry in-house.

(iii) On-demand laundry service

On-demand laundry service typically offers door-to-door full-service laundry services at the customers’ preferred time and location. Customers can select the required laundry services, arrange for pickup and delivery time and track laundry status through a mobile application or website. The dirty laundry will be collected, cleaned and delivered by the on-demand laundry service provider at the customers’ selected preferred time and location. The cleaning usually takes place at a centralised laundry facility. As such, on-demand laundry service provides more convenience and easily accessible option to the customers for laundry services.



In view of the outbreak of the COVID-19 pandemic in Malaysia since early 2020, the Government has imposed various MCOs to curb the spread of the COVID-19. During the initial MCO period, launderettes were not allowed to operate. Subsequently, the Government allowed all laundry outlets to resume its operation by adhering to strict guidelines such as maintaining physical distancing and only allowing a limited number of customers in the outlet at one time particularly in the outlets offering self-service launderette. These restrictions have led to a behavioural and lifestyle shift in consumers opting for on-demand laundry service which allows them to book laundry services and make payment online, and get their laundry picked up and delivered to them without having to be physically present at the physical launderette.

Further, even when all preventive measures and various forms of MCOs are lifted, many consumers may still remain cautious by practicing physical distancing as well as preferring to get their laundry done through an online service in order to minimise their exposure to the COVID-19 virus until the outbreak ends. Thus, this behavioural shift is expected to continue to drive demand for on-demand laundry services.

Market performance and key market drivers of laundry service industry in Malaysia

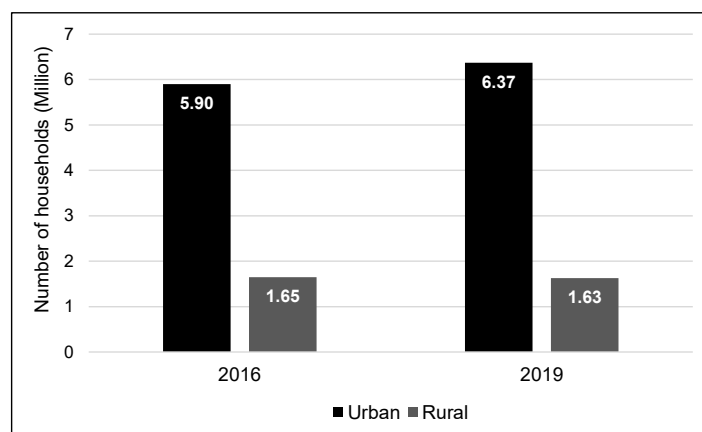
The market size for laundry service in Malaysia is not publicly available. Due to the unavailability of complete data on the sales of laundry services, the market size for laundry service in Malaysia cannot be derived. As laundromats are an essential business in urban communities, the growth in the number of households in urban areas in Malaysia is used to illustrate the demand for laundry service in Malaysia. The same can be used to illustrate the demand for on-demand laundry services as this service is mostly made available within urban communities too.

Based on latest available information, as of 2019, the number of households in urban areas in Malaysia has a larger share with 79.64% with the remaining 20.36% households in rural areas. According to Department of Statistics Malaysia (“**DOSM**”), the definition of urban areas are gazetted areas with their adjoining built-up areas, which had a combined population of 10,000 or more at the time of the census or the special development area that can be identified, which at least had a population of 10,000 with at least 60 per cent of population (aged 15 years and above) were involved in non-agricultural activities.

The number of households in urban areas increased from 5.90 million in 2016 to 6.37 million in 2019 with a compound annual growth rate (“**CAGR**”) of 2.59%.

Based on DOSM, the urbanisation rate in Malaysia is expected to increase from 76.60% in 2020 to 88.00% in 2050, driven by continuous need to seek better educational and employment opportunities in the urban areas and to have higher standards of living.

Number of households in Malaysia in 2016 and 2019



Notes:-

- Latest available information as at 30 June 2021.
- Data for 2017 and 2018 is not available as this data is not reported on a yearly basis.
- Forecast data for 2020 and beyond is not publicly available.

(Source: DOSM, SMITH ZANDER)

With better job opportunities and improved purchasing power, urban dwellers have higher spending ability which include expanding their wardrobe selections with apparel of different styles (e.g. suits, gowns, costumes) and textiles (e.g. silk, leather, sequin, cashmere, wool and suede) which require special laundry care. This is expected to drive the demand for professional laundry services rendered by full-service laundrettes.

Based on the latest available data from DOSM, between 2016 and 2019, the average monthly household disposable income in Malaysia increased from RM5,928 to RM6,764 at a CAGR of 4.50%. Over the same period, the average monthly household consumption expenditure increased from RM4,033 to RM4,534 at a CAGR of 3.98%. The forecast average monthly household disposable income and average monthly household consumption expenditure for 2020 and beyond are not publicly available.

Laundry services, including on-demand laundry services are also driven by the following:

(i) Convenience and accessibility to laundry services

Doing laundry can be tedious and mundane, and coupled with a busy and hectic lifestyle, outsourcing laundry is a common option for many modern families, working adults and students. The washing machines and dryers at laundrettes are of commercial grades which are relatively larger in size and have the capacity to accommodate larger loads of laundry. Hence, consumers can get their laundry done in a single load, or in lesser number of loads, which is less time consuming, instead of having to split the laundry into multiple washes.

