

## SUPPLEMENTARY INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY

THIS DOCUMENT IS A SUPPLEMENTARY INFORMATION MEMORANDUM AND SHOULD BE READ IN CONJUNCTION WITH THE ORIGINAL INFORMATION MEMORANDUM DATED 19 SEPTEMBER 2018 (“ORIGINAL INFORMATION MEMORANDUM”).

**A COPY OF THIS SUPPLEMENTARY INFORMATION MEMORANDUM WILL BE DEPOSITED WITH THE SECURITIES COMMISSION MALAYSIA (“SC”). EACH RECIPIENT OF THIS SUPPLEMENTARY INFORMATION MEMORANDUM (“RECIPIENT”) ACKNOWLEDGES AND AGREES THAT THE SC AND BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS SUPPLEMENTARY INFORMATION MEMORANDUM, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS SUPPLEMENTARY INFORMATION MEMORANDUM. THE SC AND BURSA SECURITIES DO NOT MAKE ANY ASSESSMENT ON THE SUITABILITY, VIABILITY OR PROSPECTS OF OUR COMPANY. SOPHISTICATED INVESTORS ARE EXPECTED TO MAKE THEIR OWN ASSESSMENT ON OUR COMPANY OR SEEK APPROPRIATE ADVICE BEFORE MAKING THEIR INVESTMENT DECISIONS.**



**BABA ECO GROUP BERHAD**

(Company No. 1268966-W)

(Incorporated in Malaysia under the Companies Act, 2016)

**PROPOSED EXCLUDED ISSUE OF 27,500,000 NEW ORDINARY SHARES TO SOPHISTICATED INVESTORS WITHIN THE MEANINGS OF SECTION 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007, AT AN ISSUE PRICE OF RM0.13 PER SHARE IN CONJUNCTION WITH OUR PROPOSED LISTING ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD**

Approved Adviser, Custodian, Placement Agent and Continuing Adviser

**WYNCORP**  
CORPORATE FINANCE ADVISOR  
**WYNCORP ADVISORY SDN BHD**  
(Company No. 632322-H)

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY BABA ECO GROUP BERHAD (“BABA ECO” OR “COMPANY”).

SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATIONS, AND, IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.

THERE ARE CERTAIN RISK FACTORS WHICH SOPHISTICATED INVESTORS SHOULD CONSIDER. PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 6 OF THE ORIGINAL INFORMATION MEMORANDUM.

THIS SUPPLEMENTARY INFORMATION MEMORANDUM IS DATED 13 JUNE 2019

**THIS DOCUMENT IS A SUPPLEMENTARY INFORMATION MEMORANDUM AND SHOULD BE READ IN CONJUNCTION WITH THE ORIGINAL INFORMATION MEMORANDUM DATED 19 SEPTEMBER 2018.**

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## **DEFINITIONS**

Save as disclosed below, the definitions used in the Original Information Memorandum shall apply herein:

- Proposed Excluded Issue : Proposed issue of **27,500,000** Excluded Issue Shares at the Issue Price to Sophisticated Investors within the meanings of Section 230 of the CMSA
- Proposed Listing : Proposed admission to the Official List and the listing and quotation of our entire enlarged issued share capital of **RM23,297,002**, comprising **224,720,020** shares on the LEAP Market

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## 1. PURPOSE

The purpose of this Supplementary Information Memorandum is to update the potential Sophisticated Investors on the revised issuance size for the Proposed Excluded Issue. The relevant amendments / updates made pursuant to the revised issuance size are summarised under Section 2 below.

## 2. AMENDMENTS / UPDATES

The amendments / updates made pursuant to the revised issuance size for the Proposed Excluded Issue are as follows and they are highlighted in bold for better clarity:

### (i) SECTION 2.1 – PROPOSED LISTING SCHEME (page 4 of the Original Information Memorandum)

#### Original

Pursuant to our Proposed Listing, we intend to issue 40,600,000 Excluded Issue Shares, representing approximately 17.07% of our enlarged issued share capital at RM0.13 per Excluded Issue Share to Sophisticated Investors within the meanings of Section 230 of the CMSA.

