

*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 6 months from the date of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 5 HEREIN.** If you have sold or transferred all your shares in our Company, you should immediately hand this Abridged Prospectus together with the NPA and RSF (collectively referred to as “Documents”) to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue to our Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 21 December 2021 at their registered addresses in Malaysia or who have provided our Share Registrar with their Malaysian addresses in writing by 5.00 p.m. on 21 December 2021. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance and/or renunciation (as the case may be) of their entitlement to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 9 of this Abridged Prospectus. Neither our Company, Principal Adviser nor any other professional advisers to the Rights Issue shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or sale/renunciation made by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions in which the said Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are residents.

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. The Documents have also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

Our shareholders have approved the Rights Issue at our EGM held on 22 September 2021. Approval has also been obtained from Bursa Securities on 2 August 2021 for the admission of the Warrants to the Official List of Bursa Securities as well as for the listing of and quotation for the Rights Shares, Warrants and new CSH Shares to be issued upon the exercise of the Warrants on the Main Market of Bursa Securities. Admission to the Official List of Bursa Securities and quotation for the new securities are not to be taken as an indication of the merits of the Rights Issue. Bursa Securities takes no responsibility for the correctness of any statement made or opinion expressed in the Documents. The listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited with the relevant securities allotted to them and notices of allotment have been despatched to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

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



**CSH ALLIANCE  
BERHAD**

**CSH ALLIANCE BERHAD**  
(FORMERLY KNOWN AS KTG BERHAD)  
(Registration No. 200001002113 (504718-U))  
(Incorporated in Malaysia)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 690,705,280 NEW ORDINARY SHARES IN CSH ALLIANCE BERHAD (FORMERLY KNOWN AS KTG BERHAD) (“CSH”) (“CSH SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING CSH SHARE HELD AS AT 5.00 PM ON 21 DECEMBER 2021 AT AN ISSUE PRICE OF RM0.15 PER RIGHTS SHARE, TOGETHER WITH UP TO 690,705,280 FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR**

*Principal Adviser*

**TA SECURITIES**

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD (14948-M)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**IMPORTANT RELEVANT DATES AND TIMES**

Entitlement date	: Tuesday, 21 December 2021 at 5.00 p.m.
<b>Last date and time for:</b>	
Sale of provisional allotment of rights	: Monday, 3 January 2022 at 5.00 p.m.
Transfer of provisional allotment of rights	: Wednesday, 5 January 2022 at 4.30 p.m.
Acceptance and payment	: Tuesday, 11 January 2022 at 5.00 p.m.
Excess application and payment	: Tuesday, 11 January 2022 at 5.00 p.m.

**This Abridged Prospectus is dated 21 December 2021**

*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.*

**OUR BOARD HAS SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. OUR BOARD COLLECTIVELY AND INDIVIDUALLY ACCEPTS FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, OUR BOARD CONFIRMS THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.**

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

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT 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 THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION, OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO 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 LAWS OF MALAYSIA. 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 BE INFORMED 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.**

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## DEFINITIONS

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

### COMPANIES:

“APPI”	:	APPI Sdn Bhd, a wholly-owned subsidiary of our Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“ChipSengHeng”	:	ChipSeng Heng Holdings Sdn Bhd
“CSH Group” or “Group”	:	Our Company and its subsidiaries, collectively
“CSH” or “Company”	:	CSH Alliance Berhad ( <i>formerly known as KTG Berhad</i> )
“CSH Network”	:	CSH Network Capital Sdn Bhd ( <i>formerly known as MMAG Capital Sdn Bhd</i> ), a wholly-owned subsidiary of our Company
“CSH Priority”	:	CSH Priority Sdn Bhd, a wholly-owned subsidiary of our Company
“Howellcare”	:	Howellcare Industries Sdn Bhd, our Group’s turnkey project contractor for the Glove Production Plant pursuant to the Turnkey Agreement
“LCEL”	:	Line Clear Express & Logistics Sdn Bhd, in which our Company has a 15% equity interest
“Line Haul”	:	Line Haul Sdn Bhd, a wholly-owned subsidiary of our Company
“MMAG Holdings”	:	MMAG Holdings Berhad
“PROVIDENCE”	:	Providence Strategic Partners Sdn Bhd, the independent market researcher
“Share Registrar”	:	Mega Corporate Services Sdn Bhd
“TA Securities” or “Principal Adviser”	:	TA Securities Holdings Berhad

### GENERAL:

“5D-VWAP”	:	5-day volume weighted average market price
“3M-FPE”	:	3-month financial period ended
“Abridged Prospectus”	:	This Abridged Prospectus dated 21 December 2021 issued by our Company in relation to the Rights Issue
“Act”	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
“Announcement”	:	Announcement by our Company dated 30 April 2021 in relation to the Rights Issue
“Announcement LPD”	:	28 April 2021, being the latest practicable date prior to the announcement of the Rights Issue
“Board”	:	Board of Directors of our Company

**DEFINITIONS (CONT'D)**

“CDS”	:	Central Depository System
“Closing Date”	:	11 January 2022 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Rights Shares with Warrants, as well as excess Rights Shares
“CMSA”	:	Capital Markets and Services Act 2007
“Constitution”	:	Constitution of our Company
“Corporate Exercises”	:	Turnkey Agreement, Diversifications and Rights Issue, collectively
“CSH Shares” or “Shares”	:	Ordinary shares in our Company
“Deed Poll”	:	Deed poll of CSH dated 7 December 2021 constituting the Warrants
“Director”	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“Diversification into Manufacturing and Trading of Gloves and other PPE”	:	Diversification of the existing businesses of our Group to include manufacturing and trading of gloves and other PPE products and related business
“Diversification into Transportation and Logistics Business”	:	Diversification of the existing businesses of our Group to include transportation and logistics business
“Diversifications”	:	Diversification into Manufacturing and Trading of Gloves and other PPE as well as Diversification into Transportation and Logistics Business, collectively
“Documents”	:	This Abridged Prospectus and accompanying NPA and RSF, collectively
“EGM”	:	Extraordinary general meeting of our Company held on 22 September 2021
“Entitled Shareholders”	:	Our shareholders whose names appear in our Company’s Record of Depositors on the Entitlement Date
“Entitlement Date”	:	21 December 2021 at 5.00 p.m., being the date and time on which our shareholders must be registered in the Record of Depositors of our Company in order to be entitled to the Rights Issue
“e-RSF”	:	Electronic RSF
“e-Subscription”	:	Electronic subscription of Rights Shares with Warrants via Investor Portal
“Factory”	:	Our Group’s 3 units of single storey factory (with a total built-up area of 76,400 square feet), a single storey hostel (with a built-up area of 2,975 square feet) and a double storey office (with a built-up area of 3,000 square feet) erected on 3 plots of leasehold land located at Plot 55, 56 & 57, Jalan Logam 3, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting, Perak measuring approximately 131,482 square feet (with a total built-up area of 82,375 square feet)
“FYE”	:	Financial year ended / ending, as the case may be
“Glove Production Plant”	:	2 NBR double former glove dipping production lines together with 4 lines of utilities support system which are to be commissioned at the Factory

**DEFINITIONS (CONT'D)**

“IMR Report”	:	Independent market research report on the ceramic flower pots and planter industry, transportation and logistics industry and gloves and medical supplies industry in Malaysia dated 26 November 2021 as prepared by PROVIDENCE
“Investor Portal”	:	Share Registrar’s website at <a href="https://www.megacorp.com.my/investor/">https://www.megacorp.com.my/investor/</a> to facilitate our Entitled Shareholders in subscribing for the Provisional Rights Shares with Warrants and applying for excess Rights Shares with Warrants electronically
“LAT”	:	Loss after taxation attributable to the owners of our Company
“LBT”	:	Loss before taxation
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	26 November 2021, being the latest practicable date prior to the registration of this Abridged Prospectus
“LPS”	:	Loss per CSH Share
“Market Day”	:	Any day between Monday to Friday (inclusive of both days) (excluding Saturday, Sunday and public holiday) and a day on which Bursa Securities is open for trading in securities
“Maximum Scenario”	:	Scenario whereby up to 690,705,280 Rights Shares and up to 690,705,280 Warrants will be issued, assuming all Entitled Shareholders subscribe in full for their entitlements under the Rights Issue
“MCO”	:	Movement control order issued by the Malaysian government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
“Middle Mile Logistics”	:	The shipment of goods and parcels from a warehouse or distribution centre to traditional stores, brick and mortar retail outlets and facilities
“Minimum Scenario” or “Minimum Subscription Level”	:	Scenario whereby 84,087,000 Rights Shares and 84,087,000 Warrants will be issued pursuant to the Undertaking with minimum gross proceeds of RM12,613,050 to be raised, and no other Entitled Shareholders subscribe for their entitlements under the Rights Issue
“NA”	:	Net assets attributable to the owners of our Company
“NBR”	:	Nitrile butadiene rubber
“NPA”	:	Notice of provisional allotment in relation to the Rights Issue
“Official List”	:	A list specifying all securities listed on the Main Market of Bursa Securities
“PPE”	:	Personal protective equipment
“Private Placement”	:	Private placement of 84,087,000 CSH Shares issued at RM0.206 each for approximately RM17.32 million which was completed on 17 March 2021
“Provisional Rights Shares with Warrants”	:	Rights Shares with Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue

**DEFINITIONS (CONT'D)**

“Record of Depositors”	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue”	:	Renounceable rights issue of up to 690,705,280 Rights Shares on the basis of 1 Rights Share for every 1 existing CSH Share held on the Entitlement Date at an issue price of RM0.15 per Rights Share, together with up to 690,705,280 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for
“Rights Shares”	:	Up to 690,705,280 new CSH 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”	:	Rules of Bursa Depository as issued pursuant to SICDA
“SICDA”	:	Securities Industry (Central Depositories) Act 1991
“SC”	:	Securities Commission Malaysia
“TEAP”	:	Theoretical ex-all price of CSH Shares
“Turnkey Agreement”	:	Agreement for the turnkey commissioning of the Glove Production Plant dated 26 March 2021 entered into between APPI and Howellcare
“Undertaking”	:	An unconditional and irrevocable written undertaking dated 30 April 2021 from ChipSengHeng that it: <ul style="list-style-type: none"><li>(i) will subscribe in full for its entitlement of the Rights Shares with Warrants;</li><li>(ii) has sufficient financial resources to fulfil its Undertaking; and</li><li>(iii) will not transfer, dispose of or reduce its existing shareholding of CSH Shares from the date of the announcement and up to the Entitlement Date</li></ul>
“Warrant Holders”	:	Holders of the Warrants
“Warrants”	:	Up to 690,705,280 free detachable warrants in CSH to be issued pursuant to the Rights Issue

All references to “our Company” and/or “CSH” in this Abridged Prospectus are to CSH. References to “our Group” and/or “CSH Group” are to CSH and our subsidiaries and references to “we”, “us” “our” and “ourselves” are to CSH and where the context does require, shall include our subsidiaries.

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

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

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

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**ADVISERS' DIRECTORY**

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- PRINCIPAL ADVISER** : TA Securities Holdings Berhad  
32<sup>nd</sup> Floor, Menara TA One  
22, Jalan P. Ramlee  
50250 Kuala Lumpur  
Tel. no.: 03-2072 1277  
Fax. no.: 03-2026 0127
- SOLICITORS FOR THE RIGHTS ISSUE** : Peter Ling & van Geysel  
B-19-4, Tower B,  
Northpoint Office Suites,  
Mid Valley City, No. 1 Medan Syed Putra  
59200, Kuala Lumpur, Malaysia  
Tel. no.: 03-2282 3080  
Fax. no.: 03-2201 9880
- SHARE REGISTRAR** : Mega Corporate Services Sdn Bhd  
Level 15-2, Bangunan Faber Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel. no.: 03-2692 4271  
Fax. no.: 03-2732 5388
- COMPANY SECRETARIES** : Chua Siew Chuan (MAICSA 0777689)  
SSM PC NO. 201908002648  
Yeow Sze Min (MAICSA 7065735)  
SSM PC NO. 201908003120
- Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara, Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Tel. no.: 03-2084 9000  
Fax. no.: 03-2094 9940
- INDEPENDENT MARKET RESEARCHER** : Providence Strategic Partners Sdn Bhd  
67-1 Block D Jaya One, Jalan Prof Diraja Ungku Aziz  
46200 Petaling Jaya, Selangor Malaysia  
Tel. no.: 03-7625 1769
- Melissa Lim is the Executive Director of Providence Strategic Partners Sdn Bhd. She has more than 10 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

**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 INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.**

<b>RIGHTS ISSUE</b>							
<b>Issue size</b>	:	Up to 690,705,280 Rights Shares together with up to 690,705,280 Warrants. Refer to <b>Section 2</b> of this Abridged Prospectus for further details.					
<b>Basis of allotment</b>	:	1 Rights Share for every 1 existing Share held on the Entitlement Date together with 1 Warrant for every 1 Rights Share subscribed for. Refer to <b>Section 2.1</b> of this Abridged Prospectus for further details.					
<b>Issue price of Rights Shares with Warrants</b>	:	RM0.15 per Rights Share, payable in full upon acceptance and/or application. Refer to <b>Section 2.1(i)</b> of this Abridged Prospectus for the basis of determining the issue price of the Rights Shares. The Warrants will be issued at no cost to the Entitled Shareholders who successfully subscribe for the Rights Shares.					
<b>Exercise price of Warrants</b>	:	RM0.15 per Warrant. Refer to <b>Section 2.1(ii)</b> of this Abridged Prospectus for the basis of determining the exercise price of the Warrants. Each Warrant entitles the registered holder to subscribe for 1 new CSH Share at any time during the exercise period (subject to adjustments set out in the Deed Poll). Refer to <b>Section 2.4</b> of this Abridged Prospectus for further details.					
<b>Minimum Subscription Level and Undertaking</b>	:	84,087,000 Rights Shares with 84,087,000 Warrants to raise minimum gross proceeds of RM12,613,050.  For the Minimum Subscription Level to be met, our Company has procured the Undertaking from ChipSengHeng for the subscription of 84,087,000 Rights Shares together with 84,087,000 Warrants.					
		<b>As at the LPD</b>		<b>After the Rights Issue</b>			
		<b>Undertaking Shareholder</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>	
		ChipSengHeng	84,087,000	12.17	168,174,000	21.71	
		Refer to <b>Section 2.2</b> of this Abridged Prospectus for further details on the Undertaking.					
<b>Rationale</b>	:	The Rights Issue is intended to raise funds primarily for our Group's entry into the gloves business as well as transportation and logistics business besides obtaining required working capital for our Group.  Refer to <b>Section 3</b> of this Abridged Prospectus for further details.					
<b>Utilisation of proceeds</b>	:	The total gross proceeds to be raised from the Rights Issue of up to approximately RM103.61 million will be mainly used in the following manner:					
			<b>Minimum Scenario</b>		<b>Maximum Scenario</b>		<b>Expected time frame for the usage (from the listing date of the Rights Shares)</b>
			<b>(RM'000)</b>	<b>%</b>	<b>(RM'000)</b>	<b>%</b>	
		Gloves business	10,046	79.65	76,100	73.45	Within 30 months
		Transportation and logistics business	1,853	14.69	23,869	23.04	Within 36 months
		Working capital	-	-	2,923	2.82	Within 18 months
		Expenses for the Corporate Exercises	714	5.66	714	0.69	Immediately
		<b>Total</b>	<b>12,613</b>	<b>100.00</b>	<b>103,606</b>	<b>100.00</b>	
		Refer to <b>Section 4</b> of this Abridged Prospectus for further details.					

## SUMMARY OF RIGHTS ISSUE

<b>RIGHTS ISSUE</b>	
<b>Key risk factors</b>	<p>: You should consider the following key risk factors before subscribing for the Rights Issue:</p> <ul style="list-style-type: none"><li>(i) the continuing impact of the COVID-19 pandemic which may result in future containment and lockdown measures by the Malaysian government as well as disruption to our Group's operations;</li><li>(ii) our Group is exposed to risks inherent to the gloves and medical supplies industry as well as transportation and logistics industry, in which our Group has no prior experience;</li><li>(iii) our Group is exposed to fluctuations in raw material prices in the ceramic segment which may adversely affect the financial performance of our Group;</li><li>(iv) our Group is exposed to the risk of unexpected breakdown of our fleet and the occurrence of accidents which may result in down-time and substantial cost being incurred for its transportation and logistics business;</li><li>(v) our Group is exposed to credit risks arising from material adverse changes in the credit quality and recoverability of loan and amounts due from counterparties, which are inherent in our Group's financial services business;</li><li>(vi) our Group is exposed to the fluctuation in the market prices and availability of raw materials for construction and property related business based on, among others, the market supply and demand, weather, and economic condition;</li><li>(vii) our Group is exposed to risks inherent in the property investment business whereby investment properties require periodic capital expenditures, refurbishments, renovations and improvements to remain competitive;</li><li>(viii) our Group is exposed to the risk of dependency on the contractor for commissioning of the Glove Production Plant as well as the initial stage of the operation of its glove business; and</li><li>(ix) the market prices of the Rights Shares and Warrants are influenced by, among others, the prevailing market sentiments, the volatility of equity markets as well as the financial performance and fluctuations in CSH Group's operating results.</li></ul> <p>Refer to <b>Section 5</b> of this Abridged Prospectus for further details.</p>
<b>Procedures for acceptance and payment</b>	<p>: Acceptance of and payment for the Provisional Rights Shares with Warrants and application for the excess Rights Shares with Warrants must be made by way of the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF or by way of e-Subscription via Investor Portal and must conform with the terms and conditions of Investor Portal contained therein. The last day, date and time for acceptance of and payment for the Provisional Rights Shares with Warrants and the application and payment for the excess Rights Shares is on <b>Tuesday, 11 January 2022 at 5.00 p.m.</b> Refer to <b>Section 9</b> of this Abridged Prospectus and the RSF for further details on the instructions for acceptance, payment, sale/transfer and excess application for the Rights Issue.</p>



**CSH ALLIANCE  
BERHAD**

**CSH ALLIANCE BERHAD**  
*(FORMERLY KNOWN AS KTG BERHAD)*  
(Registration No. 200001002113 (504718-U))  
(Incorporated in Malaysia)

**Registered Office:**

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan

21 December 2021

**Board of Directors**

Ahmad Ruslan Zahari Bin Zakaria *(Independent Non-Executive Chairman)*  
Sim Chiun Wee *(Executive Director)*  
Tan Yip Jiun *(Executive Director)*  
Peter Yap *(Executive Director)*  
Kenny Khoo Chuan Wah *(Executive Director)*  
Lim Peng Tong *(Independent Non-Executive Director)*  
Ng Keok Chai *(Independent Non-Executive Director)*

**To: Entitled Shareholders**

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 690,705,280 NEW ORDINARY SHARES IN CSH (“CSH SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING CSH SHARE HELD AS AT 5.00 PM ON 21 DECEMBER 2021 AT AN ISSUE PRICE OF RM0.15 PER RIGHTS SHARE, TOGETHER WITH UP TO 690,705,280 FREE DETACHABLE WARRANTS (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR**

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**1. INTRODUCTION**

On 26 March 2021, our Board announced the execution of the Turnkey Agreement.

On 30 April 2021, our Board announced the Diversifications and the Rights Issue.

On 3 August 2021, our Board announced that Bursa Securities had through its letter dated 2 August 2021, approved the following:

- (i) listing of and quotation for up to 690,705,280 Rights Shares;
- (ii) admission to the Official List and listing of and quotation for up to 690,705,280 Warrants; and
- (iii) listing of and quotation for up to 690,705,280 new CSH Shares to be issued pursuant to the exercise of the Warrants,

on the Main Market of Bursa Securities.

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

	<b>Conditions imposed</b>	<b>Status of compliance</b>
(a)	CSH and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	To be complied.
(b)	CSH and TA Securities to inform Bursa Securities upon the completion of the Rights Issue;	To be complied.
(c)	CSH and TA Securities to furnish Bursa Securities with a written confirmation of CSH's compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied.
(d)	CSH is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants under the Rights Issue as at the end of each quarter.	To be complied.

Our shareholders had approved the Rights Issue at our EGM held on 22 September 2021.

On 7 December 2021 and on behalf of our Board, TA Securities announced the Entitlement Date together with the other relevant dates pertaining to the Rights Issue as well as the execution of the Deed Poll by our Company.

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 TA Securities.

## 2. DETAILS OF THE RIGHTS ISSUE

Our Company proposes to issue up to 690,705,280 Rights Shares on the basis of 1 Rights Share for every 1 existing CSH Share held by the Entitled Shareholders on the Entitlement Date, together with up to 690,705,280 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for by the Entitled Shareholders.

