

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. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

All enquiries concerning the Rights Issue which is the subject matter to this Abridged Prospectus should be addressed to our Share Registrar, Metra Management Sdn Bhd (Registration No.: 198001008385 (62169-A)) at 35th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia (Tel No.: (03) 2698 3232).

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

The approval from our shareholders for the Rights Issue was obtained at the Meeting of Members convened on 22 December 2020. Approval has been obtained from Bursa Securities vide its letter dated 30 October 2020 for the admission of the RCPS to the Official List of Bursa Securities and the listing of and quotation for the RCPS and the new Pansar Shares to be issued arising from the conversion of RCPS on the Main Market of Bursa Securities. Admission to the Official List of Bursa Securities and quotation of the new securities are not to be taken as an indication of the merits of the Rights Issue. Admission of the RCPS to the Official List of Bursa Securities and the listing of and quotation for the RCPS will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of our successful Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Monday, 8 March 2021. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renounee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the RCPS would result in a contravention of any laws of such countries or jurisdictions. Neither we, UOBKH nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of the entitlements to the RCPS made by the Entitled Shareholders and/or their renounee(s) and/ or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

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.

FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 7 OF THIS ABRIDGED PROSPECTUS.


PANSAR
PANSAR BERHAD
(Registration No. 197401002551 (18904-M))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 346,500,000 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN PANSAR BERHAD ("PANSAR") ("RCPS") ON THE BASIS OF 1 RCPS FOR EVERY 2 EXISTING ORDINARY SHARES IN PANSAR ("PANSAR SHARE(S)" OR "SHARE(S)") HELD BY THE ENTITLED SHAREHOLDERS AS AT 5.00 P.M. ON MONDAY, 8 MARCH 2021 AT AN ISSUE PRICE OF RM0.53 PER RCPS ("RIGHTS ISSUE")

Principal Adviser & Underwriter

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD
Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES:-

Entitlement Date	: Monday, 8 March 2021 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Monday, 15 March 2021 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Wednesday, 17 March 2021 at 4.30 p.m.
Last date and time for acceptance and payment	: Tuesday, 23 March 2021 at 5.00 p.m.
Last date and time for excess application and payment	: Tuesday, 23 March 2021 at 5.00 p.m.

This Abridged Prospectus is dated 8 March 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.

RESPONSIBILITY STATEMENTS

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

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

OTHER STATEMENTS

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

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

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

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 THESE DOCUMENTS.

DEFINITIONS

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

“Act”	: Companies Act 2016, as amended from time to time and includes any re-enactment thereof
“Abridged Prospectus”	: This abridged prospectus dated 8 March 2021
“Amendments”	: Amendments to the Constitution to facilitate the issuance of RCPS under the Rights Issue
“Board”	: The Board of Directors of Pansar
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“CDS”	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
“CDS Account(s)”	: Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and dealings in securities by the depositor
“Closing Date”	: Tuesday, 23 March 2021 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional RCPS and the application and payment for the Excess RCPS
“CMSA”	: Capital Markets and Services Act 2007, as amended from time to time and includes and re-enactment thereof
“Completion Date”	: The completion date of the Proposed Acquisition
“Constitution”	: The constitution of Pansar
“Conversion Price”	: The implied conversion price of the RCPS of RM0.53
“Conversion Ratio”	: The conversion ratio of the RCPS, fixed at 1 RCPS for 1 Pansar Share
“Corporate Exercises”	: Collectively, the Rights Issue, Amendments, Proposed Acquisition and Proposed Diversification
“COVID-19”	: An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
“Deed Poll”	: The deed poll dated 21 May 2018 constituting the Warrants 2018/2023
“Director(s)”	: Has the meaning given in Section 2(1) of the CMSA
“Documents”	: Collectively, the Abridged Prospectus, NPA and RSF pursuant to the Rights Issue
“Entitled Shareholder(s)”	: The shareholder(s) of Pansar whose names appear in the Record of Depositors of the Company on the Entitlement Date

DEFINITIONS (Cont'd)

“Entitlement Date”	:	Monday, 8 March 2021 at 5.00 p.m., on which the shareholders of Pansar must be registered as a member and whose names must appear in the Record of Depositors as at the close of business in order to participate in the Rights Issue
“EPS”	:	Earnings per share
“Excess Application(s)”	:	Application(s) for Excess RCPS as set out in Section 11.9 of this Abridged Prospectus
“Excess RCPS”	:	RCPS which are not taken up or not validly taken up by our Entitled Shareholders and/or their renouces/transferee(s) (if applicable) by the Closing Date
“Foreign Addressed Shareholders”	:	Entitled shareholders who have not provided us with a registered address in Malaysia for service of documents to be issued for the purposes of the Rights Issue
“FPE”	:	Financial period ended/ending
“FYE”	:	Financial year ended/ending
“Issue Price”	:	The issue price of RM0.53 per RCPS for the Rights Issue
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	2 February 2021, being the latest practicable date prior to the printing and despatch of this Abridged Prospectus
“Market Day(s)”	:	Any day(s) between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading of securities
“Maximum Scenario”	:	Assuming all the treasury shares held by the Company are resold to the market and all the outstanding Warrants 2018/2023 are exercised prior to the Entitlement Date for the Rights Issue. As at 4 March 2021, there have been no resale of treasury shares or exercise of Warrants 2018/2023. As such, illustration of the Maximum Scenario in this Abridged Prospectus is strictly for illustrative purposes only
“Meeting of Members”	:	Meeting of members of Pansar held at Tanahmas Hotel, Jalan Kampung Nyabor, 96007 Sibul, Sarawak on Tuesday, 22 December 2020 at 10.00 a.m.
“Minimum Scenario”	:	Assuming all treasury shares held by the Company are retained and none of the outstanding Warrants 2018/2023 are exercised prior to the Entitlement Date of the Rights Issue
“NA”	:	Net assets
“NPA”	:	Notice of provisional allotment of RCPS in relation to the Rights Issue
“Official List”	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities
“Pansar” or the “Company”	:	Pansar Berhad (Registration No. 197401002551 (18904-M))

DEFINITIONS (Cont'd)