Our Proposed Listing is subject to the receipt of an approval from Bursa Securities. Hence, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing and quotation of our entire enlarged issued share capital of RM25,000,002 comprising 237,820,020 Shares on the LEAP Market and are awaiting Bursa Securities' decision on the same.

#### Amendments / Updates

Pursuant to our Proposed Listing, we intend to issue **27,500,000** Excluded Issue Shares, representing approximately **12.24%** of our enlarged issued share capital at RM0.13 per Excluded Issue Share to Sophisticated Investors within the meanings of Section 230 of the CMSA.

Our Proposed Listing is subject to the receipt of an approval from Bursa Securities. Hence, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing and quotation of our entire enlarged issued share capital of **RM23,297,002** comprising **224,720,020** Shares on the LEAP Market and are awaiting Bursa Securities' decision on the same.

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(ii) **SECTION 2.3 – SHARE CAPITAL UPON PROPOSED LISTING (page 4 of the Original Information Memorandum)**

**Original**

Upon completion of the Proposed Excluded Issue, our Company's entire enlarged issued share capital comprising 237,820,020 shares shall be listed on the LEAP Market. The details of our enlarged issued share capital are as set out below:

|   | <b>No. of Shares</b> |               |
|---|----------------------|---------------|
|   | <b>('000)</b>        | <b>RM'000</b> |
| Existing issued share capital   | 197,220              | 19,722        |
| New Shares to be issued pursuant to our Proposed Excluded Issue             | 40,600               | 5,278         |
| Enlarged issued share capital upon our Proposed Listing                     | 237,820              | 25,000        |
| Issue Price per Excluded Issue Share (RM)                                   |                      | 0.13          |
| Market capitalisation at the Issue Price upon our Proposed Listing (RM'000) |                      | 30,917        |

**Amendments / Updates**

Upon completion of the Proposed Excluded Issue, our Company's entire enlarged issued share capital comprising **224,720,020** shares shall be listed on the LEAP Market. The details of our enlarged issued share capital are as set out below:

|   | <b>No. of Shares</b> |               |
|---|----------------------|---------------|
|   | <b>('000)</b>        | <b>RM'000</b> |
| Existing issued share capital   | 197,220              | 19,722        |
| New Shares to be issued pursuant to our Proposed Excluded Issue             | <b>27,500</b>        | <b>3,575</b>  |
| Enlarged issued share capital upon our Proposed Listing                     | <b>224,720</b>       | <b>23,297</b> |
| Issue Price per Excluded Issue Share (RM)                                   |                      | 0.13          |
| Market capitalisation at the Issue Price upon our Proposed Listing (RM'000) |                      | <b>29,214</b> |

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(iii) **SECTION 2.4 – SHAREHOLDING STRUCTURE (page 5 of the Original Information Memorandum)**

| <b>Original</b>         |                                |               |                               |               |
|-------------------------|--------------------------------|---------------|-------------------------------|---------------|
| <b>Shareholders</b>     | <b>Before Proposed Listing</b> |               | <b>After Proposed Listing</b> |               |
|                         | <b>No. of shares</b>           | <b>%</b>      | <b>No. of shares</b>          | <b>%</b>      |
| Promoters               | 197,220,020                    | 100.00        | 197,220,020                   | 82.93         |
| New public shareholders | -                              | -             | 40,600,000                    | 17.07         |
| <b>Total</b>            | <b>197,220,020</b>             | <b>100.00</b> | <b>237,820,020</b>            | <b>100.00</b> |