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

- (i) the rationale for the Rights Issue as set out in **Section 3** of this Abridged Prospectus;
- (ii) the issue price of the Rights Shares at RM0.15 each; and
- (iii) the amount of proceeds that CSH wishes to raise, as detailed in **Section 4** of this Abridged Prospectus.

The basis of 1 Warrant for every 1 Right Share was arrived at after taking into consideration, among others, the following:

- (i) the rationale for the Rights Issue as set out in **Section 3** of this Abridged Prospectus; and
- (ii) Paragraph 6.50 of the Listing Requirements whereby the number of new shares which will be issued from all outstanding convertible equity securities, when exercised, does not exceed 50% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The entitlements for the Rights Shares with Warrants are renounceable in full or in part. However, the Rights Shares and the Warrants cannot be renounced separately. If the Entitled Shareholders renounce all of their Rights Shares entitlements, they will not be entitled to any Warrants. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they will be entitled to the Warrants in proportion to their acceptances of their Rights Shares entitlements. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue.

In determining the shareholders' entitlements to the Rights Shares and the Warrants, any fractional entitlements arising from the Rights Issue, if any, will be disregarded and dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interests of our Company.

Any Rights Shares with Warrants which are not subscribed shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). Our Board intends to allocate any excess Rights Shares with Warrants in a fair and equitable manner on a basis as set out in **Section 9.8** of this Abridged Prospectus.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded from the Rights Shares on the Main Market of Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll.

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

Any dealing in our securities will be subject to SICDA and Rules of Bursa Depository. Accordingly, the Rights Shares with Warrants and new Shares to be issued arising from the exercise of the Warrants will be credited directly into the respective CDS accounts of the successful applicants and exercising Warrant Holders (as the case may be). No physical share certificates and warrant certificates will be issued to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

A notice of allotment will be despatched to the successful applicants within 8 Market Days from the Closing Date or such period as may be prescribed by Bursa Securities and a notice of allotment will be despatched to the exercising Warrant Holders within 8 Market Days after the date of receipt of the exercise form together with the requisite payment (for exercise of Warrants).

The Rights Shares and Warrants will then be quoted on the Main Market of Bursa Securities within 2 Market Days after the application for quotation is made to Bursa Securities as specified in the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the Rights Shares and Warrants.

Pursuant to Paragraph 6.51 of the Listing Requirements, the listing of and quotation for Warrants on the Main Market of Bursa Securities is subject to a minimum of 100 Warrant holders holding not less than 1 board lot of Warrants.

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

### **(i) Issue price of the Rights Shares**

Our Board has fixed the issue price of the Rights Shares at RM0.15 each after taking into consideration the following:

- (i) the rationale for the Rights Issue as set out in **Section 3** of this Abridged Prospectus;
- (ii) the amount of proceeds that CSH wishes to raise as detailed in **Section 4** of this Abridged Prospectus; and

- (iii) the TEAP of RM0.1845, calculated based on the 5D-VWAP up to and including the Announcement LPD of RM0.2534. The issue price of RM0.15 per Rights Share is at a discount of RM0.0345 or 18.70% to the TEAP of RM0.1845.

Our Board is of the opinion that the discount is reasonably attractive to encourage the Entitled Shareholders to subscribe for their respective entitlements of Rights Shares.

**(ii) Exercise price of the Warrants**

The Warrants will be issued at no cost to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who successfully subscribed for the Rights Shares.

Our Board has fixed the exercise price of the Warrants at RM0.15 each after taking into consideration the following:

- (i) the rationale for the Rights Issue as set out in **Section 3** of this Abridged Prospectus; and
- (ii) the TEAP of RM0.1845, calculated based on the 5D-VWAP up to and including the Announcement LPD of RM0.2534. The exercise price of RM0.15 per Warrant is at a discount of RM0.0345 or 18.70% to the TEAP of RM0.1845.

Our Board is of the opinion that the discount is reasonably attractive for the purpose of enhancing the subscription level of the Rights Shares with Warrants and increase the likelihood of the Warrants to be exercised into new CSH Shares.

**2.2 Minimum Subscription Level**

Our Company intends to raise minimum gross proceeds of RM12,613,050 from the issuance of 84,087,000 Rights Shares under the Minimum Subscription Level based on an issue price of RM0.15 each after taking into consideration the funding requirements of CSH Group as set out in **Section 4** of this Abridged Prospectus.

In order to meet the Minimum Subscription Level, our Company has obtained the Undertaking from ChipSengHeng and it has confirmed it has sufficient financial resources to fulfil its Undertaking. TA Securities, being the Principal Adviser for the Rights Issue, has verified that ChipSengHeng has sufficient financial resources to fulfil its Undertaking.

ChipSengHeng is principally involved in transportation services and investment holdings. The directors and major shareholders of ChipSengHeng are Tan Yip Jiun (50% equity interest) and Tan Yow Hua (50% equity interest). Tan Yow Hua is the father of Tan Yip Jiun. ChipSengHeng became a substantial shareholder of our Company on 15 March 2021 after it had subscribed to 84,087,000 CSH Shares pursuant to our Company's Private Placement. Tan Yip Jiun was appointed as an Executive Director of our Company on 16 March 2021.

The number of Rights Shares pursuant to the Undertaking is as follows:

Undertaking Shareholder	Shareholding as at the LPD		No. of Rights Shares			Total undertaking		Amount
	No. of Shares	%	Entitlement <sup>(1)</sup>	% <sup>(2)</sup>	Via excess application	No. of Rights Shares	% <sup>(2)</sup>	RM
ChipSengHeng	84,087,000	12.17	84,087,000	100.00	-	84,087,000	100.00	12,613,050

Notes:

(1) Based on its shareholding as at the LPD.

(2) Based on 84,087,000 Rights Shares to be issued under the Minimum Subscription Level.



For illustrative purpose, if the Entitled Shareholders (other than ChipSengHeng) do not subscribe for their entitlements under the Minimum Subscription Level, their shareholdings in CSH will be diluted as follows:

	As at the LPD		After the Rights Issue	
	No. of Shares	%	No. of Shares	%
ChipSengHeng	84,087,000	12.17	168,174,000	21.71
Other Entitled Shareholders	606,618,280	87.83	606,618,280	78.29
<b>Total</b>	<b>690,705,280</b>	<b>100.00</b>	<b>774,792,280</b>	<b>100.00</b>

As the Rights Issue will be implemented based on the Minimum Subscription Level, no underwriting will be arranged for the Rights Shares.

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

If for any reason the Minimum Subscription Level is not achieved, the Rights Issue shall be aborted and all application monies received by our Company pursuant to the Rights Issue will be refunded without interest to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who has/have subscribed for the Rights Shares with Warrants in accordance with Section 243 of CMSA.

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

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

The Rights Shares and new CSH Shares to be issued from the exercise of Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing CSH Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the dates of allotment and issuance of the Rights Shares and the new CSH Shares to be issued arising from the exercise of Warrants.

### 2.4 Salient terms of the Warrants

The salient terms of the Warrants are as follows:

Terms	Details
Issue size	: Up to 690,705,280 Warrants.
Issue price	: The Warrants will be issued at no cost to the Entitled Shareholders who successfully subscribe for the Rights Shares.
Form and denomination	: The Warrants which are to be issued together with the Rights Shares on the same issue date (“ <b>Issue Date of the Warrants</b> ”), will be immediately detached from the Rights Shares upon issuance and will be separately traded on the Main Market of Bursa Securities.  The Warrants will be issued in registered form and constituted by the Deed Poll.
Tenure	: 5 years commencing from and including the Issue Date of the Warrants.



<b>Terms</b>	<b>Details</b>
Expiry date	: At 5.00 p.m. on the day falling immediately before the 5 <sup>th</sup> anniversary of the Issue Date of the Warrants.
Exercise rights	: Each Warrant entitles the registered Warrant holder to subscribe for 1 new CSH Share at any time during the exercise period at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise period	: The Warrants may be exercised at any time within a period of 5 years commencing on and including the Issue Date of the Warrants and ending on the close of business at 5.00 p.m. on the expiry date, provided that if such date falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day.  Any Warrant which is not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.
Exercise price	: RM0.15 per Warrant payable in respect of each new CSH Share or such other exercise price that may be adjusted in accordance with the provisions of the Deed Poll.
Mode of exercise	: The registered Warrant holders are required to deliver and lodge a duly completed, signed and stamped exercise notice, as set out in the Deed Poll, with the Company's Share Registrar together with payment of the exercise price by way of bankers' draft or cashier's order drawn on a bank operating in Malaysia in accordance with the provisions of the Deed Poll.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of the Warrants shall comprise 100 units of Warrants carrying the rights to subscribe for 100 new CSH Shares at the exercise price at any time during the exercise period, unless otherwise revised by the relevant authorities.
Rights of the Warrant holders	: The Warrant holders are not entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new CSH Shares to be issued arising from the exercise of the Warrants. The Warrant holders are not entitled to any voting rights in any general meeting of the Company or participation in any form of distribution and/or offer of further securities in the Company until and unless the holders of the Warrants exercise their Warrants and the new CSH Shares have been allotted and issued to such holders.
Rights in the event of winding up, liquidation, compromise and/ or arrangement	: Where a resolution has been passed for a members' voluntary winding up of the Company or liquidation or where there is a compromise or scheme of arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company with one or more companies, then:  (i) the Company will give notice to the holders of the Warrants within 7 market days of such a resolution or the court order approving the windings up, liquidation, compromise or scheme of arrangement (as the case may be);

**Terms**

**Details**

- (ii) for the purpose of such winding up, liquidation, compromise or scheme of arrangement (other than consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the holder of the Warrants (or some other person designated by them for such purposes by special resolution) shall be a party, the terms of such winding up, liquidation, compromise or scheme of arrangement shall be binding on all the holders of the Warrants; or
- (iii) in any other case, every holder of the Warrants shall be entitled to exercise the Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of the Company or within 6 weeks from the granting of the court order approving the winding up, liquidation, compromise or scheme of arrangement, as the case may be, to elect to be treated as if he had immediately prior to the commencement of such winding up, liquidation, compromise or scheme of arrangement, exercised the exercise rights represented by the Warrants to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new CSH Shares to which he would have become entitled pursuant to such exercise.

All exercise rights which have not been exercised within the 6 weeks of either the passing of such resolution for the members' voluntary winding up or the granting of the court order for the approval of such winding-up, liquidation, compromise or scheme of arrangement, as the case may be, will lapse and all the unexercised Warrants will cease to be valid for any purpose.

Ranking of new CSH Shares to be issued pursuant to the exercise of the Warrants	:	All new CSH Shares to be issued pursuant to the exercise of Warrants shall, upon allotment and issuance, rank equally in all respects with the existing CSH Shares except that such new CSH Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new CSH Shares arising from the exercise of Warrants.
Adjustments to the exercise price and/or number of Warrants	:	The exercise price and/or the number of unexercised Warrants in issue may be subject to adjustments from time to time by the Board in consultation with an approved adviser and/or auditors and certified by the auditors in the event of alteration to the share capital by reason of, among others, rights issue, bonus issue, consolidation or subdivision of shares or issuance of securities convertible into shares, in accordance with the provisions of the Deed Poll.
Modifications	:	Subject to the approval of Bursa Securities (if required) and save as otherwise provided in the Deed Poll, a special resolution of the Warrant holders is required to sanction any modifications, amendments, deletions or additions in respect of the rights of the holders of the Warrants.

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Save as expressly provided in the Deed Poll and in particular Condition 6 of the Conditions of the Deed Poll, no modification, amendment, deletion or addition may be made to the provisions of the Deed Poll or the Warrant certificate, without the sanction of a Special Resolution unless the modifications, amendments, deletions or additions:

- (a) are required to correct any typographical errors; or
- (b) are relating to purely administrative matters; or
- (c) are required to comply with any prevailing laws of Malaysia, Rules of Bursa Depository, Listing Requirements issued by Bursa Securities or any regulations issued by any relevant authority; or
- (d) in the opinion of the Company, will not be materially prejudicial to the interests of Warrant holders.

Listing status : The Warrants will be listed and traded on the Main Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of the Warrants to the Official List as well as for the listing of and quotation for the Warrants and the new CSH Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

Governing law and jurisdiction : Laws of Malaysia.

**2.5 Take-over implications**

The subscription of the Rights Shares by ChipSengHeng pursuant to the Undertaking and the full exercise of the Warrants to be held by ChipSengHeng will not give rise to any mandatory general offer obligations pursuant to the Malaysian Code on Take-overs and Mergers 2016 (“**Code**”) and the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC (“**Rules**”). ChipSengHeng has undertaken to observe and comply at all times with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

**2.6 Details of other corporate exercises**

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

- (a) On 26 March 2021, APPI entered into the Turnkey Agreement with Howellcare for a total contract price of RM39.80 million to appoint Howellcare as a turnkey contractor for the planning, designing, supplying, installing and commissioning of the Glove Production Plant at the Factory. The total contract price of RM39.80 million will also cover the provision of the following services by Howellcare:
  - (i) setting up and providing training to APPI’s new operation team to run and manage the day-to-day operation of the Glove Production Plant on behalf of APPI;
  - (ii) undertaking all marketing and sale of the NBR gloves for APPI for the initial stage of operation during the duration of the Turnkey Agreement until the handover date of the Glove Production Plant (tentatively by December 2022), unless agreed to be further extended between APPI and Howellcare;

- (iii) to co-ordinate with all the contractors employed by APPI, towards the civil and structural works of the site for deployment;
- (iv) to set up proper quality management system and waste management system to ensure the production and manufacturing of gloves are in compliance with the applicable regulations and/or standards; and
- (v) to undertake all marketing and sale activities on behalf of APPI for the purposes of sourcing for business opportunities.

The contract price of RM39.80 million will be funded through part of the proceeds from the Rights Issue (i.e., up to RM35.80 million) and part of the proceeds raised from the Private Placement (i.e., RM4.00 million). Any shortfall will be funded using our Group's existing cash balance, internally-generated funds, bank borrowings and/or future fundraising exercises. The breakdown of the funding sources will depend on the progressive implementation of the Glove Production Plant. The progressive billing under the Turnkey Agreement are as follows:

No.	Milestones	Amount (RM'000)
1.	15% upon execution of the Turnkey Agreement	5.97
2.	25% within 4 months from the date of the Turnkey Agreement	9.95
3.	5% upon delivery of materials at site	1.99
4.	40% upon installation at site (to be invoiced progressively based on progress claims)	15.92
5.	10% before commencement of production line commissioning	3.98
6.	5% after 1 month from production line commissioning	1.99
	<b>Total</b>	<b>39.80</b>

Each milestone amount is payable upon APPI's acceptance of the deliverables. All the invoices are payable within 14 days of the date of receipt of the invoices by APPI. As at the LPD, our Group has made payment of RM4.0 million to part finance the deposit payment for the Turnkey Agreement from the proceeds of the Private Placement and the remaining amount of RM35.80 million will be funded from the proceeds of the Rights Issue.

On 22 September 2021, our shareholders approved the Turnkey Agreement. As at the LPD, the Turnkey Agreement has yet to be completed and APPI has yet to commence the building and civil remedification works for the Glove Production Plant. Subject to obtaining all relevant approvals, APPI will appoint the relevant contractor(s) and will commence the building and civil remedification works in accordance with the requirements of a Glove Production Plant in February 2022. Our Group estimates that it may incur costs of up to approximately RM15.0 million relating to civil & structural and mechanical & electrical for the Factory's building and remedification works, prior to handover of the Factory to Howellcare. The amount is based on preliminary assessments and will be funded using our Group's existing cash balance, internally-generated funds, bank borrowings and/or future fundraising exercises, with the breakdown of the funding sources to be determined by our Group at a later date, after taking into consideration the final architectural design and progressive development of various components for the building and remedification works for the Factory. APPI expects to handover the Factory to Howellcare for deployment of the Glove Production Plant upon completion of its building and civil remedification works in May 2022, and thereafter APPI expects to commission the 2 production lines and produce NBR gloves by December 2022 which is tentatively 6 months from Howellcare's deployment of work at the Factory's site.

In addition, in the past 12 months preceding the LPD, our Company has undertaken the following corporate proposals:

- (a) Private placement of 84,087,000 CSH Shares issued at RM0.2060 each for approximately RM17.32 million which was completed on 17 March 2021.

The status of the usage of the proceeds from the Private Placement as at the LPD are as follows:

Usage purposes	Note	Intended time frame for usage from the listing date	Proposed usage (RM'000)	Actual usage as at the LPD (RM'000)	Balance to be used (RM'000)
Moneylending business	(1)	Within 24 months	6,000	(6,000)	-
Gloves business	(2)	Within 15 months	4,000	(4,000)	-
Working capital	(3)	Within 15 months	7,177	(5,071)	2,106
Expenses for the Private Placement	(4)	Immediately	145	(145)	-
<b>Total proceeds</b>			<b>17,322</b>	<b>(15,216)</b>	<b>2,106</b>

Notes:

- (1) As at the LPD, CSH Group has fully used RM6.0 million allocated for CSH Group's moneylending business which is conducted through CSH Network, to provide flexible financing schemes to cater for a range of customers including investment holding companies, small and medium-sized enterprises as well as start-up entrepreneurs for various purposes such as personal financing, seed capital for working capital, investment, new business and expansion of business as well as project financing.
- (2) As at the LPD, CSH Group has fully used RM4.0 million allocated for the gloves business to part finance the deposit payment for the Turnkey Agreement. In addition to the proceeds from the Rights Issue as set out in **Section 4** of this Abridged Prospectus, the remaining commitment by CSH Group for the Glove Production Plant pursuant to the Turnkey Agreement will be sourced through a combination of CSH Group's existing cash balance, internally-generated funds, bank borrowings and/or future fundraising exercises, with the breakdown to be decided at a later stage depending on the funding required under the progressive implementation of the Glove Production Plant and the progressive billing under the Turnkey Agreement.
- (3) CSH Group is using the proceeds as working capital for operating and administrative expenses, such as staff related costs (comprising employees' salaries and allowances, wages, overtime and other statutory contributions and payments), procurement of raw materials and inventories, sales and marketing expenses, utilities expenses, rental expenses, office and factory overheads and general upkeep of CSH Group's office and existing factories and any other expenses required to support all on-going business operations and any future business expansions to be undertaken by CSH Group.
- (4) The expenses mainly consist of professional fees, placement fees as well as fees payable to the relevant authorities.
- (b) Our Company had on 22 September 2021 obtained our shareholders' approval to diversify our business to include manufacturing and trading of gloves and other PPE business. Through the 2 NBR double former glove dipping production lines and the complementary ceramic hand former manufacturing business, CSH Group aims to reduce the cost of its glove manufacturing since CSH Group will also be producing its own ceramic glove hand formers. CSH Group is optimistic that the additional revenue stream from the gloves business will be able to contribute positively to CSH Group's future earnings. Subject to the extent of demand for the gloves, CSH Group may from time to time re-assess the manufacturing capacity of its gloves business and expand its glove production lines.

In addition, our Group also intends to undertake the manufacturing and/or trading of disposable face masks as part of our PPE business, which is a growing business with sustainable demand given the current healthcare and environmental conditions that enforce the usage of PPE in a global context. The production capacity, production lines and size of the facility have yet to be determined at this juncture and will be finalised at a later date. In addition, prior to manufacturing its own disposable face masks, our Group may engage in the business of trading of disposable face masks to be sourced from the third party suppliers. The details of the disposable face masks business will be announced by our Company in due course in accordance with the Listing Requirements. Our Group intends to fund our PPE business via a combination of our Group's existing cash balance, internally-generated funds, bank borrowings and/or future fundraising exercises, with the breakdown of the funding sources yet to be determined by our Group as at the LPD.

Our Group has no prior experience in manufacturing and trading of gloves and other PPE business. Our Group will tap into the knowledge and experience of Francis Ho Chia Yao, our Group's turnkey project contractor and the director of Howellcare, to operate the Glove Production Plant at the initial stage as well the Executive Director of our Company namely, Sim Chiun Wee to oversee our Group's glove and other PPE business.

#### **Information on Howellcare**

Howellcare was incorporated in Malaysia under the Act on 11 February 2019 as a private limited company and had commenced its business since its incorporation. The principal activities of Howellcare are manufacturing and trading all kinds of gloves (synthetic rubber and natural rubber), general trading of articles of all description, training, consultation, manpower recruitment, management, event management and brokerage, construction and engineering works and investment holding. As at the LPD, the sole director and shareholder of Howellcare is Francis Ho Chia Yao, with over 20 years of experience in the glove manufacturing industry. Howellcare has been providing total solution and consultation on turnkey projects such as design and build services for clients in the glove manufacturing industry, supply of glove industry related equipment and machineries, and trading of latex and nitrile examination gloves. Howellcare has an extensive network in virtually all aspects of the gloves and medical supplies industry particularly in setting up the glove manufacturing plant including obtaining relevant permits and approvals, equipment design and manufacturing, project and construction management, water and land studies, testing and commissioning, training of staff, procedural planning and implementation, quality management, occupational health and safety, and managing the operations, sales and marketing of the gloves business.