Laundry services also offer flexibility and convenience for budget sensitive consumers, such as students and young working adults, as they may not have the luxury to invest in their own washing machines and dryers whilst renting a room. Tourists who want to have their clothes cleaned during their stay in Malaysia can also opt for self-service laundry services or full-service laundrette services instead of relying on the hotel's laundry services which can be relatively costly.

Laundrettes are typically located at high foot traffic areas within close proximity to residential areas. Many self-service laundrettes operate for 24 hours to allow customers to do laundry at anytime of the day. With the advancement of technology, lockers are installed at various high foot traffic areas including at the apartment, education institutions and shopping malls for customers to conveniently drop off and collect their laundry without having to travel to the laundrette itself.

Further, on-demand laundry services allow door-to-door laundry services to be accessed at customer's fingertip through mobile applications and websites at anytime and anywhere. Consumers are able to place an order to get their laundry picked up and delivered to their doorstep at their preferred schedule. On-demand laundry mobile applications and websites are also equipped with other convenient features such as online payment facilities, real-time and location tracking of the laundry delivery and real-time customer service which aim to enhance consumers' laundry experience. With on-demand laundry mobile applications and websites, laundry services become even more accessible and convenient to consumers which may further boost the growth of laundry service industry.

(ii) Shift in consumer spending behaviour to shop and engage services through online platforms

The COVID-19 virus and the physical distancing measures as evidenced by the respective preventive or movement restriction measures taken by our Government has resulted in a shift in consumer behaviour towards online shopping. Consumers have become more comfortable engaging services such as laundry delivery, food delivery and cleaning services through online platforms.

Therefore, despite the expected slowdown in economic conditions due to the COVID-19 pandemic, on-demand laundry services are well-positioned to serve increasing demand for laundry delivery services online due to the increased number of customers and participating industry players on online platforms.

Further, under the Pelan Jana Semula Ekonomi Negara (PENJANA) i.e. Short-Term Economic Recovery Plan, the Government allocated a total of RM140 million in launching two initiatives which are Shop Malaysia Online and Micro and Small and Medium Enterprises E-Commerce Campaign to support the economy to operate in the new normal. The former initiative aims to encourage purchases via e-commerce platforms by providing discount vouchers for selected e-commerce platforms whilst the latter initiative aims to encourage the adoption of online platforms as a sales channel by local businesses through onboarding training, seller subsidy and sales support. Among the initiatives include the micros and small and medium enterprises (“SMEs”) e-commerce campaign to encourage the adoption of e-commerce by micro enterprises and SMEs. As such, these initiatives by the Government will contribute to the participation by laundry service providers in e-commerce as well as driving the demand for online based laundry services in Malaysia.

(Source: IMR Report)

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7.3 Prospects and future plans of the Group

The Group is principally involved in the following business segments:-

- (a) supply, installation, testing and commissioning of vended and on-premise commercial laundry equipment such as washers and dryers;
- (b) provision of commercial laundry services via operating self-service launderette outlets;
- (c) supply, installation, testing and commissioning of medical devices such as MRI systems, CT scanners, digital radiography systems and X-ray systems; and
- (d) trading and distribution of healthcare and clinical devices such as blood pressure monitors, nebulisers, thermometers and COVID-19 test kits.

Over the past 3 years, there has been significant growth in the sales of the Group's healthcare and clinical devices, as shown below:-

Segments	Audited FYE 31 December		
	2018	2019	2020
	RM'000	RM'000	RM'000
Medical devices	41,599	59,203	30,375
Commercial laundry equipment	44,255	34,073	24,810
Healthcare and clinical devices	6,692	10,216	12,232
Commercial laundry services	-	262	710

Although the Group registered decline in revenues from the medical devices and commercial laundry equipment segments for the FYE 31 December 2020, the decline was partly offset by an increase in revenue for the healthcare and clinical devices segment.

The decline in revenue from the medical devices segment was mainly caused by some of the Group's clients postponing or temporarily putting on hold their expansion plans in 2020.

Further, commercial laundry equipment sales reduced due to the temporary closure of business for 2 months due to the MCO as well as some coin-operated launderette customers switching to home-laundry to reduce their exposure to public spaces under the COVID-19 climate.

The increase in revenue from the healthcare and clinical devices segment was mainly due to higher demand for blood pressure devices and thermometers as a result of consumers being more health conscious due to the COVID-19 pandemic.

In view of the opportunities for the healthcare and clinical devices segment under the ongoing COVID-19 pandemic, the Group has decided to further expand their range of healthcare products to include COVID-19 test kits. The Group had on 25 March 2021 completed the Private Placement 2021 – 30%, raising proceeds of RM32.09 million which are intended to be utilised mainly to fund the Group's expansion into the trading of COVID-19 test kits. In May 2021, the Group has set up a new office, clean room and storage facility for the COVID-19 test kits located in Bangsar South, Kuala Lumpur with a built-up area of 3,340 square feet. The Group is now in the midst of receiving orders for COVID-19 test kits and plans to start fulfilling orders immediately upon obtaining MDA's approval, which is expected to be by the end of 3rd quarter of 2021. To date, the Group has received orders for 1,650 boxes of COVID-19 test kits.