“Pansar Group” or the “Group”	:	Pansar and its subsidiary companies, collectively
“Pansar Share(s)” or “Share(s)”	:	Ordinary share(s) in Pansar
“PAT”	:	Profit after tax
“Proposed Acquisition”	:	Proposed acquisition by Pansar of the entire equity interest in Perbena Emas Sdn Bhd from PE Holdings Sdn Bhd for a purchase consideration of RM151,000,000 to be satisfied entirely in cash
“Proposed Diversification”	:	Proposed diversification of the principal activities of Pansar Group to include construction and civil engineering
“Provisional RCPS”	:	RCPS to be provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue
“Rights Issue”	:	Renounceable rights issue of up to 346,500,000 new RCPS in Pansar, on the basis of 1 RCPS for every 2 existing Pansar Shares held by the Entitled Shareholders on the Entitlement Date
“RSF”	:	Rights subscription form in relation to the Rights Issue
“RCPS”	:	Redeemable convertible preference shares in the Company to be issued under the Rights Issue
“Record of Depositors”	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Rules of Bursa Depository”	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 of Malaysia
“SC”	:	Securities Commission Malaysia
“SICDA”	:	Securities Industry (Central Depositories) Act 1991
“SPA”	:	The conditional sale purchase agreement dated 9 September 2020 between Pansar and PE Holdings Sdn Bhd for the Proposed Acquisition
“TERP”	:	Theoretical ex-rights price
“Undertaking Shareholder” or “Pan Sarawak”	:	Pan Sarawak Holdings Sdn Bhd (Registration No. 197201001443 (13327-A)), the substantial shareholder of Pansar, who has provided its Undertaking, as set out in Section 4 of this Abridged Prospectus
“Undertaking”	:	Irrevocable undertaking from the Undertaking Shareholder, who has irrevocably undertaken <i>inter alia</i> to apply and subscribe in full for its entitlement of the RCPS based on its shareholdings as at the Entitlement Date in the manner as set out in Section 4 of this Abridged Prospectus
“Underwriting Agreement”	:	Underwriting agreement dated 22 February 2021 between our Company with UOBKH in relation to the Rights Issue

DEFINITIONS (Cont'd)

"UOBKH" or the : UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423
"Principal Adviser" or (194990-K))
the "Underwriter"

"VWAP" : Volume weighted average market price

"Warrants 2018/2023" : The existing warrants 2018/2023 in Pansar as constituted by the Deed
Poll

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. All references to "you" in this Abridged Prospectus are to the shareholders of Pansar.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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

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ADVISER'S DIRECTORY

PRINCIPAL ADVISER AND UNDERWRITER : UOB Kay Hian Securities (M) Sdn Bhd

Suite 19-03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur

Tel. No.: (03) 2147 1888
Fax. No.: (03) 2147 1950

**LEGAL ADVISERS
CONNECTED TO THE RIGHTS
ISSUE** :

Wong & Partners

Level 21, The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel. No.: (03) 2298 7888
Fax. No.: (03) 2282 2669

Louis, Tai & Partners

3A-3, Jalan Teknologi 3/5A
Pusat Teknologi Sinar Damansara
PJU 5, Kota Damansara
47810 Petaling Jaya
Selangor

Tel. No.: (03) 2935 9628

SHARE REGISTRAR : Metra Management Sdn Bhd

35th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

Tel. No.: (03) 2698 3232
Fax. No.: (03) 2698 0313

STOCK EXCHANGE : Main Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE

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

Key information	Summary														
Basis of allotment and number of RCPS to be issued pursuant to the Rights Issue	<p>Basis: 1 RCPS for every 2 existing Pansar Shares held by the Entitled Shareholders on the Entitlement Date</p> <p>Number of RCPS to be issued:-</p> <table border="1"> <thead> <tr> <th></th> <th>Minimum Scenario</th> <th>Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Number of RCPS to be issued*</td> <td>229,325,975</td> <td>346,500,000</td> </tr> </tbody> </table> <p><i>*The actual number of RCPS to be issued pursuant to the Rights Issue will depend on the total issued Shares of our Company as at the Entitlement Date and the eventual subscription rate of the Rights Issue.</i></p> <p>Any unsubscribed RCPS will be made available for subscription by other Entitled Shareholders and/or their renounees/transferees, via Excess Applications. It is our Board's intention to allot the Excess RCPS, if any, in a fair and equitable manner.</p> <p>Further details are set out in Sections 2 and 11.9 of this Abridged Prospectus.</p>		Minimum Scenario	Maximum Scenario	Number of RCPS to be issued*	229,325,975	346,500,000								
	Minimum Scenario	Maximum Scenario													
Number of RCPS to be issued*	229,325,975	346,500,000													
Issue Price and Conversion Ratio of the RCPS	<p>Issue Price of the RCPS: RM0.53</p> <p>Conversion Ratio of the RCPS: 1 RCPS for 1 Pansar Share</p>														
Tenure of the RCPS	5 years commencing from and inclusive of the issue date														
Conversion and redemption of RCPS	<p>The RCPS are convertible into Pansar Shares at the Conversion Ratio at any time on or after the 3rd anniversary of the Issue Date and before the maturity date at the option of the RCPS holders. Any remaining RCPS that are not converted by the maturity date shall be automatically converted into new Pansar Shares based on the Conversion Ratio.</p> <p>The Company may at any time, at its discretion, redeem all or some of the outstanding RCPS by giving notice in writing to the holders of the RCPS. Redemption shall be in cash and in one lump sum at the Issue Price.</p> <p>Further details of the RCPS are set out in Section 2.3 of this Abridged Prospectus.</p>														
Shareholder's undertaking and underwriting arrangement	<p>The major shareholder of Pansar who has provided its Undertaking to subscribe in full for its entitlement of the RCPS under the Rights Issue. The details of the Undertaking is set out as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Undertaking Shareholder</th> <th colspan="2">Minimum Scenario</th> <th colspan="2">Maximum Scenario⁽¹⁾</th> </tr> <tr> <th>No. of RCPS</th> <th>(RM)</th> <th>No. of RCPS</th> <th>(RM)</th> </tr> </thead> <tbody> <tr> <td>Pan Sarawak</td> <td>150,750,001</td> <td>79,897,501</td> <td>226,125,008</td> <td>119,846,254</td> </tr> </tbody> </table> <p>Note:-</p> <p>(1) Assuming the full exercise of 150,750,013 Warrants 2018/2023 held by Pan Sarawak.</p> <p>The remaining portion of the RCPS under the Minimum Scenario for which no undertaking has been obtained, amounting to up to 78,575,974 RCPS totaling RM41,645,266 will be fully underwritten by UOBKH.</p> <p>Further details are set out in Section 4 of this Abridged Prospectus.</p>	Undertaking Shareholder	Minimum Scenario		Maximum Scenario ⁽¹⁾		No. of RCPS	(RM)	No. of RCPS	(RM)	Pan Sarawak	150,750,001	79,897,501	226,125,008	119,846,254
Undertaking Shareholder	Minimum Scenario		Maximum Scenario ⁽¹⁾												
	No. of RCPS	(RM)	No. of RCPS	(RM)											
Pan Sarawak	150,750,001	79,897,501	226,125,008	119,846,254											

SUMMARY OF THE RIGHTS ISSUE (Cont'd)