  

| <b>Amendments / Updates</b>           |                                |               |                                 |               |
|---------------------------------------|--------------------------------|---------------|---------------------------------|---------------|
| <b>Shareholders</b>                   | <b>Before Proposed Listing</b> |               | <b>After Proposed Listing</b>   |               |
|                                       | <b>No. of shares</b>           | <b>%</b>      | <b>No. of shares</b>            | <b>%</b>      |
| Promoters                             | 197,220,020                    | 100.00        | 197,220,020                     | <b>87.76</b>  |
| <b>Family member of the Promoters</b> | -                              | -             | <sup>(1)</sup> <b>2,000,000</b> | <b>0.89</b>   |
| <b>Family member of a Director</b>    | -                              | -             | <sup>(1)</sup> <b>2,000,000</b> | <b>0.89</b>   |
| New public shareholders               | -                              | -             | <b>23,500,000</b>               | <b>10.46</b>  |
| <b>Total</b>                          | <b>197,220,020</b>             | <b>100.00</b> | <b>224,720,020</b>              | <b>100.00</b> |

**Note:**

(1) *These shares will be placed out at the Issue Price in conjunction with our Proposed Excluded Issue and Proposed Listing, on terms consistent with those available to other new public shareholders.*

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(iv) **SECTION 2.5 – UTILISATION OF PROCEEDS (page 5 of the Original Information Memorandum)**

**Original**

Based on the Issue Price, we expect to raise gross proceeds of RM5.28 million from our Proposed Excluded Issue, which are intended to be utilised in the following manner:

| <b>Details of utilisation</b>         | <b>RM'000</b> | <b>%</b>      | <b>Estimated timeframe for utilisation upon Proposed Listing</b> |
|---------------------------------------|---------------|---------------|--|
| (i) Capital expenditure               | 2,400         | 45.47         | Within 24 months   |
| (ii) R&D expenditure                  | 500           | 9.47          | Within 24 months   |
| (iii) Overseas expansion              | 500           | 9.47          | Within 24 months   |
| (iv) Purchase of production equipment | 800           | 15.16         | Within 24 months   |
| (v) Working capital                   | 128           | 2.43          | Within 24 months   |
| (vi) Estimated listing expenses       | 950           | 18.00         | Immediate  |
| <b>Total</b>                          | <b>5,278</b>  | <b>100.00</b> |  |

(i) Capital expenditure

We intend to utilise approximately RM2.40 million of the proceeds to expand and renovate of our production facilities, to cater for our future plans as outlined in Section 4.18 of this Information Memorandum.

(v) Working capital

Our working capital requirements are expected to increase in line with our intended business expansion as outlined in Section 4.18 of this Information Memorandum. Thus, we intend to allocate approximately RM0.13 million of the proceeds for the day-to-day operations of our Group, which shall include but are not limited to, staff costs, payments to suppliers and other creditors, marketing and promotional expenses as well as administrative expenses.

(vi) Estimated listing expenses

The proceeds allocated for listing expenses include professional fees, fees payable to the relevant authorities and other miscellaneous expenses in relation to our Proposed Excluded Issue and Proposed Listing.

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### Amendments / Updates

Based on the Issue Price, we expect to raise gross proceeds of **RM3.58 million** from our Proposed Excluded Issue, which are intended to be utilised in the following manner:

| Details of utilisation                | RM'000       | %             | Estimated timeframe for utilisation upon Proposed Listing |
|---------------------------------------|--------------|---------------|---|
| (i) Capital expenditure               | 1,500        | 41.96         | Within 24 months  |
| (ii) R&D expenditure                  | 500          | 13.99         | Within 24 months  |
| (iii) Overseas expansion              | 500          | 13.99         | Within 24 months  |
| (iv) Purchase of production equipment | 800          | 22.37         | Within 24 months  |
| (v) Working capital                   | 275          | 7.69          | Within 24 months  |
| (vi) Estimated listing expenses       | -            | -             | Immediate   |
| <b>Total</b>                          | <b>3,575</b> | <b>100.00</b> |   |

Further details on the utilisation of proceeds from our Proposed Excluded Issue are as set out below:

(i) Capital expenditure

We intend to utilise approximately **RM1.50 million** of the proceeds to expand and renovate of our production facilities, to cater for our future plans as outlined in Section 4.18 of **the Original** Information Memorandum.