Nevertheless, the COVID-19 test kits business remains subject to the risk factors set out in Section 6.1.3(iii) of this Abridged Prospectus. In this regard, the Group will seek to tap on its existing contacts and experience in the medical devices and healthcare products segment to ensure the successful establishment and running of the COVID-19 test kits business.

Further to the above, the Group intends to further expand its business by venturing into the provision of on-demand laundry services, further details of which are set out in Section 5(i) of this Abridged Prospectus. This is aimed at capitalising on the increase in demand for various online delivery services, including on-demand laundry services, following a behavioural shift in consumers opting for goods and services to be delivered to their doorstep to avoid going out in order to minimise exposure to COVID-19. In addition, venturing into the on-demand laundry services business may also mitigate some of the negative effects of the COVID-19 pandemic on the commercial laundry equipment segment as customers shift from self-service coin laundrettes to online / on-demand based laundry services to reduce their exposure to public spaces.

Nevertheless, the on-demand laundry business remains subject to the risk factors set out in Section 6.1.4 of this Abridged Prospectus. In this regard, the Group will seek to tap on its existing contacts and experience in the commercial laundry equipment segment to ensure the successful establishment and running of the on-demand laundry business.

Premised on the above as well as the outlook and prospects of the laundry service industry in Malaysia as set out in Section 7.2 of this Abridged Prospectus, the management is optimistic of the Group's future prospects.

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8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Share capital

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

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	Share capital RM	No. of Shares	Share capital RM	No. of Shares	Share capital RM
Issued share capital as at the LPD	625,880,836	79,018,126	625,880,836	79,018,126	625,880,836	79,018,126
New Shares to be issued assuming full granting and exercise of the ESOS Options	-	-	-	-	187,764,250	(1)37,909,603
Enlarged issued share capital after full granting and exercise of the ESOS Options	625,880,836	79,018,126	625,880,836	79,018,126	813,645,086	116,927,729
New Shares to be issued pursuant to the Rights Issue with Warrants	125,000,000	(2)10,000,000	938,821,254	(2)75,105,700	1,220,467,629	(2)97,637,410
New Shares to be issued assuming full exercise of the Warrants	104,166,666	(3)10,416,667	782,351,045	(3)78,235,105	1,017,056,357	(3)101,705,636
Enlarged issued share capital	855,047,502	99,434,793	2,347,053,135	232,358,931	3,051,169,072	316,270,775

Notes:-

- (1) Assuming all the 187,764,250 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are fully granted and exercised into 187,764,250 new Shares at an illustrative exercise price of RM0.11 each (based on 10% discount to the 5-day VWAP of the Shares up to and including the LPD of RM0.1193 and rounded up to the nearest Sen) and after accounting for the reversal of share option reserve.
- (2) Based on the issue price of RM0.08 per Rights Share.
- (3) Based on the exercise price of RM0.10 per Warrant.

8.2 NA and gearing

As at the LPD, save for the subscription agreement entered between the Company and Foodict Maker Sdn Bhd as detailed in Section 7 of Appendix I of this Abridged Prospectus, there are no material transactions which may have a material effect on the operations, financial position and results of the Group since the Group's latest unaudited 3-month FPE 31 March 2021.

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

Minimum Scenario

Group level	Unaudited as at 31 March 2021 RM'000	(I) After the Rights Issue with Warrants ⁽¹⁾⁽²⁾ RM'000	(II) After (I) and assuming full exercise of the Warrants ⁽³⁾ RM'000
Share capital	79,018	89,018	99,435
Merger reserves	(16,049)	(16,049)	(16,049)
Warrant reserve	-	2,458	-
Other reserve	-	(2,458)	-
Retained earnings	37,104	36,474	36,474
Shareholders' equity / NA	100,073	109,443	119,860
Non-controlling interests	3,328	3,328	3,328
Total equity	103,401	112,771	123,188
No. of Shares in issue ('000)	625,881	750,881	855,048
NA per Share (RM)	0.16	0.15	0.14
Total borrowings (RM'000)	8,840	8,840	8,840
Gearing ratio (times)	0.09	0.08	0.07

Notes:-

- (1) Based on the issuance of 125,000,000 Rights Shares at the issue price of RM0.08 each together with 104,166,666 Warrants.
- (2) After accounting for the creation of warrant reserve based on the issuance of the Warrants at an allocated fair value of RM0.0599 per Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Rights Issue with Warrants of RM0.63 million.
- (3) Based on the exercise price of RM0.10 per Warrant and after accounting for the reversal of warrant reserve.

Base Case Scenario

Group level	Unaudited as at 31 March 2021 RM'000	(I) After the Rights Issue with Warrants ⁽¹⁾⁽²⁾ RM'000	(II) After (I) and assuming full exercise of the Warrants ⁽³⁾ RM'000
Share capital	79,018	154,124	232,359
Merger reserves	(16,049)	(16,049)	(16,049)
Warrant reserve	-	18,463	-
Other reserve	-	(18,463)	-
Retained earnings	37,104	36,474	36,474
Shareholders' equity / NA	100,073	174,549	252,784
Non-controlling interests	3,328	3,328	3,328
Total equity	103,401	177,877	256,112
No. of Shares in issue ('000)	625,881	1,564,702	2,347,053
NA per Share (RM)	0.16	0.11	0.11
Total borrowings (RM'000)	8,840	8,840	8,840
Gearing ratio (times)	0.09	0.05	0.03

Notes:-

- (1) Based on the issuance of 938,821,254 Rights Shares at an issue price of RM0.08 each together with 782,351,045 Warrants.
- (2) After accounting for the creation of warrant reserve based on the issuance of the Warrants at an allocated fair value of RM0.0599 per Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Rights Issue with Warrants of RM0.63 million.
- (3) Based on the exercise price of RM0.10 per Warrant and after accounting for the reversal of warrant reserve.