Key information	Summary																						
Utilisation of proceeds	The proceeds to be raised from the Rights Issue will be utilised in the following manner:-																						
	<table border="1"> <thead> <tr> <th rowspan="2">Details of utilisation</th> <th rowspan="2">Timeframe for utilisation</th> <th>Minimum Scenario</th> <th>Maximum Scenario</th> </tr> <tr> <th>(RM'000)</th> <th>(RM'000)</th> </tr> </thead> <tbody> <tr> <td>Settlement of the purchase consideration for the Proposed Acquisition</td> <td>Within 1 month from the date of listing of the RCPS</td> <td>120,000</td> <td>120,000</td> </tr> <tr> <td>Working capital</td> <td>Within 24 months from the date of listing of the RCPS</td> <td>-</td> <td>60,845</td> </tr> <tr> <td>Estimated expenses for the Corporate Exercises</td> <td>Within 1 month from the date of listing of the RCPS</td> <td>1,543</td> <td>2,800</td> </tr> <tr> <td>Total</td> <td></td> <td>121,543</td> <td>183,645</td> </tr> </tbody> </table>	Details of utilisation	Timeframe for utilisation	Minimum Scenario	Maximum Scenario	(RM'000)	(RM'000)	Settlement of the purchase consideration for the Proposed Acquisition	Within 1 month from the date of listing of the RCPS	120,000	120,000	Working capital	Within 24 months from the date of listing of the RCPS	-	60,845	Estimated expenses for the Corporate Exercises	Within 1 month from the date of listing of the RCPS	1,543	2,800	Total		121,543	183,645
	Details of utilisation			Timeframe for utilisation	Minimum Scenario	Maximum Scenario																	
		(RM'000)	(RM'000)																				
	Settlement of the purchase consideration for the Proposed Acquisition	Within 1 month from the date of listing of the RCPS	120,000	120,000																			
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Estimated expenses for the Corporate Exercises	Within 1 month from the date of listing of the RCPS	1,543	2,800																				
Total		121,543	183,645																				
Further details are set out in Section 5 of this Abridged Prospectus.																							
Risk factors	<p>You should carefully consider the following risk factors before subscribing for or investing in the Rights Issue:-</p> <ol style="list-style-type: none"> The COVID-19 pandemic and introduction of the Movement Control Order (“MCO”), Conditional Movement Control Order (“CMCO”) and Recovery Movement Control Order (“RMCO”) had varying effects on our Group’s business divisions, including supply and logistical disruptions arising from travel restrictions imposed, delays in the implementation of our ongoing projects, and delays in fulfilment of orders for our products and services. Any adverse developments to the COVID-19 pandemic may lead to the suspension of our operations, and have a negative impact to our sales and financial position; Our business is dependent on the performance and outlook of the Malaysian infrastructure market, marine and water transport industry, which may be affected by market risks such as political and economic stability, shortage of labour supply and raw material costs. Further, upon completion of the Proposed Acquisition and Proposed Diversification, we will also be exposed to inherent risks of the construction sector, which include amongst others, dependency on awards for projects and contracts, delays in commencement and/or completion of projects, price fluctuations on the costs of building materials, increases in cost of energy and shortage of skilled workers in the construction sector. Any adverse changes in the construction sector may have an adverse material effect on our business operations and financial prospects; and The Rights Issue is exposed to the risk that it may be terminated or delayed due to, amongst others, the occurrence of material adverse change of events or circumstances, which are beyond the control of the Group and the Principal Adviser, arising prior to the completion of the Rights Issue. <p>Further details are set out in Section 7 of this Abridged Prospectus</p>																						
Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional RCPS and Excess Applications 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 in the RSF.</p> <p>The last day, date and time for acceptance of and payment for the Provisional RCPS and the Excess Application is on Tuesday, 23 March 2021 at 5.00 p.m., being the Closing Date.</p> <p>Further details are set out in Section 11 of this Abridged Prospectus.</p>																						



PANSAR BERHAD
(Registration No. 197401002551 (18904-M))
(Incorporated in Malaysia)

Registered Office

4th Floor, Wisma Pansar
23-27 Jalan Bengkel
96000 Sibul, Sarawak

8 March 2021

Board of Directors

Dato' James Tai Cheong @ Tai Chiong	<i>(Chairman/Non-Independent Non-Executive Director)</i>
Datuk Tai Hee	<i>(Managing Director)</i>
Ling Lee Chuon @ James Ling Chung	<i>(Non-Independent Non-Executive Director)</i>
Ting Ing Horh @ Ting Ing Ho	<i>(Non-Independent Non-Executive Director)</i>
Fong Yoo Kaw @ Fong Yee Kow	<i>(Independent Non-Executive Director)</i>
Azman Bin Bujang	<i>(Independent Non-Executive Director)</i>

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 346,500,000 NEW RCPS IN PANSAR ON THE BASIS OF 1 RCPS FOR EVERY 2 EXISTING ORDINARY SHARES IN PANSAR HELD BY THE ENTITLED SHAREHOLDERS AS AT 5.00 P.M. ON MONDAY, 8 MARCH 2021 AT AN ISSUE PRICE OF RM0.53 PER RCPS

1. INTRODUCTION

On 9 September 2020, UOBKH had, on behalf of our Board, announced that our Company proposed to undertake the Corporate Exercises.

On 30 October 2020, UOBKH had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 30 October 2020, resolved to approve the following:-

- (a) admission to the Official List and listing and quotation of up to 346,500,000 RCPS to be issued pursuant to the Rights Issue; and
- (b) listing and quotation of up to 346,500,000 Pansar Shares to be issued pursuant to the conversion of the RCPS,

subject to the following conditions:-

	Conditions	Status of compliance
i.	Pansar and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Rights Issue;	To be complied
ii.	Pansar and UOBKH to inform Bursa Securities upon the completion of the Rights Issue;	To be complied

	Conditions	Status of compliance
iii.	Pansar to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied
iv.	Pansar to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the RCPS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 22 December 2020, our shareholders approved the Corporate Exercises at our Meeting of Members.

On 22 February 2021, our Company entered into the Underwriting Agreement with UOBKH in connection with the Rights Issue.

On 22 February 2021, UOBKH had, on behalf of our Board, announced the following:-

- (i) the Board had resolved to fix the issue price of the RCPS at RM0.53 per RCPS;
- (ii) based on the Conversion Ratio of 1 RCPS for 1 Pansar Share, the implied Conversion Price of the RCPS is RM0.53; and
- (iii) the Entitlement Date for the Rights Issue is fixed on Monday, 8 March 2021 at 5.00 p.m. In addition, the other relevant dates pertaining to the Rights Issue were also announced.

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

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENT OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Basis and number of RCPS to be issued

The Rights Issue entails an issuance of new RCPS on a renounceable basis of 1 RCPS for every 2 existing Pansar Shares held by the Entitled Shareholders on the Entitlement Date. The RCPS will be provisionally allotted to the Entitled Shareholders whose names appear in the Record of Depositors of the Company on the Entitlement Date.

