

All terms and abbreviations used herein shall have the same meanings as those defined in the “Definitions” section of this Abridged Prospectus unless stated otherwise.

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

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Sectrars Management Sdn Bhd at Lot 9-7 Menara Sentral Vista, No. 150 Jalan Sultan Abdul Samad, Brickfields 50470 Kuala Lumpur (Tel: +603 2276 6138/ 6139/ 6130).

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 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 the Rights Issue. A copy of this Abridged Prospectus, together with the accompanying NPA and RSF (collectively, the “Documents”), has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue was obtained at the EGM held on 29 July 2022. Approval has been obtained from Bursa Securities vide its letter dated 19 May 2022 for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. However, the admission to the Official List and quotation of the Rights Shares are not to be taken as an indication of the merits of the Rights Issue. The official listing of and quotation for the Rights Shares will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited with the Rights Shares allotted to them and notices of allotment have been despatched to them.

The Board has seen and approved all the documentation relating to this Rights Issue. The Board collectively and individually accepts 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 is no false or misleading statements or other facts which if omitted, would make any statement in this Abridged Prospectus false or misleading.

The Documents will only be despatched to our Entitled Shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5:00 p.m. on Tuesday, 4 October 2022. The Documents 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 complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Neither ASB, KAF IB, the Directors and officers of ASB nor other professional advisers named herein shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of all or any part of the entitlements to the Rights Issue made by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

The SC is not liable for any non-disclosure on the part of ASB 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 whatsoever 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 YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6.0 OF THIS ABRIDGED PROSPECTUS.



ADVANCE SYNERGY BERHAD
(Registration No.: 192001000024 (1225-D))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,858,389,886 NEW ORDINARY SHARES IN ADVANCE SYNERGY BERHAD (“ASB”) (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.05 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN ASB HELD AS AT 5:00 P.M. ON TUESDAY, 4 OCTOBER 2022

Principal Adviser



Financial Adviser



NEWFIELDS ADVISORS SDN BHD
(Registration No. 199401010372 (296051-V))

IMPORTANT RELEVANT DATES AND TIMES:-

Entitlement Date	:	Tuesday, 4 October 2022 at 5:00 p.m.
Last date and time for:-		
Sale of Provisional Rights Shares	:	Wednesday, 12 October 2022 at 5:00 p.m.
Transfer of Provisional Rights Shares	:	Friday, 14 October 2022 at 4:30 p.m.
Acceptance and payment	:	Friday, 21 October 2022 at 5:00 p.m.
Excess application and payment	:	Friday, 21 October 2022 at 5:00 p.m.

This Abridged Prospectus is dated 4 October 2022

ALL THE TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

RESPONSIBILITY STATEMENTS

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

KAF IB, BEING THE PRINCIPAL ADVISER, 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 THIS RIGHTS ISSUE.

OTHER STATEMENTS

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF INVESTING IN THE RIGHTS ISSUE. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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

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

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO 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 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, the NPA and the RSF:-

“Abridged Prospectus”	: This Abridged Prospectus dated 4 October 2022 in relation to the Rights Issue
“Act”	: The Companies Act 2016
“ADR”	: Average daily rate
“Anton Syazi”	: Anton Syazi Dato’ Ahmad Sebi
“Aryati Sasya”	: Aryati Sasya Dato’ Ahmad Sebi
“ASB” or the “Company”	: Advance Synergy Berhad (192001000024 / 1225-D)
“ASB Group” or the “Group”	: ASB and its subsidiaries, collectively
“ASB Share(s)” or “Share(s)”	: Ordinary share(s) in our Company
“B2B”	: Business to Business
“BESB”	: Bright Existence Sdn Bhd (199301003413 / 258150-H)
“Bloomberg”	: Bloomberg Finance Singapore L.P. and its affiliates
“Blueprint”	: Malaysia Digital Economy Blueprint
“BNM”	: Bank Negara Malaysia
“Board”	: Board of Directors of ASB
“Bursa Depository”	: Bursa Malaysia Depository Sdn. Bhd. (198701006854 / 165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (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(s)”	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
“Circular”	: The circular dated 30 June 2022 to our shareholders of ASB in relation to the Proposals
“Closing Date”	: At 5:00 p.m. on Friday, 21 October 2022, being the last date and time for the acceptance of and payment for the Rights Shares
“CMSA”	: Capital Markets and Services Act 2007
“COVID-19”	: Coronavirus 2019 pandemic
“DASB” or “Undertaking Shareholder”	: Dato’ Ahmad Sebi Bakar
“e-NPA”	: Electronic NPA

DEFINITIONS (CONT'D)

“e-RSF”	:	Electronic RSF
“e-Subscription”	:	Method available for our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) to subscribe for the Provisional Rights Shares and to apply for the Excess Rights Shares electronically via Sctrars Online
“EGM”	:	Extraordinary general meeting
“Entitled Shareholders”	:	Shareholders of ASB whose names appear in the Record of Depositors at the close of business on the Entitlement Date
“Entitlement Date”	:	At 5:00 p.m. on Tuesday, 4 October 2022, being the date and time on which the names of our shareholders must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue
“EPS”	:	Earnings per Share
“ERSB”	:	Eighth Review (M) Sdn Bhd (199301021090 / 275828-U)
“Excess Application”	:	The excess application for unsubscribed Rights Shares by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable)
“Excess Rights Shares”	:	Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) prior to the Closing Date
“Exemption”	:	Exemption granted by the SC to DASB and the PACs on 12 August 2022, under subparagraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions from the obligation to undertake a mandatory take-over offer for the remaining ASB Shares not already owned by them, upon completion of the Rights Issue
“Fintech”	:	Financial technology
“Foreign Entitled Shareholders”	:	Entitled Shareholders who do/do not have a registered address in Malaysia or an address for service in Malaysia
“FPE”	:	Six (6)-month financial period ended 30 June
“FYE”	:	Financial year ended/ending 31 December
“GBP”	:	British pound sterling
“ICT”	:	Information and communications technology
“Issue Price”	:	The issue price of RM0.05 per Rights Share
“KAF IB” or “Principal Adviser”	:	KAF Investment Bank Berhad (197401003530 / 20657-W)
“LAT”	:	Loss after taxation
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	9 September 2022, being the latest practicable date prior to the issuance of this Abridged Prospectus
“LPS”	:	Loss per Share

DEFINITIONS (CONT'D)

“MAH”	:	Malaysian Association of Hotels
“Market Day”	:	A day on which Bursa Securities is open for trading in securities
“Maximum Scenario”	:	Assuming that the Rights Issue is implemented based on the assumption that all the Entitled Shareholders will fully subscribe for their respective entitlements under the Rights Issue at the Issue Price
“Minimum Scenario”	:	Assuming that the Rights Issue is implemented based on the Minimum Subscription Level on the assumption that only DASB subscribes for the Rights Shares under the Rights Issue based on his Undertaking at the Issue Price
“Minimum Subscription Level”	:	The minimum subscription level basis to raise a minimum gross proceeds of RM80.0 million pursuant to the Rights Issue
“NA”	:	Net assets
“New Payment Application Services”	:	The new mobile digital payment and cash flow management application services to be developed by our Group
“Newfields” or “Financial Adviser”	:	Newfields Advisors Sdn Bhd (199401010372 / 296051-V)
“NPA”	:	Notice of provisional allotment of Rights Shares in relation to the Rights Issue
“Official List”	:	A list specifying all securities listed on the Main Market of Bursa Securities
“PACs”	:	Persons acting in concert with DASB in relation to the Exemption, namely Anton Syazi, Aryati Sasya, SDSB, BESB and ERSB
“PAT”	:	Profit after tax
“Paydee”	:	Paydee Sdn Bhd (200501007471 / 684518-T), a wholly-owned subsidiary of ASB
“PayNet”	:	Payments Network Malaysia Sdn Bhd (200801035403 / 836743-D), the national payments network and shared central infrastructure for Malaysia’s financial markets
“Price-Fixing Date”	:	2 September 2022, being the date on which the Issue Price was determined by our Board and announced by our Company
“Proposals”	:	Collectively, Rights Issue, Exemption and SGS
“Provisional Rights Shares”	:	The Rights Shares provisionally allotted to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) pursuant to the Rights Issue
“Record of Depositors”	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Report”	:	Hotel Industry Survey Report June 2021
“Rights Issue”	:	Renounceable rights issue of up to 1,858,389,886 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing ASB Share held by the Entitled Shareholders on the Entitlement Date

DEFINITIONS (CONT'D)

“Rights Shares”	:	Up to 1,858,389,886 new Shares to be issued pursuant to the Rights Issue
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Rights subscription form in relation to the Rights Issue
“Rules of Bursa Depository”	:	The rules of Bursa Depository as issued pursuant to the SICDA
“SC”	:	Securities Commission Malaysia
“SDSB”	:	Suasana Dinamik Sdn Bhd (199001006700 / 198270-A)
“Sectrars” or “Share Registrar”	:	Sectrars Management Sdn Bhd (201501002558 / 1127890-P)
“Sectrars Online”	:	Sectrars’ propriety owned application to facilitate the Entitled Shareholders to subscribe for the Rights Shares provisionally allotted and to apply for Excess Rights Shares electronically
“SGS”	:	Share grant scheme of our Company
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991
“SMEs”	:	Small and medium enterprises
“TERP”	:	Theoretical ex-rights price
“UK”	:	United Kingdom
“Undertaking”	:	Irrevocable and unconditional written undertaking from the Undertaking Shareholder dated 1 April 2022 to subscribe in full for his entitlement for the Rights Shares under the Rights Issue and apply for the additional Rights Shares under Excess Application in order to meet the Minimum Subscription Level
“VWAMP”	:	Volume weighted average market price
“Wisma Synergy”	:	A five (5) storey main office building, two (2) storey small office building and two (2) blocks of single storey warehouses erected on all that piece of freehold land held under GRN 177486, Lot 38271, Pekan Baru Hicom, Daerah Petaling, Negeri Selangor

All references to “our Company” or “ASB” in this Abridged Prospectus are made to Advance Synergy Berhad and references to “our Group” are made to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiaries. All references to “you” in this Abridged Prospectus are made to our Entitled Shareholders and/or where the context otherwise requires, their renounee(s)/transferee(s) (if applicable).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, 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 reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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ADVISER'S DIRECTORY

- PRINCIPAL ADVISER** : KAF Investment Bank Berhad
Level 14, Chulan Tower
3, Jalan Conlay
50450 Kuala Lumpur

Tel No: +603 2171 0228
Fax No: +603 2171 0314
- FINANCIAL ADVISER** : Newfields Advisors Sdn Bhd
Suite 16.1, Level 16, Menara Weld
No. 76, Jalan Raja Chulan
50200 Kuala Lumpur

Tel No: +603 2031 2888
Fax No: +603 2031 2531
- SOLICITORS** : Rosli Dahlan Saravana Partnership
Level 16, Menara 1 Dutamas
No. 1, Jalan Dutamas 1
Solaris Dutamas
50480 Kuala Lumpur

Tel No: +603 6209 5400
Fax No: +603 6209 5411
- SHARE REGISTRAR** : Sectrars Management Sdn Bhd
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur

Tel No: +603 2276 6138/ 6139/ 6130
Fax No: +603 2276 6131
- STOCK EXCHANGE LISTED AND LISTING SOUGHT** : Main Market of Bursa Securities

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SUMMARY OF RIGHTS ISSUE

This summary of Rights Issue only highlights the key information from other parts of this 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.

Issue size and basis of allotment : Up to 1,858,389,886 Rights Shares on the basis of two (2) Rights Shares for every one (1) ASB Share held by Entitled Shareholders on the Entitlement Date.

Please refer to Section 2.1 of this Abridged Prospectus for further information.

Issue Price : RM0.05, representing a discount of 22.72% to the TERP of RM0.0647 per Share, calculated based on the five (5)-day VWAMP of ASB Shares up to and including 1 September 2022, being the last Market Day immediately before the Price-Fixing Date of RM0.0940 per Share.

Please refer to Section 2.2 of this Abridged Prospectus for further information.

Shareholder's Undertaking : The Rights Issue will be undertaken on the Minimum Subscription Level. The Undertaking Shareholder, namely DASB who is the Group Chair of ASB, has provided the Undertaking to subscribe in full for his entitlement for the Rights Shares and apply for the additional Rights Shares under Excess Application, under the Rights Issue. Based on the Undertaking and the Issue Price, the Undertaking Shareholder shall subscribe for 1,600,000,000 Rights Shares in the event that no other Entitled Shareholders subscribe for the Rights Shares.

As the Undertaking is sufficient to achieve the Minimum Subscription Level, we have not procured any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders and/or their renounee(s)/transferee(s).

Please refer to Section 2.4 of this Abridged Prospectus for further information.

Utilisation of proceeds : The Rights Issue is expected to raise total gross proceeds of up to RM92.92 million which shall be utilised as follows:-

Utilisation of proceeds	Expected timeframe for utilisation	Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
Investment in existing businesses and/or future business expansion/new strategic investment	Within 36 months	53,200	66.50	66,119	71.16
Working capital	Within 36 months	25,600	32.00	25,600	27.55
Estimated expenses	Immediate	1,200	1.50	1,200	1.29
Total		80,000	100.00	92,919	100.00

Please refer to Section 3.0 of this Abridged Prospectus for further information.

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SUMMARY OF RIGHTS ISSUE (*CONT'D*)

- Risk factors** : There are a number of risks that you should consider before subscribing for or investing in the Rights Issue, particularly the following:-
- (i) our Group's businesses and operations are dependent on the key management and technical personnel, the foreign exchange risks arising from our operation or business dealings in various countries as well as changes in political, economic and regulatory conditions in Malaysia and the countries in which we operate and/or have dealings with;
 - (ii) our property investment (hospitality and services) division is influenced by the lockdowns and travel restrictions and the uncertainty of hospitality and travel industries arising from COVID-19 as well as competition risk;
 - (iii) our property development division is dependent on the performance of the residential property market in Sarawak, Malaysia, the competition risks in property development segment and timely completion of our property development projects;
 - (iv) our financial services division is subject to the changes in technology in relation to the digital payment market and competition from current and future competitors in merchant acquiring business;
 - (v) our bus-body fabrication division is dependent on trained workers as well as the compliance to the relevant licensing and regulatory requirements; and
 - (vi) the Rights Issue is subject to the investment risks such as prevailing market sentiments, volatility of the stock market, our Group's prospects and operating result, and the future outlook of the industries we operate in, the delay or failure in the completion of the Rights Issue and potential dilution.

Please refer to Section 6.0 of this Abridged Prospectus for further information.