Maximum Scenario

Group level	Unaudited as at 31 March 2021 RM'000	After assuming full granting and exercise of the ESOS Options ⁽¹⁾ RM'000	After (I) and the Rights Issue with Warrants ⁽²⁾⁽³⁾ RM'000	(III) After (II) and assuming full exercise of the Warrants ⁽⁴⁾ RM'000
Share capital	79,018	116,928	214,565	316,271
Merger reserves	(16,049)	(16,049)	(16,049)	(16,049)
Warrant reserve	-	-	(24,001)	-
Other reserve	-	-	24,001	-
Retained earnings	37,104	19,848	19,218	19,218
Shareholders' equity / NA	100,073	120,727	217,734	319,440
Non-controlling interests	3,328	3,328	3,328	3,328
Total equity	103,401	124,055	221,062	322,768
No. of Shares in issue ('000)	625,881	813,645	2,034,113	3,051,169
NA per Share (RM)	0.16	0.15	0.11	0.10
Total borrowings (RM'000)	8,840	8,840	8,840	8,840
Gearing ratio (times)	0.09	0.07	0.04	0.03

Notes:-

- (1) After assuming all the 187,764,250 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD are fully granted and exercised into 187,764,250 new Shares at an illustrative exercise price of RM0.11 each (based on 10% discount to the 5-day VWAP of the Shares up to and including the LPD of RM0.1193 and rounded up to the nearest Sen) and after accounting for the reversal of share option reserve.
- (2) Based on the issuance of 1,220,467,629 Rights Shares at an issue price of RM0.08 each together with 1,017,056,357 Warrants.
- (3) After accounting for the creation of warrant reserve based on the issuance of the Warrants at an allocated fair value of RM0.0599 per Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Rights Issue with Warrants of RM0.63 million.
- (4) Based on the exercise price of RM0.10 per Warrant and after accounting for the reversal of warrant reserve.

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

Under the Minimum Scenario, the Undertaking Shareholders will emerge as substantial Shareholders.

	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Sanichi Technology Berhad	44,000,800	7.03	-	-	44,000,800	5.86	-	-
Hoo Swee Guan	(4)10,000	(5)-	-	-	62,510,000	8.32	-	-
Ho Kee Wee	(4)1,000	(5)-	-	-	62,501,000	8.32	-	-

	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Sanichi Technology Berhad	44,000,800	5.15	-	-
Hoo Swee Guan	114,593,333	13.40	-	-
Ho Kee Wee	114,584,333	13.40	-	-

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 750,880,836 Shares.
- (3) Based on the enlarged issued share capital of 855,047,502 Shares.
- (4) Based on their shareholding as at the LPD.
- (5) Less than 0.01%.

Base Case Scenario

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

	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Sanichi Technology Berhad	44,000,800	7.03	-	-	110,002,000	7.03	-	-

	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Sanichi Technology Berhad	165,003,000	7.03	-	-

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,564,702,090 Shares.
- (3) Based on the enlarged issued share capital of 2,347,053,135 Shares.

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Maximum Scenario

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

	As at the LPD				(I) After assuming full granting and exercise of the ESOS Options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Sanichi Technology Berhad	44,000,800	7.03	-	-	44,000,800	5.41	-	-

	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Sanichi Technology Berhad	110,002,000	5.41	-	-	165,003,000	5.41	-	-

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 813,645,086 Shares.
- (3) Based on the enlarged issued share capital of 2,034,112,715 Shares.
- (4) Based on the enlarged issued share capital of 3,051,169,072 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.

For illustration, the pro forma effects of the Rights Issue with Warrants on the consolidated earnings and EPS of the Company are as follows:-

	Audited FYE 31 December 2020	(I) After the Rights Issue with Warrants	
		Minimum Scenario	Base Case Scenario
PAT attributable to owners of the Company (RM'000)	2,658	(1)2,028	(1)2,028
Weighted average no. of Shares ('000)	424,704	549,704	1,363,525
EPS (sen)	0.63	0.37	0.15
			(2)1,832,936
			0.11

	(II) After (I) and assuming full granting and exercise of the Warrants	
	Minimum Scenario	Base Case Scenario
PAT attributable to owners of the Company (RM'000)	2,028	2,028
Weighted average no. of Shares ('000)	653,871	2,145,876
EPS (sen)	0.31	0.09
		2,849,992
		0.07

Notes:-

- (1) After accounting for estimated expenses incidental to the Rights Issue with Warrants of RM0.63 million.
- (2) After assuming full granting and exercise of the ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS as at the LPD prior to the Entitlement Date.