The actual number of RCPS to be issued would depend on the total number of issued Shares as at the Entitlement Date and the eventual subscription rate of the Rights Issue. As at the LPD, the issued share capital of Pansar is RM152,381,313 comprising 458,651,950 Pansar Shares, which excludes 4,023,150 treasury shares held by Pansar. Additionally, as at the LPD, there are 230,324,900 existing Warrants 2018/2023 in Pansar. Accordingly, under the Minimum Scenario and Maximum Scenario, up to 229,325,975 RCPS or 346,500,000 RCPS, respectively, will be issued pursuant to the Rights Issue.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the RCPS in full or in part. Any unsubscribed RCPS will be made available to other Entitled Shareholders and/or their renounee(s)/transferee(s) via Excess Applications in the manner set out in **Section 11.9** of this Abridged Prospectus.

Any fractional entitlements of the RCPS arising from the Rights Issue shall be disregarded, and dealt with in a fair and equitable manner and on terms as the Board, in their absolute discretion, deems fit and expedient, as well as in the best interest of the Company.

As the RCPS are prescribed securities, your CDS Account will be duly credited with the number of Provisional RCPS that you are entitled to subscribe for under the terms of the Rights Issue. You will find enclosed together with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional RCPS into your CDS Account and the RSF to enable you to subscribe for the Provisional RCPS as well as to apply for Excess RCPS if you so choose to.

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

Any dealings in our securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights RCPS and new Pansar Shares to be issued arising from the conversion of RCPS will be credited directly into the respective CDS Accounts of successful applicants and holders of RCPS who convert their RCPS. No physical certificates will be issued to the successful applicants and holders of RCPS.

The RCPS will be admitted to the Official List of Bursa Securities. The listing and quotation of the RCPS will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation of these securities as specified under the Listing Requirements.

2.2 Basis and justification for the Issue Price, Conversion Ratio and Conversion Price of the RCPS

2.2.1 Issue Price

Our Board has fixed the Issue Price at RM0.53 per RCPS after taking into consideration the following:-

- (a) the funding requirements of Pansar for the part settlement (amounting to RM120.0 million) of the purchase consideration for the Proposed Acquisition, as detailed in **Section 3.1** of this Abridged Prospectus; and
- (b) the TERP of Pansar Shares of RM0.69, calculated based on the 5-day VWAP of Pansar Shares up to and including 19 February 2021 of RM0.77, being the Market Day immediately prior to the price-fixing date. The Issue Price represents a discount of approximately 23.19% to the TERP.

2.2.2 Conversion Ratio and Conversion Price

The Conversion Ratio of the RCPS is fixed at 1 new Pansar Share for every 1 RCPS converted, after taking into consideration the potential dilutive impact to the existing shareholders of Pansar arising from the conversion of RCPS into new Pansar Shares and the enlarged share base of Pansar subsequent to the conversion.

Further, based on the Issue Price of RM0.53 per RCPS and the Conversion Ratio, the implied Conversion Price is RM0.53 for every new Pansar Share, representing a discount of approximately 23.19% to the TERP of Pansar Shares of RM0.69.

Based on the Conversion Ratio, the maximum number of new Pansar Shares to be issued upon full conversion of the RCPS is 229,325,975 new Pansar Shares (under the Minimum Scenario) and 346,500,000 new Pansar Shares (under the Maximum Scenario), respectively. For the avoidance of doubt, RCPS holders are not required to make any additional cash payment for the conversion of any RCPS into new Pansar Shares.

Our Board is of the view that the basis of determining the Issue Price, Conversion Ratio and Conversion Price is in the best interests of our Company and our Entitled Shareholders, taking into consideration an Issue Price that is deemed to be attractive to encourage the subscription of the RCPS by the Entitled Shareholders and/or their renounees/transferees, the historical volatility and share price movement of Pansar Shares, as well as ensuring the proceeds raised from the Rights Issue is sufficient to fund the portion of the Proposed Acquisition.

2.3 Salient terms of the RCPS

Issue Date	Date of first issuance of the RCPS
Issue Price	RM0.53
Maturity Date	A Market Day which falls 5 years from the Issue Date of the RCPS
Tenure	5 years from and including the Issue Date
Dividend rate	<p>Each RCPS carries a dividend rate of 4% per annum based on the Issue Price of the RCPS from the Issue Date up to and including the Maturity Date.</p> <p>The dividend will be payable in arrears on an annual basis, at the discretion and option of the Board and subject to availability of profits and compliance with the Act.</p>
Conversion	<p>The RCPS are convertible into Pansar Shares at the Conversion Ratio at any time on or after the 3rd anniversary of the Issue Date and before the Maturity Date at the option of the RCPS holders.</p> <p>Any remaining RCPS that are not converted by the Maturity Date shall be automatically converted into new Pansar Shares based on the Conversion Ratio.</p>
Conversion Ratio	The Conversion Ratio is fixed at 1 RCPS for 1 Pansar Share. The conversion ratio will be subject to any necessary adjustments from time to time, at the determination of the Board, in the event of any alteration to Pansar's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution. Pansar will give notice in writing to the RCPS holders of its intention to make such adjustments to the Conversion Ratio.
Conversion Mode	The RCPS can be converted into new Pansar Shares at the option of the RCPS holders on any Market Day or after the 3 rd anniversary of the Issue Date and before the Maturity Date without the payment of any consideration (cash or otherwise) and in accordance with the applicable Conversion Ratio at the date of conversion.
Redemption	<p>Subject to the provisions of the Act, and any other applicable legislation, the Company may at any time, at its discretion, redeem all or some of the outstanding RCPS by giving notice in writing to the holders of RCPS of its intention to do so. Redemption shall be in cash and in one lump sum at the Issue Price.</p> <p>The Company shall give not less than 30 days' notice to the RCPS holders prior to the redemption date. The notice shall state the book closure date to be used to determine the identities of the RCPS holders entitled to receive the redemption payment.</p>
Listing status	The RCPS will be listed and quoted on the Main Market of Bursa Securities.
Listing status of new Pansar Shares	The new Pansar Shares to be issued upon conversion of the RCPS will be listed and quoted on the Main Market of Bursa Securities.
Rating	Not applicable