- Procedures for applications** : Acceptance of and payment for the Provisional Rights Shares allotted to you and application for the Excess Rights Shares may be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein or by way of electronic submission of RSF via e-Subscription at <https://www.sectrars.my>.

The last date and time for acceptance of and payment for the Provisional Rights Shares and the Excess Rights Shares is at **5:00 p.m. on Friday, 21 October 2022.**

Please refer to Section 9.0 of this Abridged Prospectus for further information.

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ADVANCE SYNERGY BERHAD
(Registration No.: 192001000024 (1225-D))
(Incorporated in Malaysia)

Registered Office:
Ground Floor, Synergy 9
9 Jalan Kajibumi U1/70
Temasya Glenmarie
40150 Shah Alam
Selangor

4 October 2022

BOARD OF DIRECTORS

Dato' Ahmad Sebi Bakar (*Group Chair*)
Anton Syazi Dato' Ahmad Sebi (*Group Executive Deputy Chair*)
Lee Su Nie (*Group Managing Director*)
Aryati Sasya Dato' Ahmad Sebi (*Non-Independent Non-Executive Director*)
Puan Sri Datin Masri Khaw Abdullah (*Non-Independent Non-Executive Director*)
Kam Kin Foong (*Independent Non-Executive Director*)
Rali Mohd Nor (*Independent Non-Executive Director*)
Yong Teck Ming (*Independent Non-Executive Director*)

To: The Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,858,389,886 RIGHTS SHARES ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ASB SHARE HELD AS AT 5:00 P.M. ON TUESDAY, 4 OCTOBER 2022

1.0 INTRODUCTION

- 1.1 On 11 March 2022, KAF IB had, on behalf of our Board, announced that ASB is proposing to undertake the Proposals. Our Company had on 7 March 2022 appointed Alliance Islamic Bank Berhad as the independent adviser to advise the non-interested directors and non-interested shareholders of ASB in relation to the Exemption.
- 1.2 On 19 May 2022, KAF IB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 19 May 2022 resolved to approve the listing of and quotation for the new ASB Shares to be issued pursuant to the Rights Issue and SGS. The approval by Bursa Securities for the Rights Issue is subject to the following conditions:-

	Conditions	Status of compliance
(a)	ASB and KAF IB, being the adviser for the Rights Issue, must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue.	To be complied
(b)	ASB/KAF IB to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders in general meeting approving the Rights Issue prior to the listing and quotation of the Rights Shares to be issued pursuant to the Rights Issue.	Complied

	Conditions	Status of compliance
(c)	ASB and KAF IB to inform Bursa Securities upon the completion of the Rights Issue.	To be complied
(d)	ASB and KAF IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed.	To be complied

- 1.3 On 17 June 2022, KAF IB had, on behalf of our Board, announced that SC had vide its letter dated 17 June 2022, notified that it has no further comments to the contents of the Circular in relation to the Exemption.
- 1.4 On 29 July 2022, our shareholders had during the EGM approved the Proposals.
- 1.5 On 15 August 2022, KAF IB had, on behalf of our Board, announced that SC had, vide its letter dated 12 August 2022 approved the Exemption.
- 1.6 On 2 September 2022, KAF IB had, on behalf of our Board, announced that our Board had on even date resolved to fix the Issue Price at RM0.05 per Rights Share.
- 1.7 On 13 September 2022, KAF IB had, on behalf of our Board, announced that the Entitlement Date for the Rights Issue has been fixed at 5:00 p.m. on Tuesday, 4 October 2022.
- 1.8 The official listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renounee(s)/transferee(s) have been duly credited and notices of allotment have been despatched to them.
- 1.9 No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or KAF IB in connection with the Rights Issue.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2.0 DETAILS OF THE RIGHTS ISSUE

2.1 Particulars of the Rights Issue

As at the LPD, the issued share capital of ASB is RM381,376,645 comprising 929,194,943 ASB Shares. The Rights Issue, to be undertaken on a renounceable basis, entails the issuance of up to 1,858,389,886 Rights Shares on the basis of two (2) Rights Shares for every one (1) ASB Share held by the Entitled Shareholders on the Entitlement Date at the Issue Price of RM0.05.

The basis of two (2) Rights Shares for every one (1) ASB Share held on the Entitlement Date was arrived at after taking into consideration the amount of proceeds to be raised as detailed in Section 3.0 of this Abridged Prospectus and the Issue Price.

The actual number of Rights Shares to be issued pursuant to the Rights Issue would depend on the level of subscription for the Rights Shares by the Entitled Shareholders and/or their renounee(s)/transferee(s).

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can fully or partially subscribe for and/or renounce their entitlements to the Rights Shares. Any unsubscribed Rights Shares shall be made available for Excess Application. It is the intention of our Board to allocate the Excess Rights Shares, if any, on a fair and equitable basis in the priority as set out in Section 9.9 of this Abridged Prospectus.

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

Any dealings in our securities will be subject to, inter-alia, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares will, upon subscription, be credited directly into the respective CDS Accounts of the successful applicants. No physical certificates will be issued but notices of allotment will be despatched to the successful applicants. A notice of allotment will be despatched to you within eight (8) Market Days from the last date for acceptance of and payment for the Rights Issue or such period as may be prescribed by Bursa Securities.

2.2 Basis and justifications of arriving at the Issue Price

On 2 September 2022, our Board has fixed the Issue Price at RM0.05 per Rights Share after taking into consideration, amongst others, the following:-

- (i) the prevailing market conditions and market prices of ASB Shares;
- (ii) the TERP of ASB Shares of RM0.0647 calculated based on the five (5)-day VWAMP of ASB Shares up to and including 1 September 2022, being the last Market Day immediately before the Price-Fixing Date of RM0.0940 per Share; and
- (iii) the funding requirement of our Group as set out in Section 3.0 of this Abridged Prospectus.

The Issue Price represents a discount of RM0.0147 or 22.72% to the TERP of RM0.0647 per Share, calculated based on the five (5)-day VWAMP of ASB Shares up to and including the date prior to the Price-Fixing Date of RM0.0940 per Share. The discount of 22.72% is within the discount of between 10% and 30% (as disclosed in our Circular).

2.3 Ranking of the Rights Shares

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

2.4 Minimum Subscription Level and Undertaking

The Rights Issue will be undertaken on the Minimum Subscription Level, which was determined after taking into consideration the minimum level of funds required by ASB for the purposes stated in Section 3.0 of this Abridged Prospectus.

Based on the Issue Price, the Minimum Subscription Level will be met via the issuance of 1,600,000,000 Rights Shares. Therefore, the Undertaking Shareholder shall subscribe in full for his entitlement for the Rights Shares under the Rights Issue and apply for the additional Rights Shares under Excess Application as follows:-

Undertaking Shareholder	As at the LPD		Entitlement		Excess Application		Total	
	No. of Shares	%	No. of Rights Shares	%	No. of Rights Shares	%	No. of Rights Shares	%
DASB	76,810,009	8.27	153,620,018	8.27	1,446,379,982	77.83	1,600,000,000	86.10

Note *: As a percentage of the total number of Rights Shares under the Rights Issue.

The Undertaking Shareholder has provided written confirmation that he has the sufficient financial resources to fulfil his Undertaking pursuant to the Rights Issue. KAF IB has verified that the Undertaking Shareholder has the financial resources to fulfil his commitment pursuant to the Undertaking.

For avoidance of doubt, the Undertaking Shareholder is not obliged and has decided not to subscribe for the additional Rights Shares under Excess Application pursuant to the Undertaking if the Minimum Subscription Level has been achieved via subscription by the Entitled Shareholders and/or their renounee(s)/transferee(s).

As the Undertaking is sufficient to achieve the Minimum Subscription Level, ASB does not intend to procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders and/or their renounee(s)/transferee(s).

2.5 Public shareholding spread requirement

Pursuant to paragraph 8.02(1) of the Listing Requirements, at least 25% of ASB's total listed shares (excluding treasury shares) are required to be held by public shareholders. Although the eventual level of subscription for the Rights Issue is not determinable at this juncture, in the event that under Minimum Scenario, where only the Undertaking Shareholder will be subscribing for the Rights Shares at the Issue Price pursuant to his Undertaking, the public shareholding spread of ASB will be approximately 25.61%, which is still above the requisite threshold of at least 25% of its total listed shares to be held by public shareholders

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

Particulars	As at the LPD		Minimum Scenario After Rights Issue	
	No. of Shares	%	No. of Shares	%
Share capital	929,194,943	100.00	2,529,194,943	100.00
Less:				
- Treasury shares	-	-	-	-
- Directors of ASB Group	(99,263,836)	(10.68)	(1,699,263,836)	(67.19)
- Substantial shareholders of ASB	(139,391,853)	(15.01)	(139,391,853)	(5.51)
- Associates of directors of ASB ⁽ⁱ⁾	(42,832,000)	(4.61)	(42,832,000)	(1.69)
Public shareholding spread	(647,707,254)	(69.70)	647,707,254	25.61

Note:-

(i) There is no associate of the substantial shareholders of our Company holding any Shares as at the LPD.

2.6 Details of other corporate exercises

As at the LPD, save for the Proposals and the following corporate exercises, our Board confirms that there are no other outstanding corporate exercises which have been announced and/or approved by the regulatory authorities but have yet to be completed as at the LPD:-

- (i) On 6 November 2020, Mayor Hotels Sdn Bhd (“MHSB”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“SPA”) with M1 Plaza Sdn Bhd to dispose of the hotel property known as City Villa Kuala Lumpur located at No. 69, Jalan Haji Hussein, Off Jalan Tuanku Abdul Rahman, 50300 Kuala Lumpur on “as is where is” basis for a total cash consideration of RM24,000,000 subject to the terms and conditions as stipulated in the SPA (“Proposed City Villa Disposal”). Barring any unforeseen circumstances, the Proposed City Villa Disposal is expected to be completed by the fourth quarter of 2024; and

- (ii) On 8 August 2019, Cherating Holiday Villa Berhad (“CHV”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Amanah Raya Berhad for CHV to buy back a resort hotel consisting of an administration building, hotel/apartment blocks, standard and individually designed chalets and villas as well as other ancillary buildings and structures known as Holiday Villa Beach Resort & Spa Cherating (“Hotel”), measuring in aggregate area of approximately 42,634.7875 square meters for a buy back price of RM22,965,600 only free from all encumbrances and on an “as is where is” basis (“Proposed CHV Buyback”). Barring any unforeseen circumstances, the Proposed CHV Buyback is expected to be completed by the second half of 2029.

For the avoidance of doubt, despite the Proposed CHV Buyback is only expected to be completed by the second half of 2029, the Group intends to commence the construction for the Sea Camp Resort in the Hotel by mid-2023 as the Group is the operator of the Hotel and will be the owner of the Hotel upon completion of the Proposed CHV Buyback.

3.0 UTILISATION OF PROCEEDS

Based on the Issue Price, the proceeds arising from the Rights Issue are intended to be utilised by our Group in the following manner:-

Utilisation of proceeds	Expected timeframe for utilisation from the completion of Rights Issue	Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
Investment in existing businesses and/or future business expansion/new strategic investment ⁽¹⁾	Within 36 months	53,200	66.50	66,119	71.16
Working capital ⁽²⁾	Within 36 months	25,600	32.00	25,600	27.55
Estimated expenses ⁽³⁾	Immediate	1,200	1.50	1,200	1.29
Total		80,000	100.00	92,919	100.00

Notes:-

- (1) Our Group intends to utilise up to approximately RM66.12 million of the proceeds for amongst others, any or all of the following:-

(i) Financial Services Division

Our Group intends to develop our financial services business into a leading provider of digital payment and cash flow management application services for SMEs in Malaysia. The relatively low level of digitisation of payment methods and practices among SMEs, together with the initiative of government of Malaysia to encourage the adoption of digital and contactless payments under the Short-term National Economic Recovery Plan, provides significant growth and innovation opportunities for our Group’s financial services business.

By investing in the development of the New Payment Application Services that help to further digitise SME payments and aid in SME cash flow management, our Group will be placed in a good position to capitalise on the expected growth in digital payment volumes in Malaysia, especially in the area of B2B payments. Further details on B2B payments are set out in Section 5.8 of this Abridged Prospectus.

The New Payment Application Services is intended to provide SMEs with a seamless end-to-end digital payment solution, starting from the front-end payment gateways (such as direct debits, quick response (“QR”) pay and e-Wallets) to payment settlement to its vendors.

The SMEs who subscribe for the New Payment Application Services will receive dual (virtual and physical) credit card by Paydee that can be used to facilitate cashless payments to suppliers. In addition, the New Payment Application Services could address the current digitalisation needs of the SMEs by providing, amongst others, new digital capabilities on top of the existing payment solutions as follows:-

- (a) integrated systems that support online applications by SMEs. This digital initiative will lead to a shorter period of the merchant acquiring process and improve the customer services' responses; and
- (b) analytical tools for cash flow management which allows the SMEs to enjoy the convenience in the reconciliation of payment.

In terms of the requisite approvals/licences for the operation of the New Payment Application Services, Paydee is currently licensed by BNM, MasterCard International and Visa Worldwide for card issuance and provision of merchant acquiring service.

The development of New Payment Application Services requires additional investments to support the anticipated growth in transaction volumes and gross payment value to be processed by the financial services business. In addition, a significant expansion in human resources is required to develop and operate the New Payment Application Services to capitalise on the significant growth and innovation opportunities. Further capital expenditure investments are required particularly in server hardware, third-party software licences and payment acceptance appliances for the capacity-building of the financial services business. An increase in other expenses that are variable in nature is also anticipated, in line with the planned expansion in human resources and expected growth in transaction processing volumes.

In view of the foregoing, our Group intends to utilise RM35.20 million of the proceeds to fund development of New Payment Application Services, with the estimated costs as follows:-

Details of utilisation for development of New Payment Application Services		RM'000
(i)	Payroll including recruitment of additional staffing for the next two (2) years:-	17,700
	(a) additional 60-80 staffs for product development and technical support;	
	(b) additional 20-30 staffs for business development;	
	(c) additional 15-20 staffs for customer care; and	
	(d) additional 10-15 other supporting staffs.	
(ii)	Working capital which includes the following:-	
	(a) deposit sum to payment system providers (such as MasterCard International and Visa Worldwide and as well domestic payment systems in Malaysia such as PayNet) who facilitate the electronic fund transfers through their respective payment networks and platforms; and	2,000
	(b) other expenses in relation to the launching and operation of the New Payment Application Services such as the following:-	
	(aa) licence fees of international payment systems;	2,000
	(bb) general working capital requirements such as rental, lease expenses, utilities and administrative cost; and	5,000
	(cc) technology licence fees.	1,000

Details of utilisation for development of New Payment Application Services		RM'000
(iii)	To finance/part finance the capital expenditure to accommodate the New Payment Application Services, which include, among others:-	
(a)	payment of right-to-use technology assets; and	2,300*
(b)	purchase of new equipment, such as server hardware, third-party software licences and payment acceptance appliances	5,200*
Total		35,200

Note *:- Estimated costs based on the quotations obtained.