(v) Working capital

Our working capital requirements are expected to increase in line with our intended business expansion as outlined in Section 4.18 of **the Original** Information Memorandum. Thus, we intend to allocate approximately **RM0.28 million** of the proceeds for the day-to-day operations of our Group, which shall include but are not limited to, staff costs, payments to suppliers and other creditors, marketing and promotional expenses as well as administrative expenses.

(vi) Estimated listing expenses

**No proceeds are allocated for the listing expenses which include professional fees, fees payable to the relevant authorities and other miscellaneous expenses in relation to our Proposed Excluded Issue and Proposed Listing, as the listing expenses would be financed by internally-generated funds.**



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(v) **SECTION 4.18 – FUTURE PLANS AND BUSINESS STRATEGIES (page 78 of the Original Information Memorandum)**

**Original**

(i) Expansion of Manufacturing Facilities

We have earmarked approximately RM2.40 million of the proceeds from our Proposed Excluded Issue to fund the abovementioned expansion. The remaining sum would be financed by internally-generated funds and/or external borrowings, to be determined later by our Board.

**Amendments / Updates**

(i) Expansion of Manufacturing Facilities

We have earmarked approximately **RM1.50 million** of the proceeds from our Proposed Excluded Issue to fund the abovementioned expansion. The remaining sum would be financed by internally-generated funds and/or external borrowings, to be determined later by our Board.

(vi) **SECTION 6.2 – RISK RELATING TO INVESTMENT IN OUR SHARES (page 98 of the Original Information Memorandum)**

**Original**

6.2.2 Control by our Promoters may limit your ability to influence the outcome of matters requiring approval of our shareholders

Upon the Proposed Listing, our Promoters will collectively hold approximately 82.93% of our enlarged issued share capital. As a result, they will still be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as exert significant influence on the outcome of certain matters requiring the approval of our shareholders, unless they are required to abstain from voting by law and/or as required by the relevant authorities.

Nevertheless, our Group will be governed by the Listing Requirements upon our Proposed Listing and is bound to ensure any future transactions involving related parties are entered into on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to our minority shareholders. The Board will continue to be guided by WYNCORP as the Continuing Adviser subsequent to our Proposed Listing.

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**Amendments / Updates**

- 6.2.2 Control by our Promoters may limit your ability to influence the outcome of matters requiring approval of our shareholders

Upon the Proposed Listing, our Promoters will **directly and** collectively hold approximately **87.76%** of our enlarged issued share capital. As a result, they will still be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as exert significant influence on the outcome of certain matters requiring the approval of our shareholders, unless they are required to abstain from voting by law and/or as required by the relevant authorities.

Nevertheless, our Group will be governed by the Listing Requirements upon our Proposed Listing and is bound to ensure any future transactions involving related parties are entered into on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to our minority shareholders. The Board will continue to be guided by WYNCORP as the Continuing Adviser subsequent to our Proposed Listing.

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(vii) SECTION 7.1 – SHAREHOLDINGS OF OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (page 100 of the Original Information Memorandum)

Original

| Name                | Position/<br>Directorship | Before Proposed Listing |       |               |   | After Proposed Listing |       |               |   |
|---------------------|---------------------------|-------------------------|-------|---------------|---|------------------------|-------|---------------|---|
|                     |                           | Direct                  |       | Indirect      |   | Direct                 |       | Indirect      |   |
|                     |                           | No. of Shares           | %     | No. of Shares | % | No. of Shares          | %     | No. of Shares | % |
| Leong Jyh Wen       | Managing Director         | 188,210,710             | 95.43 | -             | - | 188,210,710            | 79.14 | -             | - |
| Leong Jyahao        | Executive Director        | 9,009,310               | 4.57  | -             | - | 9,009,310              | 3.79  | -             | - |
| Joyce Lee Hoay Ling | Executive Director        | -                       | -     | -             | - | -                      | -     | -             | - |
| Leong Siew Fong     | General Manager           | -                       | -     | -             | - | -                      | -     | -             | - |