<p>Ranking of the RCPS</p>	<p>The RCPS are unsecured will upon allotment and issuance, rank equally amongst themselves, and will rank ahead in priority to the holders of the Pansar Shares and all other classes of shares (if any) in Pansar, but shall rank behind all secured and unsecured obligations of Pansar, except that the RCPS:-</p> <ul style="list-style-type: none"> (i) will not be entitled to any rights, allotments and/or other distributions that may be declared by Pansar for the ordinary shares; and (ii) carries no right to vote at any general meeting of Pansar, save for the Voting Rights as set out below. <p>The Board shall not issue any preference shares (other than additional RCPS) which rank equally with or in priority to the RCPS unless the issue of such securities has first been approved by the RCPS holders by way of an ordinary resolution of such holders.</p>
<p>Ranking of new Pansar Shares</p>	<p>The new Pansar Shares to be issued upon conversion of the RCPS will, upon allotment and issuance, rank equally in all respects with the existing Pansar Shares including the entitlements to dividends, rights, allotments or other distributions, except that the new Pansar Shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date of which is before the date of allotment of such new Pansar Shares.</p> <p>If there is a liquidation or winding-up of the Company:-</p> <ul style="list-style-type: none"> (i) the assets of the Company after payment of all secured and unsecured obligations of the Company shall be distributed to the holders of the RCPS in full of an amount which is equal to the Issue Price for each RCPS and in priority to any distribution to the holders of the shares, provided that there shall be no further right for the holders of the RCPS to participate in any surplus capital or surplus profits of the Company; and (ii) if the Company has insufficient assets to permit payment of the full Issue Price to the holders of RCPS, the assets of the Company shall be distributed pro rata on an equal priority to the holders of RCPS in proportion to the amount that each holder of RCPS would otherwise be entitled to receive.
<p>Modification of rights of the RCPS</p>	<p>The Board may from time to time without the consent or sanction of all the holders of the RCPS make modifications to the terms of the RCPS of which in the opinion of our Board is not materially prejudicial to the interest of the holders of the RCPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.</p> <p>Any variation, modification or abrogation of the rights and privileges attached to the RCPS shall require the sanction of a special resolution of the RCPS holders holding or representing not less than 75% of the outstanding RCPS present and voting either in person or by proxy at the meeting convened for the RCPS holders to sanction such purposes.</p>
<p>Voting Rights</p>	<p>The RCPS will not carry any right to vote at any general meetings of Pansar, save and except in respect of any resolution made:-</p> <ul style="list-style-type: none"> (i) where the dividend or part of the dividend on the RCPS is in arrears for more than 1 year; (ii) on a proposal to reduce Pansar's share capital; (iii) on a proposal for the disposal of the whole of Pansar's property, business and undertaking; (iv) on a proposal that affect the rights and privileges attached to the RCPS; (v) on a proposal to wind-up Pansar; and (vi) during the winding-up of Pansar.

2.4 Ranking of the RCPS and new Pansar Shares to be issued arising from the conversion of the RCPS

The RCPS will upon allotment and issuance, rank equally amongst themselves, and will rank ahead in priority to the holders of the Pansar Shares and all other classes of shares (if any) in Pansar, in respect of payment of dividends and payment out of the assets of Pansar upon any liquidation, dissolution or winding-up of Pansar, provided always that our Board approves such payment of dividends and payment out of the assets of Pansar on this basis and further affirms the priority of payment to the holders of the RCPS.

Our Board shall not issue any preference shares (other than additional RCPS) which rank equally with or in priority to the RCPS unless the issue of such securities has first been approved by the RCPS holders by way of an ordinary resolution of such holders.

The new Pansar Shares to be issued upon conversion of the RCPS will, upon allotment and issuance, rank equally in all respects with the existing Pansar Shares, save and except that the new Pansar Shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of the new Pansar Shares.

3. DETAILS OF OTHER CORPORATE EXERCISES

Save for the Rights Issue and the following Corporate Exercises which were announced concurrently with the Rights Issue on 9 September 2020, there are no other corporate exercises announced by our Company but pending completion as at the LPD:-

3.1 Proposed Acquisition

On 9 September 2020, we entered into a conditional share purchase agreement with PE Holdings Sdn Bhd ("**PE Holdings**" or the "**Vendor**") for the acquisition of 15,000,000 ordinary shares in Perbena Emas Sdn Bhd ("**PESB**") ("**PESB Share(s)**"), representing 100% equity interest in PESB, for the purchase consideration of RM151,000,000 to be satisfied entirely in cash ("**Purchase Consideration**"). Upon completion of the Proposed Acquisition, we will hold the entire equity interest in PESB and accordingly, PESB shall become our wholly owned subsidiary.

PESB was incorporated in Malaysia on 7 November 1977 as a private limited company under the laws of Malaysia. Its registered office is at Lot 304, 3rd Floor, The Spring Shopping Mall, Persiaran Spring, 93300 Kuching, Sarawak.

PESB commenced its business operations on 7 November 1977, and is principally engaged in the business of building and infrastructure construction. PESB undertakes construction projects of all nature, and its current construction portfolio consists primarily of commercial and public service buildings under building works, and predominantly roads, highways and bridges for infrastructure works. All of their current projects are located within East Malaysia.

As at the LPD, PESB has secured contracts worth approximately RM1.46 billion for building and construction works. PESB is also participating in project tenders with a total estimated value of approximately RM1.34 billion.

The Proposed Acquisition was approved by our shareholders at the Meeting of Members. As at the LPD, the Proposed Acquisition is pending fulfilment of the conditions precedent which includes, amongst others, the completion of the Rights Issue and the listing of the RCPS on the Main Market of Bursa Securities.

As at the LPD, the list of construction projects currently on-going by PESB are as follows:-

No.	Project description	Contract awarded by ⁽¹⁾	Date of award	Outstanding contract sum (RM'million)	Month of commencement	Month / Expected month of completion
1.	Construction and completion of Jetty C, road and bridges for Baleh Hydroelectric Project, Bahagian Kapit, Sarawak	SEB Power Sdn Bhd	2 August 2017	99.62	September 2017	October 2021
2.	Construction and completion of Project Jalan Song-Kapit (Package 1), Kanowit, Sarawak	JKR	20 February 2018	63.87	February 2018	May 2021
3.	Construction and completion of proposed Jalan Nanga Menuan/ Nanga Setepus (Phase 1), Kapit, Sarawak	JKR	21 January 2019	51.30	January 2019	March 2022
4.	Construction and completion of proposed Jalan Ijok/ Teguyu/ Lempoang/ Batu Pesok/ Rantau Layang/ Perdu (Phase 1), Spak, Betong, Sarawak	JKR	20 March 2019	38.58	March 2019	September 2021
5.	Construction of road connecting Mupong to Sibul, Tanjung Manis road, Sarikei, Sarawak	JKR	25 February 2019	21.17	March 2019	June 2021
6.	Construction and completion of the proposed Jalan Nanga lbau/ Ulu Sungai lbau (Phase 1), Kapit, Sarawak	JKR	2 April 2019	56.40	April 2019	April 2022
7.	Proposed reconstruction and improvement of Ulu Suai road, Miri, Sarawak	JKR	25 October 2019	61.09	October 2019	November 2021
8.	Proposed new reinforce concrete bridge across Batang Baleh at Nanga Gaat and New R1 standard road to Rumah Tungku (Phase 1) (Section 1), Bahagian Kapit, Sarawak	Regional Corridor Development Authority ("Recoda")	4 November 2019	85.27	December 2019	February 2023
9.	Proposed new reinforce concrete bridge across Batang Baleh at Nanga Gaat and New R1 standard road to Rumah Tungku (Phase 1) (Section 2), Bahagian Kapit, Sarawak	Recoda	4 November 2019	76.86	December 2019	February 2023
10.	Proposed 2 storey columbarium and single storey church hall with mezzanine floor at Religious Centre, Lot 11, Section 58, LTLD, Jalan Central Timur, Kuching Sarawak	The Archbishop of Kuching	4 October 2019	37.11	October 2019	February 2024
11.	Proposed construction & completion of the Sarawak Coastal Road Package D2B: Proposed construction and completion of Batang Lupar 1 Bridge, Samarahan/Betong Division, Sarawak.	Government of Sarawak	9 December 2020	848.75	January 2021	January 2025
12.	Proposed upgrading of road from Batang Sadong bridge to Kampung Sabun road, Simunjan, Samarahan Division, Sarawak.	Government of Sarawak	9 December 2020	25.56	January 2021	January 2022
	Total			1,465.58		