Our Group intends to market the New Payment Application Services via the channel partnership and leverage on the connections with MasterCard International and Visa Worldwide. Further, our Group intends to augment our growth by acquisition or strategic investment strategy. This involves identifying and evaluating opportunities as further detailed in Note (iv) below, so that our Group can expediently capitalise on suitable investment opportunities as and when they arise that can accelerate the implementation and delivery of the business expansion plan for the financial services division or are strongly synergistic to our Group's financial services business.

As at the LPD, our Group has commenced the development of the New Payment Application Services and barring any unforeseen circumstances, our Group anticipated the New Payment Application Services to be fully operational within the next 24 months.

For information, the historical earnings of the Financial Services Division or the past three (3) FYEs 2019 to 2021 and FPE 2022 are summarised as below:-

	<-----Audited----->			Unaudited
	FYE 2019	FYE 2020	FYE 2021	FPE 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	8,866	4,090	1,964	1,880
LAT	(4,977)	(5,661)	(5,577)	(2,716)

FYE 2020

With the outbreak of COVID-19 resulting in the various movement control orders in the year 2020, the Financial Services Division's revenue decreased by approximately RM4.78 million or 53.89% to RM4.09 million in FYE 2020 from RM8.87 million in FYE 2019 as our Financial Services Division's business is highly dependent on the sales at the merchants with physical shop rather than online/e-commerce and most merchants with physical shop were not able to operate normally.

In line with the lower revenue recorded in FYE 2020, the Financial Services Division recorded a higher LAT of RM5.66 million in FYE 2020 compared to LAT of RM4.98 million in FYE 2019.

FYE 2021

The Financial Services Division's revenue decreased by approximately RM2.13 million or 52.08% to RM1.96 million in FYE 2021 from RM4.09 million in FYE 2020 which was mainly due to the decline in merchant sales transactions in FYE 2021 resulting from adverse trading conditions pursuant to COVID-19. However, the division recorded a slightly lower LAT of RM5.58 million in FYE 2021 compared to an LAT of RM5.66 million in FYE 2020 which was mainly due to the concerted efforts in reducing the cost in FYE 2021.

FPE 2022

The Financial Services Division's revenue increased by approximately RM0.96 million or 104.35% to RM1.88 million in FPE 2022 from RM0.92 million in FPE 2021 which was mainly attributable to the increase in merchant sales transactions from easing of movement control restriction in FPE 2022. Despite higher revenue in FPE 2022 compared to FPE 2021, the division recorded a slightly higher LAT of RM2.72 million in FPE 2022 compared to an LAT of RM2.48 million in FPE 2021 which was mainly due to the higher operating expenses in FPE 2022.

(ii) Property Development and Investment Division

Property Investment (Hospitality)

Our Group has allocated RM2.50 million to fund the establishment cost for the Sea Camp Resort in Holiday Villa Beach Resort & Spa Cherating located in Cherating, Pahang, on the vacant land in front of the seafront resort and RM0.50 million for refurbishment and renovation of hospitality properties.

The Sea Camp Resort will be built with 20-30 prefabricated units with festive and relaxing façade around a man-made waterfall which could accommodate 60-80 persons at a time with the estimated costs as follows:-

	RM'000
Construction costs	1,700
Man-made waterfall and landscape	400
Furniture and equipment	400
Total	2,500

Barring any unforeseen circumstances, our Group intends to commence the construction for the Sea Camp Resort by mid-2023 and target to complete and commence the operations by the third quarter of 2024.

Property Development

Our Group has allocated RM11.50 million to part finance the total development costs for our existing property development projects in Kuching, Sarawak, the details of which are set out as below:-

Projects	Details	Commencement date/Expected commencement period	Expected completion period	Gross development value	Estimated total development cost
				RM' million	RM' million
Phase 2, Federal Park project	Comprising 88 units of double storey terrace houses and 28 units of single storey terrace houses	July 2022	3 rd quarter of 2024	44.1	34.42
Sejijak project	Comprising 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single storey terrace houses	4 th quarter of 2022	4 th quarter of 2024	66.8	54.35
Total					88.77

The development works for Phase 2, Federal Park project has commenced in July 2022. However, as at the LPD, the development works for Sejijak project has yet to commence as our Group is in the midst of obtaining the approvals for engineering plan and building plan from the Land and Survey Department Sarawak, Kuching Division and Padawan Municipal Council. Barring any unforeseen circumstances, our Board anticipates to obtain the aforesaid approvals prior to the estimated commencement period for the Sejijak project.

The earmarked proceeds of RM11.50 million will be utilised to part finance the total development costs, mainly the building and infrastructure costs and may include professional fees, operating expenditures, sales and marketing expenses, and other miscellaneous items such as utilities and overheads, save for the land costs.

For the avoidance of doubt, the remaining development costs for the abovementioned projects shall be funded via a combination of bank borrowings, progressive collections from the sales billings, internally generated funds and/or future fund raising exercise(s) of our Group.

(iii) Bus-body Fabrication Division

In view of the increasing bus body orders from the Australian market based on the rolling forecast, our Group intends to increase the production of bus-body fabrication from four (4) buses per month to twenty (20) buses per month for the next two (2) years. Accordingly, our Group has earmarked proceeds of RM3.50 million for purchase of raw materials, direct labour costs and other miscellaneous items such as utilities and overheads.

(iv) Future business expansion/new strategic investment

Our Group intends to expand our existing businesses which may involve acquisitions, collaborative arrangements, and/or investment in businesses and/or assets that are similar or complementary to our Group's businesses in financial services, travel and tours, property development and investment, education and/or bus-body fabrication.

Our Board will conduct evaluation on the said business/investment opportunities based on the key considerations that are aligned with our investment objectives and criteria which may include but not limited to, businesses/assets with profitable track record, the speed to establish its market presence, ability to generate growth potential and/or ability to create value-added synergies to complement our Group's existing businesses. Our Group will focus and capitalise on such new business/investment opportunities which could achieve the above key considerations.

As these potential acquisition(s) of business(es)/investment(s) may cost a substantial amount, the proceeds of RM12.92 million will be utilised to finance/part-finance any potential suitable/viable business/investment opportunities within 36 months from the completion of the Rights Issue.

Our Group will make the necessary announcements in accordance to the Listing Requirements as and when the new business(es)/investment(s) have been finalised and materialised. Additionally, if such business(es)/investment(s) will result in diversification of our Group's existing businesses, our Board will ensure the compliance with the provisions of the Listing Requirements, particularly paragraph 10.13 of the Listing Requirements. In the event that shareholders' approval and/or other regulatory bodies' approvals are required, the necessary approvals will be sought in accordance to the Listing Requirements or such other regulatory bodies.

However, if our Company is unable to identify suitable business(es)/ investment(s) within the timeframe stipulated, the proceeds allocated for future business expansion/new strategic investment shall be transferred to the fund our Group's working capital requirements, the utilisation of which is set out in Note (2) below.

Further details of our Group's business prospects are set out in Section 5.8 of this Abridged Prospectus.

Any shortfall due to the eventual proceeds raised from the Rights Issue earmarked for the above utilisation, will be funded via a combination of internally generated funds and/or further bank borrowings. Any surplus for such expenditures will be adjusted accordingly against the amount allocated for working capital purposes.

- (2) Our Group has allocated RM25.60 million to meet the working capital requirements of our Group's day-to-day operations, which may include amongst others, staff salaries and related costs, lease payments for our Group's hospitality properties, marketing and advertising expenses, overhead expenses, maintenance expenses as well as operating and administrative expenses. The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore the actual utilisation has not been determined at this juncture. Solely for illustration purposes and based on best estimates, the proceeds allocated for our Group's working capital requirements are anticipated to be utilised for each component of the working capital as below:-

	Indicative allocation (%)
Staff salaries and related costs ⁽ⁱ⁾	30% - 40%
Lease payments for our Group's hospitality properties ⁽ⁱⁱ⁾	30% - 40%
Marketing and advertising expenses ⁽ⁱⁱⁱ⁾	3% - 5%
Overhead and maintenance expenses ^(iv)	5% - 8%
Operating and administrative expenses ^(v)	15% - 20%

Notes:-

- (i) This includes, amongst others, staff salaries, directors' remuneration and other statutory contributions. Our Company expects the salaries and related costs to increase as our Group's operation has been gradually ramped up from the recovery of COVID-19.
- (ii) This includes our Group's hospitality properties located in China and/or Malaysia.
- (iii) This includes, amongst others, expenses in relation to trade fairs, digital media, printing of marketing materials and promotions.
- (iv) This includes, amongst others, property maintenance, utilities and rental.
- (v) This includes, amongst others, payment for supplies and consumables, sales commission and discounts, general administrative expenses for back-office support services and day-to-day operating costs.

Any shortfall due to the eventual proceeds raised from the Rights Issue earmarked for the above utilisation, will be funded via a combination of internally generated funds and/or further bank borrowings. Any surplus for such expenditures will be adjusted accordingly against the amount allocated for investment in existing businesses and/or future business expansion/new strategic investment purposes.

- (3) The proceeds earmarked for estimated expenses in relation to the Proposals will be utilised as set out below:-

	RM'000
Professional fees ⁽ⁱ⁾	860
Fee payable to relevant authorities	65
Other expenses ⁽ⁱⁱ⁾	275
Total	1,200

Notes:-

- (i) The professional fees comprise the following:-

	RM'000
Principal Adviser	300
Independent adviser	150
Solicitors	115
Other advisers (Financial Adviser, Share Registrar and reporting accountants)	295
Total	860

- (ii) The other expenses comprise the following:-

	RM'000
Printing and advertising cost	175
Expenses incidental to the convening of the EGM	50
Other miscellaneous expenses and contingencies	50
Total	275

Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for working capital purposes.

Pending utilisation of proceeds for the abovementioned purposes, the total gross proceeds arising from the Rights Issue will be placed in interest-bearing deposits and/or short-term money market instruments with financial institutions as our Board in its absolute discretion deems fit and in the best interest of our Company. The resulting interest income derived from such placements will be used as additional working capital for our Group.

4.0 RATIONALE FOR THE RIGHTS ISSUE

After due consideration of the various funding options available to our Company, our Board is of the opinion that the Rights Issue is the most appropriate avenue of fund raising for our Company for the purposes stated in Section 3.0 of this Abridged Prospectus in view of the following reasons:-

- (i) the Rights Issue serves to raise funds for the purpose set out in Section 3.0 of this Abridged Prospectus, particularly to fund our Group's investment in the existing businesses and future business expansion, which is expected to contribute positively to the future financial performance of our Group;
- (ii) as opposed to borrowings from financial institutions, the Rights Issue enables our Group to raise the intended funds without incurring interest costs, which will in turn enable our Group to manage the cash flows more efficiently;
- (iii) the Entitled Shareholders would have the opportunity to increase their equity participation in our Company on a pro-rata basis to minimise dilution of their interests in our Company as opposed to a non-pro rata equity fund raising; and
- (iv) the issuance of Rights Shares would not dilute the Entitled Shareholders' equity interest in our Company if they fully subscribe for their respective entitlements under the Rights Issue.

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5.0 INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While growth was lifted to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust, underpinned by the continued recovery in labour market conditions and policy support. The improvement also reflected normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for electrical and electronics (E&E) products. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%).

During the quarter, domestic demand registered a higher growth of 13.0% (1Q 2022: 4.4%). This was mainly supported by a robust growth in private expenditure amid further normalisation of economic activity, as well as improving labour market conditions. On the external front, demand for Malaysia's exports, particularly for E&E products, remained strong.

Private consumption grew at a faster pace of 18.3% (1Q 2022: 5.5%), driven by higher spending on necessities and selected discretionary items such as restaurants and hotels, recreational services and household furnishings. The strength in consumer expenditure was primarily driven by the recovery in the labour market. Policy support, including the implementation of minimum wage hike, Bantuan Keluarga Malaysia and an Employees Provident Fund (EPF)-related measure also provided additional lift to consumer spending. Public consumption expanded at a moderate pace of 2.6% (1Q 2022: 6.7%), weighed down by lower supplies and services spending, reflecting smaller COVID-19 related expenditure.

Gross fixed capital formation registered a higher growth of 5.8% (1Q 2022: 0.2%) as capital spending by both private and public sectors improved. By type of asset, investments in structures and other assets expanded by 3.8% (1Q 2022: -7.9%) and 0.2% (1Q 2022: -0.9%) respectively. Meanwhile, machinery and equipment (M&E) investments grew by 9.6% (1Q 2022: 12.0%). Private investment expanded by 6.3% (1Q 2022: 0.4%), supported by increased capital spending in the services and manufacturing sectors. Structures investments improved, as businesses across the key sectors resumed investment projects, particularly in the non-residential segment. Furthermore, capital spending in manufacturing and ICT-related machinery and equipment continued to lift investment growth. This is in line with firms' efforts to expand capacity amid continued demand and further adoption of automation and digitalisation. Public investment registered a growth of 3.2% (1Q 2022: -0.9%), driven mainly by improvement in capital expenditure by public corporations in the oil and gas, and telecommunication sectors.

(Source: Quarterly Bulletin 2Q 2022, BNM)

5.2 Overview and outlook of the hotel industry in Malaysia

According to the Report by MAH, the hotel industry is anticipating an average occupancy rate of 21% and 28% for 3Q and 4Q2021 respectively, and 35% for 2022, which would indicate another year of losses. In 2021, average occupancy was 21% in January; 17% in February; 27% in March and April, driven by quarantine requirements; and 18% in May. The hotel industry is estimated to have lost more than RM5 billion in revenue in the first half of 2021.

In terms of the ADR, the Report notes that the hotel industry expects the figure to remain at RM180 to RM190, marking an average drop of 20% to 30% compared with pre-pandemic levels. But it added that the industry did not register sufficient rooms sold to indicate its actual loss in ADR. Meanwhile, midscale to upper-scale luxury hotels saw a drop of at least 50% in ADR, having lost all international markets, which typically have higher spending power.

Meanwhile, the Report also stated that 2 out of 320 hotels had permanently closed while 91 are temporarily closed. Almost 28% of the hotels that responded had reduced their manpower by more than half and 51% in one way or another. Of the total, 14% had carried out a retrenchment exercise. This could lead to a massive drain in talent, raising the larger question of how the industry will recover when the time comes.