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

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

9.1 Working capital and sources of liquidity

The Group's working capital is funded 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 RM51.38 million and the Group has undrawn credit facilities from financial institutions for up to RM1.59 million, representing 39.70% of the total credit facilities granted to the Group.

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, the proceeds to be raised from the Rights Issue with Warrants and the impact of COVID-19 pandemic on the businesses of the Group, the Group will have sufficient working capital 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>	
- Term loans	6,989
<u>Short term borrowings</u>	
- Banker's acceptances	2,112
- Term loans	395
Total	9,496

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

9.3 Contingent liabilities

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

9.4 Material commitments

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

10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants 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 that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants 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, 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 full acceptance and payment

10.4.1 By way 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.

Renounee(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 renounee(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 RENOUNEE(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 RENOUNEE(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 renounee(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 Monday, 16 August 2021**, being the last date and time for the acceptance and payment for the Rights Shares with Warrants.

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 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 will be given the Warrants on the basis of 5 Warrants for every 6 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 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 applied 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 "**BCM RIGHTS SHARES ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters, your contact number, your address and your CDS account number, and must be received by the Share Registrar by **5.00 p.m. on Monday, 16 August 2021**.

Apart from the above, each completed RSF may also be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares applied in the form of internet bank transfer to the following bank account and indicate the detail / reference of internet bank transfer with the last 9 digits of CDS account and shareholder name:-

Name of account	BCM RIGHTS SHARES ACCOUNT	BCM EXCESS RIGHTS SHARES ACCOUNT
Name of bank	Alliance Bank Malaysia Berhad	
Bank account no.	120150010172267	120150010172271

If payment is to be made by way of internet bank transfer, each completed RSF must be accompanied by the relevant bank-in slip as a proof of payment and must be received by the Share Registrar by **5.00 p.m. on Monday, 16 August 2021**.

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 TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND WARRANTS 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 Monday, 16 August 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 not taken up or not validly taken up to applicants applying for the Excess Rights Shares with Warrants 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 way 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 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 and excess Rights Shares with Warrants (if applicable) must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:-

Name of account	BCM RIGHTS SHARES ACCOUNT	BCM EXCESS RIGHTS SHARES ACCOUNT
Name of bank	Alliance Bank Malaysia Berhad	
Bank account no.	120150010172267	120150010172271

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. • Kindly make the payment via internet bank transfer to the respective bank account. • Please indicate the detail / reference of internet bank transfer 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 (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 <http://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 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 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 to be issued pursuant to the Rights Issue will be allotted by way of crediting the Rights Shares and Warrants into your CDS account. No physical share or warrant certificates will be issued.
- (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 Monday, 16 August 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 not taken up or not validly taken up to applicants applying for the Excess Rights Shares with Warrants 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 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 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 respectively.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants 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.

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 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 application

10.7.1 By way of RSF

If you wish to apply for additional Rights Shares with Warrants 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 applied for, to the Share Registrar so as to arrive not later than **5.00 p.m. on Monday, 16 August 2021**, being the last time and date for Excess Rights Shares with Warrants applications and payment.

Payment for the Excess Rights Shares with Warrants 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 "**BCM EXCESS RIGHTS SHARES ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS account number, and must be received by the Share Registrar by **5.00 p.m. on Monday, 16 August 2021**.

Apart from the above, each completed RSF may also be accompanied by the appropriate remittance in RM for the full amount payable for the Excess Rights Shares applied in the form of internet bank transfer to the following bank account and indicate the detail / reference of internet bank transfer with the last 9 digits of CDS account and shareholder name:-

Name of account	BCM EXCESS RIGHTS SHARES ACCOUNT
Name of bank	Alliance Bank Malaysia Berhad
Bank account no.	120150010172271

If payment is to be made by way of internet bank transfer, each completed RSF must be accompanied by the relevant bank-in slip as a proof of payment and must be received by the Share Registrar by **5.00 p.m. on Monday, 16 August 2021**.

The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants 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 way of e-Subscription

You and/or your renouncee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in Section 10.4.2 of this Abridged Prospectus. The e-Subscription for Excess Rights Shares with Warrants 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, 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, 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, taking into consideration the quantum of their respective Excess Rights Shares with Warrants applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renouncee(s) who have applied for Excess Rights Shares with Warrants, taking into consideration the quantum of their respective Excess Rights Shares with Warrants applications.

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

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of 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, in full or in part, without assigning any reason thereto.

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 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 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 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 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. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

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

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

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

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue with Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be by issuance of cheque 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 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 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, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

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

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

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 UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, 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
BCM ALLIANCE BERHAD