Amendments / Updates

| Name                | Position/<br>Directorship | Before Proposed Listing |       |               |   | After Proposed Listing |              |                                 |             |
|---------------------|---------------------------|-------------------------|-------|---------------|---|------------------------|--------------|---------------------------------|-------------|
|                     |                           | Direct                  |       | Indirect      |   | Direct                 |              | Indirect                        |             |
|                     |                           | No. of Shares           | %     | No. of Shares | % | No. of Shares          | %            | No. of Shares                   | %           |
| Leong Jyh Wen       | Managing Director         | 188,210,710             | 95.43 | -             | - | 188,210,710            | <b>83.75</b> | <sup>(1)</sup> <b>2,000,000</b> | <b>0.89</b> |
| Leong Jyahao        | Executive Director        | 9,009,310               | 4.57  | -             | - | 9,009,310              | <b>4.01</b>  | -                               | -           |
| Joyce Lee Hoay Ling | Executive Director        | -                       | -     | -             | - | -                      | -            | <sup>(2)</sup> <b>2,000,000</b> | <b>0.89</b> |
| Leong Siew Fong     | General Manager           | -                       | -     | -             | - | -                      | -            | <sup>(1)</sup> <b>2,000,000</b> | <b>0.89</b> |

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**Notes**

- (1) *Deemed interested pursuant to Section 197 of the Act by virtue of the shareholdings of their brother, arising from shares to be placed out to their brother pursuant to our Proposed Excluded Issue.*
- (2) *Deemed interested pursuant to Section 197 of the Act by virtue of the shareholdings of her brother, arising from shares to be placed out to her brother pursuant to our Proposed Excluded Issue.*

**(viii) SECTION 8.2 – MORATORIUM ON OUR SHARES (page 106 of the Original Information Memorandum)**

**Original**

Pursuant to Rule 3.07 of the Listing Requirements, the Shares held by our Promoters, amounting to 197,220,020 Shares (representing approximately 82.93% of the enlarged issued share capital upon our Proposed Listing) are to be placed under moratorium.

Our Promoters, who hold any of our Shares directly and indirectly upon our Proposed Listing, have fully accepted the moratorium whereby they will not be permitted to sell, transfer or assign any part of their interest in the Shares during the moratorium period as follows:

- (i) The moratorium applies to the entire shareholdings of our Promoters for a period of 12 months from the date of our listing on the LEAP Market; and
- (ii) Upon expiry of the first 12 months, our Promoters shall maintain an aggregate shareholding amounting to 107,019,009 Shares representing 45% of the enlarged issued share capital of our Company for another period of 36 months.

(Hereinafter referred to as “**Promoters’ Moratorium Period**”)

Our Promoters have also provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the Promoters’ Moratorium Period.

In this respect, our Shares that are subject to moratorium from the date of our Proposed Listing are set out below:

| Name          | Moratorium shares during the 12-month moratorium <sup>(1)</sup> |                  | Moratorium shares during the 36-month moratorium <sup>(2)</sup> |                  |
|---------------|---|------------------|---|------------------|
|               | No. of Shares   | % <sup>(3)</sup> | No. of Shares   | % <sup>(3)</sup> |
| Leong Jyh Wen | 188,210,710   | 79.14            | 102,130,218   | 42.94            |
| Leong Jyahao  | 9,009,310   | 3.79             | 4,888,791   | 2.06             |
| Total         | 197,220,020   | 82.93            | 107,019,009   | 45.00            |

**Notes:**

- (1) *From the date of our Proposed Listing.*
- (2) *Upon the expiry of 12 months from the date of our Proposed Listing.*
- (3) *Based on our enlarged issued share capital of 237,820,020 Shares upon the completion of our Proposed Excluded Issue.*

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### Amendments / Updates

Pursuant to Rule 3.07 of the Listing Requirements, the Shares held by our Promoters, amounting to 197,220,020 Shares (representing approximately **87.76%** of the enlarged issued share capital upon our Proposed Listing) are to be placed under moratorium.