Notwithstanding the above, the chief executive officer of MAH is slightly more cautious but expects to see some recovery in the first half of 2022. The Langkawi travel bubble had shown good success, with occupancy of hotels high on weekends and leaning towards higher-rated hotels. With that, the industry can look forward to the reopening of domestic tourism destinations, targeting the high number of fully vaccinated adults. With these factors in play, 1Q2022, or by 2Q the latest, will be a good target for the industry to see a recovery in domestic travel, driven by pent-up demand as the key factor.

(Source: "Cover Story: Hospitality sector to see signs of recovery by year end" dated 26 October 2021, The Edge Malaysia)

5.3 Overview and outlook of the hotel industry in UK

The recovery in tourism demand will continue to accelerate in 2022, with greater volumes of corporate meetings and events, and group travel. But, demand will remain below pre-pandemic levels. Leisure travel will also continue to increase albeit from a relatively high base given the strong staycation demand recorded in 2021. The return of cross-border travel will, however, support tourism demand growth for London and the gateway cities - the revival of transatlantic travel will be of particular benefit for hotels in the capital.

Tourism demand growth will support the general recovery of top-line hotel revenues in the UK, however, several headwinds will drag on profitability. The most acute challenge will be the recruitment and retention of staff, which will result in payroll inflation. Rising energy prices, food costs and other inflationary pressures feeding through supply chains will also test hotel operators. These trends will not impact all hotels equally. For example, limited-service hotels will be less exposed to rising operational costs, while full-service hotel operators will attempt to offset increasing expenses through revenue growth.

(Source: UK Real Estate Market Outlook 2022, CBRE Group, Inc)

By the end of 2022, the UK serviced apartment / apart-hotel sector is forecast to grow to over 27,000 units, with annual growth in supply forecast at 5.7%, of which over 70% of the new supply is set to be delivered by independent operators.

Following an extensive pipeline of recent, new apart-hotels opening, some of the leading branded operators are now prioritising their expansion throughout gateway cities in Europe. There are currently 3,000 new units under construction in the UK, of which only 40% of this new supply will be operated under a brand. With new brands being launched, the hybrid offering is becoming increasingly competitive and, with established operators reinventing or elevating their products, serviced apartments and aparthotels will continue to innovate and grow. A further 6,000 units have secured final planning, with London accounting for one-third of this pipeline.

Changing consumer trends, such as demand for co-living and co-working space and eco-consciousness, are providing catalysts for new concepts, integrating modern amenities and stylish design. Through the launch of new brands, operators are evolving their portfolios to pursue their ambitious growth plans, as a means of extending the serviced apartment offering to a widening customer base.

(Source: A fragmented market continues in the UK Serviced Apartment sector, 16 August 2022, Knight Frank)

5.4 Overview and outlook of the hotel industry in Shanghai

According to Renub Research report titled "China Hotel Market Forecast 2021-2027, Industry Trends, Share, Insight, Growth, Impact of COVID-19, Opportunity Company Analysis" the China hotel market is expected to reach USD131.15 billion by 2027. The hotels industry in China has developed rapidly over the past decade and is an increasingly important industry in many cities and regions in China. The hotel industry represents a crucial component of financial industry outputs, job creation, and business opportunities contributing outputs, job creation, and business opportunities contributing to local economic development. Evaluating hotel performance is vital for hotel management and strategy by indicating gaps and guiding future improvement.

With increasing business travel and domestic tourism, the hotel market in China is far from reaching its saturation point. The continuous improvement of the hotel's occupancy rate, people's demand for leisure activities and tourism continues to increase. Notwithstanding, in China hotel industry is driven by more significant numbers of domestic and international tourists and increasing living standards and per capita spending for tourism. More elevated demand for services and quality, higher room prices, and industry deregulation has also supported revenue growth over the period. With the increasing demand for international and domestic tourism, China's total number of hotels is rapidly increasing.

Besides, China's largest populations to use their hotel services are business people. China has focused on creating convention centers in their large cities and high-end hotels that is good for meetings and talking. There are many different types of hotel-like high-end hotel, mid-scale hotel; budget hotel is in China. High-end hotel is a well-known international chain and brand started hotel. Many foreign hotel brands and their chains continued to expand in China, while the domestic brands are converging on increasing their footprint into mergers and acquisitions. The Chinese government has launched the Greater Bay Area Plan and the Belt and Road Initiative to increase higher demand for luxury hotels.

Beijing's capital city of China hotel industry has benefited from enhanced intercity transportation and tourism facility. Therefore, Shanghai, one of China's most important business hubs, is home to a buzzing hospitality market that continues to grow.

(Source: China Hotel Market to grow at CAGR of 12.47% from 2021-2027, 31 January 2022, The Middle East North Africa Financial Network)

5.5 Overview and outlook of the property industry in Sarawak

The residential sector is the most active in the Sarawak property market making up more than 45% of volume and value of transacted properties. The landed residential sector for Sarawak remained steady in 2021, while an up-trend is expected in 2022 depending on overall economic recovery.

High-rise residential overhang continues, as absorption of new supply was further affected by market disruptions arising from the movement control orders. With the current soft property market which favours buyers and tenants, prices and rents concluded are generally lower than past years. However, these are expected to stabilise in the short-medium term and the residential market will recover in the long run.

In 2022, property transactions and occupancies, including property prices may improve as the economy begins to reopen. The extension of the Home Ownership Campaign up to December 2021, attractive government incentives such as stamp duty exemption, real property gain tax exemption after the 5th year, uplifting of 70% margin financing, discounts by developers and lower interest rates will provide better opportunities for home purchase. However, the following factors will weigh heavily on the residential market recovery: resurgence / mitigation measures against COVID-19, inflationary pressure and political stability.

(Source: Real Estate Market Outlook 2022, CBRE | WTW)

5.6 Overview and outlook of the digital payment industry in Malaysia

In 2020 alone, growth within the digital economy has understandably accelerated as the COVID-19 gave birth to new digital businesses, forced traditional brick-and-mortar enterprises to pivot online, and saw millions of Malaysians go virtual for their e-commerce, entertainment and even education needs.

The Blueprint has been introduced to envision that Malaysia will become the regional digital economy leader and achieve inclusive, responsible and sustainable socioeconomic development. The framework comprises six thrusts that support the objectives and overall vision of the Blueprint.

One of the key thrusts of the Blueprint is to increase inclusivity of all Malaysians in digital activities, which will be led by BNM in promoting electronic payment onboarding programme for both merchants and consumers towards a cashless society.

This initiative aims to expand electronic payments adoption by small merchants and increase electronic payments usage among the consumers. This will be demonstrated by incentivising both merchants and consumers to go cashless, expand the adoption of electronic payments among merchants, especially micro, small and medium enterprises through subsidising point of sale system setup costs and exempting e-payments transaction costs as well as incentivising the public to increase the usage of electronic payments. The Blueprint has targeted to achieve 400 electronic payment transactions made per capita and 36 Electronic Funds Transfer at Point of Sale terminals per 1,000 inhabitants by 2022.

In addition, the government also intends to accelerate the transformation of the public sector into a digital government. All federal and state level agencies will adopt cashless payments as the preferred method for more efficient transactions by 2022.

(Source: Malaysia Digital Economy Blueprint, Economic Planning Unit, Prime Minister's Department, 2021)

However, when it comes to the B2B sector, the digital payment adoption rate seems to be lagging. Small companies in rural communities still rely heavily on cash and cheques as primary payment methods. Urban B2B companies fare much better, preferring transactions via internet banking and credit transfers through financial networks such as real time electronic transfer of funds and securities system (RENTAS) and society of worldwide interbank financial telecommunication (SWIFT). Still, market experts all agree that more B2B payments can still be made digitally, with plenty of room for improvement.

Digital wallets can be a useful and cost-effective payment option, offering merchants preferred built-in cash-flow money management tools and financial dashboards. Many of the medium and larger enterprises are well taken care of by the banks, and thus more comfortable with internet banking for transfers and business remittance. On the other hand, freelancers and micro businesses, which are still largely underserved segments of the market, value the simplicity and transparency that digital solutions such as mobile wallets offer.

In general, the general adoption of B2B digital payments is still rather low, and the industry needs to be more proactive in promoting its growth and greater use. Fintech players can help enhance the access of micro businesses to digital infrastructure, help small business owners increase their familiarity with digital payments and address cybersecurity concerns.

In addition, Fintech companies should focus on providing cash management and monitoring features. Digital payments may enhance the visibility of transaction data and help merchants better track their day-to-day cash flow. Small businesses also need additional support such as accounting, financial and tax advisory services.

The payment solutions also need to be viable and scalable to support businesses at multiple stages of growth. For example, the ability to facilitate larger cross-border remittance amounts in real-time within Southeast Asia can support businesses as they scale regionally.

Fintech companies should also consider introducing more advanced cybersecurity features for digital payments to give business owners more confidence to undertake digital transactions with their regional counterparts.

In Asia-Pacific, players are building B2B payment systems on the blockchain. Visa Inc. is developing a new platform known as Visa B2B connect, which is a simple, fast and secure way to process cross-border B2B payments.

(Source: "Digital Payments: B2B segment slow to adopt cashless methods" dated 22 November 2021, The Edge Malaysia)

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5.7 Overview and outlook of the bus and coach industry in Australia

Buses and coaches represent the most important mode of public transport. Every day, far more Australians are transported by bus and coach on the nation's road network than are moved by rail, even in the largest capital cities in Australia.

The bus and coach industry in Australia is predominantly based around the provision of school bus and public transport (route) services that are provided under state and territory government contractual arrangements. These contracted services are primarily provided by privately owned international and domestic bus and coach businesses. Some services continue to be government owned. The industry also provides services in the special school transport, and emerging markets such as aged care and community transport and health and para-transit markets, that are government contracted or privately contracted. The bus and coach industry also provide services, in what might be termed, the 'deregulated' market providing charter, tourism, long distance, mining, correctional and other niche transport services that support other industries.

Over the past 15 years greater competition has appeared in the Australian bus and coach market place with fully built vehicles mainly from Asia, Europe and South America being imported. In 2020, 88.9% of public transport passenger route service buses and 59.6% of school buses are manufactured in Australia, the majority built by Australian body manufacturers on a European or Asian chassis; the remainder being fully imported buses and coaches primarily from Asia, with some from Europe and South America.

A total of 17,969 buses were delivered into the Australian marketplace for the calendar years 2008 to 2019. The 2019 and 2020 industry reported deliveries of buses and coaches were 1,449 and 1,226 respectively. The economic impact of COVID-19 on the manufacturing sector was most evident in the delivery of long distance coaches seeing a down-turn of 74% from 2019. Route bus deliveries were also down by 20% whilst Charter and School bus deliveries remained consistent throughout 2020.

Charter and tour coaches play an important role in meeting the needs of local, interstate and international tourists and visitors. There is a clear link between the travels of international visitors (as measured by total nights spent) and their transport modal preferences. Long distance coach performs strongly for visitors to the Australian Capital Territory as well as in Queensland. Interurban rail is most prevalent in New South Wales and is almost non-existent beyond the eastern seaboard. Aircraft and self-drive vehicle show up as proportional to the visitor numbers in each state/ territory (as indeed they dominate as preferred modes). Visitor mode choice also varies by trip purpose. Apart from ship, boat or ferry, bus and coach users are most likely to be travelling for holiday, followed by education.

The Bus Industry Confederation of Australia sees future bus technology to be fully electric vehicles based on a transition that takes into account the Australian circumstance when it comes to the existing fleet and a range of other factors. A small number (less than a hand full) of large buses operate on Australian roads. There are a number of electric bus trials underway around Australia, with no real commitment as yet to move to a fully electric fleet. The Australian Capital Territory government has made some announcements to this effect. In July 2019, the Victorian government announced that it will procure 50 hybrid electric buses to be delivered by 2022. The decision to move to hybrid technology by the Victorian government in some way reflects the realities of the Australian bus market-place and the challenges of introducing a fully electric bus fleet in the context of a low emission Euro VI diesel bus that delivers significant reliability and whole of life benefits and surprisingly to some, emission benefits.

(Source: Australian Bus and Coach Industry: A Snapshot, September 2021, Bus Industry Confederation Inc.)

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5.8 Prospects of our Group

5.8.1 Property Development and Investment Division

(i) Property Investment (Hospitality & Services)

For the near term, our Group will focus on domestic tourism in respective countries where our Group's hotels are located as it expects domestic demand to recover faster than international demand.

The latest announcement by the government to reopen Malaysia's borders to international visitors from 1 April 2022, allowing travellers who are fully vaccinated against COVID-19 to enter the country without quarantine is expected to augur well for our Group's hospitality properties located across Malaysia. Malaysia shut its borders 2 years ago on 18 March 2020, when the COVID-19 was spreading rapidly around the world.

Our Group took the opportunity during the border closures to introduce new facilities (such as a new thematic pool specially designed for corporate team-building activities and a children fun pool for family) and upgrading works for guestrooms and toilets since 2020. This will position the 2 hotels of our Group, namely Holiday Villa Beach Resort & Spa Langkawi and Holiday Villa Beach Resort & Spa Cherating to be in a competitive position to attract the domestic and international travellers for 2022. The existing renovation works on our Group's aparthotel in Philbeach Gardens, Earls Court, London is underway and is expected to complete in fourth quarter of 2022. With this, our Group is expected to capitalise on the aparthotel in London once the hotel industry recovers. Further, Holiday Villa Hotel & Residence Shanghai Jiading P.R.C. was on its upward trend since beginning of 2022, but experienced a downward trend for March 2022 pursuant to a surge of the COVID-19 cases in China which resulted in many cities, including Shanghai, experiencing a wide lockdown. Despite the aforesaid lockdown, during the period from March 2022 to May 2022, Holiday Villa Hotel & Residence Shanghai Jiading P.R.C. still generated income as the rooms were reserved by the China authority for quarantined guests and/or their medical staff and workers.

In addition, our Group intends to establish a Sea Camp Resort on a 2.5 acres' vacant land in Holiday Villa Beach Resort & Spa Cherating. This concept will be targeted for corporate development programmes. Also, it serves to attract young adults and students who favour outdoor and adventurous activities and provides event organisers an alternative location to organise endurance training courses during weekends and school holidays similar to the popular summer programmes in western countries such as the UK.