HOO SWEE GUAN
Executive Director

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

As at the LPD, the issued share capital of the Company is RM79,018,126 comprising 625,880,836 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
Datuk Chin Goo Chai (Independent Non-Executive Chairman)	67	10, Jalan Damai Kasih 10 Alam Damai 56000 Kuala Lumpur	Malaysian
Liaw Chong Lin (Managing Director)	59	No. 57, Jln Tiara 9 Mutiara Bukit Jalil 58200 Kuala Lumpur	Malaysian
Hoo Swee Guan (Executive Director)	39	No. 21, Jalan Elektron U16/62 Seksyen U16, Denai Alam 40160 Shah Alam Selangor	Malaysian
Ho Kee Wee (Executive Director)	37	B-11-03, Fraser Tower 92 Jalan 5/60 46000 Petaling Jaya Selangor	Malaysian
Datin Latiffah Binti Endot (Independent Non-Executive Director)	71	No. 19, Jalan Platinum 7/43C Seksyen 7 40000 Shah Alam Selangor	Malaysian
Ng Kok Wah (Independent Non-Executive Director)	43	25, Jalan Sg 9/11 Taman Sri Gombak 68100 Batu Caves Selangor	Malaysian
Yap Kim Choy (Independent Non-Executive Director)	38	18-25-3A, The Wharf Residence Taman Puchong Prima 47100 Puchong Selangor	Malaysian
Khor Ben Jin (Independent Non-Executive Director)	46	No. 68, Jalan Puteri 6/6 Bandar Puteri Puchong 47100 Puchong 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

	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Liaw Chong Lin	200,000	0.03	-	-	200,000	0.03	-	-
Hoo Swee Guan	10,000	(4)-	-	-	62,510,000	8.32	-	-
Ho Kee Wee	1,000	(4)-	-	-	62,501,000	8.32	-	-
Yap Kim Choy	3,800,000	0.61	-	-	3,800,000	0.51	-	-

Directors	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Liaw Chong Lin	200,000	0.02	-	-
Hoo Swee Guan	114,593,333	13.40	-	-
Ho Kee Wee	114,584,333	13.40	-	-
Yap Kim Choy	3,800,000	0.44	-	-

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 750,880,836 Shares.
- (3) Based on the enlarged issued share capital of 855,047,502 Shares.
- (4) Less than 0.01%.

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

Base Case Scenario

	(I)			
	As at the LPD		After the Rights Issue with Warrants	
	Direct	Indirect	Direct	Indirect
	No. of Shares	(1)%	No. of Shares	(2)%
Liaw Chong Lin	200,000	0.03	-	0.03
Hoo Swee Guan	10,000	(4)-	-	(4)-
Ho Kee Wee	1,000	(4)-	-	(4)-
Yap Kim Choy	3,800,000	0.61	-	0.61
			500,000	-
			25,000	-
			2,500	-
			9,500,000	-

	(II)			
	After (I) and assuming full exercise of the Warrants			
	Direct	Indirect	Direct	Indirect
	No. of Shares	(3)%	No. of Shares	(3)%
Liaw Chong Lin	750,000	0.03	-	-
Hoo Swee Guan	37,500	(4)-	-	-
Ho Kee Wee	3,750	(4)-	-	-
Yap Kim Choy	14,250,000	0.61	-	-

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 1,564,702,090 Shares.
- (3) Based on the enlarged issued share capital of 2,347,053,135 Shares.
- (4) Less than 0.01%.

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

Maximum Scenario

	(I)				(II)				(III)			
	As at the LPD		After assuming full granting and exercise of the ESOS Options		After (I) and the Rights Issue with Warrants		After (II) and assuming full exercise of the Warrants		As at the LPD		After assuming full granting and exercise of the ESOS Options	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
	Direct		Indirect	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares		No. of Shares	No. of Shares		No. of Shares	No. of Shares		No. of Shares	No. of Shares		No. of Shares
Liaw Chong Lin	200,000	0.03	-	-	200,000	0.02	-	-	200,000	0.02	-	-
Hoo Swee Guan	10,000	(4)-	-	-	10,000	(6)-	-	-	10,000	(6)-	-	-
Ho Kee Wee	1,000	(4)-	-	-	1,000	(6)-	-	-	1,000	(6)-	-	-
Yap Kim Choy	3,800,000	0.61	-	-	3,800,000	0.47	-	-	3,800,000	0.47	-	-
	Direct		Indirect	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares		No. of Shares	No. of Shares		No. of Shares	No. of Shares		No. of Shares	No. of Shares		No. of Shares
Liaw Chong Lin	500,000	0.02	-	-	500,000	0.02	-	-	750,000	0.02	-	-
Hoo Swee Guan	25,000	(5)-	-	-	25,000	(6)-	-	-	37,500	(6)-	-	-
Ho Kee Wee	2,500	(5)-	-	-	2,500	(6)-	-	-	3,750	(6)-	-	-
Yap Kim Choy	9,500,000	0.47	-	-	9,500,000	0.47	-	-	14,250,000	0.47	-	-

Notes:-

- (1) Based on the issued share capital of 625,880,836 Shares as at the LPD.
- (2) Based on the enlarged issued share capital of 813,645,086 Shares.
- (3) Based on the enlarged issued share capital of 2,034,112,715 Shares.
- (4) Based on the enlarged issued share capital of 3,051,169,072 Shares.