Financial information on PESB

The table below sets out the financial performance of PESB for the past 3 years up to and including FYE 31 March 2020, as well as the unaudited 9-month financial period ended ("FPE") 31 December 2020:-

	Audited FYE 31 March			Unaudited 9-month FPE 31 December
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2020 (RM'000)
Revenue	207,763	239,364	140,781	83,674
PBT	12,405	10,798	8,806	1,654
PAT	8,961	8,240	6,281	1,542
Shareholders' funds/NA	111,085	115,324	118,605	120,148
Share capital	12,189	12,189	15,000	15,000
EPS (RM)	0.90	0.82	0.42	0.10
NA per share (RM)	11.11	11.53	7.91	8.01
Current ratio (times)	2.48	2.70	3.77	4.18
Total borrowings (including all interest-bearing debts) (RM'000)	10,627	13,871	18,470	13,393
Gearing (times)	0.10	0.12	0.16	0.11

There has been no audit qualification for the audited financial statements of PESB for the past 3 FYEs 31 March 2018 to 2020. There were no exceptional and/or extraordinary items reported in the audited financial statements of PESB or peculiar accounting policies adopted by PESB for the past 3 FYEs 31 March 2018 to 2020.

Commentary**FYE 31 March 2018 ("FYE 2018")**

PESB's revenue decreased by 18.7% to RM207.8 million for the FYE 2018 (FYE 2017: RM255.6 million) mainly due to from the completion of 2 shopping mall projects, namely AEON Mall Kuching Central in December 2017 and Design Village Penang in December 2016. However, despite the decrease in revenue, PESB's PBT increased by 6.5% to RM12.4 million in FYE 2018 (FYE 2017: RM11.7 million), primarily due to better gross margin recognised from some road projects undertaken by PESB during the year. Nevertheless, PESB's PAT decreased by 3.8% to RM9.0 million in the FYE 2018 (FYE 2017: RM9.3 million), primarily attributed to under-provision of tax in the FYE 2017.

FYE 31 March 2019 ("FYE 2019")

PESB's revenue increased by 15.2% to RM239.4 million in the FYE 2019 (FYE 2018: RM207.8 million), which was mainly due to revenue recognised from substantial work done on The Spring Bintulu shopping mall in Sarawak. However, despite the increase in revenue, PESB's PBT decreased by 13.0% to RM10.8 million in the FYE 2019 (FYE 2018: RM12.4 million), primarily due to a lower gross margin of 7.01% in the FYE 2019 compared to 8.57% in the FYE 2018 due to increased market competition which had affected our margins. Consequently, PESB's PAT decreased by 8.0% to RM8.2 million in the FYE 2019 (FYE 2018: RM9.0 million).

FYE 31 March 2020 (“FYE 2020”)

PESB’s revenue decreased by 41.2% to RM140.8 million in the FYE 2020 (FYE 2019: RM239.4 million), which was mainly due to completion of The Spring Bintulu shopping mall in Sarawak, as revenue from The Spring Bintulu was mainly recognised in the prior FYE 2019. Revenue recognised in the FYE 2020 was primarily from the commencement of a few road construction projects during the year. In line with the decrease in revenue, PESB’s PBT decreased by 18.4% to RM8.8 million in the FYE 2020 (FYE 2019: RM10.8 million). PESB’s PBT was impacted by an increase in staff cost during several project turnarounds as project teams were temporarily transitioned to head office before relocation to project sites, resulting in a 51.6% increase in administrative expenses to RM11.6 million in the FYE 2020 (FYE 2019: RM7.7 million). Simultaneously, PESB’s PAT decreased by 23.8% to RM6.3 million in the FYE 2020 (FYE 2019: RM8.2 million).

FPE 31 December 2020 (“FPE 2020”)

PESB’s revenue decreased by 14.9% to RM83.7 million for the FPE 2020 (FPE 31 December 2019 (“FPE 2019”): RM98.3 million) primarily due to the COVID-19 pandemic and the implementation of the MCO which had led to a suspension of PESB’s construction activities. In line with the decrease in revenue, PESB recorded a lower PAT of RM1.5 million in FPE 2020 (FPE 2019: PAT of RM2.8 million).

3.1.1 Mode of settlement and basis and justification of the Purchase Consideration

The Purchase Consideration shall be satisfied in cash upon completion of the Proposed Acquisition, and was arrived at on a ‘willing buyer-willing seller’ basis, after taking into account the following:-

- (a) the established 43-year track record of PESB in the construction industry, particularly in undertaking civil works, building works and infrastructure projects in Sarawak;
- (b) the earnings potential of PESB given the secured order book of RM647.11 million, and project tenders amounting to RM2.17 billion as at 14 August 2020, being the date of opinion of the fair value assessment undertaken by FHMH Corporate Advisory Sdn Bhd (“FHCA”) (“Date of Opinion”) as set out below, as well as the outlook for the construction industry and infrastructure market as set out in **Section 8.2** of this Abridged Prospectus. As at the LPD, PESB’s order book stood at RM1.46 billion following the award of 2 new contracts for construction of a bridge and upgrading of a road, as well as completion of an access road;
- (c) the historical financial performance and position of PESB, which generated profits after tax of ranging from RM6.28 million to RM8.96 million annually over the past 3 FYEs 31 March 2018 to 2020, as well as the audited NA of PESB as at 31 March 2020 of RM118.61 million; and
- (d) the rationale for the Proposed Acquisition as set out in **Section 3.1.3** of this Abridged Prospectus.