Furthermore, Yap Ah Shak House in Kuala Lumpur, a detached commercial five (5)-storey building in which our Group currently owns a 70% interest therein, had completed its renovations and refurbishment works in 2021, which had successfully turned Yap Ah Shak House into a high quality mixed-use property comprising serviced offices, meeting facilities, an event hall as well as two floors of food and beverage operations on the ground floor and roof terrace. Operation and management of the serviced offices, meeting facilities, event hall and food and beverage venues at Yap Ah Shak House are internalised and undertaken by subsidiaries of ASB. This mixed-use investment property of our Group in the heart of Kuala Lumpur, Malaysia will be fully operational in 2022. Given its strategic location in Kuala Lumpur, our Group believes that the potential income to be generated from Yap Ah Shak House will contribute positively to the future earnings of the division.

(ii) Property Development

The property development division commenced the development works for Phase 2 of the Federal Park project, which comprised 88 units of double storey terrace houses and 28 units of single storey terrace houses in July 2022. With an anticipated gross development value in excess of RM44 million, Phase 2 of the Federal Park project is expected to contribute positively towards the earnings of the property development division.

This will be followed by the launching of Sejijak Project with an estimated gross development values in excess of RM67 million, comprising of 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single terrace houses. The management expects the earnings of its property development division to be further underpinned after the launching of the Sejijak project.

As a reputable niche player, the division will remain focused on its target market segment of medium to medium-low priced properties. Although the property market in Kuching is expected to remain soft due to the negative impact of the COVID-19 and increasingly stringent financing requirements, with the right pricing and affordability for its development properties, our Group is confident of the marketability of its properties to provide a steady income stream.

5.8.2 Financial Services Division

B2B payment practices and methods in many developing economies in South East Asia remain largely unchanged for decades, with Malaysia being no exception. While the digitisation of consumer payments progressed rapidly in the age of e-commerce and was further accelerated by both the emergence of e-wallets and the conditions brought about by the COVID-19, B2B payments in many industries dominated by SMEs in Malaysia continue to rely primarily on traditional modes such as cash or cheque.

In view of the low utilisation of B2B payment among the enterprises as well as the effort of the government in promoting digital economy, our Group foresees that the outlook of digital payment industry in Malaysia as set out in Section 5.6 of this Abridged Prospectus is favourable to our Group's financial services business through the development of the New Payment Application Services.

Our Group presently, has focused on its financial services division to expand its merchant acquiring services business through Paydee. Paydee, our Group's payment solutions provider, has in year 2021 initiated the process of evolving its operations, technologies and application services to better address the enormous opportunity for innovation in the SME market for B2B payments. Pursuant thereto, Paydee is in the midst of developing the New Payment Application Services.

The New Payment Application Services will allow the local enterprises to make fast, transparent and efficient payments as compared to the existing traditional payment methods such as cash and cheque. Enterprises can also access to the New Payment Application Services via their mobile devices to perform contactless payments and to track and manage their cash flow remotely.

In addition, the New Payment Application Services would complement the existing digital payment platforms (such as direct debit, QR pay and e-wallets) as the New Payment Application Services will provide an integration to the existing digital payment platforms together with new digital capabilities such as integrated systems that support online applications by SMEs, shorter period of the merchant acquiring process and analytical tools for cash flow management.

Premised on the above, and barring any unforeseen circumstances, our Board and management are cautiously optimistic about its new product roadmap, business development strategies and the financial contribution that may be accrued from the development of the New Payment Application Services to our Group moving forward and our Company will be in an opportunistic position to capitalise on the rising e-commerce activities in Malaysia.

5.8.3 Bus-body Fabrication Division

Our Group's bus-body fabrication division remains focused to ensure its production is cost efficient and able to provide for timely delivery of its buses.

The bus models of Autobus LF 12250, Autobus LF 10200 and Autobus SD 12300 were approved by Kementerian Perdagangan Dalam Negeri, Koperasi Dan Kepenggunaan to affix the "Barangan Buatan Malaysia" ("Product Made In Malaysia") logo. The Autobus model series is designed and built in compliance with the internationally recognised safety standards.

In view that the testing and certification for our Group's fabricated bus body in Australia has been completed, the management is cautiously optimistic on the delivery of buses to Australia in the year ahead. Although the COVID-19 including the various measures implemented by the government to combat the spread of virus (such as movement control orders and limitation of workforce allowed) had affected the business operations during the movement control order, this has not derailed our Group's business plan for the Australian market.

Our bus-body fabrication division targets to increase its production to 20 buses per month for the next 2 years in anticipation of the increasing orders received from the Australian market. With the various measures put in place, our Board and management are cautiously optimistic that the division is in a good position to manage the challenges in year 2022.

5.8.4 Impact of COVID-19 on ASB Group

The COVID-19 outbreak has caused global economic slowdown since early 2020, which had a material adverse impact on our Group's operations for the FYEs 2020 and 2021.

Most of our Group's operations were halted or operated with much reduced scale in FYE 2020. Fortunately, the impact on our Group's ICT division, which operates primarily in the field of telecommunications, was minimal. The travel and tours as well as hospitality divisions were the most severely affected. As a result, our Group's revenue decreased significantly by RM158.28 million or 57.45% to RM117.24 million in FYE 2020 from RM275.52 million in FYE 2019 and registered an LAT of RM26.89 million in FYE 2020 as opposed to a profit after tax of RM81.33 million in FYE 2019.

The COVID-19 continued to significantly impact our Group in FYE 2021 with the hospitality, travel and tours as well as financial services divisions being the hardest hit. Fortunately, the impact on ICT division, which operates primarily in the field of telecommunications remained minimal. Our Group remained resilient and with the diverse businesses and efficient cost discipline to mitigate the adverse impact. Our Group's revenue decreased slightly by RM0.95 million or 0.81% to RM116.29 million in FYE 2021 from RM117.24 million in FYE 2020 but recorded a lower LAT of RM1.41 million in FYE 2021 as compared to a higher LAT of RM26.89 million in FYE 2020.

After enduring the COVID-19 for two (2) years, the government and our Group are now more adept in minimising the adverse impact. Our Board is cautiously optimistic on our Group's prospects for the FYE 2022 after having considered Malaysia's transition to endemic phase and the relaxation of restrictions globally but remains mindful of the challenges of COVID-19. Thus, the successful execution of our business plans with tight focus on costs and continued investment into our businesses to improve our Group's financial performances are critically important for the year ahead.

6.0 RISK FACTORS

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

6.1 Risks relating to our Group's businesses and operations

6.1.1 General business risks

(i) Dependency on key management and technical personnel

We believe that our continued success will depend on the abilities and continued efforts of our existing directors, key management and technical personnel. The loss of any of our directors or members of our key management and/or technical personnel without suitable and timely replacement could adversely affect our Group's continued ability to manage our operations effectively and competitively.

Our Group recognises the importance of our ability to attract and retain skilled personnel in the future growth and success of our Group. In this regard, continuous efforts are made to groom existing staff members to further support senior management and/or to shoulder further responsibilities in preparation for long term growth of our Group. In addition, our Group's middle management team is constantly exposed to various aspects of our business operations in order to ensure that they understand our Group's businesses and are adequately equipped with the knowledge necessary for them to assume senior management positions. Our Group also takes appropriate measures to promote long-term commitment amongst our key personnel and staff members through incentives, opportunities and development programs in all key functions of our Group's operations.

Notwithstanding this, there can be no assurance that the above measures will always be successful in retaining key personnel or ensuring smooth transition should changes occur.

(ii) Foreign exchange risks

Our Group has operations or business dealings in various countries. In this regard, our Group is exposed to potential foreign currency exchange losses or gains arising from timing differences. Any appreciation or depreciation of foreign currencies against the RM will expose our Group to incurring foreign currency exchange gains or losses due to fluctuations in the exchange of foreign currencies to RM.

The risk of foreign currency exchange fluctuation is, to a certain extent, mitigated by the managed float mechanism adopted by BNM on the RM as well as our Group's foreign exchange policies where our Group assesses, controls and monitors the risk via regular review of foreign exchange movements and our Group's foreign exchange exposure. Nevertheless, there can be no assurance that any future fluctuation in foreign currency exchange rates will not have a material impact on our Group's earnings.

(iii) Changes in political, economic and regulatory conditions

Our Group's business prospects are subject to the changes in political, economic and regulatory conditions in Malaysia and the countries in which we operate and/or have dealings with. Any adverse development in such conditions may have a negative impact on the prospects of our Group. These include, among others, downturn in the global and Malaysian economies, changes in political leadership, changes in interest rates and unfavourable changes in government policies. Epidemics, pandemics, war, terrorism, riots, natural disasters and other calamities are some factors which may trigger such changes and may cause amongst others, economic contraction, disruptions in supply chains and increase in business operation costs. Although our Group may take a prudent approach to manage these risks and impact internally, however these risks are beyond our control. Hence, there can be no assurance that any adverse economic, political and regulatory changes will not materially affect our Group's business prospects.

6.1.2 Risk relating to our property investment (hospitality and services) division

(i) Lockdowns and travel restrictions and the uncertainty of hospitality and travel industries arising from COVID-19

The hospitality and travel industries were one of the hardest-hit sectors following the outbreak of the COVID-19 and the imposition of restrictions on international and domestic travel. With tourism (being the main driver of our property investment (hospitality and services) business) halted abruptly for an unprecedented long period, the business operations and financial performance of most hotel operators were severely impacted with a major slump in their occupancy rate and revenue.

The hospitality industry in general, faces multiple challenges caused by COVID-19, particularly on the manpower issues within the industry pursuant to the long working hours, not so attractive wages and uncertainty of the industry which may discourage the local workers to take on such work, whilst the recruitment of foreign workers depends largely on government quota and approvals thus leading to shortage of manpower and consequently operational disruptions. The COVID-19 has also caused supply chain disruptions within the industry leading to rising operational and overhead costs, including amongst others, food and beverage, raw materials, maintenance and labour costs. With the increased adoption of digital technologies in the hospitality and travel industry, online room and travel and tours reservation has become the norm.

In response to the unprecedented disruptions to our hotel operations, our Group has since implemented cost control measures to manage our operating costs, which include, amongst others, the resizing of the salary base of our hotel workforce and cost reduction exercise on our operating expenditure. Our Group has also taken measures to adapt quickly to the new normal of the hospitality and travel industry. However, it is pertinent to note that there is no assurance that these cost control and other measures will be adequate for our property investment (hospitality and services) division to weather the current business condition.

We have also implemented various procedures and practices in line with the directives issued by the government of Malaysia to reduce the risks of the spread of COVID-19 and to safeguard our employees. However, there can be no assurance that the outbreak of COVID-19 can be effectively controlled or other pandemics will not happen in the future. Other outbreak or pandemics may occur in the future which could persist for a substantial period and/or spread globally, and this may materially and adversely affect our business operations and financial performance of our Group. Please refer to Section 5.8.4 of this Abridged Prospectus for further details on the impact of COVID-19 on our Group.

(ii) Competition risk

Our property investment (hospitality and services) business faces competition from the other existing hotel and resort operators which may result in highly competitive pricing in our hotels or lower occupancy rates and room rates for our hotels and resorts. Further, our property investment (hospitality and services) division may face stiff competition with the entry of the new players and the upgrading of facilities/services by the existing players, which may erode the attractiveness of our hotels and resorts. The quality of services, attractiveness of pricing and marketing strategies are pertinent in determining the market position of our hotels and resorts. Therefore, we continuously monitor and adjust our operational and marketing strategies in response to the changing market demand from time to time. However, there is no assurance that we would be able to sustain our competitiveness against current and future competitors.

6.1.3 Risk relating to our property development division

(i) Dependency on the performance of the residential property market

Presently, our property development business is mainly focused on the development and construction of residential buildings in Sarawak, Malaysia. Hence, the performance of our property development business is dependent on the performance of the residential property market in Sarawak, Malaysia. The performance of the residential property market in Sarawak, Malaysia is generally affected by, amongst others, high migration, slowdown in household income growth, high unemployment rate, population ageing and unfavourable movement in government policies and regulations which may deteriorate the demand of our property development projects. In the event that any of these factors occur during the completion of our property development projects, we may be exposed to the risk of property overhang or increase in the number of unsold units due to weak consumer response to the launching of our property development projects.

The property market in Kuching has been softening due to the negative impact of the COVID-19. Although the COVID-19 has been contained with the mass rollout of the vaccination programmes, there is no assurance that this will lead to any immediate improvement in consumer sentiments and performance of the residential property market.

(ii) Competition risks in property development segment

Our Group's property development segment faces competition from other property developers who may have more favourable reputation and new entrants to the market. The demand for our properties would be dependent on various factors including but not limited to pricing, location, design, facilities and quality of properties. The property market is highly competitive, so any oversupply of properties or low take-up rate of new property launches due to a mismatch in supply and demand, economic downturn and unfavourable market conditions, will intensify the level of competition. We may have to improve our sale and marketing strategies to attract customers. However, there is no assurance that our Group may be able to compete with the competitors and that the competitive pressure will not have an adverse impact on our Group's profitability.

(iii) Completion of the property development projects

Our property development business is exposed to the risk associated to delay in the completion of our property development projects. Such events include, amongst others, delay in obtaining necessary approvals/permits, unsatisfactory performance of any engaged contractors, and unavailability of building materials and/or labour workforce. Any failure or delay in completing the property development projects within the expected timeframe may expose our Group to additional costs which may impact our profitability. As at the LPD, our Group has not encountered any delay or non-completion of property development projects.

6.1.4 Risk relating to our financial services division

(i) Changes in technology

The digital payment market in which our financial services business operates is characterised by rapid technological developments, evolving industry standards, swift changes in customer requirements, computer operating environments and software applications, and frequent new product introductions and enhancements. The future prospects of our financial services division depends substantially upon our ability to address the increasingly sophisticated needs of the customers by supporting existing and emerging hardware, software, database and networking platforms. The timely development of new or enhanced products and services is a complex and uncertain process. There is no assurance that our Group will continue to have sufficient resources to successfully and accurately anticipate technological and market trends, or to successfully manage long development cycles.

Our Group may also experience design, marketing and other difficulties that could delay or prevent the development, introduction or marketing of our products and services, as well as new products and services and enhancements. Our Group may also be required to collaborate with third parties to develop products and services and may not be able to do so on a timely and cost-effective basis, if at all. In the event that our Group fails to develop new products and services or enhancements to its existing products and services on a timely and cost-effective basis, or the new products and services or enhancements fail to achieve market acceptance, or our competitors introduce products and services that better address the customer needs, our financial services business, operating results and financial condition would be adversely affected.

(ii) Competition

Our Group is involved in merchant acquiring business by facilitating the merchants' acceptance of payments via debit cards, MasterCard and VISA cards within the payment card industry. The markets in which our Group operates are competitive and characterised by rapid technological innovation. Our Group has experienced and expects to continue to experience intense competition from current and future competitors. Our Group believes that its ability to compete depends upon many factors, including the timing and market acceptance of new products and services and enhancements developed by our Group and its competitors, product and service functionality, ease of use, performance, price, value for money, reliability, customer service and support, sales and marketing efforts, and product and service distribution channels.