- (c) Our Company had on 22 September 2021 obtained its shareholders' approval to diversify its business to include the transportation and logistics business. This new business segment will further enhance CSH Group's prospects with the range of services provided and capabilities possessed by Line Haul. Besides, the pervasiveness of the e-commerce landscape in Malaysia, in particular after the MCO implemented by the Malaysian government, has led to flourishing demand for logistics services in particular the last-mile delivery. This has generated growth for the domestic transportation and logistics industry, particularly for those who supply vehicles to last-mile delivery service providers as well as demand for loans to automotive for commercial vehicles.

Our Group has no prior experience in providing transportation and logistics services. Tan Yip Jiun, an Executive Director of our Company who has considerable knowledge and experience in the transportation and logistics industry, will spearhead and oversee our Group's transportation and logistics business. Our Group also intends to leverage on the experience and network of Peter Yap, an Executive Director of our Company, who has considerable knowledge and experience in the trucks, vehicles and transportation as well as logistics businesses.



### 3. RATIONALE FOR THE RIGHTS ISSUE

As set out in **Section 4** of this Abridged Prospectus, the Rights Issue will enable our Group to raise the funds primarily for our Group's entry into the gloves business as well as transportation and logistics business besides obtaining required working capital without incurring interest costs associated with bank borrowings or the issuance of debt instruments, thereby minimising any potential cash outflow arising from interest servicing costs.

The Rights Issue would enable all Entitled Shareholders of our Company to participate in the fundraising exercise at an issue price of RM0.15 per Rights Share, which our Board deemed as attractive and would encourage subscription for the Rights Shares with Warrants.

Our Board also considered the following:

- (i) the proceeds from the issuance of Rights Shares will improve the cash flow of our Group and their usage are expected to contribute positively to our Group's future earnings and improve its financial performance;
- (ii) the issuance of new CSH Shares via the Rights Issue will not dilute the existing shareholders' equity interests, assuming all Entitled Shareholders fully subscribe for their respective entitlements;
- (iii) subscription to the Rights Shares provides an opportunity for the existing shareholders of CSH to increase their equity participation in our Company;
- (iv) the Undertaking will enable our Company to raise the minimum required funds without incurring additional cost in the form of underwriting commission; and
- (v) the Warrants to be issued will provide the shareholders of our Company with an attractive option to increase their equity participation in our Company at a pre-determined price during the tenure of the Warrants. In addition, proceeds from the exercise of the Warrants in the future will provide an additional source of funds to be used by our Group to fulfill its working capital requirements for all on-going business operations, any future business expansions and/or any future prospective business, project and/or acquisition to be undertaken or identified by CSH Group.

### 4. UTILISATION OF PROCEEDS

At the issue price of RM0.15 per Rights Share, the Rights Issue will raise total gross proceeds of approximately RM12.61 million and up to approximately RM103.61 million under the Minimum Scenario and Maximum Scenario, respectively, as follows:

Usage purposes	Notes	Minimum Scenario		Maximum Scenario		Expected time frame for the usage of proceeds (from the listing of the Rights Shares)
		(RM'000)	%	(RM'000)	%	
Gloves business	(1)	10,046	79.65	76,100	73.45	Within 30 months
Transportation and logistics business	(2)	1,853	14.69	23,869	23.04	Within 36 months
Working capital	(3)	-	-	2,923	2.82	Within 18 months
Expenses for the Corporate Exercises	(4)	714	5.66	714	0.69	Immediately
<b>Total proceeds</b>		<b>12,613</b>	<b>100.00</b>	<b>103,606</b>	<b>100.00</b>	

Notes:

- (1) CSH Group intends to allocate up to RM76.10 million for its Glove Production Plant pursuant to the Turnkey Agreement and Diversification into Manufacturing and Trading of Gloves and other PPE.

The breakdown of the intended utilisation for the gloves business are as follows:

<b>Purposes</b>	<b>Minimum Scenario (RM'000)</b>	<b>Maximum Scenario (RM'000)</b>
- Costs to plan, design, supply, install and commission an initial 2 NBR double former glove dipping production lines with 4 lines of utilities support system for the Glove Production Plant at the Factory (excluding costs relating to civil & structural and mechanical & electrical works for the Factory's building and remedification works), pursuant to the Turnkey Agreement with Howellcare as the appointed contractor with works expected to commence by May 2022 upon the completion of Factory's building and remedification works and to be completed tentatively by November 2022 (" <b>Initial Lines</b> ").	10,046	35,800
- Costs to plan, design, supply, install and commission an additional 2 NBR double former glove dipping production lines at the Factory (excluding costs relating to civil & structural and mechanical & electrical works for the Factory's building and remedification works), with works expected to commence within 3 months after the Initial Lines are operational i.e., tentatively by February 2023 and to be completed tentatively by March 2023 (" <b>Additional Lines</b> "). APPI and Howellcare had entered into a memorandum of understanding on 24 December 2020 in respect of the Additional Lines, but has yet to enter into any definitive agreement for the Additional Lines and for the appointment of Howellcare.	-	15,000
- Costs for expansion of the glove production plant including to plan, design, supply, install and commissioning of 2 NBR double former glove dipping production line with 2 lines of utilities support system at our Group's existing factories in Sungai Siput, Perak or other suitable location to be identified by CSH Group (excluding costs relating to civil & structural and mechanical & electrical works for the factories' building and remedification works), with works expected to commence within 9 months after the Initial Lines and the Additional Lines are operational i.e., tentatively by December 2023 and to be completed tentatively by June 2024 (" <b>Plant Expansion</b> "). The definitive agreement for the expansion of the glove production plant as well as the appointment of the contractor has yet to be entered into, and will be announced (if required) by our Company in due course.	-	25,300
<b>Total</b>	<b>10,046</b>	<b>76,100</b>



APPI has engaged Howellcare as its contractor to construct 2 NBR double former glove dipping production lines with 4 lines of utilities support system at the Factory for a total contract price of RM39.80 million (which includes the costs for, among others, the 2 double former glove dipping production lines, chiller and cooling tower, air compressor latex tanks, chlorination, racking and packing facilities, set up of laboratory, thermal oil heater boiler, auto stripping and stacking machine and the turnkey project consultation fee). APPI intends to manufacture gloves for various purposes such as nitrile examination gloves and nitrile disposable gloves for usage in the healthcare industry, automotive industry as well as the food, beverage and hospitality industry. As at the LPD, our Group has made payment of RM4.0 million to part finance the deposit payment for the Turnkey Agreement from the proceeds of the Private Placement and the remaining amount of RM35.80 million will be funded from the proceeds of the Rights Issue.

At the initial stage of operation of the Glove Production Plant, Howellcare will set up and provide training to APPI's new operation team and to run and manage the business of Glove Production Plant on behalf of APPI as well as undertake marketing and sale of the NBR gloves for APPI. Our Group will increase the workforce for the Glove Production Plant as and when the need arises. In November 2022, Howellcare will provide offsite orientation training to APPI's relevant key management personnel and employees, i.e., 1 month prior to the delivery and commissioning of the 2 production lines, to be followed by onsite operational training and guidance to APPI's relevant key management personnel and employees by the end of November 2022 until the handover of the Glove Production Plant which is expected to be by December 2022. After the handover of the Glove Production Plant, if necessary, APPI may further extend Howellcare's services subject to future agreement between both parties.

Subject to obtaining all the relevant approvals, our Group expects to commission 2 production lines and produce NBR gloves by December 2022 which is tentatively 6 months from Howellcare's deployment of preliminary works in May 2022.

Any surplus or shortfall for any category under the gloves business will be adjusted against one or more other categories under the gloves business.

- (2) CSH Group intends to allocate up to approximately RM23.87 million for its transportation and logistics business.

In January 2021, our Group had undertaken a review and analysis on the transportation and logistics business which includes a review of its prospects, level of operations, industry outlook, technical knowledge and capacity, economies of scale as well as earnings and growth potential in sourcing for a new area of growth for our Group's business. After due deliberation and analysis, in March 2021, our Board authorised our management to explore opportunities to venture into the transportation and logistics business. Tan Yip Jiun, an Executive Director of our Company who has considerable knowledge and experience in the transportation and logistics industry, will spearhead and oversee our Group's transportation and logistics business. CSH Group had on 26 March 2021 completed the acquisition of the entire issued share capital of Line Haul, for a total cash consideration of RM3.0 million. Line Haul is principally engaged in the business of Middle Mile Logistics services providing haulage and hub-to-hub deliveries services. Line Haul commenced its business in October 2020 and has been in a strategic collaboration with a logistics and courier company, LCEL, providing Middle Mile Logistics hub-to-hub delivery services for LCEL by transporting LCEL's goods between its hubs. Line Haul charges LCEL for the trips fulfilled by Line Haul depending on the distance between the hubs, number of trips per day (i.e., single trip or round trip) and capacity of the fleets for the goods transported. Line Haul's existing business and operations consist of 27 experienced truck drivers as well as a fleet of approximately 28 trucks serving its current customer network of 51 hubs and depots nationwide.

In view of the acquisition of Line Haul and the growth potential of LCEL, on 21 April 2021, CSH completed the acquisition of 15% equity interest in LCEL for a total cash consideration of RM22.0 million.

CSH Group's transportation and logistics business will provide Middle Mile Logistics services as well as haulage and hub-to-hub deliveries services and other logistics related business. CSH Group through Line Haul will be able to tap into a sizeable customer base to include other heavy industries and logistics players and business customers from various industries such as cold chain, furniture, machinery, equipment and construction materials.

Our Group intends to expand the business of Line Haul to include other heavy industries and logistics players as well as business customers from various industries by expanding our haulage and transportation services for the Middle Mile Logistics segment and adopt a freight sharing services business model for the logistics providers which involves companies sharing space on the same vehicle or container and splitting the fare for their respective portions of the trip ("**Freight Sharing Services**") by applying the pallet network concept, comprising a hub facilitator which brings together local haulage partners to be able to offer, often next-day, pick-up and delivery of goods by pallets ("**Pallet Network Concept**"). Goods packaged in pallet form are consolidated with other onward shipment of pallets from suppliers in the same area at the hub facilitator and merged with other pallets destined for same area of delivery. The Pallet Network Concept would enable to increase the vehicle fill rates (the ratio of the actual capacity used to the total capacity available in terms of weight and volume ("**Vehicle Fill Rates**")), reduce number of vehicles, and increase productivity. In addition, the sharing of loads, heavy vehicles, trucks and facilities is expected to reduce cost for the logistics services providers in the industry.

CSH Group intends to expand its haulage and transportation services for the Middle Mile Logistics segment and adopt a Freight Sharing Services business model for logistics providers by applying the Pallet Network Concept and to grow the resources and manpower of its vehicle fleet, with the breakdown as follows:

<b>Purposes</b>	<b>Minimum Scenario (RM'000)</b>	<b>Maximum Scenario (RM'000)</b>
- Purchase of 3 to 35 units of 39-ton prime movers.	870	10,150
- Purchase of 2 to 15 units of 19-ton rigid trucks.	443	3,319
- Staff costs for up to 100 additional new drivers for the fleet vehicles.	540	5,400
- Costs of potential collaboration/partnership with and/or acquisition of other logistics companies for the pallet sharing business to increase the Vehicle Fill Rates.	-	5,000
<b>Total</b>	<b>1,853</b>	<b>23,869</b>

For any additional proceeds raised in excess of the amount under the Minimum Scenario, these proceeds will be allocated towards the above purposes up to their respective maximum allocations, and the decision on the purpose will be made at a later stage and based on the level of operations of our Group's transportation and logistics business as well as contracts secured for the haulage and hub-to-hub deliveries services.

Any surplus or shortfall for any category under the transportation and logistics business will be adjusted against one or more other categories under the transportation and logistics business.

- (3) CSH Group's working capital requirements are expected to increase within the next 18 months due to ongoing business development and expansion initiatives for the Diversifications as well as to support the operations of the existing businesses of ceramic, construction, property investment, property development and financial services. The working capital for CSH Group under the Minimum Scenario will be funded via the remaining proceeds raised from the Private Placement.

Under the Maximum Scenario, CSH Group intends to allocate up to approximately RM2.92 million as its working capital for the following:

<b>Working capital</b>	<b>Maximum Scenario (RM'000)</b>
Payment for operating and administrative expenses, such as staff-related costs (comprising employees' salaries and allowances, wages, overtime and Employees' Provident Fund (EPF) and Social Security Organisation (SOCSO) statutory contributions and payments)	1,931
Procurement of raw materials and inventories for gloves and PPE related business (i.e., latex, chemicals, packaging materials etc.)	200
Factory operation costs, sales and marketing expenses, utilities expenses, rental expenses, office and factory overheads and general upkeep of CSH Group's office and existing factories and any other expenses required to support all on-going business operations, any future business expansions and/or any future prospective business, project and/or acquisition to be undertaken or identified by CSH Group	792
<b>Total</b>	<b>2,923</b>

Any surplus or shortfall for any category under the working capital will be adjusted against one or more other categories under the working capital.

- (4) The breakdown of estimated expenses in relation to the Corporate Exercises are as follows:

<b>Description</b>	<b>Amount (RM'000)</b>
Professional fees <sup>(1)</sup>	571
Fees to relevant authorities	93
Other incidental expenses in relation to the Corporate Exercises <sup>(2)</sup>	50
<b>Total</b>	<b>714</b>

Notes:

- (1) Comprising fees primarily payable to the Principal Adviser, Solicitors for Rights Issue, Share Registrar, Company Secretaries and Independent Market Researcher; and
- (2) Comprising expenses to convene the EGM, printing, advertising and other ancillary expenses.

Any surplus or shortfall of proceeds to be used for the expenses in relation to the Corporate Exercises will be adjusted to/from the proceeds allocated for the working capital of CSH Group.

The actual proceeds to be raised from the Rights Issue will depend on the subscription level for the Rights Shares. Any additional proceeds raised in excess of RM12,613,050 under the Minimum Scenario will be allocated up to its respective maximum allocation in the following order of priority:

- (i) expenses for the Corporate Exercises;
- (ii) gloves business (up to RM35.80 million for the Initial Lines);
- (iii) transportation and logistics business;
- (iv) gloves business (up to RM40.30 million for the Additional Lines and Plant Expansion); and
- (v) working capital.

Any shortfall in proceeds raised between the Minimum Scenario and the Maximum Scenario will be funded via our Group's cash balance, internally-generated funds, bank borrowings and/or future fundraising exercises.

Pending usage of the proceeds from the Rights Issue for the abovementioned purposes, the proceeds will be placed in deposits with financial institution or short-term money market instruments as our Board may deem fit. The interest to be derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as working capital of our Group, of which the breakdown for the usage cannot be determined at this juncture.

The exact amount of proceeds that may be raised by our Company pursuant to the exercise of the Warrants (RM12,613,050 under the Minimum Scenario and RM103,605,792 under the Maximum Scenario) will depend on the actual number of Warrants exercised during the tenure of the Warrants. The proceeds to be raised from the exercise of the Warrants are expected to be used within a period of 24 months after they are received for CSH Group's working capital to support all on-going business operations, any future business expansions and/or any future prospective business, project and/or acquisition to be undertaken or identified by CSH Group. Any unused proceeds will be placed as deposits with financial institutions to earn interest income.

## 5. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, 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 before making decision on whether to subscribe for the Rights Shares with Warrants.

### 5.1 Risks relating to our Group

#### (a) Impact from the COVID-19 pandemic

Since March 2020, the COVID-19 pandemic has spread across the world resulting in lockdown or similar measures imposed by governments worldwide to curb the spread of the virus. These have resulted in adverse impact to the performance of the world's economies including Malaysia. Even with the gradual relaxation of lockdown measures, consumer sentiment is expected to remain dampened in the near future as consumers stay cautious in their spending. Our Group has taken appropriate steps to comply with the standard operating procedures that are in line with the National Security Council and the Ministry of Health's specifications in relation to the COVID-19 infection control measures which include, among others, daily body temperature measurements and symptom screening for employees and clients, registration with the MySejahtera application, practice of social distancing, mandatory mask policy and provision of personal protective equipment to employees according to their work needs.

As at the LPD, our Group had incurred approximately RM0.15 million in order to comply with the standard operating procedures imposed by the Malaysian Government. As at the LPD, our Group has not been compounded for any non-compliance with standard operating procedures in relation to MCO measures by the Government of Malaysia.

The Government of Malaysia imposed the MCO since March 2020 followed by the 2nd MCO imposed from 13 January 2021 as well as the 3rd MCO imposed from 1 June 2021 to contain the COVID19 pandemic. Lockdown or similar measures may be re-imposed by governments worldwide to curb the spread of the virus in the event of resurgence of COVID-19 infections across the world.

Despite the challenging economic environment, our Group's revenue for the FYE 30 June 2021 increased by RM8.07 million (or 91.19%) to RM16.92 million (FYE 30 June 2020: RM8.85 million) mainly due to:

- (i) revenue contributed from our transportation and logistics segment of RM3.15 million (FYE 30 June 2020: Nil) as our Group has commenced the transportation and logistics business with the completion of the acquisition of Line Haul on 26 March 2021;

- (ii) higher revenue derived from our ceramic segment by RM2.22 million (or 26.88%) to RM10.48 million (FYE 30 June 2020: RM8.26 million) as a result of increased orders from our customers for our pottery, ceramic, porcelain and related products; and
- (iii) higher revenue contributed by our financial services segment by RM2.01 million (or 340.68%) to RM2.60 million (FYE 30 June 2020: RM0.59 million) as a result of higher interest income from moneylending activities.

During the 3M-FPE 30 September 2021, our Group's revenue increased by RM5.14 million (or 209.80%) to RM7.59 million (3M-FPE 30 September 2020: RM2.45 million) mainly due to:

- (i) higher revenue derived from our ceramic segment by RM0.13 million (or 6.47%) to RM2.14 million (3M-FPE 30 September 2020: RM2.01 million) as a result of increased orders from our customers for our pottery, ceramic, porcelain and related products;
- (ii) higher revenue derived from our financial services segment by RM0.84 (or 190.91%) to RM1.28 million (3M-FPE 30 September 2020: RM0.44 million) as a result of higher interest income from moneylending activities; and
- (iii) revenue contributed from our transportation and logistics segment of RM4.17 million (3M-FPE 30 September 2020: Nil) as our Group has commenced to provide haulage and hub-to-hub deliveries services to our customers after completing the acquisition of Line Haul on 26 March 2021.

In view of the high vaccination rate in Malaysia, the Malaysia Government has decided to loosen the standard operating procedures which allowed for dine-in, interstate travel and outdoor activities. Thus, our Group's businesses have since slowly returned to normal operation and our Company will continue to comply with the standard operating procedures introduced by the Malaysia Government from time to time so as to ensure our staff is working in a safe environment.

However, the trajectory towards normalcy could still be punctuated by the lingering effects of the pandemic. Against the challenging operating backdrop due to the COVID-19 pandemic, our Group endeavours to strengthen our business segments and execute our growth strategies which include among others, diversification into manufacturing and trading of gloves and other PPE products as well as transportation and logistics services.

The COVID-19 pandemic is a force majeure event beyond the control of our Group. The COVID-19 pandemic and any new movement restrictions that may be imposed by the governments of Malaysia may have additional material adverse impact on the market conditions and industries in which our Group operates. If the COVID-19 pandemic continues over a prolonged period, it may materially affect our Group's anticipated growth in our existing businesses as well as future businesses due to the restrictions and challenges in carrying out business operations as a result of the COVID-19 pandemic, which in turn could adversely affect the results of our Group's operations, financial performance and profitability. Other waves of COVID-19 cases in the future may result in the reintroduction of strict lockdown measures by the relevant authorities. In turn, this may affect the business and financial performance of our Group's business operations.

**(b) Business and operational risk**

The diversification of our Group's core business to include manufacturing and trading of gloves and other PPE products as well as transportation and logistics services whereby our Group may face new challenges and risks arising from the new businesses in which our Group currently have no exposure in.

As the demand for gloves and certain PPE products are currently dependent on factors such as the severity of the COVID-19 pandemic and the commercial viability to make such a vaccine to the masses, the demand for gloves is still expected to be sustainable as demonstrated by the growth in demand pre-COVID-19. Moving forward, the demand for rubber gloves is expected to continue to be driven by the growth in the global and domestic healthcare industry, growth in the global economy and demand for gloves from emerging markets due to changes in healthcare requirements.