Our Promoters, who hold any of our Shares directly and indirectly upon our Proposed Listing, have fully accepted the moratorium whereby they will not be permitted to sell, transfer or assign any part of their interest in the Shares during the moratorium period as follows:

- (i) The moratorium applies to the entire shareholdings of our Promoters for a period of 12 months from the date of our listing on the LEAP Market; and
- (ii) Upon expiry of the first 12 months, our Promoters shall maintain an aggregate shareholding amounting to **101,124,009** Shares representing 45% of the enlarged issued share capital of our Company for another period of 36 months.

(Hereinafter referred to as "**Promoters' Moratorium Period**")

Our Promoters have also provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the Promoters' Moratorium Period.

In this respect, our Shares that are subject to moratorium from the date of our Proposed Listing are set out below:

| Name          | Moratorium shares during the 12-month moratorium <sup>(1)</sup> |                  | Moratorium shares during the 36-month moratorium <sup>(2)</sup> |                  |
|---------------|---|------------------|---|------------------|
|               | No. of Shares   | % <sup>(3)</sup> | No. of Shares   | % <sup>(3)</sup> |
| Leong Jyh Wen | 188,210,710   | <b>83.75</b>     | <b>96,504,511</b>   | 42.94            |
| Leong Jyahao  | 9,009,310   | <b>4.01</b>      | <b>4,619,498</b>  | 2.06             |
| Total         | 197,220,020   | <b>87.76</b>     | <b>101,124,009</b>  | 45.00            |

Notes:

- (1) From the date of our Proposed Listing.
- (2) Upon the expiry of 12 months from the date of our Proposed Listing.
- (3) Based on our enlarged issued share capital of **224,720,020** Shares upon the completion of our Proposed Excluded Issue.

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### 3. OTHER INFORMATION

#### (i) APPROVALS AND CONDITIONS

- (a) Bursa Securities has, via its letter dated 8 October 2018, resolved to approve the admission to the Official List and the listing and quotation of the entire issued share capital of our Company comprising 237,820,020 ordinary shares on the LEAP Market of Bursa Securities, subject to the following conditions:

| Condition imposed   | Status of compliance |
|---|----------------------|
| (1) To submit the details of the places in the manner as may be prescribed by Bursa Securities, as soon as practicable after the placement of securities and before the listing of such new issue of securities   | To be complied.      |
| (2) Submit the following information in respect of the moratorium on the shareholdings of the Promoters to the Bursa Malaysia Depository Sdn. Bhd:<br><br>(i) Name of shareholders;<br>(ii) Number of shares; and<br>(iii) Date of expiry of the moratorium for each block of shares. | To be complied.      |
| (3) To announce the listing date at least 2 market days prior to the date of listing.   | To be complied.      |
| (4) To furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the shareholding spread requirement based on the entire issued share capital of Baba Eco on the first day of listing.   | To be complied.      |
| (5) To furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of our Company to the Official List of the LEAP Market.  | To be complied.      |
| (6) To ensure full compliance with all the requirements as provided under the Listing Requirements at all times.  | To be complied.      |

- (b) Bursa Securities has, via its letter dated 25 March 2019, resolved to grant our Company an extension of time until 31 July 2019 to complete the Proposed Listing.

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- (c) The listing and quotation of our revised entire enlarged issued share capital of 224,720,020 shares on the LEAP Market is subject to the following:
  - (i) approval from Bursa Securities for the admission of our Shares to the Official List of LEAP Market; and
  - (ii) the successful completion of our Proposed Excluded Issue.

**(ii) CONSENT**

The written consent of the Approved Adviser, Custodian, Placement Agent and Continuing Adviser for the inclusion in this Supplementary Information Memorandum of its name in the form and context in which its name appear has been given before the issue of this Supplementary Information Memorandum and has not subsequently been withdrawn.