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

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

Historical financial performance

	Audited			Unaudited	
	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020	3-month FPE 31 March 2020	3-month FPE 31 March 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	92,546	103,753	68,127	17,659	17,982
Cost of sales	(61,449)	(73,255)	(43,932)	(10,659)	(11,847)
GP	31,097	30,498	24,195	7,000	6,135
Other income	2,103	925	1,133	176	174
Administrative expenses	(21,116)	(22,421)	(20,148)	(5,531)	(5,547)
Net loss on impairment of financial instruments	(31)	(888)	(173)	(40)	-
Finance costs	(593)	(608)	(394)	(109)	(96)
PBT	11,460	7,506	4,613	1,496	666
Taxation	(2,996)	(2,129)	(1,297)	(442)	(387)
PAT	8,464	5,377	3,316	1,054	279
PAT attributable to:-					
- owners of the Company	8,224	5,146	2,658	951	36
- non-controlling interests	240	231	658	103	243
GP margin (%)	33.60	29.39	35.51	39.64	34.12
PAT margin (%)	9.15	5.18	4.87	5.97	1.55
Weighted average number of Shares in issue ('000)	421,250	421,250	424,704	421,250	503,034
EPS (sen)					
- basic	1.95	1.22	0.63	0.23	0.01
- diluted	1.95	1.22	0.63	0.23	0.01

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

	Audited			Unaudited
	As at 31 December 2018	As at 31 December 2019	As at 31 December 2020	As at 31 March 2021
	RM'000	RM'000	RM'000	RM'000
Non-current assets	11,984	14,992	14,584	22,647
Current assets	65,995	69,805	80,157	104,113
Total assets	77,979	84,797	94,741	126,760
Share capital	32,120	32,120	47,356	79,018
Merger reserves	(16,049)	(16,049)	(16,049)	(16,049)
Retained earnings	30,505	34,831	37,068	37,104
Equity attributable to owners of the Company	46,576	50,902	68,375	100,073
Non-controlling interests	2,554	2,623	3,085	3,328
Total equity	49,130	53,525	71,460	103,401
Non-current liabilities	5,249	4,827	18,970	4,151
Current liabilities	23,600	26,445	4,311	19,208
Total liabilities	28,849	31,272	23,281	23,359
Total equity and liabilities	77,979	84,797	94,741	126,760

Historical cash flow

	Audited			Unaudited
	FYE 31 December 2018	FYE 31 December 2019	FYE 31 December 2020	3-month FPE 31 March 2021
	RM'000	RM'000	RM'000	RM'000
<u>Net cash from / (used in)</u>				
Operating activities	11,379	7,961	1,190	(3,782)
Investing activities	2,518	(3,238)	(751)	(8,374)
Financing activities	(803)	(2,554)	14,764	31,569
Net increase in cash and cash equivalents	13,094	2,169	15,203	19,413
Effects of changes in exchange rate	-	-	(2)	-
Cash and cash equivalents at beginning of the year / period	15,292	28,386	30,555	45,756
Cash and cash equivalents at end of the year / period	28,386	30,555	45,756	65,169

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

(i) 3-month FPE 31 March 2021 vs 3-month FPE 31 March 2020

The Group's revenue for 3-month FPE 31 March 2021 increased by RM0.32 million or 1.83% as compared to the previous corresponding period. The higher revenue was mainly contributed by the following:-

- (a) higher contribution from the medical devices segment due to more orders secured from customers for its medical imaging equipment such as MRI and digital radiography; and
- (b) higher contribution from the healthcare products segment due to more sales of its healthcare products such as blood pressure monitors and body fat monitors.

However, the above was partly offset by lower contribution from the commercial laundry equipment segment potentially due to conservative approach adopted by potential customers as a result of the COVID-19 pandemic as well as the absence of bulk discount on the commercial laundry equipment purchased in the current financial quarter as compared to the substantial bulk discount enjoyed in the previous corresponding financial quarter.

Despite the higher revenue, the Group recorded a lower GP of RM6.14 million (GP margin of 34.11%) as compared to a GP of RM7.00 million (GP margin of 39.64%) in the previous corresponding period. The lower GP was contributed by lower GP margin which in turn was mainly due to lower contribution from the commercial laundry equipment segment as a result of the absence of bulk discount set out above.

In line with the lower GP, the Group recorded a lower PAT of RM0.28 million as compared to RM1.05 million in the previous corresponding period, representing a decrease of RM0.78 million or 73.53%.

The Group recorded a net increase in cash and cash equivalents of RM19.41 million (3-month FPE 31 March 2020: net decrease of RM13.13 million) mainly due to net cash from financing activities of RM31.57 million mainly pertaining to the proceeds raised from the Private Placement 2021 - 30% amounting to RM32.09 million but partly offset net cash used in investing activities of RM8.37 million mainly contributed by the investment in ordinary shares of Metronic Global Berhad, a company listed on the Main Market of Bursa Securities, amounting to RM8.00 million. For information, the Group recorded net cash used in operating activities of RM3.8 million mainly due to purchases of commercial laundry equipment and medical devices.

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

The Group's revenue for FYE 31 December 2020 decreased by RM35.63 million or 34.34% as compared to previous financial year. The lower revenue was mainly contributed by the following:-

- (a) lower contribution from the medical devices segment mainly due to a reduction in hospital budgets for non-COVID-19 related medical devices which the Group sells; and
- (b) lower contribution from the commercial laundry equipment segment mainly due to the MCO which led a temporary closure of its business. In addition, existing customers which operate self-service laundrettes withheld some of their investment plans amidst the COVID-19 pandemic.

However, the above was partly offset by the higher contribution from the healthcare products segment due to higher demand from customers for its healthcare products such as thermometers and blood pressure monitors as well as an increase in the number of clients' outlets during the year.