Our Group is also exposed to risks inherent to the gloves and medical supplies industry as well as transportation and logistics industry, in which our Group has no prior experience. These may include general economic downturn in the global and regional economies, competition from existing players, socio-political instability, changes in the legal and environmental framework within which the industry the respective business operates and changes in demand for the services and products as well as technological advancement which allows competitors that have more advanced technology to consistently deliver better services and products offerings.

**(c) No prior experience in the new business ventures**

At present, our Group is principally involved in the ceramic, construction, property investment, property development and financial services segments. Given that our Group does not possess any prior experience in the gloves and PPE business as well as transportation and logistics business, our Group may be subjected to challenges and the risks arising therefrom. This may in turn potentially have a material adverse effect on our Group's operations in these businesses as well as on our Group's financial performance.

Our Group will tap into the knowledge and experience of Francis Ho Chia Yao, our Group's turnkey project contractor and the director of Howelicare, to operate the Glove Production Plant at the initial stage as well the Executive Directors of our Company namely, Sim Chiun Wee to oversee our Group's glove and other PPE business as well as Tan Yip Jiun and Peter Yap to oversee our Group's transportation and logistics business.

**(d) Disruption to manufacturing facilities**

Our Group's present and future business operations in the manufacturing of ceramic pots and planters as well as gloves and other PPE, are dependent on its manufacturing facilities running smoothly and efficiently. These glove and other PPE manufacturing activities will be supported by automated production lines and equipment. While there will be regular maintenance and routine servicing of the production lines, these machineries and equipment may, on occasion, be out of service as a result of unanticipated failures or damages sustained during operations. In addition, our Group's present and future business operations and/or its customers' operations may be subject to interruption and/or suspension pursuant to MCO and restriction imposed by the Government for containment measures of the COVID-19 pandemic. Any prolonged interruptions to our Group's business operations will affect its production schedules and may affect the timely delivery of its products to its customers, which would have an adverse impact on our Group's businesses, financial performance and conditions, as well as future prospects.

**(e) Financing risk**

Our Group may require further funding for our trading of gloves and other PPE businesses as well as transportation and logistics business and such further funding may be derived from internally-generated funds and/or future equity or debt fundraising exercises as well as our Group's existing cash balance. If our Group raises funds from the debt market, it will be subject to interest rate fluctuation and incur fixed interest expense, and our Group shall be obligated to repay investors as and when the repayment is due.

Our Group may not be able to repay all of our borrowings and service all our finance costs in the future, as our Group's ability to make such payments depends on the ability to generate sufficient cash in the future, which is subject to many factors beyond the control of our Group.



Further, our Group may also be subject to the risk of not being able to procure additional or sufficient amount of bank borrowings from financial institutions for our trading of gloves and other PPE businesses as well as transportation and logistics business and any shortfall will be required to be funded via internally generated funds and/or equity fund raising exercise(s). Should our Group decide to undertake any further equity fund raising exercise(s), there may be a corresponding dilution in the shareholdings of our existing shareholders due to the increase in the amount of CSH Shares in issue arising from the equity fund raising exercise(s).

If our Group is unable to obtain adequate funding for our trading of gloves business after exhausting all potential means of fundraising, our Group may be forced to delay its plans to venture into the gloves business or scale down the size of the gloves business to be undertaken (this may entail the acquisition of a smaller factory building and cheaper machinery with lower production capacity). In turn, this may result in suboptimal efficiency due to lack of scale and translate into lower return on investment or longer payback period. This will in turn affect our Group's operations and financial performance.

**(f) Dependency on key personnel**

Our Group's existing businesses and its involvement in the new business segments namely the glove business as well as the transportation and logistics business are highly dependent on the abilities, skills and experiences of our Executive Directors, including Sim Chiun Wee to oversee our Group's glove and other PPE business as well as Tan Yip Jiun and Peter Yap to oversee our Group's transportation and logistics business.

If any of our Group's key personnel, for both our Group's existing businesses and the new business segments, decides to leave our Group without suitable and timely replacement, or our Group is unable to attract other qualified personnel to spearhead and/or oversee our Group's existing or new business segments, this could adversely affect our Group's existing and new businesses segments and consequently, our Group's operations, revenue and profitability may be adversely affected.

**(g) Competition risks**

The ceramic flowerpots and planter industry in Malaysia is competitive and fragmented in nature, comprising of companies of various sizes ranging from small firms to large group of companies. Therefore, our Group ceramic business faces competition in both local and global markets as well as from existing players and/or potential new entrants into the ceramic business. These competitors may employ greater resources in terms of finance and manpower, specialised skills and/or expertise, or wider range of products.

Our Group faces competition from existing competitors and/ or new entrants operating in similar business relating to financial services.

Our Group is exposed to competition risks from the existing competitors and/ or new entrants operating in similar business relating to the construction, property investment and property development businesses. Our Group will face competition particularly in terms of identifying strategically located and reasonably priced land bank, property for investment purposes and marketing strategy of the developed property.

Being a new entrant into the glove and medical supplies industry, our Group will face competition from, among others, existing companies in the glove and medical supplies industry. Our Group may also be disadvantaged as a new entrant as it lacks the relevant track record compared to the existing companies which may enjoy the privilege of their established brand names and entrenched reputation in the industry as well as wider range of products compared to our Group. Other existing companies in the industry may have longer operating histories, larger customer base, greater economies of scale and greater financial, advancement in technological equipment, marketing capabilities and industry network.

There is a risk that our Group's intention to develop our Group's customer base through Howellcare as turnkey contractor and to monitor the latest developments and opportunities in our Group's glove business in order to remain competitive, may be unsuccessful.

Being a new entrant into the transportation and logistics industry, our Group will face competition from, among others, existing companies in the transportation and logistics industry. Our Group may also be disadvantaged as a new entrant as it lacks the relevant track record compared to the existing companies which may enjoy the privilege of their established brand names and entrenched reputation in the industry as well as wider range of services compared to our Group. Other existing companies in the industry may have longer operating histories, larger customer base, greater economies of scale and greater financial, advancement in technological equipment, marketing capabilities and industry network. There is a risk that our Group's intention to develop our Group's customer base through the network of our Executive Directors, namely Tan Yip Jiun and Peter Yap, as well as our Group's efforts to monitor the latest developments and opportunities in our Group's transportation and logistics business, may be unsuccessful.

Our Group may not be able to compete against current and future competitors. Competitive pressure may materially and adversely affect the business, operations, results or financial condition of our Group.

**(h) Regulatory, political, social and economic risks**

Our Group's businesses may also be affected by risks on the occurrence of force majeure events or circumstances which are beyond the control of our Group, for instances, natural disasters, lockdown, closure of international borders, economic risks (such as an economic downturn, slower global and domestic growth and inflation), ongoing trade and geopolitical tensions, commodity-related crisis, adverse developments in political and government policies in Malaysia and foreign markets, acts of war or terrorism, riots, expropriations and changes in political leadership.

**5.2 Risks relating to our ceramic segment**

**(a) Fluctuation in raw materials prices**

Our Group utilises a significant amount of clays and ceramic as a raw material in the manufacturing of ceramic flower pots and planter products. Our Group sources the raw materials from local and overseas suppliers. As such, our Group is exposed to fluctuations in raw material prices which may adversely affect the financial performance of our Group as a manufacturer of ceramic flower pots and planter products, if the prices move unfavourably. The price of clays and ceramic may fluctuate according to, amongst others, market supply and demand conditions.

In some situations, increases in the prices of raw materials are not easily passed on to our Group's customers. This could affect our Group's margins or alternatively, if the increase in cost is passed on to our customers, our Group's price competitiveness may suffer.

Therefore, a significant increase in the market prices of raw materials will have an adverse effect on the business and future earnings of our Group. Further, the supply of raw materials may be affected by external factors such as the COVID-19 pandemic, shortage of labour supply, delivery delays or other disruptions on a significant scale.

**5.3 Risks relating to our transportation and logistics business**

**(a) Unexpected fleet breakdown and accidents**

The breakdown of our fleet and the occurrence of accidents may result in down-time and substantial cost being incurred. Although our Group have insured our fleet for damage repair works caused by accidents and certain unforeseeable events, earnings may still be affected should there be prolonged delays in repair works.



**(b) Fluctuation in shipping rates**

The transportation and logistics industry has traditionally experienced fluctuations in cost for the line-haul, pickup and delivery and terminal-handling which are in turn dependent on the demand for and supply of shipping capacity. These fluctuations may contribute to the volatility of our Group's financial performance where a decrease in demand for shipping services or an increase in supply of shipping capacity may result in adverse impact on the financial performance of our Group.

The demand for shipping services would depend on factors such as consumption of goods and services, spending patterns, trade activities, seasonal and weather conditions and political uncertainties. The supply factors would include the total number of fleet units in operating condition.

**5.4 Risks relating to our financial services segment**

**(a) Credit risk**

Credit risks arising from adverse changes in the credit quality and recoverability of loan and amounts due from counterparties are inherent in our Group's financial services segment.

Credit risks could arise from deterioration in the credit quality of specific counterparties of our Group, from a general deterioration in local or global economic conditions or from systemic risks within the financial systems, all of which could affect the recoverability and value of the business' assets and require an increase in the business' provisions for impairment of the assets and other credit exposures.

**(b) Interest rate risk**

Interest rate risk is the potential losses that result from a change in interest rates. Our financial services business is reliant on earning interest payment from the credit facilities granted to our customers. The interest or profit rates at which we offer to our customers vary, depending on, among others Bank Negara Malaysia's monetary policy i.e., overnight policy rate ("OPR"), type of credit facility provided as well as amount of the credit facilities granted. Any changes to Bank Negara Malaysia's OPR can impact the lending rate for credit facilities. Any decrease in interest rate offered to our customers will increase uncertainty to our financial services business as well as reduction in the profit rate and our Group's earnings. If our Group needs to keep the credit facilities granted to our customers at low interest rates to remain competitive with other existing loan providers in the market, then lower interest rates may reduce our Group's revenue.

**5.5 Risks relating to our construction, property development and property investment segments**

**5.5.1 Construction and property development segments**

As at the LPD, our Group does not have any ongoing construction and/or property development projects. Our Group will explore viable opportunities via joint venture or bidding for suitable projects to revive the construction and/or property development segments and to broaden our construction business to include infrastructure construction projects and/or undertaking a small scale concept master plan development project on our Group's 2 pieces of vacant land measuring 497,335 square feet in Klebang, Melaka (as set out in **Section 5.5.2** below) through viable options such as joint venture arrangement for the commercial development of the land or disposal of the land together with the concept masterplan.

Therefore, our Group is exposed to the following risks inherent to the construction and/or property development business:

**(a) Fluctuation in raw materials prices**

The raw materials of construction such as steel bars, ready mixed concrete, precast products and fittings are vital for a construction project. The market prices and availability of raw materials may fluctuate from time to time based on, among others, the market supply and demand, weather, and economic condition. Any shortage or surge in raw materials may become an additional cost to our Group if we are not able to source for suitable replacement. Failure to obtain the replacements in a timely manner could potentially result in delaying completing a project in the specific timeline, which will incur additional operational cost to our Group.

**(b) Dependency on third party contractors / subcontractors**

Our construction and property related business depends on the support of third-party contractors / subcontractors to ensure satisfactory performance in fulfilling the quality level expected by our Group. Our third party contractors / subcontractors may also experience financial and/or other difficulties which may affect their ability to fulfil the contracted work, leading to possible delays in completion of projects as well as cost overruns. Any unsatisfactory performance of our appointed third-party contractors / subcontractors and their inability to supply sufficient labour (skilled or unskilled) and quality building materials will inevitably disrupt the progress and/or quality of our operations and will have an adverse effect on our financial performance. We have not experienced any past instances where any delay or non-performance by our third-party contractors / subcontractors have had a material adverse impact on our Group's financial performance.

**(c) Dependence on the performance of the property market**

The performance of our construction and property development related business is dependent on the performance of the property market in Malaysia. The performance of the property market in Malaysia is generally affected by, amongst others, economic climate, population growth, demand as well as supply of properties. Any adverse development affecting the property market may result in adverse impact on the performance of our construction and property development related business, which in turn may adversely affect our financial performance.

### **5.5.2 Property investment segment**

**(a) Capital expenditure and maintenance of the investment properties**

Investment properties require periodic capital expenditures, refurbishments, renovations and improvements to avoid deterioration in the value of our investment properties as well as to remain competitive.

Our Group has 2 pieces of vacant land measuring 497,335 square feet in Klebang, Melaka and 2 pieces of vacant land measuring 244,029 square feet in Sungai Siput, Perak as at the LPD as our investment properties. No income was generated in the FYE 30 June 2021 and 3M-FPE 30 September 2021 from the investment properties.

However, once our Group manages to rent out the investment properties or identify any other suitable asset for its property investment segment, further development and maintenance of the investment properties may require significant expenditure. Our Group may be able to revise rental rates upwards to reflect such improvements, but the extent of such rental revisions would depend on many factors including the underlying profitability of the investment properties and the property industry in general as well as the ability of tenants to pay rent in a timely manner or to continue with their tenancies.

In addition, there is no assurance that our Group will have sufficient cash flows to maintain the periodic refurbishment of the investment properties.

**(b) Oversupply of property / property overhang**

Our Group faces the risk of oversupply of investment properties commonly caused by over-supply and low demand for similar properties and other factors such as economic downturns and unfavourable financial conditions. This would affect the rental of our Group's investment properties in future and depreciation of the property value which in turn will affect our financial performance. In addition, a prolonged property overhang situation or an increase in the number of unsold properties in the property market may also be due to other factors such as weak response to property launches, location of the properties and changes in consumer preference.

Our Group's investment properties may not achieve a favourable take-up rate and our Group's investment properties may be affected by property overhang.

In addition, our Group will also monetise and unlock the value of future appreciation of the property value via property disposal. However, there can be no assurance that our Group will be able to dispose such investment properties in a timely manner or at commercially viable terms in view of the oversupply of property.

**5.6 Risks relating to our glove business**

**(a) Dependence on contractor for commissioning of the Glove Production Plant**

Our Group's commissioning of the Glove Production Plant as well as the initial stage of the operation will depend largely on the abilities, skills, competency and network of Francis Ho Chia Yao, our Group's turnkey project contractor and the director of Howellcare. Any loss of his services will disrupt our Group's Glove Production Plant, unless replaced in a timely manner by another contractor with comparable experience and capabilities to undertake the scope of work similar to Howellcare to complete and commission the Glove Production Plant.

**(b) Delay or termination of contract**

Our Group gloves business is dependent on the Turnkey Agreement for the initial operations. As with any other agreements, the Turnkey Agreement is subject to termination as set out in the agreement in the event of breach or default of the parties.

The performance of the obligations may also be delayed by our counterparts due to reasons beyond the control of our Group such as delay in obtaining the necessary approvals from the relevant authorities, unavailability of labour, unavailability of machines, parts and raw materials in adequate amounts for the Glove Production Plant.

**(c) Risk of obsolescence of Glove Production Plant**

Our Group's Glove Production Plant and its equipment may become obsolete due to the development of more advanced equipment or enhanced technologies that increase productivity as well as enhance reliability and efficiency.

The cost of replacing equipment and systems with new technologies may be significant and our Group may not be able to upgrade our Glove Production Plant on a cost-effective basis and in a timely manner due to, among others, increased expenses to our Group that cannot be passed on to our customers or insufficient resources to fund the necessary capital expenditures.

Any obsolescence of our Group's Glove Production Plant and its equipment or our inability to upgrade the equipment and system would likely reduce our competitiveness and affect our revenues from glove manufacturing and trading business segment, which could have a material affect our Group's financial performance and conditions.

**(d) Fluctuations in raw material prices**

The primary raw material used in the manufacturing of gloves is latex. The price of latex may fluctuate according to, amongst others, market supply and demand conditions. The supply of raw materials may be affected by external factors such as the COVID-19 pandemic, shortage of labour supply, delivery delays or other disruptions on a significant scale. Our Group may not be able to fully pass the higher cost of raw materials to our customers as this could affect our Group's margins or alternatively, if the increase in cost is passed on the customers, our Group's price competitiveness may suffer.

**(e) Dependency on permits, licenses and/or approvals**

Prior to the commencement of the operation of the Glove Production Plant, our Group requires the following approvals:

<b>Item</b>	<b>Authorities/government agencies</b>	<b>Approvals</b>
(a)	Local municipal council	(1) Business licence (to manufacture) (2) Development order (3) Certificate of completion and compliance (CCC)
(b)	Royal Malaysian Customs Department	Sales and service tax (SST) (to sell)
(c)	Malaysian Rubber Board	Manufacturing, storing and export licence (to manufacture and sell)
(d)	Ministry of International Trade and Industry of Malaysia	Manufacturing licence (to manufacture and sell)
(e)	Ministry of Environment and Water / Department of Environment (DOE)	(1) Waste water treatment plant approval (to manufacture) (2) Chlorination scrubber system approval (3) Term of reference
(f)	Department of Occupational Safety and Health (DOSH)	(1) Boiler certificate and approval (2) Air compressor approval (3) Permit to install (4) Permit to operate (5) Equipment & machinery registration (JKJ105 & JKJ106)
(g)	Ministry of Health	Poison licence
(h)	Fire and Rescue Department	Approval letter/ certificate/ supporting letter (where applicable)

APPI intends to submit its first application to the local municipal council for approval of the development order of the Factory and its business licence tentatively by January 2022. The submission of other applications to other respective authorities/regulatory bodies will depend on the stages of development of the Glove Production Plant during the period from January 2022 to December 2022.

Save as disclosed above, our Group does not anticipate requiring any other permits, licences and/or approvals from relevant authorities for the businesses relating to the Diversifications. In future, our Group may be required to obtain certain permits, licences and/or approvals if there are any changes in regulations.

Failure to obtain relevant licences, permits and/or approvals, may have a material impact on our Group's ability to commence and continue operations in our business ventures and hence, may affect our profitability.

## **5.7 Risks relating to the Rights Issue**

### **(a) Investment and capital market risk**

The market prices of the Rights Shares and Warrants are influenced by, among others, the prevailing market sentiments, the volatility of equity markets, the liquidity of CSH Shares, the outlook of the industries in which CSH Group operates, changes in regulatory requirements or market conditions, as well as the financial performance and fluctuations in CSH Group's operating results. In addition, the performance of the Malaysian share market (where CSH Shares are listed) is dependent on the economic and political conditions in Malaysia and overseas as well as external factors such as the performance of the world bourses and flows of foreign funds.

The Rights Shares and the Warrants may not trade above their respective issue prices subsequent to their listings on the Main Market of Bursa Securities.

### **(b) Delay or failure to implement the Rights Issue**

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

There can be no assurance that the abovementioned events will not occur and cause a delay or failure to implement the Rights Issue.

Furthermore, CSH is required to have at least 100 Warrants holders holding not less than 100 Warrants each, pursuant to Paragraph 6.51 of the Listing Requirements. There is a risk that this requirement may not be met, resulting in the Warrants not being listed on the Main Market of Bursa Securities. If not implemented, all monies received from the Rights Issue will be refunded without interest to the Entitled Shareholders/subscribers and/or their renounee(s)/transferee(s) (if applicable).

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

In the event that the Rights Shares and/or new CSH Shares to be issued pursuant to the exercise of the Warrants have been allotted to the successful Entitled Shareholders/subscribers and/or their renounee(s)/transferee(s) (if applicable) and the Rights Issue is subsequently cancelled or terminated, a return of monies to the shareholders can only be achieved by way of cancellation of CSH's share capital as provided under the Act.

Such cancellation requires the approval of the shareholders of our Company by way of special resolution in a general meeting, consent of the creditors of our Company (where applicable) and may require the confirmation of the High Court of Malaya (where applicable). Such monies may not be returned within a short period of time or at all under such circumstances.

Our Company has procured the Undertaking from ChipSengHeng in order to meet the Minimum Scenario. The successful implementation of the Rights Issue is dependent on the fulfilment of the Undertaking from ChipSengHeng. In addition, our Company will endeavour to obtain the requisite approvals and take all reasonable and necessary steps to ensure completion of the Rights Issue.

**(c) Potential dilution of existing shareholders' shareholding**

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

In order to attract the Entitled Shareholders to subscribe for the Rights Shares with Warrants and mitigate the risk of potential dilution of their shareholdings, our Board had fixed the issue price for the Rights Shares and exercise price of the Warrants at a discount to the TEAP as set out in **Section 2.1** of this Abridged Prospectus.

**(d) Forward-looking statements**

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

Such 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 at this point in time given the prevailing circumstances, 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 future results, performance or achievements expressed or implied in such forward-looking statements. In view of the above, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company, the Principal Adviser and/or other advisers in relation to the Rights Issue that the plans and objectives of our Group will be achieved.