Our Group invests in new product development initiatives and infrastructure to ensure its competitiveness in capturing market share and garnering market acceptance. However, there is no assurance that our Group will be able to maintain its market share in the payment card industry, maintain its competitiveness against current and future competitors or that competitive pressures will not materially and adversely affect our Group's business, operating results and financial condition.

6.1.5 Risk relating to our bus-body fabrication division**(i) Dependency on trained workers**

Our bus-body fabrication business is highly labour intensive. We require trained workers to carry out the manufacturing and fabrication processes in order to produce fabricated bus-body according to our customers' specifications and requirements. Hence, we are highly dependent on a stable work force to ensure that our operation in bus-body fabrication business is not interrupted.

As at the LPD, we have 47 employees at our manufacturing facility located in Malaysia, including 36 production employees. Any disruption or scarcity in supply of trained workers may adversely affect our bus-body fabrication business operations. If we are unable to recruit and retain sufficient workers with the requisite skills and knowhow to support our bus-body fabrication operations, our bus-body fabrication business operations, relationship with customers, our market reputation and financial results may be materially and adversely affected. Any significant increase in labour costs could also adversely affect our Group's financial condition if we are unable to pass on the increased cost to customers by increasing the selling prices of our products due to the competitive market condition.

(ii) Licensing and regulatory requirements

Our bus-body fabrication business is licensed by The Road Transport Department of Malaysia (JPJ), Ministry of International Trade and Industry and Road Vehicle System Australia. As such, we are subject to the legislative requirements from the relevant regulatory bodies in Malaysia and Australia.

Any changes in the relevant government's policies and measures that are unfavourable to us and/or failure of our products in complying with the relevant legislative requirements and laws from time to time, may materially and adversely affect our business operation in bus-body fabrication, financial condition and future prospects. There is also no assurance that we will be able to ensure successful renewal of all the licences obtained from the regulatory bodies in the future. As at the LPD, our Group has not experienced any non-renewal and/or failure in obtaining any licences in relation to our bus-body fabrication business.

6.2 Risks relating to the Rights Issue

6.2.1 Investment risks

The market price of ASB Shares will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the prospects and operating results of our Group and the future outlook of the industries in which we operate. The Issue Price was arrived at after taking into consideration, amongst others, the TERP of ASB Shares calculated based on the five (5)-day VWAMP of ASB Shares immediately before the Price-Fixing Date and the prevailing market conditions and market price of ASB Shares.

In addition, the performance of the local equity market (where ASB Shares are listed) is dependent on the economic and political conditions in Malaysia as well as external factors such as the performance of the world bourses and the investments by the foreigners in Malaysia. In view of this, there can be no assurance that the Rights Shares will trade above the Issue Price upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities or that the market prices of the Rights Share will be at a level that meet the investment objectives or targets of the subscribers of the Rights Shares.

6.2.2 Delay or failure in the completion of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any force majeure events or events/circumstances, which are beyond the control of our Group and KAF IB, arising prior to the completion of the Rights Issue. No assurances can be made that the abovementioned factors or events/circumstances will not cause a failure or delay in the completion of the Rights Issue.

Where prior to the issuance and allotment of the Rights Shares to the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable):-

- (i) in the event of failure in the completion of the Rights Issue where the SC issues a stop order pursuant to section 245(1) of the CMSA, all applications shall be deemed to be withdrawn and cancelled and our Company shall be liable to repay all monies paid in respect of the accepted application for the subscription of the Rights Shares within 14 days from the date of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such rate which may be specified by the SC pursuant to section 245(7)(a) of the CMSA; or
- (ii) in the event of failure in the completion of the Rights Issue (other than pursuant to section 245(1) of the CMSA), all application money received pursuant to the Rights Issue will be refunded to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares without interest.

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

- (a) the SC issues a stop order pursuant to section 245(1) of the CMSA, any issue of the Rights Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days from the stop order, our Company shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to section 245(7)(b) of the CMSA; or
- (b) the Rights Issue is subsequently cancelled or terminated for reasons other than pursuant to a stop order by the SC under section 245(1) of the CMSA, a return of money to our shareholders can only be achieved by way of cancellation of our Company's share capital as provided under the Act and its related rules.

Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

Notwithstanding the above, our Company will exercise our best endeavour to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned events will not cause a delay in or failure of the Rights Issue.

6.2.3 Potential dilution

Entitled Shareholders who do not subscribe for their entitlement under the Rights Issue will experience dilution in their existing shareholdings in our Company as a result of the issuance of new ASB Shares pursuant to the Rights Issue. Pursuant thereto, their proportionate entitlement to any future dividend, distributions, rights and/or allotment that our Company may declare or make after completion of the Rights Issue will correspondingly be diluted.

6.2.4 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on estimates and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements 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 view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

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7.0 EFFECTS OF THE RIGHTS ISSUE

As at the LPD, save for the Rights Issue, there are no other material transaction which may have a material effect on the operations, financial position and results of our Group since the date of announcement of our Group's latest audited consolidated financial statements for FYE 2021.

For avoidance of doubt, our Board intends to implement SGS after the completion of the Rights Issue.

7.1 Issued share capital

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

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
As at the LPD	929,194,943	381,376,645	929,194,943	381,376,645
To be issued pursuant to the Rights Issue	1,600,000,000	⁽¹⁾ 80,000,000	1,858,389,886	⁽¹⁾ 92,919,494
Enlarged issue share capital	2,529,194,943	461,376,645	2,787,584,829	474,296,139

Note:-

(1) Computed based on the Issue Price of RM0.05 per Rights Share.

7.2 Earnings and EPS

Barring any unforeseen circumstances, the Rights Issue is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds are realised. Nonetheless, the Rights Issue will result in a dilution of the consolidated EPS of our Company arising from the increase in the number of ASB Shares in issue following the issuance of the Rights Shares.

7.3 NA and gearing

The pro forma effects of the Rights Issue on the consolidated NA per Share and consolidated gearing of our Company based on the latest audited consolidated financial statements of our Company for the FYE 2021 are as follows:-

	Audited as at 31.12.2021 RM'000	Minimum Scenario	Maximum Scenario
		After Rights Issue RM'000	After Rights Issue RM'000
Share capital	381,377	461,377	474,296
Other reserves	28,346	28,346	28,346
Retained earnings	43,626	*42,426	*42,426
Shareholders' equity / NA	453,349	532,149	545,068
Non-controlling interest	83,837	83,837	83,837
Total equity	537,186	615,986	628,905
No. of Shares ('000)	929,195	2,529,195	2,787,585
NA per Share (RM)	0.49	0.21	0.20
Borrowings (RM'000)	105,350	105,350	105,350
Gearing (times)	0.20	0.17	0.17

*Note *:- After deducting the estimated expenses incidental to the Proposals of approximately RM1.20 million.*

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7.4 Substantial shareholders' shareholdings

The pro forma effects of the Rights Issue on our substantial shareholders' shareholdings in our Company are as follows:-

Substantial shareholders	As at the LPD			Minimum Scenario			Maximum Scenario				
	Direct		Indirect	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%	No. of Shares	%		
DASB	76,810,009	8.27	(1)139,391,853	1,676,810,009	66.30	(1)139,391,853	5.51	230,430,027	8.27	(1)418,175,559	15.01
SDSB	80,799,926	8.70	-	80,799,926	3.19	-	-	242,399,778	8.70	-	-
BESB	58,591,927	6.31	-	58,591,927	2.32	-	-	175,775,781	6.31	-	-

Note:-

(1) Deemed interested by virtue of his interest in SDSB and BESB pursuant to section 8 of the Act.

7.5 Convertible securities

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

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8.0 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital

Our Group's current working capital is funded through the existing cash and bank balances, the funds generated from our Group's operating activities, short term deposits with financial institutions, credit extended by suppliers and bank borrowings. As at the LPD, our Group holds short term deposits, cash and bank balances of RM102.88 million.

Save for the abovementioned sources of funds and the proceeds to be raised from the Rights Issue, our Group does not have any material unused sources of liquidity as at the LPD.

Our Directors are of the opinion, after taking into consideration the proceeds from the Rights Issue, our Group's cash and bank balances, the funds to be internally generated from our operations, short term deposits with financial institutions, credit extended by suppliers and banking facilities available to our Group, that the working capital available to our Group will be sufficient for a period of twelve (12) months from the date of this Abridged Prospectus.

8.2 Borrowings

As at 1 September 2022, our Group has total outstanding borrowings of approximately RM138.92 million, all of which are interest-bearing. The details of the outstanding borrowings of our Group are as follows:-

Type of financial instruments	As at 1 September 2022	
	Payable not later than one year RM'000	Payable later than one year RM'000
Term loan ⁽ⁱ⁾	7,531	90,881
Bank overdraft	505	-
Revolving credit	40,000	-
Total borrowings	48,036	90,881

Note:-

(i) Comprising GBP-denominated term loan of approximately GBP6.26 million, out of which GBP0.37 million is payable not later than one year and GBP5.89 million is payable later than one year. The said GBP-denominated term loan is converted based on the exchange rate of GBP1:RM5.2750 as at 1 September 2022 as extracted from The Star's website. For avoidance of doubt, other borrowings are denominated in RM.

Our Board confirmed that there has been no default on payments of either interest and/or principal sums in respect of any borrowings for the FYE 2021 and the subsequent financial period.

8.3 Contingent liabilities and material commitments

Please refer to Section 3, Appendix II of this Abridged Prospectus for further details of the contingent liabilities and material commitments incurred or known to be incurred by our Group.

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9.0 INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES, EXCESS APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING 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 THE ABRIDGED PROSPECTUS.

ACCEPTANCE OF AND/OR PAYMENT FOR THE PROVISIONAL RIGHTS SHARES 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 OUR BOARD.

9.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed together with this Abridged Prospectus, one (1) NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and one (1) RSF to enable you to subscribe for the Provisional Rights Shares as well as to apply for Excess Rights Shares if you choose to do so. This Abridged Prospectus and RSF are also available at our Registered Office, our Share Registrar's office, or on Bursa Securities' website at <https://www.bursamalaysia.com>.

9.2 NPA

The Provisional Rights Shares are prescribed securities pursuant to section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renounee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications for the Provisional Rights Shares.

9.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares is at **5:00 p.m.** on **Friday, 21 October 2022**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

9.4 Methods of acceptance and application

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

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

9.5 Procedures for acceptance and payment

9.5.1 By way of RSF

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

Renouncee(s)/transferee(s) who wishes to accept the Provisional Rights Shares must obtain a copy of the RSF from their stockbrokers, our Registered Office, our Share Registrar's office, or from the Bursa Securities' website at <https://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to Share Registrar in accordance with the notes and instructions printed therein.

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

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

You and/or your renouncee(s)/transferee(s) (if applicable) who are accepting in full or in part of your entitlement to the Provisional Rights Shares are required to fill and 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 together with the relevant payment must be despatched by **ORDINARY POST, COURIER or DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:-

Sectrars Management Sdn Bhd
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur

Tel No: +603 2276 6138/ 6139/ 6130

Fax No: +603 2276 6131

so as to arrive not later than **5:00 p.m. on Friday, 21 October 2022**, being the last date and time for acceptance and payment for the Provisional Rights Shares, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of the Provisional Rights Shares standing to the credit of one (1) CDS Account. Separate RSF must be used for the acceptance of the Provisional Rights Shares standing to the credit of more than one (1) CDS Account. If successful, the Rights Shares subscribed by you or your renouncee(s)/transferee(s) (if applicable) will be credited into the respective CDS Accounts where the Provisional Rights Shares is standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar for the Provisional Rights Shares, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares will comprise 100 Rights Shares each. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. Fractions of a Rights Share which may arise from the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interests of our Company.

If acceptance and payment for the Provisional Rights Shares from you and/or your renounee(s)/transferee(s) (if applicable) is not received by our Share Registrar by **5:00 p.m.** on **Friday, 21 October 2022**, being the last date and time for acceptance and payment for the Provisional Rights Shares, or any other extended date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated time and date at its discretion, you and/or your renounee(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Rights Shares made to you and/or your renounee(s)/transferee(s) (if applicable) and it will be cancelled. In the event that the Rights Shares are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares to the applicants who have applied for Excess Rights Shares in the manner as set out in Section 9.9 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right to accept any application in full or in part only without providing any reasons.

You and/or your renounee(s)/transferee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, our Registered Office, our Share Registrar's office, or from Bursa Securities' website at <https://www.bursamalaysia.com>.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "ADVANCE SYNERGY BERHAD – ASB RIGHTS SHARES ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND YOUR CDS ACCOUNT NUMBER IN BLOCK LETTERS SHALL BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF. CHEQUE OR OTHER MODE(S) OF PAYMENT NOT PRESCRIBED HEREIN ARE NOT ACCEPTABLE.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY OR BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

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

9.5.2 By way of e-Subscription

If you are an Entitled Shareholder, the e-NPA and e-RSF are available to you upon your login to "Sectrars Online" portal at <https://www.sectrars.my>. You are advised to read instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is only available to Entitled Shareholders who are individual. Corporate or institutional Entitled Shareholders will have to complete the RSF for the application to the Rights Issue as set out in Section 9.5.1 above.