**(iii) MATERIAL LITIGATION AND CONTINGENT LIABILITIES**

Our Directors would like to highlight that the lawsuit between KBL and TNB (as disclosed under Section 11.3 of the Original Information Memorandum) has been resolved during the FYE 2018, following the withdrawal of the case by TNB without any liberty to file afresh and with no order as to costs. Relevant disclosure has been made in Note 26 to the Audited Financial Statements for the FYE 2018 and Note 11 to the Additional Information accompanying the Audited Financial Statements announced to Bursa Securities on 28 February 2019.

Our Directors hereby confirm that, other than the matters set out in this Supplementary Information Memorandum, they are not aware of any material change to our Group and the Proposed Excluded Issue since the date of the Original Information Memorandum to the date of this Supplementary Information Memorandum.

Our Directors hereby confirm that the Group is not involved in any litigation, claims or arbitration and they do not have any knowledge of any proceedings pending or threatened against the Company or any facts which are likely to give rise to any proceedings, which would have a material adverse effect on the business or financial position of the Company.

Our Directors hereby confirm that the Group does not have any material contingent liabilities which have become enforceable or are likely to become enforceable, which in the opinion of our Directors, will or may substantially affect the ability of our Group to meet our obligations as and when they fall due.

**(iv) DOCUMENTS AVAILABLE FOR INSPECTION**

Copy of the following documents are available free of charge for inspection during normal business hours on weekdays (except for Saturday, Sunday and public holiday) at our registered office at 39, Salween Road, 10050 Georgetown, Pulau Pinang; for at least 1 month after our Proposed Listing on the LEAP Market:

- (i) Our Constitution;
- (ii) The material contracts not in the ordinary course of business referred to in Section 4.13 of the Original Information Memorandum; and

**THIS DOCUMENT IS A SUPPLEMENTARY INFORMATION MEMORANDUM AND SHOULD BE READ IN CONJUNCTION WITH THE ORIGINAL INFORMATION MEMORANDUM DATED 19 SEPTEMBER 2018.**

- (iii) The letters of consent referred to in Section 11.1 of the Original Information Memorandum and Section 3(ii) of this Supplementary Information Memorandum.

#### **4. RESPONSIBILITY STATEMENTS**

Our Directors and the Promoters have seen and approved this Supplementary Information Memorandum. They collectively and individually accept full responsibility for the accuracy of the information in this Supplementary Information Memorandum. Having made reasonable enquiries, and to the best of their knowledge and belief, they confirm that, there is no false or misleading statement or other facts which if omitted, would make any statement in this Supplementary Information Memorandum false or misleading. The opinions and intentions of our Group expressed herein are honestly held, and that there are no other facts the omission of which would, in the context our Proposed Listing and Proposed Excluded Issue, make this Supplementary Information Memorandum as a whole or any information or expression of any such opinions or intentions herein, misleading in any material respects.

WYNCORP, being the Approved Adviser, Custodian, Placement Agent and Continuing Adviser to our Proposed Listing acknowledges that, based on all available information, and to the best of its knowledge, this Supplementary Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing and Proposed Excluded Issue.

Sophisticated Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws and regulations including any statement in this Supplementary Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Supplementary Information Memorandum.

Our Proposed Excluded Issue is subject to the receipt of an approval for our Proposed Listing from Bursa Securities, who make no assessment on the suitability, viability or prospects of our Group or the merits of investing in our shares. WYNCORP, as our Approved Adviser, has assessed the suitability of our Group for admission to the LEAP Market as required under Rule 4.10 of Bursa Securities' LEAP Market Listing Requirements.

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**THIS DOCUMENT IS A SUPPLEMENTARY INFORMATION MEMORANDUM AND SHOULD BE READ IN CONJUNCTION WITH THE ORIGINAL INFORMATION MEMORANDUM DATED 19 SEPTEMBER 2018.**

**5. DIRECTORY**

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Facsimile No. : (604) 210 9827

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CONTINUING ADVISER** : WYNCORP Advisory Sdn. Bhd. (632322-H)  
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