## **6. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP**

The overview and outlook of the ceramic flower pots and planter industry, transportation and logistics industry as well as gloves and medical supplies industry in Malaysia are extracted from the IMR Report.

### **6.1 Overview and outlook of the global economy**

The global economy continued to recover but moderated in the third quarter of 2021. This follows a strong recovery in the previous quarter, due mainly to a low base from the second quarter of 2020, when COVID-19 related lockdowns were widespread. In most advanced economies (“**AEs**”), growth was broad-based across manufacturing and services as containment measures were eased further amid higher vaccination rates. In contrast, many emerging market economies (“**EMEs**”) experienced a softer recovery in domestic demand due to localised lockdowns to curb resurgences amid relatively lower vaccination rates. Nevertheless, trade activity remained strong, especially among commodity exporters.



Growth for the United States of America's economy slowed to 4.9% during the quarter (2Q 2021: 12.2%). Private consumption continued to recover, supported by improving labour market conditions. However, the recovery was softened by production constraints, which dampened manufacturing activity. Services activity also moderated due to waning consumer confidence amid a resurgence in the number of COVID-19 cases. Domestic activity was weighed further by labour shortages, particularly in high-touch sectors, due to early retirements and delayed school re-openings disrupted by COVID-19 outbreaks that hampered the re-entry of parents into the workforce.

Growth in the euro area moderated to 3.7% (2Q 2021: 14.2%). Services activity continued to improve, driven by normalisation in the services sector amid higher vaccination rates and a gradual improvement in tourism activity. The expansion in the manufacturing sector slowed despite continued domestic and external demand as material shortages and shipping bottlenecks constrained production.

In China, the economy grew by 4.9% (2Q 2021: 7.9%). Domestic demand slowed during the quarter due to the imposition of localised lockdowns to contain COVID-19 outbreaks, disruptions from power outages, as well as weak fixed investments, particularly in infrastructure and real estate. Sustained strength in external demand continued to support growth.

Exports in regional economies moderated but remained strong during the quarter. Demand continued to be driven by electrical and electronics (E&E) products, with commodity exporters also benefitting from rising commodity prices amid higher global demand for oil, gas, and coal.

(Source: Quarterly Bulletin for the 3<sup>rd</sup> Quarter of 2021, Bank Negara Malaysia)

## **6.2 Overview and outlook of the Malaysian economy**

The Malaysian economy experienced renewed demand and supply shocks arising from strict containment measures under the National Recovery Plan (“NRP”) during the third quarter of 2021. As a result, the economy contracted by 4.5% (2Q 2021: +16.1%). Economic activity was particularly impacted in July under Phase 1 of the NRP, but subsequently recovered as more states transitioned into Phase 2 with less restrictive containment measures. On the supply side, all economic sectors registered a contraction, particularly the construction sector, which was constrained by operating capacity limits. On the demand side, the restrictions on mobility, especially on inter-district and inter-state travel, has weighed on consumption and investment activity, while continued increase in public sector consumption spending provided some support to overall growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 3.6% (2Q 2021: -1.9%).

All economic sectors recorded negative growth in the third quarter of 2021. The services sector declined by 4.9% (2Q 2021: 13.5%). The services sector was affected by weaker consumer-related activities amid the reimposition of the lockdown, particularly in July. Nonetheless, consumer-related activities have shown emerging signs of recovery on a month-on-month basis since August as operating restrictions were eased, including for restaurants and recreational activities. The finance and insurance subsector continued to grow, driven mainly by higher net insurance premiums. Growth in the information and communication subsector provided some support amid continued demand for data communications services particularly for e-commerce and e-payment activities.

Domestic demand declined by 4.1% (2Q 2021: 12.4%) in the third quarter of 2021, as private consumption and investment activities were affected by the imposition of phased restrictions under NRP. On the external front, net exports contracted by 37.5% (2Q 2021: 34.3%) as growth in imports outpaced the growth in exports.

For 2021, the Malaysian economy remains on track to achieve the projected growth range of 3.0% - 4.0%. The recent gradual relaxations for reopening of more economic sectors, along with higher adaptability of firms to the new operating environment and continued policy support, partly mitigated the impact of nationwide containment measures in the third quarter. Furthermore, the successful rollout of the vaccination programme, which has resulted in improved health outcomes, has enabled a phased and safe reopening of economic sectors and allow the economy to continue its recovery path.

Going into 2022, the positive growth momentum is expected to improve. The economy would benefit from expansion in global demand, higher private sector expenditure in line with the resumption of economic activity and continued policy support.

(Source: Quarterly Bulletin for the 3<sup>rd</sup> Quarter of 2021, Bank Negara Malaysia)

The Malaysian economy expanded by 7.1% in the first half of 2021. Growth is expected to continue in the second half of 2021, particularly in the fourth quarter of 2021, as more economic and social sectors operate at full capacity. The expected growth trajectory aligns with the successful vaccination programme under the National COVID-19 Immunisation Programme (“**PICK**”) and various stimulus and assistance packages to support the people and revitalise the economy.

Overall economic growth is expected to expand between 3% and 4% in 2021. Continuation of the packages to combat the COVID-19 will have spillover effects and boost the economy in 2022. Hence, with strong economic fundamentals and a diversified structure, the domestic economy is forecast to expand between 5.5% and 6.5% in 2022. Nevertheless, the favorable outlook is predicated on other factors, including the successful containment of the pandemic, effective PICK implementation, and strong global economic prospects.

(Source: Economic Outlook 2022, Ministry of Finance Malaysia)

### **6.3 Overview and outlook of the ceramic flower pots and planter industry in Malaysia**

The ceramic flower pots and planter industry in Malaysia, as indicated by the industry revenue of ceramic and porcelain products, grew from RM437.4 million in 2016 to RM979.8 million in 2019, registering a robust compound annual growth rate (“**CAGR**”) of 30.8%. However, in 2020, the ceramic flower pots and planter industry in Malaysia saw a significant fall of 24.0%, from RM979.8 million in 2019 to RM745.0 million in 2020. This was largely due to the MCO that was implemented in the year to curb the spreading of the COVID-19 pandemic, which restricted many businesses from operating, including the manufacturing of ceramic flower pots and planters.

Nevertheless, the ceramic flower pots and planter industry is expected to recover in 2021 and the following years as businesses, including ceramic flower pot and planter manufacturers, resume their business activities. Moving forward, PROVIDENCE estimates that the ceramic flower pots and planter industry in Malaysia will grow to RM878.2 million in 2021, and reach RM1.3 billion in 2023, registering a CAGR of 21.7% between 2021 and 2023.

The industry has been, and will continue to be, driven by the following factors:

#### **(i) Increase in demand of residential and commercial properties which indicates new homes and offices that could require ceramic flower pots and planters**

Ceramic flower pots and planters are typically used as decorative items in households as well as offices. As such, an increase in number of new residential and commercial properties will indicate growing demand for these products. New home owners and business owners would look for flower pots and planters to plant their plants in their newly purchased or rented property.

Meanwhile, there is also a growing trend of ecological landscaping in new residential and commercial developments where plants and flowers are used to enhance architecture designs as it provides a multitude of benefits including providing cooling effects, increasing overall air quality and enhancing overall attractiveness. The rising ecological landscaping trend is also expected to create demand for ceramic flower pots and planters.

Overall, the residential property market in Malaysia have been increasing, as indicated by the number of transactions for residential properties, from 203,064 transactions in 2016 to 209,295 transactions in 2019. Meanwhile, the commercial property market in Malaysia, as indicated by number of transactions for commercial properties, also rose from 23,745 transactions in 2016 to 25,654 transactions in 2019. The number of transactions for residential and commercial properties fell in 2020 to 191,354 transactions and 20,255 transactions, respectively.



This was largely due to the COVID-19 pandemic which led to more cautious spending behaviour for property buyers and investors during the period. Nevertheless, the demand for residential and commercial properties is expected to recover in 2021 and the following years as it is expected to be supported by the various government initiatives that were announced such as lower overnight policy rates and the Home Ownership Campaign which increases affordability of residential properties as well as improves ability to obtain financing.

**(ii) Growing trend of using household plants as interior decoration will support demand for ceramic flower pots and planters**

Increasingly, home owners are beginning to adopt the use of household plants as interior decorations. This is because plants provide a multitude of benefits as it is not only visually attractive but also provides cooling effects and increases overall air quality. In addition, with the increasing property price per square foot in Malaysia, apartment sizes in Malaysia are becoming smaller in size so as to be able to be sold at prices that are affordable to the mass market. As residential properties are becoming smaller and there is no outdoor garden with soil to plant, home owners are beginning to create miniature indoor gardens or herb gardens in apartments, which are usually planted in pots. Therefore, the growing trend of using household plants as interior decoration will support the demand of ceramic flower pots and planters.

**(iii) Gardening as a hobby will lead to an increase in demand for ceramic flower pots and planters**

There is a rising trend of organically growing fruits and vegetables in homes, even in Malaysia. Consumers are increasingly sceptical of the planting methods of fruits and vegetables used by farmers and in line with increasing health awareness, the population is beginning to adopt gardening as a hobby as they can control the source of their fruits and vegetables. In addition, the COVID-19 pandemic resulted in the population spending an increased number of hours at their homes in light of the restrictions put in place by the Government of Malaysia to curb the spreading of the pandemic.

These restrictions resulted in most companies adopting a work-from-home approach and educational facilities offering virtual classes to students.

The increased time spent at home has thus been expected to lead to more people indulging in gardening as a hobby to occupy their time and enhance their living spaces. As gardening becomes a more popular hobby, the ceramic flower pot and planter industry in Malaysia is expected to benefit as more flower pots and planters are required as vessels for plants.

(Source: IMR Report)

#### **6.4 Overview and outlook of the loan market in Malaysia**

In third quarter of 2021, net financing expanded by 3.9% on an annual basis (2Q 2021: 4.4%). The moderation reflected lower growth in both outstanding loans (2.9%; 2Q 2021: 3.6%) and outstanding corporate bonds (6.5%; 2Q 2021: 6.9%). Outstanding household loan growth moderated to 3.2% (2Q 2021: 5.3%), given lower growth across all loan purposes, due mainly to the extension of the nationwide lockdowns reintroduced in June. Both household loan applications (RM114.4 bn; 2Q 2021: RM151.8 bn) and disbursements (RM75.3 bn; 2Q 2021: RM82.8 bn) declined during the quarter. Nonetheless, household loan applications and disbursements improved in September, recording a broad-based increase across all purposes following the gradual relaxation of movement restrictions.

For the business segment, outstanding business loans expanded by 2.4% (2Q 2021: 1.3%), supported by higher growth in working capital loans (4.6%; 2Q 2021: 1.5%). Disbursements for working capital loans remained high during the quarter (RM205.0 bn; 2Q 2021: RM203.8 bn; 2017-19 average: RM158.7 bn), given continued drawdown of existing credit lines and sustained loan demand (RM41.5 bn; 2Q 2021: RM38.7 bn), which supported the financing needs of businesses over the period.

By sector, the improvement in outstanding loan growth was mainly driven by the wholesale and retail trade, restaurants and hotels (WRRH), and manufacturing sectors, in line with the resumption of business activities amid the reopening of the economy.

(Source: Quarterly Bulletin for the 3<sup>rd</sup> Quarter of 2021, Bank Negara Malaysia)

In September 2021, net financing growth improved to 3.9% (August: 3.6%) as the growth in both outstanding loans (September: 2.9%; August: 2.5%) and outstanding corporate bonds (September: 6.5%; August: 6.4%) increased. Outstanding household loan growth continued to moderate (September: 3.2%; August: 3.4%). Nonetheless, higher loan disbursement and repayment levels were observed across all purposes. For businesses, outstanding loans grew at 2.3% (August: 0.8%), driven by stronger growth in working capital loans (September: 4.6%; August: 2.2%).

(Source: Monthly Highlights and Statistics, September 2021, Bank Negara Malaysia)

## **6.5 Overview and outlook of the construction and property industry in Malaysia**

The construction sector declined by 20.6% (2Q 2021: 40.3%) as activities were constrained by operating capacity limits. Growth in the residential, non-residential and civil engineering subsectors were particularly affected, but the situation improved from August following easing of the containment measures, allowing more construction activities to resume.

(Source: Quarterly Bulletin for the 3<sup>rd</sup> Quarter of 2021, Bank Negara Malaysia)

The construction sector registered a strong growth of 8.3% in the first half of 2021, supported by an improvement in specialised construction activities, non-residential buildings and residential buildings subsectors. The better performance was also attributed to the low base effect following a significant drop in construction works during the corresponding period last year. However, the civil engineering subsector contracted due to the temporary suspension of infrastructure projects following stringent COVID-19 virus containment measures.

In contrast, the sector is forecast to decline by 8.4% in the second half of the year, weighed down by civil engineering, non-residential buildings and residential building subsectors, despite the resumption of construction activities. Nevertheless, the decline is being cushioned by a rebound in the specialised construction activities subsector. Overall, the sector is expected to record a marginal contraction of 0.8% during the year compared to a double-digit decline in 2020.

The national property market for residential and non-residential segments was affected by the COVID-19 pandemic. As for the residential segment, the impact was reflected by the decreasing number of incoming supply units. In addition, the house price index for Malaysia registered an unprecedented negative growth in the second quarter of 2021. Similarly, the non-residential segment recorded a decline in its occupancy rate for both retail and office spaces.

(Source: Economic Outlook 2022, Ministry of Finance Malaysia)

## **6.6 Overview and outlook of the gloves and medical supplies industry in Malaysia**

In Malaysia, the gloves and medical supplies industry can be measured in terms of sales of medical products. The gloves and medical supplies industry size grew from RM5.5 billion in 2015 to RM7.9 billion in 2019, registering a CAGR of 9.5% (Source: Department of Statistics, Malaysia). Moving forward, PROVIDENCE forecasts the medical products industry to reach RM11.6 billion by 2022, registering a CAGR of 10.5% between 2020 and 2022.

The gloves and medical supplies industry in Malaysia is expected to continue growing in light of:

### **(i) Growing demand for gloves and medical supplies**

The growing demand for healthcare products and services, including gloves and medical supplies, is attributed to chronic lifestyle diseases, a rapidly ageing population as well as outbreaks of infectious diseases.

The COVID-19 pandemic which began in December 2019 and is still ongoing, has created a surge in demand for critical medical products for diagnosis, treatment and prevention of the disease, such as diagnostic tests, hospital beds, ventilators, sterilisers and personal protective equipment such as surgical masks, gloves, goggles, face shields and gowns. Due to this pandemic, medical products manufacturers have had to ramp up manufacturing activities to meet the global shortage.

Malaysia is the world's largest producer and exporter of rubber gloves, contributing over 60.0% of the global supply. Rubber glove exports were valued at RM13.1 billion in 2015, increasing to RM17.4 billion in 2019. In 2020, the value of the rubber glove exports more than doubled its value in 2019 to RM35.9 billion in 2020, registering an annual growth of 106.30% (Source: Malaysian Rubber Export Promotion Council). The significant increase in exports of rubber gloves in 2020 was primarily due to the COVID-19 pandemic, which has led to countries ramping up their usage of gloves and medical supplies as a measure to protect themselves from contracting the virus.

**(ii) Favourable Government initiatives to boost the gloves and medical supplies industry**

Malaysia is home to over 200 medical products manufacturers employing over 70,000 people. Various foreign companies have set up manufacturing facilities in Malaysia, due to the availability of supporting infrastructure and industries such as sterilisation services, sterile medical packaging, precision engineering, tool and die making, contract moulding and assembly, machinery fabrication, electronics manufacturing services, universities, research and training institutes as well as testing and accreditation bodies.

Malaysian Investment Development Authority (MIDA) continues to promote foreign and domestic investments in the medical products industry. As at 2020, a total of 51 medical products projects with investments worth RM6.10 billion were implemented in Malaysia, creating more than 11,409 jobs. As the industry continues successfully attracting investments, this will positively affect the growth of the industry.

The Malaysian budget 2021 also entails the strengthening of the Ministry of Health's off-take agreement programme to enable Malaysia to become an investment destination for locally produced vaccines, medicines and medical devices. The increase in production of vaccines, medicines and medical devices will also give rise to demand for gloves and medical supplies, thus benefitting the industry.

(Source: IMR Report)

External demand for rubber gloves to remain favourable due to the continuous global spread of COVID-19, making it one of Malaysia's top five export products in September 2021. More than 70 per cent of the natural rubber was used by the rubber gloves industry at 74.4 per cent (30,837 tonnes). The highest exports of rubber gloves by Malaysian companies were to the United States of America with 22,656 tonnes, followed by China (3,404 tonnes), Germany (2,782 tonnes) and United Kingdom (2,394 tonnes). Exports value decreased by 2.2 per cent to RM3.10 billion as compared to RM3.80 billion in August 2021.

(Source: Malaysian Economic Statistics Review Vol. 11/ 2021)

**6.7 Overview and outlook of the transportation and logistics industry in Malaysia**

Between 2015 and 2019, the transportation and logistics industry in Malaysia, based on the revenue of local third-party logistics industry players, increased from RM98.1 billion to RM123.7 billion at a CAGR of 6.0%. In 2020, the transport and logistics industry in Malaysia was adversely impacted by the implementation of the MCO by the Government of Malaysia to curb the spreading of the COVID-19 pandemic in the country. As a result, the transport and logistics industry size fell by 26.4% to RM91.5 billion in 2020. PROVIDENCE projects the transport and logistics industry in Malaysia to recover in 2021 and record an estimated revenue of RM98.0 billion in 2021. PROVIDENCE forecasts that the transport and logistics industry in the country will reach RM116.7 billion in 2023, growing at a CAGR of 9.1% between 2021 and 2023.

The industry has been, and will continue to be, driven by the following factors:

**(i) Growth of demand from the manufacturing sector will drive the demand for transport and logistics services**

Transport and logistics are crucial to the manufacturing sector for the delivery and storage of various products, such as the food and beverages and pharmaceutical products.

To ensure food and pharmaceutical product safety and quality, all players in the supply chain, including transport and logistics service providers, need to adhere to strict operational practices. This minimises the risk of delivering expired or contaminated food and beverage, and pharmaceutical products to consumers. The manufacturing industry size increased, in terms of sales value, from RM664.3 billion in 2015 to RM1.3 trillion in 2020, at a CAGR of 18.3%. In 2020, some of the key products manufactured in Malaysia include food and beverages, petroleum and chemical based products as well as electrical and electronics products. The growth of demand from the manufacturing sector is expected to drive the demand for transport and logistics services in Malaysia.

**(ii) The implementation of free trade agreements in Malaysia will have a positive effect on the country's transport and logistics services**

International trade is an important contributor to Malaysia's economic growth and development, and as such, Malaysia's trade policy is to pursue efforts towards creating a more liberalising and fair global trading environment.

While Malaysia continues to accord high priority to the rule-based multilateral trading system under the World Trade Organisation, Malaysia is also pursuing regional and bilateral trading arrangements to complement the multilateral approach to trade liberalisation.

Free trade agreements ("FTA") are generally aimed at providing the means to achieve quicker and higher levels of liberalisation that would create effective market access between the participants of the FTA. Traditionally confined to trade in goods, with the establishment of the World Trade Organisation, trade in services has been included in many FTAs. Malaysia's total export value stood at RM981.0 billion in 2020.

To date, Malaysia has implemented seven bilateral FTAs and seven regional FTAs. The seven bilateral FTAs are the Malaysia-Japan Economic Partnership Agreement, Malaysia-Pakistan Closer Economic Partnership Agreement, Malaysia-New Zealand Free Trade Agreement, Malaysia-India Comprehensive Economic Cooperation Agreement, Malaysia-Chile Free Trade Agreement, Malaysia-Australia Free Trade Agreement, and the Malaysia-Turkey Free Trade Agreement. The regional FTAs that have been implemented are the ASEAN-China FTA, ASEAN-Korea FTA, ASEAN-Japan Comprehensive Economic Partnership, ASEAN-Australia-New Zealand FTA, ASEAN-India FTA, ASEAN Trade in Goods Agreement and the Regional Comprehensive Economic Partnership.

Malaysia is still continuing efforts to increase trade through the implementation of additional FTAs. Further, Malaysia is also currently undertaking a FTA negotiation, namely Malaysia-European Free Trade Association Economic Partnership Agreement. These FTAs provide exporters in Malaysia with market access, cost savings from elimination or reduction of customs duties and from mutual recognition agreements, trade facilitating customs procedures and removal of onerous regulations. This will result in increased trade facilitation, which provides opportunities for exporters in Malaysia to increase the trading of goods, and thus, will have a positive effect on the transport and logistics services industry in Malaysia.