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

In line with the lower revenue, the Group recorded a lower GP of RM24.20 million (GP margin of 35.52%) as compared to a GP of RM30.50 million (GP margin of 29.39%) in the previous financial year. However, the lower GP was partly offset by higher GP margin which in turn was mainly attributable to bulk discounts negotiated from suppliers for commercial laundry equipment.

In line with the lower GP, the Group recorded lower PAT of RM3.32 million as compared to RM5.38 million in the previous financial year, representing a decrease of 38.33%.

The Group recorded a net increase in cash and cash equivalents of RM15.20 million in FYE 31 December 2020 (FYE 31 December 2019: net increase of RM2.17 million) mainly due to the proceeds raised from Special Issue amounting to RM15.65 million. However, this was partly offset by the purchase of property, plant and equipment such as tools and equipment, renovation, motor vehicles and others amounting to RM1.19 million.

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

The Group's revenue for the FYE 31 December 2019 increased by RM11.21 million or 12.11% as compared to the previous financial year. The higher revenue was mainly due to the following:-

- (a) higher contribution from the medical devices segment due to more orders secured from customers for its medical imaging and sterilisation equipment such as MRI and steam steriliser; and
- (b) higher contribution from the healthcare products segment due to higher demand for its healthcare products such as Rossmax blood pressure monitor as well as intensive promotional efforts conducted by the Group's marketing team.

Despite the higher revenue, the Group recorded a lower GP of RM30.50 million (GP margin of 29.39%) as compared to RM31.10 million (GP margin of 33.60%) in the previous financial year. The lower GP was contributed by lower GP margin which in turn was mainly due to higher cost of sales of commercial laundry equipment, medical devices and healthcare products. This was contributed by the following:-

- (a) depreciation of Ringgit Malaysia as the Group's commercial laundry equipment, medical devices and healthcare products were mainly imported from the United States of America, Singapore and Europe; and
- (b) higher sales tax due to the reintroduction of Sales and Service Taxes at 10% as compared to the Goods and Service Taxes of 6%.

In line with the lower GP, the Group recorded a lower PAT of RM5.38 million as compared to RM8.46 million in the previous financial year, representing a decrease of 36.47%. Apart from the lower GP, the lower PAT was contributed by the following:-

- (a) depreciation of right-of-use assets such as motor vehicles, buildings and office equipment amounting to RM1.42 million (FYE 31 December 2019: nil) as a result of the implementation of Malaysian Financial Reporting Standards ("MFRS") 16 which required the lease amounts to be capitalised;
- (b) impairment loss on other receivables amounting to RM0.75 million (FYE 31 December 2019: nil) in relation to an advance made to a supplier for medical equipment which was subsequently deemed to be not recoverable; and

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

- (c) absence of a one-off negative goodwill of RM0.69 million recorded in the previous financial year pertaining to the subscription of 51.03% equity interest in Cypress Medic Sdn Bhd (“**Cypress**”), a company principally involved in the trading and distribution of Rossmax branded consumer healthcare products, in February 2018. Pursuant to the subscription, Cypress had become a 51.03%-owned subsidiary of the Company.

The Group recorded a net increase in cash and cash equivalents of RM2.17 million (FYE 31 December 2018: net increase of RM13.09 million) mainly due to net cash generated from operating activities amounting to RM7.96 million. However, this was partly offset by the following:-

- (a) purchase of property, plant and equipment such as tools and equipment as well as renovation amounting to RM3.27 million; and
- (b) payment of lease liabilities for motor vehicles, buildings and office equipment amounting to RM1.33 million; and
- (c) payment of dividend to Shareholders amounting to RM0.84 million.

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
<u>2020</u>		
July	0.340	0.220
August	0.455	0.255
September	0.315	0.230
October	0.320	0.245
November	0.285	0.255
December	0.315	0.265
<u>2021</u>		
January	0.400	0.260
February	0.270	0.230
March	0.325	0.210
April	0.230	0.190
May	0.200	0.130
June	0.155	0.105
Last transacted market price on 4 May 2021, being the last Market Day immediately prior to the first announcement of the Rights Issue with Warrants (RM)	0.185	
Last transacted market price on 22 July 2021, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)	0.125	
Last transacted market price on the LPD (RM)	0.120	

(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, 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 from the effective date of the ESOS (i.e. 25 March 2021). 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 187,764,250 ESOS Options (approximately 30% of the total number of issued Shares as at the LPD) which may be granted pursuant to the maximum allowable amount under the ESOS.

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) Subscription agreement dated 18 March 2021 between the Company and Foodict Maker Sdn Bhd ("**Foodict**") for the subscription by the Company of 600,000 new ordinary shares in Foodict, representing 60% equity interest in the enlarged share capital of Foodict, for a total cash consideration of RM2,280,000.

The subscription was completed on 28 April 2021. Pursuant thereto, Foodict had become a 60%-owned subsidiary of the Company.

8. MATERIAL LITIGATION

As at the LPD, the Board confirmed that the Company and/or its subsidiaries are not 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 Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

9. CONSENTS

- (i) The written consents of the company secretaries, Principal Adviser, the solicitors, Share Registrar, reporting accountants and Independent Market Researcher 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.

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;
- (v) the IMR Report referred to in Section 7.2 of this Abridged Prospectus; and
- (vi) the material contract referred to in Section 7 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 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.