Individual registered Entitled Shareholder who wish to subscribe for the Provisional Rights Shares and apply for Excess Rights Shares by way of e-Subscription shall take note of the following:-

- (i) any e-Subscription received by the Share Registrar after the Closing Date shall be regarded as null and void and of no legal effect unless the Board in its absolute discretion determines otherwise;
- (ii) you may choose to subscribe the Rights Shares which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus. Any verified as valid e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;
- (iii) the e-Subscription made must be in accordance with the procedures of submitting using "Sectrars Online" portal, terms and conditions of e-Subscription, this Abridged Prospectus and e-RSF. Any e-Subscription that does not conform to the terms and conditions of "Sectrars Online", this Abridged Prospectus and e-RSF may not be accepted at the sole discretion of our board. Our board reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;
- (iv) the number of Rights Shares you are entitled to under the Rights Issue is set out in the e-NPA/e-RSF. You are required to indicate the number of Rights Shares you wish to accept and number of Excess Rights Shares you wish to apply in the e-RSF; and
- (v) each subscription of e-RSF must be accompanied by the remittance in RM which is to be made to the bank account as follows:-

(a) Acceptance of Rights Shares

Name of account	ADVANCE SYNERGY BERHAD - ASB RIGHTS SHARES ACCOUNT
Name of bank	CIMB BANK BERHAD
Bank account no.	8010949748

(b) Application of Excess Rights Shares

Name of account	ADVANCE SYNERGY BERHAD - ASB EXCESS RIGHTS SHARES ACCOUNT
Name of bank	CIMB BANK BERHAD
Bank account no.	8010949750

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

Name of account	SECTRARS MANAGEMENT SDN BHD
Name of bank	CIMB BANK BERHAD
Bank account no.	8602189076

Procedures to make e-Subscription

All Entitled Shareholders who wish to opt for e-Subscription, please read and follow the procedures as set out below:-

	Procedures	Action
1.	Sign up as user of Sctrars Online	<ol style="list-style-type: none"> 1. Access to Sctrars Online at https://www.sectrars.my. 2. Click on [Sign up] to register as a new user of Sctrars Online. 3. Complete registration and upload softcopy of Malaysian Identification card (front and back) or passport. <p>You will be notified via email once your user registration is accepted/rejected by Sctrars Online.</p>
2.	Submission of e-RSF	<ol style="list-style-type: none"> 1. Login to Sctrars Online at https://www.sectrars.my with your user ID (i.e. email address) and password. 2. Select "Corporate Exercise" from the main menu and click on "Rights Issue". 3. Find the corporate exercise name: ADVANCE SYNERGY BERHAD - RIGHTS ISSUE, and click on "View NPA/RSF". 4. Review relevant e-NPA and click on "Subscribe Now" button to view e-RSF. 5. Insert the number of Rights Shares to subscribe and the number of Excess Rights Shares to apply (if applicable) in the e-RSF. 6. Review and confirm the number of Rights Shares subscribing and Excess Rights Shares applying (if applicable) and the amount payable to for Rights Shares and Excess Rights Shares (if applicable). 7. Upload proof of payments supporting documents, read and agree to the terms and conditions. 8. Proceed to submit once you have ensured all information is correct and in place.

If you encounter any problems during the registration or submission, please email to our Share Registrar at sectrarsmg@gmail.com or call at +603 2276 6138/ 6139/ 6130 for assistance.

Terms and Conditions of e-Subscription

The e-Subscription of Rights Shares and Excess Rights Shares (if successful) shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions appearing herein:-

- (i) After login to Sctrars Online, you are required to confirm and declare the following information given are true and correct:-
 - (a) you have attained 18 years of age as at the last day for subscription and payment;
 - (b) 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 <https://www.bursamalaysia.com>, the contents of which you have read and understood; and
 - (c) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in Section 6.0 of this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (ii) you agree and undertake to subscribe for and to accept the number of Rights Shares and Excess Rights Shares applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares that may be allotted to you;
- (iii) by making and completing your e-Subscription, you, if successful, request and authorise our Share Registrar or our Company to credit the Rights Shares allotted to you into your CDS Account;
- (iv) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:-
 - (a) our Company or our Share Registrar does not receive your e-Subscription; or
 - (b) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or our Share Registrar for the Rights Shares subscribed and/or Excess Rights Shares applied for or for any compensation, loss or damage relating to the e-Subscription;
- (v) you will ensure that your personal particulars recorded with Sctrars Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected;
- (vi) 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;
- (vii) by making and completing an e-Subscription, you agree that:-
 - (a) in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional Rights Shares and Excess Rights Shares applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (b) our 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 our Company's control;

- (viii) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and
- (ix) notification on the outcome of your e-Subscription for the Rights Shares and Excess Rights Shares will be despatched to you by ordinary post to the address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:-
 - (a) successful application - a notice of allotment will be despatched within eight (8) Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities; or
 - (b) unsuccessful/partially successful application - the full amount or the balance of the application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the Closing Date.

The refund will be credited into your bank registered with Bursa Depository for the purpose of cash dividend/distribution. If you have not registered such bank account with Bursa Depository, the refund will be made by issuance of cheque and shall be despatched to you by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

9.6 Procedures for part acceptance

If you do not wish to accept the Rights Shares provisionally allotted to you in full, you are entitled to accept part of your Provisional Rights Shares. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share.

You must complete Parts I(A) and II of the RSF by specifying the number of Rights Shares which you are accepting and deliver the completed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in Section 9.5 of this Abridged Prospectus.

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

The portion of the Provisional Rights Shares that have not been accepted will be made available for Excess Application.

9.7 Procedures for sale or transfer of Provisional Rights Shares

As the Provisional Rights Shares are prescribed securities, you may sell or transfer all or part of your entitlement to the Rights Shares to one (1) or more person(s) through your stockbroker in the period up to the last date and time for sale or transfer of such Provisional Rights Shares, without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account. To dispose of all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository.

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 RIGHTS SHARES, YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) NEED NOT DELIVER ANY DOCUMENT, INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) MUST ENSURE THAT THERE IS SUFFICIENT PROVISIONAL RIGHTS SHARES STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS BEFORE SELLING OR TRANSFERRING.

If you have sold or transferred only part of your Provisional Rights Shares, you may still accept the balance of your Provisional Rights Shares by completing the RSF. Please refer to Section 9.5 of this Abridged Prospectus for the procedures for acceptance and payment.

Purchaser(s) or transferee(s) of the Provisional Rights Shares may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers, our Registered Office or our Share Registrar's office. This Abridged Prospectus and RSF are also available on Bursa Securities' website at <https://www.bursamalaysia.com>.

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

9.8 Procedures for acceptance by renouneece(s)/transferee(s)

Renouneece(s)/transferee(s) (if applicable) who wish to accept the Provisional Rights Shares must obtain a copy of the RSF from their stockbrokers, our Registered Office, our Share Registrar's office, or from Bursa Securities' website at <https://www.bursamalaysia.com> and complete the RSF, submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to the Entitled Shareholders as set out in Section 9.5 of this Abridged Prospectus also apply to renouneece(s)/transferee(s) (if applicable) who wish to accept the Provisional Rights Shares. Please refer to the relevant sections for the procedures to be followed.

RENOUNEE(S)/TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF CAREFULLY.

9.9 Procedures for Excess Application

Any Rights Shares which are not taken up or not validly taken up by you and/or your renouneece(s)/transferee(s) (if applicable) shall be made available for Excess Rights Shares. It is the intention of our Board to allot the Excess Rights Shares, if any, on a fair and equitable basis in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in ASB as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of Excess Rights Shares applied for; and
- (iv) finally, for allocation to renouneece(s)/transferee(s) (if applicable) who have applied for Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of Excess Rights Shares applied for.

In the event of any balance of Excess Rights Shares after steps (i) to (iv) are carried out, steps (ii) to (iv) will be repeated in the same sequence again to allocate the balance Excess Rights Shares until such balance is exhausted.

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

9.9.1 By way of RSF

If you and/or your renounee(s)/transferee(s) (if applicable) wish to apply for Excess Rights Shares in addition to the Provisional Rights Shares, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it (together with a **separate remittance in RM** for the full amount payable in respect of the Excess Rights Shares applied for) to our Share Registrar at the address set out above, so as to arrive not later than **5:00 p.m. on Friday, 21 October 2022**, being the last date and time for excess application and payment, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

PAYMENT FOR THE EXCESS RIGHTS SHARES APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS SET OUT IN SECTION 9.5 OF THIS ABRIDGED PROSPECTUS EXCEPT THAT BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "ADVANCE SYNERGY BERHAD - ASB EXCESS RIGHTS SHARES ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND YOUR CDS ACCOUNT NUMBER IN BLOCK LETTERS SHALL BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS APPLICATION AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. CHEQUES OR OTHER MODE(S) OF PAYMENT NOT PRESCRIBED HEREIN ARE NOT ACCEPTABLE.

9.9.2 By way of e-Subscription

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares in excess of your entitlement via e-Subscription in addition to your Provisional Rights Shares. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in Section 9.5.2 of this Abridged Prospectus.

The e-Subscription for Excess Rights Shares will be made on and subject to the same terms and conditions as set out in Section 9.5.2 of this Abridged Prospectus.

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

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS APPLICATION, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY.

IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY WAY OF ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR EXCESS APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

9.10 Notice of allotment

Within five (5) Market Days after the Closing Date, our Company will make the relevant announcements in relation to the subscription rate of the Rights Issue.

Upon allotment of the Rights Shares in respect of your acceptance and/or your renounee(s)/ transferee(s) acceptance (if applicable) and Excess Application (if any), the Rights Shares shall be credited directly into the respective CDS Account where the Provisional Rights Shares were credited. No physical certificates will be issued in respect of the Rights Shares. However, a notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post within eight (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 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 fifteen (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 our Share Registrar for the Rights Shares, cannot be withdrawn subsequently.

9.11 Form of issuance

Bursa Securities has prescribed our securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical certificates shall be issued to you under the Rights Issue. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date and time for acceptance and payment of the Rights Issue.

Subscription of Rights Shares by Entitled Shareholders

Where the Rights Shares are provisionally allotted to you as an Entitled Shareholder in respect of your existing ASB Shares standing to the credit of your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Rights Shares shall mean that you consent to receive such Rights Shares as prescribed or deposited securities credited directly into your CDS Account. Hence, the Rights Shares will be credited directly into your CDS Account upon allotment and issuance.

Subscription of Rights Shares by a renounee/transferee

Any person who has purchased the Provisional Rights Shares or to whom the Provisional Rights Shares has been transferred and intends to subscribe for the Rights Shares must state his/her CDS Account number in the space provided in the RSF. The Rights Shares will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issuance.

Application for the Excess Rights Shares by an Entitled Shareholder and/or his renouneece(s)/transferee(s) (if applicable)

The Excess Rights Shares, if allotted to the successful applicant who applies for the Excess Rights Shares, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares will be made on a fair and equitable basis as disclosed in Section 9.9 of this Abridged Prospectus.

9.12 Laws of foreign jurisdictions

This Abridged Prospectus and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue will not be made or offered for subscription in any foreign country or jurisdiction.

The Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. KAF IB, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) are or may be subject to. The Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/or other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. KAF IB, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

Accordingly, this Abridged Prospectus and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders or their renouneece(s)/transferee(s) (if applicable) may collect this Abridged Prospectus, including the accompanying NPA and RSF, from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents relating to the Rights Issue.

The Foreign Entitled Shareholders or their renouneece(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/or KAF IB in respect of their rights and entitlements under the Rights Issue. Such Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing any of the forms accompanying this Abridged Prospectus, the NPA and the RSF, the Foreign Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) KAF IB, other professional advisers, our Company and our Board and officers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that Foreign Entitled Shareholders and/or renouneece(s)/transferee(s) (if applicable) are or may be subject to;

- (ii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares;
- (iii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are aware that the Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have received a copy of this Abridged Prospectus, and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and
- (vi) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) 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 are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith. Any person who does forward this Abridged Prospectus, NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares from any such application by Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) in any foreign country or jurisdiction.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of Rights Shares as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

10.0 TERMS AND CONDITIONS


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

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11.0 FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
ADVANCE SYNERGY BERHAD

A handwritten signature in black ink, appearing to read 'LEE SU NIE', with several small black dots scattered to the right of the signature.

LEE SU NIE
Group Managing Director

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

As at the LPD, the issued share capital of our Company is RM381,376,645 comprising 929,194,943 ASB Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 7.4 of this Abridged Prospectus for information on the substantial shareholders' shareholdings prior to and after the Rights Issue.

3. OPTIONS TO SUBSCRIBE FOR SHARES

Our shareholders have approved the establishment of SGS on 29 July 2022 but our Company has yet to grant any ASB Shares under the SGS as at the LPD. The maximum number of ASB Shares which may be available under the SGS shall not exceed ten percent (10%) of the total number of issued shares of ASB (excluding treasury shares, if any) at any point in time during the duration of the SGS.

4. BOARD OF DIRECTORS

4.1 The particulars of the directors of ASB as at the LPD are set out below:-

Name	Address	Age	Nationality	Designation
DASB	60, Jalan Athinahappan 2 Taman Tun Dr. Ismail 60000 Kuala Lumpur	75	Malaysian	Group Chair
Anton Syazi	60, Jalan Athinahappan 2 Taman Tun Dr. Ismail 60000 Kuala Lumpur	45	Malaysian	Group Executive Deputy Chair
Lee Su Nie	2A, Jalan SS 3/4 47300 Petaling Jaya Selangor	62	Malaysian	Group Managing Director
Aryati Sasya	60, Jalan Athinahappan 2 Taman Tun Dr. Ismail 60000 Kuala Lumpur	47	Malaysian	Non-Independent Non-Executive Director
Puan Sri Datin Masri Khaw Abdullah	3, Jalan 4/1 Taman Tun Abdul Razak 68000 Ampang Selangor	69	Malaysian	Non-Independent Non-Executive Director
Kam Kin Foong	34, Jalan BU 1/13 Bandar Utama 47800 Petaling Jaya Selangor	56	Malaysian	Independent Non- Executive Director
Rali Mohd Nor	22, Jalan Putra Murni 3/3 Putra Heights 47650 Subang Jaya Selangor	68	Malaysian	Independent Non- Executive Director
Yong Teck Ming	40, Jalan 11/10 Seksyen 11 46200 Petaling Jaya Selangor	69	Malaysian	Independent Non- Executive Director

INFORMATION ON OUR COMPANY(CONT'D)

4.2 Directors' shareholdings

As at the LPD, save as disclosed below, none of the directors have any direct and/or indirect shareholdings in our Company. The pro forma effects of the Rights Issue on our directors' shareholdings prior to and after the Rights Issue are as follows:-

Directors	As at the LPD				Minimum Scenario After the Rights Issue				Maximum Scenario After the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
DASB	76,810,009	8.27	⁽¹⁾ 139,391,853	15.01	1,676,810,009	66.30	⁽¹⁾ 139,391,853	5.51	230,430,027	8.27	⁽¹⁾ 418,175,559	15.01
Anton Syazi	-	-	⁽²⁾ 30,467,000	3.28	-	-	⁽²⁾ 30,647,000	1.21	-	-	⁽²⁾ 91,401,000	3.28
Lee Su Nie	-	-	⁽³⁾ 365,000	0.04	-	-	⁽³⁾ 365,000	0.01	-	-	⁽³⁾ 1,095,000	0.04
Aryati Sasya	22,308,000	2.40	-	-	22,308,000	0.88	-	-	66,924,000	2.40	-	-
Puan Sri Datin Masri Khaw Abdullah	-	-	⁽⁴⁾ 12,000,000	1.29	-	-	⁽⁴⁾ 12,000,000	0.47	-	-	⁽⁴⁾ 36,000,000	1.29
Kam Kin Foong	-	-	-	-	-	-	-	-	-	-	-	-
Rali Mohd Nor	-	-	-	-	-	-	-	-	-	-	-	-
Yong Teck Ming	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

- (1) Deemed interested by virtue of his interest in SDSB and BESB pursuant to section 8 of the Act.
- (2) Deemed interested by virtue of his interest in ERSB pursuant to section 8 of the Act.
- (3) Deemed interested by virtue of the shareholdings of her spouse, Martin Lee Koon Heng, in our Company.
- (4) Deemed interested by virtue of her interest in ASH Holdings Sdn Bhd pursuant to section 8 of the Act.