**(iii) Rising number of e-commerce transactions resulting in a growing need for online delivery services**

The e-commerce market size in Malaysia has been growing from RM195.1 billion in 2015 to an estimated RM409.6 billion in 2020 at a CAGR of 16.0%. E-commerce activities have been driven by the growing broadband penetration and proliferation of mobile devices, consumer lifestyle trends, rising income levels as well as favourable government initiatives.

In February 2021, the Government launched MyDIGITAL, a national initiative which aims to transform Malaysia into a digitally-driven, high income and a regional leader in digital economy.

The Malaysia Digital Economy Blueprint maps out the strategies which will be undertaken in 3 phases (2021-2022, 2023-2025 and 2026-2030) to achieve the targeted outcomes of MyDIGITAL. The key thrusts in the Malaysia Digital Economy Blueprint pertaining to the cybersecurity and networking industries are:

- (a) Build enabling digital infrastructure – providing access to extensive and high-quality digital infrastructure (such as broadband, data centres and cable landing stations) to better enable people, businesses and the Government to participate in the digital economy; and
- (b) Build trusted, secure and ethical digital environment – creating a conducive environment for businesses and society to reap the benefits of digital services without compromising safety, data security, privacy, reliability and ethical standards.

The growing number of e-commerce transactions will contribute to the demand for transport and delivery services to ship these products to consumers, thus benefiting the transport and logistics industry in Malaysia.

(Source: IMR Report)

## **6.8 Prospects of our Group**

As at the LPD, CSH Group is principally involved in the ceramic, construction, property investment, property development, financial services as well as transportation and logistics segments.

In view of the recent economic and property market sentiments, our Group has been facing challenges in our ceramic, construction, property investment and property development segments. Nevertheless, our Group has constantly explored new business opportunities to have additional income streams and minimise our Group's dependency on ceramic, construction, property investment and property development segments.

Our Group intends to revise our marketing strategies and increase research and development initiatives for our ceramic segment to focus on product development with a view to develop high value lightweight planters to compete with synthetic planters. Due to the COVID-19 pandemic, our Group has put on hold our initiative to develop new planters and no cost has been incurred as at the LPD. In addition, our Group is also considering merging with or acquiring other industry players with the intention of consolidating the industry and emerge as a stronger and larger entity to overcome the current issues faced by the industry in meeting customers' and market demands, as well as competition from other regions and rising costs in determining our pricing policy. In view of the COVID-19 pandemic which has resulted in the rising demand for glove formers, our Group has recently started our plan to expand our ceramic products selection to include manufacturing of ceramic hand moulds, also known as ceramic glove hand formers, for use in gloves production. The ceramic glove hand formers are vital for the glove manufacturing process. Our Group has allocated approximately RM2.0 million from our existing cash balance and internally-generated funds as initial cost for the manufacturing of ceramic hand moulds, which has yet to commence as at the LPD.

Our Group has taken asset rationalisation and business optimisation measures via the disposal and potential disposal of non-core or non-profit making assets (i.e., those which are not primary revenue or profit generating for our Group) to minimise our business risk and financial risk. One of these measures include the disposal of the entire equity interest of our wholly-owned subsidiary, Sama Restu Sdn Bhd, for a cash consideration of RM750,000 and settlement of principal indebtedness of Sama Restu Sdn Bhd (by purchasers) to CSH of RM6,500,000 which was completed on 28 June 2019.



Our Group was previously in the final stages of a development agreement with the Ministry of Housing and Local Government through our then wholly-owned subsidiary, Klasik Ikhtiar Sdn Bhd for a Unit Perumahan Penjawat Awam Malaysia (“PPAM”) project, which is a government-initiated housing development initiative to enable government servants to own houses. The progress of the PPAM project has been delayed beyond our Group’s control as the initial development plans have been pending approval from the Ministry of Housing and Local Government since 2018. On 9 April 2021, CSH entered into a shares sale agreement with Green On Hill Sdn Bhd for the disposal of the entire issued share capital of Klasik Ikhtiar Sdn Bhd, comprising 1,000,000 ordinary shares of RM1.00 each for a total cash consideration of RM100. The disposal was undertaken as the potential benefits from the PPAM project may not materialise based on the initial planned timeframe with further delays as well as stemming further potential losses and/or any unwanted business risks and financing risks to our Group. The disposal was completed on 22 April 2021. Our Group will seek to realise the values of our non-core assets and non-profit making assets, if necessary

Even though our Group presently does not have any ongoing construction and property development projects, our Group will continue to explore other viable opportunities via joint venture or bidding for a suitable project to revive our construction and property development segments and to broaden our construction business to include infrastructure construction projects and/or undertaking a scaled down concept master plan based on the our Group’s 2 pieces of vacant development land measuring approximately 497,335 square feet in Klebang, Melaka owned by Titanium Hallmark Sdn Bhd, a wholly-owned subsidiary of our Company, to source for viable options such as joint venture arrangement for the commercial development of the lands or dispose the lands together with the concept masterplan.

In addition to the 2 pieces of vacant land measuring 497,335 square feet in Klebang, Melaka mentioned above, our Group has an additional 2 pieces of vacant land measuring 244,029 square feet in Sungai Siput, Perak as at the LPD as our investment properties. No income was generated in the FYE 30 June 2021 and 3M-FPE 30 September 2021 from these investment properties. However, our Group will continue to explore various other investment opportunities which include acquisition of investment properties and/or land banks to revive our property investment segment. Announcements will be made by our Company and approvals will be sought from our shareholders for any future acquisitions or investments, in accordance with the Listing Requirements.

Our Board believes that CSH Group is able to grow its financial services business after considering the demand from individuals and businesses for financing from non-bank financial service providers for various purposes such as personal financing, business start-up and expansion, project financing and others. CSH Group intends to gradually develop its customer base through methods such as providing flexible financing schemes to cater for a broader range of customers and offering moneylending services to those with limited access to banks and financial institutions. As at 30 September 2021, CSH Network (the moneylending arm of CSH Group) has an existing loan base of approximately RM140.31 million. Our Board believes that despite the current challenging economic environment in view of the COVID-19 pandemic and the outlook for the loan market in Malaysia, CSH Group will have opportunities to grow its financial services business which is expected to contribute positively to CSH Group’s future earnings due to increase in demand for flexible financing by individuals and businesses from licensed moneylenders.

CSH Priority, was incorporated on 25 March 2021 to engage in the business of providing hire purchase financing for commercial vehicles and machineries. The hire purchase business is part of CSH Group’s efforts to expand its financial services segment. As at the LPD, CSH Priority has yet to commence its hire purchase business and will do so after obtaining membership from the Association of Hire Purchase Companies Malaysia, whereby the application was submitted on 12 May 2021 and approval is expected to be obtained by January 2022. Other than the membership, no additional approval from any authority is required for CSH Priority to commence its hire purchase business. The hire purchase business will complement CSH Group’s existing financial services with focus on extending its hire purchase facilities for commercial vehicles as well as industrial machineries and equipment. There are legitimate borrowers who may not have access to the types of loan facilities made available to those with collaterals recognised by licensed banks and other financial institutions due to stringent lending requirements imposed by such banks or other financial institutions. The hire purchase financing services of CSH Group targets to finance purchases of commercial vehicles and machineries for companies in logistics, trading or e-commerce, transportation, manufacturing, construction, engineering as well as food and beverages industries.

Our Company had on 22 September 2021 obtained our shareholders' approval to diversify our business to include manufacturing and trading of gloves and other PPE business. Looking at the increase in demand for gloves, in particular after the COVID-19 pandemic, Malaysia's glove companies are in a strong position and are expected to experience one of their best phases in terms of revenue growth. Over the years, Malaysia's major glove producers have been continuously enhancing production capacity to meet the rising global demand in gloves. If the global COVID-19 infection rates remain high, the global demand for gloves is expected to continue rising in the near term. Even after recovery from the COVID-19 pandemic, CSH Group anticipates that global demand for gloves will continue to be driven by growth in the global healthcare services industry, the global industrial production activities and other non-healthcare industries such as the food and beverages, transport, tourism and hospitality sectors.

Through the 2 NBR double former glove dipping production lines and the complementary ceramic hand former manufacturing business, CSH Group aims to reduce the cost of its glove manufacturing since CSH Group will also be producing its own ceramic glove hand formers. With the competitive pricing and quality end products, our Board envisages that the gloves business will be beneficial to CSH Group and the future expansion cost for the glove production lines will be lower. In addition, there are also many other players in other countries which are now venturing into glove manufacturing business and they will need to source for glove hand formers, the market for which CSH Group has the ability to tap into. CSH Group is optimistic that the additional revenue stream from the gloves business will be able to contribute positively to CSH Group's future earnings. Subject to the extent of demand for the gloves, CSH Group may from time to time re-assess the manufacturing capacity of its gloves business and expand its glove production lines.

Our Company had on 22 September 2021 obtained shareholders' approval to diversify our business to include the transportation and logistics business. This new business segment will further enhance CSH Group's prospects with the range of services provided and capabilities possessed by Line Haul. Besides, the pervasiveness of the e-commerce landscape in Malaysia, in particular after the MCO implemented by the Malaysian government, has led to flourishing demand for logistics services in particular the last-mile delivery. This has generated growth for the domestic transportation and logistics industry, particularly for those who supply vehicles to last-mile delivery service providers as well as demand for loans to automotive for commercial vehicles.

In addition, our Company completed the acquisition of entire equity interest in CSH Solutions Sdn Bhd (*formerly known as Alpine Cube Sdn Bhd*) ("**CSH Solutions**") for a total cash consideration of RM100,000 on 28 April 2021. CSH Solutions is principally engaged in the business of providing information technology solutions and other information technology related services. CSH Solutions has joint ownership (through an intellectual property acquisition agreement between CSH Solutions and Bestinet Sdn Bhd as the developer) of an information technology solution/platform known as the Premier Integrated Parcel Autonomous System ("**PIPA**") system, since 15 March 2021, for the logistics business process with the developer of the PIPA system, Bestinet Sdn Bhd. The PIPA system is developed to help Last Mile Logistics players in easing their business operation process which encompasses a more comprehensive solution and end-to-end customisable features such as order management system, nodes management system/partners management system, customer relationship management and administration, core engine, data migration, pallet system, optimisation, commission and payout and customer service. CSH Solutions had commenced its business on 26 March 2021 after securing its first sub-licensing contract for the PIPA system, with LCEL, for a period of 10 years with the sub-licensing fee based on the number of airway bills per year up to a maximum threshold. CSH Solutions will also seek to secure additional sub-licensing contracts for its PIPA system within Malaysia and an allowed list of exclusive territories, namely Indonesia, Vietnam, Thailand, Singapore, Philippines, Malaysia, Laos, Myanmar, Cambodia, Brunei and Timor-Leste. CSH Solutions will have the capacity to customise the solution in accordance with customers' requirement and to continuously stay abreast with latest technological advancements in order to meet prevailing market needs. Moving forward, CSH Solutions may provide other end-to-end information technology solutions to various segments within or beyond the logistics industry through further research and developments or partnerships with third party suppliers.



The Rights Issue is expected to be able to address our Group's funding requirements mainly for our glove business, transportation and logistics business as well as general working capital for our Group, further strengthen the capital based of our Company and is expected to contribute positively to the future earnings of our Group when the economic and financial benefits of the usage of proceeds are realised.

As the COVID-19 pandemic is still evolving, CSH Group will closely monitor the developments arising from the COVID-19 pandemic to ascertain the magnitude of the impact and has taken proactive measures to mitigate the impact such as adopting stricter cost control measures, improving asset utilisation and aligning CSH Group's cost structure with current production levels. CSH Group is confident that it will be able to navigate through these headwinds through the support of its ongoing initiatives.

After taking into consideration the outlook of the global economy, Malaysian economy, ceramic flower pots and planter industry, loan market, construction and property market, gloves and medical supplies industry as well as transportation and logistics industries in Malaysia as set out in **Sections 6.1 to 6.7** of this Abridged Prospectus, the management is cautiously optimistic that the Rights Issue is in the best interest of our Company and our Group will be able to continue delivering positive results and in turn, enhance our shareholders' value.

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## 7. EFFECTS OF THE RIGHTS ISSUE

### 7.1 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
Issued share capital as at the LPD	690,705,280	336,906,763*	690,705,280	336,906,763*
Issuance of Rights Shares	84,087,000	12,613,050 <sup>(1)</sup>	690,705,280	103,605,792 <sup>(1)</sup>
	774,792,280	349,519,813	1,381,410,560	440,512,555
Full exercise of Warrants	84,087,000	12,613,050 <sup>(2)</sup>	690,705,280	103,605,792 <sup>(2)</sup>
<b>Enlarged share capital</b>	<b>858,879,280</b>	<b>362,132,863</b>	<b>2,072,115,840</b>	<b>544,118,347</b>

Notes:

\* Rounded down to the nearest whole number.

(1) Based on the issue price of RM0.15 per Rights Share.

(2) Based on the exercise price of RM0.15 per Warrant.

### 7.2 NA and gearing

The pro forma effects of Rights Issue on the NA and gearing of our Group based on the unaudited consolidated financial statements of our Company as at 30 September 2021 are as follows:

#### Minimum Scenario

	(Unaudited) As at 30 September 2021 RM	(I) After the Rights Issue RM	(II) After (I) and assuming full exercise of the Warrants RM
Share capital	336,906,763	349,519,813 <sup>(1)</sup>	362,132,863 <sup>(4)</sup>
Warrants reserve	-	6,970,812 <sup>(2)</sup>	-(4)
Other reserve	-	(6,970,812) <sup>(2)</sup>	-(4)
Accumulated losses	(27,032,405)	(27,746,405) <sup>(3)</sup>	(27,746,405)
<b>Shareholders' funds/ NA</b>	<b>309,874,358</b>	<b>321,773,408</b>	<b>334,386,458</b>
No. of CSH Shares in issue	690,705,280	774,792,280	858,879,280
NA per CSH Share	0.45	0.42	0.39
Total borrowings	35,990	35,990	35,990
Gearing (times)	Negligible	Negligible	Negligible

Notes:

(1) After the issuance of 84,087,000 Rights Shares at an issue price of RM0.15 each pursuant to the Right Issue.

(2) Computed based on the issuance of 84,087,000 Warrants with each Warrant assumed to have a fair value of RM0.0829 based on the Black-Scholes Options Pricing Model.

(3) After deducting estimated expenses of RM714,000 for the Corporate Exercises.

(4) After the exercise of 84,087,000 Warrants at an exercise price of RM0.15 each.

**Maximum Scenario**

	(Unaudited) As at 30 September 2021 RM	(I) After the Rights Issue RM	(II) After (I) and assuming full exercise of the Warrants RM
Share capital	336,906,763	440,512,555 <sup>(1)</sup>	544,118,347 <sup>(4)</sup>
Warrants reserve	-	56,430,621 <sup>(2)</sup>	_ <sup>(4)</sup>
Other reserve	-	(56,430,621) <sup>(2)</sup>	_ <sup>(4)</sup>
Accumulated losses	(27,032,405)	(27,746,405) <sup>(3)</sup>	(27,746,405)
<b>Shareholders' funds/ NA</b>	<b>309,874,358</b>	<b>412,766,150</b>	<b>516,371,942</b>
No. of CSH Shares in issue	690,705,280	1,381,410,560	2,072,115,840
NA per CSH Share	0.45	0.30	0.25
Total borrowings	35,990	35,990	35,990
Gearing (times)	Negligible	Negligible	Negligible

Notes:

- (1) After the issuance of 690,705,280 Rights Shares at an issue price of RM0.15 each pursuant to the Right Issue.
- (2) Computed based on the issuance of 690,705,280 Warrants with each Warrant assumed to have a fair value of RM0.0817 based on the Black-Scholes Options Pricing Model.
- (3) After deducting estimated expenses of RM714,000 for the Corporate Exercises.
- (4) After the exercise of 690,705,280 Warrants at an exercise price of RM0.15 each.

**7.3 Earnings and EPS**

The potential effects of the Rights Issue on the future consolidated earnings and EPS of our Company will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the usage of the proceeds to be raised from the Rights Issue as set out in **Section 4** of this Abridged Prospectus. The usage of proceeds to be raised from the Rights Issue is expected to contribute positively to the future earnings of our Group.

The EPS of our Group will be diluted as a result of the increase in the number of issued CSH Shares arising from the issuance of the Rights Shares and exercise of the Warrants in the future. The effects of any exercise of the Warrants on the EPS of our Group would depend on the number of Warrants exercisable into new CSH Shares as well as the returns generated by our Group from the usage of proceeds arising from the Rights Issue.

For illustrative purposes, the pro forma effects of the Rights Issue on our Group's LPS is as follows:

**Minimum Scenario**

	(Unaudited) As at 30 September 2021	(I) After the Rights Issue	(II) After (I) and assuming full exercise of the Warrants
LAT (RM)	699,503	1,413,503 <sup>(1)</sup>	1,413,503
No. of Shares in issue	690,705,280	774,792,280	858,879,280
LPS (Sen)	0.10	0.18	0.16

Note:

- (1) After deducting estimated expenses of RM714,000 for the Corporate Exercises.

**Maximum Scenario**

	(Unaudited)	(I)	(II)
	As at 30 September 2021	After the Rights Issue	After (I) and assuming full exercise of the Warrants
LAT (RM)	699,503	1,413,503 <sup>(1)</sup>	1,413,503
No. of Shares in issue	690,705,280	1,381,410,560	2,072,115,840
LPS (Sen)	0.10	0.10	0.07

Note:

(1) After deducting estimated expenses of RM714,000 for the Corporate Exercises.

**7.4 Convertible securities**

As at the LPD, our company does not have any outstanding convertible securities, save for the Warrants to be issued pursuant to the Rights Issue.

**8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS****8.1 Working capital**

Our working capital requirement has been financed by a combination of internal and external sources of funds. The internal sources are funds from shareholders, cash generated from our operating activities as well as our existing cash and bank balances. As at the LPD, our Group has cash and bank balances of RM8.70 million as well as deposits with licensed financial institutions of RM22.0 million. The external sources are from credit terms granted by our suppliers and credit facilities obtained from licensed financial institutions. The credit period granted by our suppliers to our Group ranges from 30 to 60 days. Our Group has also obtained lease facilities for our office premises and fleet of trucks.

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

Our Board is of the opinion that our Group will have sufficient working capital for our operations in the next 12 months commencing from the date of this Abridged Prospectus after taking into consideration the proceeds from the Rights Issue, cash in hand, funds generated from our operations and the potential impact of the COVID-19 pandemic on the operations to our Group (as set out in Section 5 of this Abridged Prospectus).

**8.2 Borrowings**

As at the LPD, our Group has total outstanding borrowings of RM33,987, all of which are interest-bearing, denominated in RM and from local financial institutions, as follows:

	As at the LPD (RM)
<b><u>Short-term borrowings:</u></b>	
Hire purchase payables	18,645
<b><u>Long-term borrowings:</u></b>	
Hire purchase payables	15,342
<b>Total</b>	33,987

As at the LPD, our Group does not have any non-interest bearing and foreign currency-denominated borrowings.

Our Board, after having made all reasonable enquiries, confirms that there has not been any default by our Group on payments of either interest or principal sums, in respect of any borrowings during the FYE 30 June 2021 and the subsequent period up to the LPD.

### 8.3 Contingent liabilities

Our Board has confirmed that 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 impact on the financial position of our Group.

### 8.4 Material commitments

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

Description	Group level (RM'000)	Company level (RM'000)
Capital commitment pursuant to the Turnkey Agreement	35,800	-

### 8.5 Material transactions

Our Board has confirmed that there are no other transactions which may have a material effect on our Group's operations, financial position and results since our Group's most recent interim announced unaudited consolidated financial statements for the 3M-FPE 30 September 2021, save for the Rights Issue and the Turnkey Agreement.

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**9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE**

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH WARRANTS 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 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 THEREIN CAREFULLY.**

**9.1 General**

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

We shall make an announcement to Bursa Securities on the outcome of the Rights Shares with Warrants after the Closing Date.

**9.2 NPA**

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

**9.3 Methods of acceptance and application**

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

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

**9.4 Last date and time for acceptance and payment**

The last date and time for acceptance of and payment for the Provisional Warrants is at **5.00 p.m. on Tuesday, 11 January 2022.**

**9.5 Procedures for acceptance and payment**

**9.5.1 By way of RSF**

Acceptance of and payment for the Provisional Rights Shares with Warrants to you as an Entitled Shareholder and/or your renounee(s)/transferee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

Renounee(s)/transferee(s) who wishes to accept the Provisional Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers or our Share Registrar or from Bursa Securities' website at <https://www.bursamalaysia.com> and complete the RSF and 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 also apply to renounee(s)/transferee(s) who wishes to accept the Provisional Rights Shares with Warrants.