In establishing its opinion on the fair value of PESB, FHCA had undertaken a discounted cash flow (“DCF”) approach, taking into consideration PESB’s future earnings generating capabilities, future prospects, sustainability as well as various considerations relating to PESB’s business. Based on the fair value assessment by FHCA, the fair value of the entire equity interest of PESB is in the range of RM135.85 million to RM169.96 million. The Purchase Consideration of RM151.0 million falls within the range of the fair market value for the entire equity interest in PESB.

FHCA’s report on the fairness of the Purchase Consideration is set out in **Appendix III** of the Circular to the shareholders of Pansar dated 30 November 2020.

3.1.2 Liabilities to be assumed

Save for the obligations and liabilities of PESB in its ordinary course of business, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by Pansar pursuant to the Proposed Acquisition. The PESB Shares shall be acquired free from all encumbrances, liens, charges and with all rights, benefits and entitlements attaching thereto.

For information purposes, the details of PESB's contingent liabilities incurred or known to be incurred as at the LPD is set out as follows:-

	(RM'000)
Corporate guarantee given to a licensed bank for credit facilities granted to a related corporation, namely, a fellow wholly-owned subsidiary of PE Holdings ⁽¹⁾	30,600

Note:-

(1) PESB is in the midst of transferring the corporate guarantee to its holding company, PE Holdings. The transfer of corporate guarantee is expected to be completed prior to the completion of the SPA and the Proposed Acquisition.

3.1.3 Rationale for the Proposed Acquisition

The Proposed Acquisition will enable our Group to own the entire equity interest in PESB, which serves as a strategic entry for our Group into the construction industry. Our Board is of the view that PESB is well positioned as an established and reputable construction company, in particular undertaking civil and infrastructure works in East Malaysia over the past 43 years. PESB also currently holds a Grade G7 license approved by the Construction Industry Development Board which enables PESB to tender for all types of construction work of any contract value in Malaysia. Further, PESB has secured contracts worth approximately RM1.46 billion as at the LPD for building and construction works. These contracts are in various stages of completion and will be completed over the next few years, providing our Group with a reliable and visible revenue stream. PESB is also participating in project tenders with a total estimated value of approximately RM1.34 billion which, if secured, will further enhance its order book and earnings potential. Upon completion of the Proposed Acquisition, our Group will be able to consolidate the earnings of PESB, which has historically recorded a consistent level of profitability and order book replenishment track record, thus contributing to our Group's long-term profitability.

Further, our Group will be able to capitalise on the competency and experience of the key management of PESB, who have significant experience in construction activities including the day-to-day operations and management of construction projects, which is critical to the future success of our Group's construction business. These key management personnel hold key executive and management roles in PESB, and have combined experiences in civil infrastructure and engineering, specialised building works, property development, contributing to the growth and development of PESB. Brief details of the key management of PESB are as follows:-

Name	Designation and primary roles
Ling Lee Chuon @ James Ling Chung	Managing Director of PESB – Overseeing the overall operations and management of PESB
Helen Teng Lung Wong	Executive Director of PESB – Provides client and resources support, monitors the overall costs, works performance and plan improvement
Ronald Ling Ing Han	Executive General Manager of PESB – Overseeing the operations and leading the business development of PESB

Name	Designation and primary roles
Samir Derviskadic	General Manager of Civil Infrastructure and Integrated Management System of PESB – Oversees the project bidding and development and implementation of civil construction projects

Further details on the profiles of the key management of PESB are set out in our Circular to shareholders dated 30 November 2020.

3.1.4 Source of funding

The Purchase Consideration will be funded through a combination of proceeds raised from the Rights Issue and bank borrowings/internally generated funds, in the indicative manner as set out below:-

Source of funding	(RM'000)
Proceeds from the Rights Issue	120,000
Bank borrowings/internally generated funds	31,000
Total Purchase Consideration	151,000

3.2 Proposed Diversification

Our Group is principally involved in the sale and distribution of building materials, marine and industrial products, agro-engineering equipment and supplies, electrical products and office automation supplies, and installation of air conditioning and ventilation, plumbing and fire protection systems and construction equipment ("**Existing Principal Business**"). Our Group has, in the past, considered numerous business plans to both enhance our Existing Principal Business and diversify meaningfully into other business streams which are synergistic to our Group. The opportunity to enhance shareholder value and increase the profile of our Group in East Malaysia has since presented itself through the Proposed Acquisition.

Pansar Group's Existing Principal Business is segmented into the following:-

- (i) **Building Products segment** - the sale and distribution of steel bars, cement, roofing materials, construction chemicals and industrial materials;
- (ii) **Marine and Industrial segment** - the supply and distribution of power generating and water pressure systems, welding and pump sets, and air compressor for industrial sector, rice transplanters, combine harvesters and brush cutters for agriculture sector; and marine propulsion diesel engines, outboard motors and marinised generators for marine sector;
- (iii) **Agro Engineering segment** - the supply of steel wire ropes, packaging systems, precision measuring instruments and wood treatment chemicals for timber industry, as well as saw doctoring equipment, electric motors, grinders, cutters and other upstream equipment and machinery;
- (iv) **Electrical and Office Automation segment** - the sale and distribution of lighting and air-conditioning systems, and provision of office automation solutions for workplace, from photocopier, fax machines and key phones, computers to networking, software and work flow solutions;
- (v) **Heavy Equipment segment** – the sale and distribution of construction equipment which includes backhoe loaders, heavy excavators, compact excavators, telehandlers and the associated spare parts; and

- (vi) **Mechanical and Electrical segment** - the design, supply and installation of air-conditioning and ventilation, plumbing and fire protection systems.

The segmental breakdown of Pansar's revenue and profit before interest and taxation is set out as follows:-

	FYE 31 March			9-month FPE 31 December	
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)
Revenue					
Building Products	138,357	145,511	115,776	92,363	60,891
Marine and Industrial	96,821	81,540	107,793	81,484	67,434
Agro Engineering	36,266	29,992	24,947	19,707	18,734
Electrical and Office Automation	18,699	25,325	20,863	16,393	16,047
Heavy Equipment	4,810	16,338	13,109	9,170	11,080
Mechanical and Electrical	91,576	69,275	56,193	40,089	51,125
	386,529	367,981	338,681	259,206	225,311
Segment profit before interest and taxation*					
Building Products	8,915	9,490	7,689	6,849	4,480
Marine and Industrial	14,142	14,155	20,551	16,167	10,890
Agro Engineering	3,281	2,416	1,292	1,269	1,553
Electrical and Office Automation	1,307	789	961	898	912
Heavy Equipment	954	2,296	317	230	687
Mechanical and Electrical	4,566	4,661	357	1,738	2,828
	33,165	33,807	31,167	27,151	21,350
Group consolidated profit before tax	11,583	10,356	9,966	10,503	8,665

Note:-

* Prior to adjustments and eliminations for inter-segment transactions and finance costs.