INFORMATION ON OUR COMPANY (CONT'D)

5. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of ASB Shares as traded on Bursa Securities for the past twelve (12) months from September 2021 to August 2022 are as follows:-

	Highest (RM)	Lowest (RM)
<u>2021</u>		
September	0.150	0.135
October	0.140	0.130
November	0.140	0.100
December	0.110	0.100
<u>2022</u>		
January	0.125	0.105
February	0.125	0.100
March	0.120	0.090
April	0.120	0.090
May	0.115	0.095
June	0.110	0.095
July	0.105	0.090
August	0.110	0.090
Last transacted market price on 10 March 2022 <i>(being the latest Market Day preceding the announcement of the Rights Issue)</i>		0.115
Last transacted market price on 30 September 2022 <i>(being the latest Market Day prior to the ex-date of the Rights Issue)</i>		0.065
Last transacted market price on the LPD		0.095
<i>(Source: Bloomberg)</i>		

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INFORMATION ON OUR COMPANY (CONT'D)
6. HISTORICAL FINANCIAL INFORMATION OF OUR GROUP
6.1 Historical financial performance

	<----- Audited ----->			<-----Unaudited----->	
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2021 RM'000	FPE 2022 RM'000
Revenue	275,517	117,240	116,285	47,952	89,231
Cost of sales	(189,187)	(72,294)	(70,964)	(28,063)	(62,990)
Gross profit	86,330	44,946	45,321	19,889	26,241
Other operating income	121,511	32,363	43,181	3,020	3,175
Distribution costs	(5,907)	(4,526)	(4,996)	(2,726)	(2,644)
Administrative expenses	(60,829)	(52,709)	(38,628)	(17,160)	(20,535)
Other operating expenses	(36,397)	(37,577)	(35,534)	(14,846)	(15,657)
Operating profit / (loss)	104,708	(17,503)	9,344	(11,823)	(9,420)
Finance costs	(9,498)	(5,175)	(7,368)	(3,621)	(4,166)
Share of results of associates and joint venture	404	142	101	55	112
Profit / (Loss) before tax	95,614	(22,536)	2,077	(15,389)	(13,474)
Income tax expense	(14,285)	(4,358)	(3,486)	(1,137)	(710)
PAT / (LAT)	81,329	(26,894)	(1,409)	(16,526)	(14,184)
PAT / (LAT) (attributable to the owners of ASB)	74,944	(30,628)	(11,269)	(16,883)	(12,721)
EPS / (LPS) (sen)	8.07	(3.30)	(1.21)	(1.82)	(1.37)

6.2 Historical financial position

	<----- Audited ----->			<-----Unaudited----->	
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2021 RM'000	FPE 2022 RM'000
Non-current assets	449,381	463,817	513,287	465,276	546,208
Current assets	303,655	246,632	260,049	266,401	245,774
Total assets	753,036	710,449	773,336	731,677	791,982
Share capital	381,377	381,377	381,377	381,377	381,377
Other Reserves	19,941	24,843	28,346	27,087	29,692
Retained earnings	80,378	46,498	43,626	29,615	31,066
Shareholders' funds	481,696	452,718	453,349	438,079	442,135
Non-controlling interests	69,072	70,266	83,837	70,275	83,185
Total equity	550,768	522,984	537,186	508,354	525,320
Non-current liabilities	104,283	103,550	121,416	128,859	151,176
Current liabilities	97,985	83,915	114,734	94,464	115,486
Total liabilities	202,268	187,465	236,150	223,323	266,662
Total equity and liabilities	753,036	710,449	773,336	731,677	791,982

INFORMATION ON OUR COMPANY (CONT'D)**6.3 Historical cash flow**

	<----- Audited ----->			<-----Unaudited---->	
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2021 RM'000	FPE 2022 RM'000
Net cash from / (used in) operating activities	15,066	1,429	(16,953)	(7,314)	(5,546)
Net cash from / (used in) investing activities	76,387	(882)	(2,852)	(4,324)	(37,026)
Net cash (used in) / from financing activities	(94,744)	(3,437)	32,075	33,723	27,160
Effects of exchange rate changes	(760)	(1,318)	(3,242)	(5,932)	1,127
Net (decrease)/ increase in cash and cash equivalents	(4,051)	(4,208)	9,028	16,153	(14,285)
Cash and cash equivalents at beginning of the financial year/period	94,438	90,619	86,959	86,959	96,472
Effects of exchange rate changes	232	548	485	551	1,021
Cash and cash equivalents at end of the financial year/period	90,619	86,959	96,472	103,663	83,208

6.4 Commentaries on Past Financial Performance**FYE 2019**

For FYE 2019, our Group's revenue decreased by RM8.06 million to RM275.52 million (FYE 2018 : RM283.58 million). The decline in revenue was mainly due to the lower revenue from our ICT division, which decreased by RM21.87 million to RM72.36 million (FYE 2018 : RM94.23 million), as a result of lower system sale contracts revenue.

Notwithstanding the above, our Group recorded a PAT of RM81.33 million in the FYE 2019 (FYE 2018 : LAT of RM1.14 million), which was primarily due to the gain on the disposal of Wisma Synergy of RM90.28 million and part insurance claim compensation from the fire incident which occurred at Holiday Villa Arosa, Switzerland of RM17.65 million.

Our Group recorded a net decrease in cash and cash equivalents of RM4.05 million in the FYE 2019 (FYE 2018 : RM20.28 million) mainly attributed to the net cash used in financing activities of RM94.74 million (FYE 2018 : net cash generated was RM33.01 million) mainly due to repayment of term loans and revolving credit of RM30.49 million and RM41.00 million, respectively.

However, this was partially offset by the net cash generated from investing activities of RM76.39 million (FYE 2018 : net cash used was RM43.60 million), which was mainly due to proceeds from the disposal of Wisma Synergy of RM124.00 million and proceeds from the disposal of an associate of RM24.18 million, which was then partly offset by the acquisition of a subsidiary of RM56.18 million. The net cash generated from operating activities in FYE 2019 was recorded at RM15.07 million (FYE 2018 : net cash used was RM6.52 million), which was in tandem with higher profit before tax and improved collection from receivables.

FYE 2020

For FYE 2020, our Group's revenue decreased by RM158.28 million to RM117.24 million (FYE 2019 : RM275.52 million). The decline in revenue was mainly attributed to the impact of the COVID-19. Our operation in travel & tours and hospitality businesses were the most severely affected by the COVID-19, which materially affected the earnings of our Group. Our travel & tours and hospitality businesses recorded lower revenue of RM20.26 million (FYE 2019 : RM135.43 million) and RM19.97 million (FYE 2019 : RM55.80 million) respectively in FYE 2020 mainly due to the lockdowns and travel restrictions imposed locally and by governments around the world.

INFORMATION ON OUR COMPANY (CONT'D)

In tandem with the above and with the absence of gain on disposal of Wisma Synergy of RM90.28 million recorded in FYE 2019, our Group incurred a LAT of RM26.89 million in FYE 2020 (FYE 2019 : PAT of RM81.33 million).

Our Group recorded a net decrease in cash and cash equivalents of RM4.21 million in FYE 2020 (FYE 2019 : RM4.05 million) mainly due to the lower net cash from operating activities of RM1.43 million (FYE 2019 : RM15.07 million) in view of the loss-making position during the financial year. The net cash used in investing activities in FYE 2020 was recorded at RM0.88 million while in FYE 2019, the net cash generated was RM76.39 million as a result of the proceeds received from the disposal of Wisma Synergy.

In addition, the net cash used in financing activities was lower at RM3.44 million (FYE 2019 : RM94.74 million) as there were lesser repayments of term loans and revolving credit in FYE 2020.

FYE 2021

For FYE 2021, our Group's revenue decreased by RM0.95 million to RM116.29 million (FYE 2020 : RM117.24 million) mainly due to the prolonged COVID-19. The continued travel restrictions had materially affected our travel & tours and hospitality businesses with lower revenue of RM15.47 million (FYE 2020 : RM20.26 million) and RM14.81 million (FYE 2020 : RM19.97 million) respectively in FYE 2021.

Despite the decrease in revenue, our Group incurred a lower LAT of RM1.41 million in FYE 2021 (FYE 2020 : RM26.89 million), which was primarily due to the fair value gain in investment in associates of RM15.76 million and gain on bargain purchase of RM5.0 million resulting from remeasurement of our Group's previously held interest in an associate to subsidiary, namely OOPA Pte Ltd, coupled with the gain on disposal of the hotel management services contracts of RM7.00 million.

Our Group recorded a net increase in cash and cash equivalents of RM9.03 million in FYE 2021 (FYE 2020 : net decrease of RM4.21 million) mainly due to the net cash generated from financing activities of RM32.08 million (FYE 2020 : net cash used was RM3.44 million). The net cash generated from financing activities was attributed to drawdown of term loans and revolving credit of RM53.51 million.

However, the above was partially offset by the net cash used in operating activities of RM16.95 million (FYE 2020 : net cash generated was RM1.43 million) as a result of slower collection from receivables, and higher net cash used in investing activities of RM2.85 million (FYE 2020 : RM0.88 million).

FPE 2022

For FPE 2022, our Group's revenue increased by RM41.28 million to RM89.23 million (FPE 2021 : RM47.95 million) with the relaxation of travel restrictions. The increase in revenue was mainly due to higher revenue from travel & tours and hospitality businesses of RM34.78 million (FPE 2021 : RM4.29 million) and RM10.98 million (FPE 2021 : RM5.37 million) respectively.

In line to the above, our Group recorded a lower LAT of RM14.18 million in FPE 2022 (FPE 2021 : LAT of RM16.53 million).

Our Group recorded a net decrease in cash and cash equivalents of RM14.29 million in FPE 2022 (FPE 2021 : net increase of RM16.15 million) mainly due to the higher net cash used in investing activities of RM37.03 million (FPE 2021 : net cash used was RM4.32 million). The higher net cash used in investing activities during FPE 2022 was attributed to acquisition of a one (1) storey warehouse annexed with three (3) storey office located in Selangor for RM31.72 million.

In addition, the net cash generated from financing activities was lower at RM27.16 million (FPE 2021 : RM33.72 million) mainly due to lower drawdown of borrowings of RM38.31 million (FPE 2021 : RM42.12 million), coupled with lower net cash used in operating activities of RM5.55 million (FPE 2021 : RM7.31 million) mainly due to lower LAT in FPE 2022.

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

Our directors have seen and approved all the documentation relating to this Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which if omitted, would make any statement in this Abridged Prospectus false or misleading.

KAF IB, being our Principal Adviser for the Rights Issue, 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 this Rights Issue.

2. CONSENTS

The Principal Adviser, Newfields, Solicitors and Share Registrar have given and have not subsequently withdrawn their written consents before the date of issue of this Abridged Prospectus with the inclusion of their names and all references thereto in the form and context in which they are included in this Abridged Prospectus.

Bloomberg has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its names and all references thereto in the form and context in which it is included in this Abridged Prospectus.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

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

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

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board confirmed that there are no proceedings pending or threatened against us or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of our Group.

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ADDITIONAL INFORMATION (CONT'D)**5. MATERIAL CONTRACTS**

As at the LPD, saved as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

- (i) On 25 January 2022, Jiwa Baru Sdn Bhd, an indirect subsidiary of our Company, entered into a sale and purchase agreement (“SPA”) with Poly Electronic & Electrical (M) Sdn Bhd (“PEESB”) to purchase from PEESB a single storey warehouse with a 3-storey office located at Lot 849, Jalan Subang 7, Taman Industri Sg. Penaga, 47620 Petaling Jaya for a total cash consideration of RM 31,720,000 subject to the terms and conditions as stipulated in the SPA (“Acquisition of Warehouse”). The Acquisition of Warehouse was completed on 24 June 2022.
- (ii) On 7 May 2021, the below-mentioned direct or indirect subsidiaries of Alangka-Suka Hotels & Resorts Sdn Bhd (“ASHR”), a wholly-owned subsidiary of our Company, entered into the following agreements with Holiday Villa Hotels and Resorts Sdn Bhd (“HVHR”) and/or Holiday Villas Hotels and Resorts Limited (“HVHRL”) for disposal of management services agreements, licensing agreements and trademarks of ASHR Group (“Proposed Disposal”) on “willing-buyer willing-seller” basis: Antara Holiday Villas Sdn Bhd, Holiday Villas International Limited and Holiday Villa Middle East Limited each entered into an agreement relating to the transfer of their respective contracts and/or trademarks and Cherating Holiday Villa Berhad (“CHV”) entered into an agreement relating to the transfer of its trademarks, with HVHR or HVHRL (collectively referred to as “Agreements”) for total cash consideration of RM7.0 million only, subject to the terms and conditions as stipulated in the Agreements. The Proposed Disposal was completed on 3 December 2021.
- (iii) On 6 November 2020, Mayor Hotels Sdn Bhd (“MHSB”), an indirect wholly-owned subsidiary of our Company, entered into a sale and purchase agreement (“SPA”) for M1 Plaza Sdn Bhd to purchase from MHSB the hotel property known as City Villa Kuala Lumpur located at No. 69, Jalan Haji Hussein, Off Jalan Tuanku Abdul Rahman, 50300 Kuala Lumpur on “as is where is” basis for a total cash consideration of RM24,000,000 subject to the terms and conditions as stipulated in the SPA (“Proposed City Villa Disposal”). Barring any unforeseen circumstances, the Proposed City Villa Disposal is expected to be completed in the fourth quarter of 2024.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of ASB at Ground Floor, Synergy 9, 9 Jalan Kajibumi U1/70, Temasya Glenmarie, 40150 Shah Alam, Selangor, Malaysia during ordinary business hours from Monday to Friday (except public holidays) for a period of six (6) months from the date of this Abridged Prospectus:-

- (i) the Constitution of ASB;
- (ii) the letters of consent referred to in Section 2 of this Appendix II;
- (iii) the material contracts referred to Section 5 of this Appendix II; and
- (iv) the Undertaking as referred to in Section 2.4 of this Abridged Prospectus.