If you and/or your renounee(s)/transferee(s) (if applicable) wish to accept either in full or in part of the Provisional Rights Shares with Warrants of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the envelope provided (at your own risk) by **ORDINARY POST, COURIER or DELIVERED BY HAND** at the address stated below:

**Mega Corporate Services Sdn Bhd**

Level 15-2

Bangunan Faber Imperial Court Jalan Sultan Ismail

50250 Kuala Lumpur

Tel.: 03-2692 4271 / 2694 8984

Fax.: 03-2732 5388

so as to arrive **not later than 5.00 p.m. on Tuesday, 11 January 2022**, being the last date and time for acceptance and payment.

If you and/or your renounee(s)/transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/or your renounee(s)/transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above or the website of Bursa Securities at <https://www.bursamalaysia.com>.

1 RSF can only be used for acceptance of Provisional Rights Shares with Warrants standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit of more than 1 CDS Account(s). If successful, the Rights Shares with Warrants that you have subscribed for will be credited into the respective CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 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 with Warrants comprises 100 Rights Shares and 100 Warrants, respectively. Any fractional entitlements arising from the Rights Issue shall be disregarded and the aggregate of such fractions shall be dealt with in a fair and equitable manner as our Board in its discretion deems fit and in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares with Warrants is not received by our Share Registrar **on Tuesday, 11 January 2022 by 5.00 p.m.**, being the last date and time for acceptance and payment, you and/or your renounee(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Rights Shares with Warrants made to you and/or your renounee(s)/transferee(s) (if applicable) and it will be cancelled.

In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the excess Rights Shares with Warrants in the manner as sets out in **Section 9.8** 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 not to accept any application or to accept any application in part only without providing any reason.



**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS 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 CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "CSH RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.**

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

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST OR ELECTRONIC NOTICES OF ALLOTMENT WILL BE SENT VIA EMAIL TO THE POSTAL ADDRESS OR EMAIL ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

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

**YOU 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 IS ACCEPTED IN PART ONLY, 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 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 POSTAL ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE WARRANTS.**

**ALL WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S)/TRANSFeree(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.**

### 9.5.2 By way of e-Subscription

You and/or your renounee(s)/transferee(s) (if applicable) can have the option to accept your or their entitlement to the Provisional Rights Shares with Warrants and payment for the Provisional Rights Shares with Warrants through e-Subscription available on Investor Portal at <https://www.megacorp.com.my/investor/>. The e-Subscription is available to all Entitled Shareholders including individuals, corporation or institutional shareholders.

The e-RSF is available to you upon your login to Investor Portal at <https://www.megacorp.com.my/investor/>. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

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

- (a) any e-Subscription received by the Share Registrar after the Closing Date for acceptance, excess Rights Shares with Warrants Application and payment shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar, is irrevocable and shall be binding on you;
- (b) the e-Subscription made must be in accordance with the procedures of e-Subscription using Investor Portal at <https://www.megacorp.com.my/investor/>, the terms and conditions of Investor Portal at <https://www.megacorp.com.my/investor/>, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of Investor Portal at <https://www.megacorp.com.my/investor/>, this Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of our Company. Our Company reserves the right at our absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed or with excess or insufficient remittances;
- (c) the number of Provisional Rights Shares with Warrants you are entitled to under the Rights Issue is set out in the NPA. You are required to indicate the number of Provisional Rights Shares with Warrants you wish to accept and number of excess Rights Shares with Warrants you wish to apply in the e-RSF;
- (d) the e-Subscription must be accompanied by remittance in RM which is to be made through online transfer or telegraphic transfer;
- (e) a handling fee is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and
- (f) the Rights Shares and Warrants arising from the Provisional Rights Shares with Warrants accepted and excess Rights Shares with Warrants applied (if successful pursuant to procedures for the excess Rights Shares with Warrants Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional Rights Shares with Warrants.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional Rights Shares with Warrants, please read and follow the procedures set below:

#### (i) Sign up as a user of Investor Portal

- (a) Access Investor Portal at <https://www.megacorp.com.my/investor/>.
- (b) Click “Register Account” and select “Individual” which is applicable for individual shareholders. For corporation or institutional shareholders, its authorised or nominated representative, select “Nominees/Corporate”. You may refer to the tutorial guide posted on the homepage for assistance.

- (c) Proceed to verify your account with the verification code sent to you via your registered email.
- (d) Account will be activated within 1 to 2 Market Days and you will be notified by email.

Note:

An email address is allowed to be used only once to register as a new user account, and the same email address cannot be used to register for another user account. If you are already a user of Investor Portal at <https://www.megacorp.com.my/investor/>, you are not required to sign up again. If you are signing up to represent corporate holder account(s), please contact our Share Registrar for further details and requirements.

**(ii) Procedures for e-Subscription**

**Individual Registered Entitled Shareholder**

- (a) Login to Investor Portal at <https://www.megacorp.com.my/investor/>.
- (b) Select the corporate exercise name: **CSH Rights Issue**.
- (c) Preview your CDS Account details and your Provisional Rights Shares with Warrants.
- (d) Select the relevant CDS Account and insert the number of Rights Shares with Warrants to subscribe for and the number of excess Rights Shares with Warrants to apply (if applicable) in the e-RSF.
- (e) Review and confirm the number of Rights Shares with Warrants which you are subscribing and the number of excess Rights Shares with Warrants you are applying (if applicable) and the total amount payable for the Rights Shares with Warrants and excess Rights Shares with Warrants (if applicable).
- (f) Review the payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF which is included in the total amount payable.
- (g) Arrange to pay for the subscription of Rights Shares with Warrants and excess Rights Shares with Warrants (if applicable) via online transfer or telegraphic transfer into our designated bank account as follows:

<b>Account Name</b>	<b>CSH RIGHTS ISSUE ACCOUNT</b>	<b>CSH EXCESS RIGHTS ISSUE ACCOUNT</b>
<b>Bank</b>	<b>Standard Chartered Bank Malaysia Berhad</b>	<b>Standard Chartered Bank Malaysia Berhad</b>
<b>Bank Account No.</b>	<b>312192878601</b>	<b>312192878539</b>

- (h) Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF into the Shares Registrar's bank account as follows:

<b>Account Name</b>	<b>MEGA CORPORATE SERVICES SDN BHD</b>
<b>Bank</b>	<b>Malayan Banking Berhad</b>
<b>Bank Account No.</b>	<b>5143 4720 1971</b>

- (i) Print the online transfer receipt and upload as payment proof to your e-RSF.
- (j) Read and agree to the terms & conditions and confirm the declaration.
- (k) Select "Submit" to complete your submission.
- (l) Download a copy of your submission for your record.

**Corporation or Institutional Registered Entitled Shareholder**

- (a) Login to Investor Portal website at <https://www.megacorp.com.my/investor/>.
- (b) Select the corporate exercise name: **CSH Rights Issue**.
- (c) Preview the CDS Account details and the Provisional Rights Shares with Warrants.
- (d) Prepare the submission of the e-RSF file on the acceptance of the Provisional Rights Shares with Warrants and the excess Rights Shares with Warrants by completing with the required information.
- (e) Arrange to pay for the subscription of Rights Shares with Warrants and excess Rights Shares with Warrants (if applicable) via online transfer or telegraphic transfer into our designated bank account as follows:

<b>Account Name</b>	<b>CSH RIGHTS ISSUE ACCOUNT</b>	<b>CSH EXCESS RIGHTS ISSUE ACCOUNT</b>
<b>Bank</b>	<b>Standard Chartered Bank Malaysia Berhad</b>	<b>Standard Chartered Bank Malaysia Berhad</b>
<b>Bank Account No.</b>	<b>312192878601</b>	<b>312192878539</b>

- (f) Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF into the Share Registrar's bank account as follows:

<b>Account Name</b>	<b>MEGA CORPORATE SERVICES SDN BHD</b>
<b>Bank</b>	<b>Malayan Banking Berhad</b>
<b>Bank Account No.</b>	<b>5143 4720 1971</b>

- (g) Once payments are completed, login to Investor Portal, select corporate exercise name: "CSH Rights Issue" and proceed to upload the duly completed "e-RSF file on the Provisional Rights Shares with Warrants" and upload the duly completed proof of payment.
- (h) Read and agree to the terms & conditions and confirm the declaration.
- (i) Select "Submit" to complete your submission.
- (j) Download a copy of your submission for your record.

**(iii) Terms and conditions for e-Subscription**

The e-Subscription of Rights Shares with Warrants and excess Rights Shares with Warrants (if successful), shall be made on and subject to the terms and conditions appearing herein:

- (a) After login to Investor Portal at <https://www.megacorp.com.my/investor/>, you are required to confirm and declare the information given are true and correct:
  - (i) you have attained 18 years of age as at the last day for subscription and payment;
  - (ii) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com), the contents of which you have read and understood; and

- (iii) you agree to all the terms and conditions for the e-Subscription and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (b) you agree and undertake to subscribe for and to accept the number of Rights Shares with Warrants and excess Rights Shares with Warrants applied for (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 with Warrants that may be allotted to you;
- (c) by making and completing your e-Subscription, you, if successful, request and authorise the Share Registrar or our Company to credit the Rights Shares with Warrants and excess Rights Shares with Warrants (if applicable) allotted to you into your CDS Account;
- (d) 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 the Share Registrar and irrevocably agree that if:
  - (i) our Company or the Share Registrar does not receive your e-Subscription; or
  - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the 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 the Share Registrar for the Rights Shares with Warrants accepted and/or excess Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the e-Subscription.
- (e) you will ensure that your personal particulars recorded with Investor Portal at <https://www.megacorp.com.my/investor/> and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; 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.
- (f) by making and completing an e-Subscription, you agree that:
  - (i) in consideration of our Company agreeing to allow and accept your e-Subscription for the Rights Shares with Warrants and excess Rights Shares with Warrants applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
  - (ii) the 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 control.
- (g) the Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions or the terms and conditions of Investor Portal, this Abridged Prospectus and the e-RSF.
- (h) notification on the outcome of your e-Subscription for the Rights Shares with Warrants and excess Rights Shares with Warrants will be despatched to you by ordinary post to the postal address or by electronic mail to the email address as shown in the Record of Depositors of our Company at your own risk within the timelines as follows:

- (i) successful application - a notice of allotment or electronic notice of allotment will be despatched or sent within 8 Market Days from the Closing Date; or
- (ii) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and shall be despatched to you within 15 Market Days from the Closing Date by ordinary mail to your last postal address maintained with Bursa Depository at your own risk.

If acceptance of and payment for the Provisional Rights Shares with Warrants allotted to you (whether in full or in part, as the case may be) are not received by the Share Registrar by **5.00 p.m. on Tuesday, 11 January 2022**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

Our Board will then have the right to allot any Rights Shares with not validly taken up to applicants applying for the excess Rights Shares with Warrants in the manner as set out in **Section 9.8** of this Abridged Prospectus.

#### **9.6 Procedures for part acceptance**

You are entitled to accept part of your entitlement to the Provisional Rights Shares with Warrants provided always that the minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. However, the Warrants will be issued in the proportion of 1 Warrant for every 1 Rights Share subscribed. Fractions of Rights Shares will be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interest of our Company.

You must complete both Part I(A) of the RSF by specifying the number of the Provisional Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner 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 THEREIN.**

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

#### **9.7 Procedures for sale/transfer of Provisional Rights Shares with Warrants**

As the Provisional Rights Shares with Warrants are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to 1 or more person(s) through your stockbroker for the period up to the last date and time for sale/ transfer of such Provisional Rights Shares with Warrants, without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS Account.

To sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by completing Parts I(A) and II of the RSF. Please refer to **Section 9.5** of this Abridged Prospectus for the procedures of acceptance and payment.



In selling or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document including the RSF, to your stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares with Warrants standing to the credit of your CDS Account that is available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from his/ her/ their stockbrokers, our Share Registrar or the website of Bursa Securities (<http://www.bursamalaysia.com>).

## **9.8 Procedures for application for excess Rights Shares with Warrants**

### **9.8.1 By way of RSF**

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the excess Rights Shares with Warrants in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II of the RSF) and forward it (together with a separate remittance made in RM for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to our Share Registrar **not later than 5.00 p.m. on Tuesday, 11 January 2022**, being the last date and time for acceptance and payment for the excess Rights Shares with Warrants.

**PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNERS AS DESCRIBED IN SECTION 9.5 OF THIS ABRIDGED PROSPECTUS, EXCEPT THAT THE BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" MUST BE MADE PAYABLE TO "CSH EXCESS RIGHTS ISSUE ACCOUNT" FOR THE EXCESS RIGHTS SHARES WITH WARRANTS AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE CLOSING DATE.**

It is the intention of our Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and 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 with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess applications; and
- (iv) lastly, for allocation to renounee(s)/transferee(s) (if applicable) who has/have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess applications.

If there is any remaining excess Rights Shares with Warrants after steps (i) to (iv) have been carried out, steps (ii) to (iv) will be repeated until all remaining excess Rights Shares with Warrants have been allocated.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for via the e-RSF or under Part I(B) of the RSF in such manner as it 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 (i), (ii), (iii) and (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.



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

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST OR ELECTRONIC NOTICE OF ALLOTMENT WILL BE SENT VIA EMAIL WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

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

**WHERE AN EXCESS RIGHTS SHARES WITH WARRANTS APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, 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 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 POSTAL ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS WARRANTS.**

#### **9.8.2 By way of e-Subscription**

If you are an Entitled Shareholder and/or a renounee(s)/transferee(s) (if applicable), you may apply for the excess Rights Shares with Warrants via e-Subscription in addition to your Provisional Rights Shares with Warrants. If you wish to do so, you may apply for the excess Rights Shares with Warrants by following the same steps as set out in **Section 9.5.2** of this Abridged Prospectus. The e-Subscription for excess Rights Shares with Warrants will be made on, and subject to, the same terms and conditions appearing in **Section 9.5.2** of this Abridged Prospectus.

Any Provisional Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s), if applicable, shall be made available for excess Rights Shares with Warrants applications. It is the intention of our Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in **Section 9.8.1** above.

**WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT 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 POSTAL ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.**

**9.9 Procedures to be followed by renounee(s)/transferee(s)**

As a renounee/transferee, the procedures for acceptance, selling or transferring of Provisional Rights Shares with Warrants, applying for the excess Rights Shares with Warrants and/or payment is the same as that which is applicable to the Entitled Shareholders as described in **Sections 9.3 to 9.8** of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the Share Registrar or Bursa Securities' website (<https://www.bursamalaysia.com>).

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

**9.10 Notice of allotment or an electronic notice of allotment**

Within 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 with Warrants in respect of your acceptance and/or your renounee's/transferee's acceptance (if applicable) and excess Rights Shares with Warrants application (if any), the Rights Shares with Warrants shall be credited directly into the respective CDS Account. No physical share certificate or warrant certificate will be issued in respect of the Rights Shares with Warrants. However, a notice of allotment or an electronic notice of allotment will be despatched or sent to you and/or your renounee(s)/transferee(s) (if applicable), by ordinary post or by email to the postal address or email address shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date, or such other period as may be prescribed by Bursa Securities, at the address shown in the Record of Depositors at your own risk.

Where any application for the Rights Shares with Warrants is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest. The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last postal address maintained with Bursa Depository at your own risk within 15 Market Days from the Closing Date at your own risk.

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

**9.11 CDS Account**

Bursa Securities has already prescribed the securities of our Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Rights Shares with Warrants are prescribed securities and as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants shall signify your consent to receiving such Rights Shares with Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificate or warrant certificate will be issued to you.

Any person who has purchased the Provisional Rights Shares with Warrants or to whom the Provisional Rights Shares with Warrants have been transferred and intends to subscribe for the Rights Shares with Warrants will have his/her Rights Shares with Warrants credited directly as prescribed securities into his/her CDS Account.

All excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly into the CDS Account of the successful applicant.

#### **9.12 Laws of foreign jurisdiction**

These Documents have not been (and will not be) made to comply with the laws of any foreign 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) for subscription of any foreign jurisdiction. The Rights Issue will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, these Documents will not be sent to the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) may collect these Documents 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 these documents relating to the Rights Issue.

The Foreign Entitled Shareholders and/or their renounee(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. TA Securities, our Share Registrar, 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 jurisdiction to which the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to. Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Share Registrar, 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 renounee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments.

They will have no claims whatsoever against us and/or TA Securities in respect of their rights and entitlements under the Rights Issue. Such Foreign Entitled Shareholders and/or their renounee(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 the RSF, the Foreign Entitled Shareholders and/or their renounee(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) TA Securities, our Share Registrar, our Company, our Directors and officers and other professional advisers 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 the Foreign Entitled Shareholders and/or renounee(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 with Warrants;
- (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 with Warrants, 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 with Warrants 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, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; 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 with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving these Documents (including without limitation to 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 these Documents 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 these Documents 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 Warrants from any such application by Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements. The Provisional Rights Shares with Warrants relating to any acceptance which is treated as invalid will be included in the pool of excess Rights Shares with Warrants available for excess Rights Shares with Warrants application by the other Entitled Shareholders. You and/or your renounee(s)/transferee(s) (if applicable) will have no claims whatsoever against the parties in respect of your and/or your renounee(s)'s/transferee(s)'s entitlement under the Rights Issue or to any net proceeds thereof.

## **10. TERMS AND CONDITIONS**

The issuance of the Rights Shares with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus and the accompanying NPA and RSF for the Rights Shares with Warrant as well as the Deed Poll.

**11. FURTHER INFORMATION**

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

Yours faithfully,

For and on behalf of our Board

**CSH ALLIANCE BERHAD**

*(FORMERLY KNOWN AS KTG BERHAD)*



**KENNY KHOO CHUAN WAH**

EXECUTIVE DIRECTOR

**INFORMATION ON OUR GROUP****1. BOARD OF DIRECTORS**

Our Board of Directors as at the LPD:

<u>Name / (Designation)</u>	<u>Address</u>	<u>Age</u>	<u>Nationality</u>
Ahmad Ruslan Zahari Bin Zakaria (Independent Non-Executive Chairman)	79, Jalan SS 3/43 Seaport 47300 Petaling Jaya Selangor	60	Malaysian
Sim Chiun Wee (Executive Director)	No. 111, Upper Chawan Road 93300 Kuching Sarawak	45	Malaysian
Tan Yip Jiun (Executive Director)	No. 9, Pinji Indah 2 Taman Pinji Indah 31650 Ipoh Perak	30	Malaysian
Peter Yap (Executive Director)	5, Jalan Dagang B/1 Taman Dagang 68000 Ampang Selangor	58	Malaysian
Kenny Khaw Chuan Wah (Executive Director)	No. 8, Jalan Anggerik Vanilla 31/98J Kota Kemuning 40460 Shah Alam Selangor	46	Malaysian
Lim Peng Tong (Independent Non-Executive Director)	No. 14, Jalan PE 11 Taman Paya Emas Paya Rumput 76450 Melaka	63	Malaysian
Ng Keok Chai (Independent Non-Executive Director)	No. 31, Jalan Kemuning Damai 32/147B, Kemuning Utama Seksyen 32, 40460 Shah Alam Selangor	62	Malaysian

**2. SHARE CAPITAL**

As at the LPD, the issued share capital of our Company is RM336,906,763.18 comprising 690,705,280 CSH Shares in issue. As at the LPD, our Company does not hold any treasury shares.

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**INFORMATION ON OUR GROUP (CONT'D)**

**3. DIRECTORS' SHAREHOLDINGS**

The issuance of the Warrants will not have any effect on the shareholdings of our Directors in our Company until the exercise of their Warrants into new CSH Shares. Save for those disclosed below, none of the other Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue on the shareholdings of our Directors in our Company based on their shareholdings as per the Record of Depositors as at the LPD are as follows:

**Minimum Scenario**

Name	As at the LPD			(I) After the Rights Issue			(II) After (I) and assuming full exercise of Warrants				
	Direct		Indirect	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Tan Yip Jiun <sup>(1)</sup>	-	-	84,087,000	12.17	-	-	168,174,000	21.71	-	252,261,000	29.37

Note:

(1) Deemed interested by virtue of his shareholding in ChipSengHeng pursuant to Section 8 of the Act.

**Maximum Scenario**

Name	As at the LPD			(I) After the Rights Issue			(II) After (I) and assuming full exercise of Warrants				
	Direct		Indirect	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Tan Yip Jiun <sup>(1)</sup>	-	-	84,087,000	12.17	-	-	168,174,000	12.17	-	252,261,000	12.17

Note:

(1) Deemed interested by virtue of his shareholding in ChipSengHeng pursuant to Section 8 of the Act.

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**INFORMATION ON OUR GROUP (CONT'D)**

**4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

The issuance of the Warrants will not have any effect on the shareholdings of our substantial shareholders in our Company until the exercise of their Warrants into new CSH Shares. The pro forma effects of the Rights Issue on the shareholdings of our substantial shareholders in our Company based on their shareholdings as per the Record of Depositors as at the LPD are as follows:

**Minimum Scenario**

Name	As at the LPD			(I) After the Rights Issue			(II) After (I) and assuming full exercise of Warrants			
	Direct		Indirect	Direct		Indirect	Direct		Indirect	
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%	No. of Shares	%	
ChipSengHeng	84,087,000	12.17	-	168,174,000	21.71	-	-	252,261,000	29.37	-
Tan Yip Jiun <sup>(1)</sup>	-	-	84,087,000	-	-	168,174,000	21.71	-	-	252,261,000
Tan Yow Hua <sup>(1)</sup>	-	-	84,087,000	-	-	168,174,000	21.71	-	-	252,261,000
MMAG Holdings	35,000,000	5.07	-	35,000,000	4.52	-	-	35,000,000	4.08	-
Chan Swee Ying <sup>(2)</sup>	-	-	35,000,000	-	-	35,000,000	4.52	-	-	35,000,000

Notes:

- (1) Deemed interested by virtue of his shareholding in ChipSengHeng pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of her shareholding in MMAG Holdings pursuant to Section 8 of the Act.

**Maximum Scenario**

Name	As at the LPD			(I) After the Rights Issue			(II) After (I) and assuming full exercise of Warrants			
	Direct		Indirect	Direct		Indirect	Direct		Indirect	
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%	No. of Shares	%	
ChipSengHeng	84,087,000	12.17	-	168,174,000	12.17	-	-	252,261,000	12.17	-
Tan Yip Jiun <sup>(1)</sup>	-	-	84,087,000	-	-	168,174,000	12.17	-	-	252,261,000
Tan Yow Hua <sup>(1)</sup>	-	-	84,087,000	-	-	168,174,000	12.17	-	-	252,261,000
MMAG Holdings	35,000,000	5.07	-	70,000,000	5.07	-	-	105,000,000	5.07	-
Chan Swee Ying <sup>(2)</sup>	-	-	35,000,000	-	-	70,000,000	5.07	-	-	105,000,000

Notes:

- (1) Deemed interested by virtue of his shareholding in ChipSengHeng pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of her shareholding in MMAG Holdings pursuant to Section 8 of the Act.

**INFORMATION ON OUR GROUP (CONT'D)****5. HISTORICAL FINANCIAL INFORMATION****5.1 Key financial information of our Group**

The following tables set out our Group's key financial information based on our audited consolidated statements of comprehensive income, statements of financial positions and statements of cash flows for the FYEs 30 June 2019 to 30 June 2021 as well as 3M-FPE 30 September 2020 and 2021.

**(i) Historical financial performance:**

	Audited <sup>(1)</sup>			Unaudited <sup>(2)</sup>	
	FYE 30 June 2019	FYE 30 June 2020	FYE 30 June 2021	3M-FPE 30 September 2020	3M-FPE 30 September 2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	9,374	8,848	16,916	2,445	7,586
Cost of sales	(7,658)	(6,292)	(11,231)	(1,019)	(5,280)
<b>Gross profit</b>	<b>1,716</b>	<b>2,556</b>	<b>5,685</b>	<b>1,426</b>	<b>2,306</b>
Other income	2,168	2,856	865	211	200
Selling and distribution costs	(451)	(455)	(475)	(132)	(110)
Administrative expenses	(9,239)	(9,711)	(7,662)	(1,594)	(2,705)
Other expenses	(728)	(196)	(14,707)	(73)	(7)
Finance costs	(244)	(7)	(70)	(1)	(50)
<b>LBT</b>	<b>(6,778)</b>	<b>(4,957)</b>	<b>(16,364)</b>	<b>(163)</b>	<b>(366)</b>
Taxation	(19)	(67)	(273)	(40)	(333)
<b>LAT</b>	<b>(6,797)</b>	<b>(5,024)</b>	<b>(16,637)</b>	<b>(203)</b>	<b>(699)</b>
Loss attributable to:					
- Owners of the parent	(6,797)	(5,024)	(16,637)	(203)	(699)
Weighted average number of Shares in issue ('000)	200,400	230,570	376,452	232,845	690,705
No. of Shares in issue ('000)	213,845	232,845	690,705	232,845	690,705
Basic LPS (sen) <sup>(3)</sup>	(3.39)	(2.18)	(4.42)	(0.09)	(0.10)
Diluted LPS (sen) <sup>(4)</sup>	(3.39)	(2.18)	(4.42)	(0.09)	(0.10)
Gross profit margin (%)	18.31	28.89	33.61	58.32	30.40
LBT margin (%)	72.31	56.02	96.74	6.67	4.82
LAT margin (%)	72.51	56.78	98.35	8.30	9.21

## Notes:

- (1) Sources: Annual Reports of our Company for the financial years under review.
- (2) Sources: Unaudited financial results of our Company for the financial periods ended 30 September 2020 and 30 September 2021.
- (3) Being the LAT divided by the weighted average number of CSH Shares in issue for the financial years/periods under review.
- (4) The effect of the potential increment in number of issued shares of CSH from the exercise of warrants 2016/2021 and the conversion of irredeemable convertible preference shares ("ICPS") were not taken into account in the computation of diluted LPS for the financial years/periods under review as there is an anti-dilutive effect arising from the assumed exercise of the warrants 2016/2021 and assumed conversion of the ICPS. Further, both the warrants 2016/2021 and the ICPS have expired/matured on 7 April 2021.

## INFORMATION ON OUR GROUP (CONT'D)

## (ii) Historical financial position:

	Audited <sup>(1)</sup>			Unaudited <sup>(2)</sup>	
	As at 30 June 2019 (RM'000)	As at 30 June 2020 (RM'000)	As at 30 June 2021 (RM'000)	As at 30 September 2020 (RM'000)	As at 30 September 2021 (RM'000)
Non-current assets	35,386	63,883	120,526	63,961	119,887
Current assets	84,732	58,734	201,400	58,008	201,887
<b>Total assets</b>	<b>120,118</b>	<b>122,617</b>	<b>321,926</b>	<b>121,969</b>	<b>321,774</b>
Share capital	108,581	118,841	336,907	118,841	336,907
Accumulated losses	(5,676)	(10,700)	(26,333)	(10,903)	(27,032)
Other reserves	1,235	1,231	-	1,226	-
<b>Total equity</b>	<b>104,140</b>	<b>109,372</b>	<b>310,574</b>	<b>109,164</b>	<b>309,875</b>
Non-current liabilities	2,295	2,226	2,263	2,210	2,178
Current liabilities	13,683	11,019	9,089	10,595	9,721
<b>Total liabilities</b>	<b>15,978</b>	<b>13,245</b>	<b>11,352</b>	<b>12,805</b>	<b>11,899</b>
<b>Total equity and liabilities</b>	<b>120,118</b>	<b>122,617</b>	<b>321,926</b>	<b>121,969</b>	<b>321,774</b>
NA per Share (sen) <sup>(3)</sup>	48.70	46.97	44.96	46.88	44.86

## Notes:

- (1) Sources: Annual Reports of our Company for the financial years under review.
- (2) Sources: Unaudited financial results of our Company for the financial periods ended 30 September 2020 and 30 September 2021.
- (3) Being the NA divided by the number of CSH Shares in issue for the financial years/periods under review.

## (iii) Historical cash flows:

	Audited <sup>(1)</sup>			Unaudited <sup>(2)</sup>	
	FYE 30 June 2019 (RM'000)	FYE 30 June 2020 (RM'000)	FYE 30 June 2021 (RM'000)	3M-FPE 30 September 2020 (RM'000)	3M-FPE 30 September 2021 (RM'000)
Net cash used in operating activities	(2,941)	(15,484)	(79,995)	(12,511)	(60,067)
Net cash from /(used in) investing activities	8,501	(3,249)	(51,411)	(372)	(27)
Net cash from /(used in) financing activities	8,496	9,876	216,694	(11)	(1,536)
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>14,056</b>	<b>(8,857)</b>	<b>85,288</b>	<b>(12,894)</b>	<b>(61,630)</b>
Cash and cash equivalents at beginning of the year	10,831	24,896	16,035	16,035	101,308
Net exchange differences	9	(4)	(15)	(5)	-
<b>Cash and cash equivalents at end of the year /period</b>	<b>24,896</b>	<b>16,035</b>	<b>101,308</b>	<b>3,136</b>	<b>39,678</b>

## Notes:

- (1) Sources: Annual Reports of our Company for the financial years under review.
- (2) Sources: Unaudited financial results of our Company for the financial periods ended 30 September 2020 and 30 September 2021.

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**INFORMATION ON OUR GROUP (CONT'D)**

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**5.2 Overview of the financial performance of CSH**

**(I) 3M-FPE 30 September 2021 vs 3M-FPE 30 September 2020**

Our Group's revenue for the 3M-FPE 30 September 2021 increased by RM5.14 million (or 209.80%) to RM7.59 million (3M-FPE 30 September 2020: RM2.45 million) mainly due to:

- (i) higher revenue derived from our ceramic segment by RM0.13 million (or 6.47%) to RM2.14 million (3M-FPE 30 September 2020: RM2.01 million) as a result of increased orders from our customers for our pottery, ceramic, porcelain and related products;
- (ii) higher revenue derived from our financial services segment by RM0.84 (or 190.91%) to RM1.28 million (3M-FPE 30 September 2020: RM0.44 million) as a result of higher interest income from moneylending activities; and
- (iii) revenue contributed from our transportation and logistics segment of RM4.17 million (3M-FPE 30 September 2020: Nil) as our Group has commenced to provide haulage and hub-to-hub deliveries services to our customers after completing the acquisition of Line Haul on 26 March 2021.

Despite the increase in revenue, our Group's LAT for the 3M-FPE 30 September 2021 increased by RM0.50 million (or 250%) to RM0.70 million (3M-FPE 30 September 2020: RM0.20 million) mainly due to:

- (i) lower gross profit margin to 30.40% in the 3M-FPE 30 September 2021 (3M-FPE 30 September 2020: 58.32%) as a result of higher cost of sales by RM4.26 million (or 417.65%) to RM5.28 million (3M-FPE 30 September 2020: RM1.02 million). The higher cost of sales was mainly due to higher operation cost incurred by the transportation and logistics business with the increase in orders and trips completed during the 3M-FPE 30 September 2021; and
- (ii) higher administrative expenses by RM1.12 million (or 70.44%) to RM2.71 million (3M-FPE 30 September 2020: RM1.59 million) due to:
  - (a) higher staff costs by RM0.43 million (or 50%) to RM1.29 million (3M-FPE 30 September 2020: RM0.86 million) in line with increase in number of headcounts as a result of expansion of our Group's business to include transportation and logistics business;
  - (b) amortisation of intangible asset of RM0.42 million (3M-FPE 30 September 2020: nil) arising from intellectual property rights of information technology solution/platform related to logistics business process of our wholly-owned subsidiary, CSH Solution Sdn Bhd; and
  - (c) depreciation on rights-of-use assets of RM0.10 million (3M-FPE 30 September 2020: nil) arising from leased trucks and premises for our Group's transportation and logistics business operation.

Our Group recorded an increase in net cash used in operating activities by RM47.56 million (or 380.18%) to RM60.07 million (3M-FPE 30 September 2020: RM12.51 million) mainly due to the increase in financing receivables to RM57.58 million (3M-FPE 30 September 2020: RM12.0 million) as a result of credit facilities granted to customers in relation to financial services business.

**INFORMATION ON OUR GROUP (CONT'D)**

The cash and cash equivalents of our Group increased by approximately RM36.54 million (or 1,163.69%) to approximately RM39.68 million as at 30 September 2021 (as at 30 September 2020: RM3.14 million) mainly due to higher cash and cash equivalents at beginning of the period by RM85.27 million (or 531.61%) to RM101.31 million (as at 30 September 2020: RM16.04 million) arising from:

- (i) proceeds of RM200.74 million received from the conversion of ICPS in the FYE 30 June 2021 due to conversion of ICPS together with additional cash payment prior to maturity of the ICPS on 7 April 2021; and
- (ii) proceeds of RM17.32 million received from the issuance of CSH Shares pursuant to the Private Placement exercise completed on 17 March 2021 (in the FYE 30 June 2021).

**(II) FYE 30 June 2021 vs FYE 30 June 2020**

Our Group's revenue for the FYE 30 June 2021 increased by RM8.07 million (or 91.19%) to RM16.92 million (FYE 30 June 2020: RM8.85 million) mainly due to:

- (i) revenue contributed from our transportation and logistics segment of RM3.15 million (FYE 30 June 2020: Nil) as our Group has commenced its transportation and logistics business with the completion of the acquisition of Line Haul on 26 March 2021;
- (ii) higher revenue derived from our ceramic segment by RM2.22 million (or 26.88%) to RM10.48 million (FYE 30 June 2020: RM8.26 million) as a result of increased orders from our customers for our pottery, ceramic, porcelain and related products; and
- (iii) higher revenue contributed by our financial services segment by RM2.01 million (or 340.68%) to RM2.60 million (FYE 30 June 2020: RM0.59 million) as a result of higher interest income from moneylending activities.

Our Group's LAT for the FYE 30 June 2021 increased by RM11.62 (or 231.47%) to RM16.64 million (FYE 30 June 2020: RM5.02) mainly due to higher other expenses by RM14.51 million (or 7,255%) to RM14.71 million (FYE 30 June 2020: RM0.20 million) as a result of:

- (i) one-time net loss of RM10.81 million from the disposal of CSH's entire equity interest in Klasik Ikhtiar Sdn Bhd which was completed on 9 April 2021; and
- (ii) impairment loss on other receivables of RM2.87 million (FYE 30 June 2020: Nil) arising from a settlement arrangement between CSH and the purchaser of our former subsidiary, Sama Restu Sdn Bhd as a result of the uncertainty over the recovery of the amount outstanding in view of the financial challenges faced by the purchaser of Sama Restu Sdn Bhd.

Our Group recorded an increase in net cash used in operating activities by RM64.52 million (or 416.80%) to RM80.0 million (FYE 30 June 2020: RM15.48 million) mainly due to the increase in financing receivables to RM75.23 million (FYE 30 June 2020: RM7.50 million) as a result of credit facilities granted to customers in relation to financial services business.

**INFORMATION ON OUR GROUP (CONT'D)**

The cash and cash equivalents of our Group increased by approximately RM85.27 million (or 531.61%) to approximately RM101.31 million as at 30 June 2021 (as at 30 June 2020: RM16.04 million) mainly due to higher net cash from financing activities by approximately RM206.81 million (or 2,093.22%) to RM216.69 million (as at 30 June 2020: RM9.88 million) arising from:

- (i) higher proceeds received from the conversion of ICPS by approximately RM190.48 (or 1,856.53%) to approximately RM200.74 million (as at 30 June 2020: RM10.26 million) due to conversion of ICPS together with additional cash payment prior to maturity of the ICPS on 7 April 2021; and
- (ii) proceeds of RM17.32 million received from the issuance of CSH Shares pursuant to the Private Placement exercise completed on 17 March 2021 (as at 30 June 2020: Nil).

**6. HISTORICAL SHARE PRICES**

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

	<b>Highest (RM)</b>	<b>Lowest (RM)</b>
<b>2020</b>		
December	0.340	0.280
<b>2021</b>		
January	0.305	0.205
February	0.250	0.200
March	0.325	0.200
April	0.290	0.230
May	0.235	0.170
June	0.195	0.150
July	0.175	0.145
August	0.150	0.130
September	0.150	0.105
October	0.140	0.110
November	0.130	0.110
Last transacted market price for our Shares on 28 April 2021 (being the last trading date prior to the Announcement)	0.245	
Last transacted market price for our Shares on the LPD	0.120	
Last transacted market price for our Shares on 17 December 2021 (being the Market Day prior to the ex-date for the Rights Issue)	0.105	

(Source: Bloomberg Finance L.P.)

**7. OPTION TO SUBSCRIBE FOR CSH SHARES**

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



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**INFORMATION ON OUR GROUP (CONT'D)**

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**8. MATERIAL CONTRACTS**

Save as disclosed below, neither our Company nor any of our subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business of our Group) within the 2 years immediately preceding the date of this Abridged Prospectus:

- (i) On 22 January 2020, our Company entered into a shares sale agreement with Wan Fuhua and Tai Pick Kheong for the acquisition of the entire equity interest in Four Seasons Seafood Sdn Bhd for a total cash consideration of RM98,209.15 and the principal indebtedness of RM4,280,696.26 of Four Seasons Seafood Sdn Bhd (to be paid by our Company) to the vendors. On 26 April 2021, the parties entered into a termination letter to terminate the agreement;
- (ii) On 25 February 2020, our Company entered into a shares sale agreement with Ahmadi Syd Mustapha Bin Muhamad Mustapha for the acquisition of the entire equity interest in Prima Paradigm Sdn Bhd comprising 1,300,000 ordinary shares for a total cash consideration of RM250,000. On 4 June 2020, the parties entered into a deed of mutual termination to terminate the agreement;
- (iii) On 13 March 2020, our Company entered into a shares sale agreement with MMAG Holdings for the acquisition of the entire equity interest in CSH Network for a cash consideration of RM2,050,000. The acquisition of CSH Network was completed on 17 March 2020;
- (iv) On 18 March 2021, our Company entered into a shares sale agreement with Line Clear Ventures Holdings Sdn Bhd (*formerly known as Line Clear Logistics Holdings Sdn Bhd*) (“LCV”) for the acquisition of the entire equity interest in Line Haul for a cash consideration of RM3.0 million. The acquisition was completed on 26 March 2021;
- (v) On 22 March 2021, our Company entered into a shares sale agreement with LCV for the acquisition of 14,400,000 ordinary shares in LCEL, representing 15% of the equity interest in LCEL for a cash consideration of RM22.0 million. The acquisition was completed on 21 April 2021;
- (vi) On 26 March 2021, APPI entered into the Turnkey Agreement with Howellcare for Howellcare to plan, design, supply, install and commission the Glove Production Plant as well as provide services such as setting up and provide training to APPI’s new operation team to run and manage the operation of Glove Production Plant as well as undertaking all the marketing and sale of the NBR gloves on behalf of APPI, for a contract price of RM39.80 million. The Turnkey Agreement has yet to be completed as at the LPD;
- (vii) On 9 April 2021, Million Rich Development Sdn Bhd (“MRDSB”), a wholly-owned subsidiary of our Company, entered into a deed of mutual rescission and revocation with Arena Progresif Sdn Bhd (“APSB”) and both parties mutually agreed to terminate the concept masterplan agreement dated 4 July 2017 (amended by a supplemental agreement dated 15 December 2017) (“CMPA”). Pursuant to the termination, APSB shall refund the deposit of RM7,398,164.78 to MRDSB within two months from the date of the deed of mutual rescission and revocation or within such other period as may be extended by MRDSB whereby MRDSB reserves the right to charge interest on any of the unpaid sums. Prior to such refund, MRDSB shall continue to retain the share charge on APSB’s ordinary shares and the power of attorney on APSB’s development land which were given previously by APSB to MRDSB pursuant to the CMPA as security for the repayment of the deposit and late refund interest, if any. As at the LPD, the deposit refund has yet to be fully paid as MRDSB had agreed to extend the duration for the refund vide a letter dated 4 June 2021 subject to APSB’s acceptance to the terms and conditions contained in the letter and accordingly, the same has been accepted by APSB; and

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**INFORMATION ON OUR GROUP (CONT'D)**

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- (viii) On 23 April 2021, our Company entered into a shares sale agreement with Nur Athirah Elany Binti Abdul Rahman for the acquisition of the entire equity interest in CSH Solutions Sdn Bhd (*formerly known as Alpine Cube Sdn Bhd*), a wholly-owned subsidiary of our Company for a total cash consideration of RM100,000. The acquisition was completed on 28 April 2021.

**9. MATERIAL LITIGATION**

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

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**ADDITIONAL INFORMATION**

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**1. CONSENTS**

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

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consent to the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear in this Abridged Prospectus.

**2. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of at least 6 months from the date of this Abridged Prospectus:

- (i) our Constitution;
- (ii) the IMR Report;
- (iii) letter of Undertaking referred to in **Section 2.2** of this Abridged Prospectus;
- (iv) the Deed Poll;
- (v) the letters of consent referred to in **Section 1 of Appendix II** of this Abridged Prospectus; and
- (vi) the material contracts referred to in **Section 8 of Appendix I** of this Abridged Prospectus.

**3. RESPONSIBILITY STATEMENT**

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given therein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement therein false or misleading.

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

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