Upon completion of the Proposed Acquisition, our Board anticipates the revenue and earnings stream from PESB's core business of construction and civil engineering to contribute more than 25% to the net assets or net profits of our Group. As such, we have sought and obtained the approval of our shareholders at the Meeting of Members for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Listing Requirements. The Proposed Diversification is conditional upon the Proposed Acquisition, and will be completed upon the completion of the Proposed Acquisition.

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4. SHAREHOLDER'S UNDERTAKING AND UNDERWRITING ARRANGEMENT

The Rights Issue is intended to be undertaken on a full subscription basis (based on the Minimum Scenario). Under the Maximum Scenario, the Rights Issue will be undertaken on a minimum subscription level of 229,325,975 RCPS, computed based on the Undertaking provided by the major shareholder of Pansar, Pan Sarawak, comprising 150,750,001 RCPS, together with the 78,575,974 Underwritten RCPS (as set out in **Section 4.2** of this Abridged Prospectus).

4.1 Shareholder's Undertaking

The major shareholder of Pansar, Pan Sarawak, has provided its Undertaking to subscribe in full for its entitlement of the RCPS under the Rights Issue based on their shareholdings as at the LPD:-

Minimum Scenario

Undertaking Shareholder	As at the LPD		Entitlement and Undertaking		Total RCPS to be subscribed pursuant to the Undertaking	
	No. of Shares	(%)	No. of RCPS	(%)	No. of RCPS	Amount (RM)
Pan Sarawak	301,500,003	65.74	150,750,001	65.74	150,750,001	⁽¹⁾ 79,897,501

Note:-

(1) Based on the Issue Price of RM0.53 per RCPS.

Maximum Scenario

Undertaking Shareholder	As at the LPD		Assuming all Warrants 2018/2023 are exercised		Entitlement and Undertaking		Total RCPS to be subscribed pursuant to the Undertaking	
	No. of Shares	(%)	No. of Shares	⁽¹⁾ (%)	No. of RCPS	(%)	No. of RCPS	Amount (RM)
Pan Sarawak	301,500,003	65.74	⁽²⁾ 452,250,016	65.26	226,125,008	65.26	226,125,008	⁽³⁾ 119,846,254

Notes:-

- (1) Based on the enlarged total number of issued shares of Pansar of 693,000,000 Pansar Shares after the following adjustments:-
 - (i) assuming full exercise of 230,324,900 Warrants 2018/2023 into new Pansar Shares; and
 - (ii) assuming all the 4,023,150 treasury shares held by the Company are resold to the open market prior to the Entitlement Date.
- (2) For illustration purposes only, assuming the full exercise of 150,750,013 Warrants 2018/2023 held by Pan Sarawak as at the LPD.
- (3) Based on the Issue Price of RM0.53 per RCPS.

Pursuant to the Undertaking, the Undertaking Shareholder has further confirmed that:-

- (i) in the event of disposal of its shareholdings in Pansar prior to the Entitlement Date, Pan Sarawak will continue to subscribe for 150,750,001 RCPS under the Rights Issue;
- (ii) in the event of any increase in shareholdings in Pansar prior to the Entitlement Date in any manner, including any exercise of the Warrants 2018/2023 held, Pan Sarawak will subscribe in full for any additional entitlement of the Rights Issue; and
- (iii) it has sufficient financial resources to subscribe in full for its entitlement of the Rights Issue and have obtained all approvals and authorisations necessary to pay for and take up its entitlement, based on the Issue Price of RM0.53 per RCPS.

UOBKH has verified that Pan Sarawak has sufficient financial resources to take up the number of RCPS as specified in their Undertaking.

The Undertaking is not expected to trigger any mandatory offer obligations under the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC ("**Rules**"). Nevertheless, the Undertaking Shareholder has confirmed that they will at all times observe and ensure compliance with the Rules and will seek from the SC the necessary exemptions from undertaking a mandatory take-over offer if required.

The remaining portion of the RCPS under the Minimum Scenario for which no undertaking is obtained will be fully underwritten.

4.2 Underwriting arrangement

We had, on 22 February 2021, entered into the Underwriting Agreement with the Underwriter, UOBKH, where the Underwriter will underwrite 78,575,974 RCPS ("**Underwritten RCPS**"), representing approximately 34.26% of the total RCPS to be issued under the Minimum Scenario, at the Issue Price of RM0.53 per RCPS. Based on the total Underwritten RCPS and the Issue Price, the total value of the Underwritten RCPS amounts to approximately RM41.65 million.

The underwriting commission of 2.0% of the value of the Underwritten RCPS and all relevant costs in relation to the underwriting will be borne by our Company.

The Entitled Shareholders and/or their renounees/transferees, shall be given priority and shall first be allocated with all the Excess RCPS applied for, if any. Upon completion of such allocation, the Underwriter shall only then apply and be allocated with the remaining number of unsubscribed RCPS, if any to meet the full subscription basis under the Minimum Scenario of the Rights Issue, pursuant to the Underwriting Agreement.

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5. UTILISATION OF PROCEEDS

Based on Issue Price of RM0.53 per RCPS and assuming all the Entitled Shareholders subscribe in full for their respective entitlements, the immediate gross proceeds to be raised from the Rights Issue will be utilised in the manner as set out below, based on the following scenarios:-

Minimum Scenario : Assuming all treasury shares held by the Company are retained and none of the outstanding Warrants 2018/2023 are exercised prior to the Entitlement Date of the Rights Issue

Maximum Scenario : Assuming all the treasury shares held by the Company are resold to the market and all the outstanding Warrants 2018/2023 are exercised prior to the Entitlement Date for the Rights Issue. As at 4 March 2021, there have been no resale of treasury shares or exercise of Warrants 2018/2023. As such, the utilisation of proceeds set out in the Maximum Scenario below is strictly for illustrative purposes only

Details of utilisation	Timeframe for utilisation	Minimum Scenario		Maximum Scenario	
		(RM'000)	(%)	(RM'000)	(%)
Settlement of Purchase Consideration ⁽¹⁾	Within 1 month from the date of listing of the RCPS	120,000	98.7	120,000	65.4
Working capital ⁽²⁾	Within 24 months from the date of listing of the RCPS	-	-	60,845	33.1
Estimated expenses for the Corporate Exercises ⁽³⁾	Within 1 month from the date of listing of the RCPS	1,543	1.3	2,800	1.5
Total		121,543	100.0	183,645	100.0

Notes:-

(1) Settlement of Purchase Consideration

The earmarked proceeds of RM120.0 million will be utilised to part finance the Purchase Consideration for the Proposed Acquisition, details of which are set out in **Section 3.1** of this Abridged Prospectus.

The Proposed Acquisition is subject to the fulfilment of conditions precedent pursuant to the SPA which includes, amongst others, the successful completion of the Rights Issue and the results of the due diligence on PESB being satisfactory to the Company. The due diligence on PESB is being undertaken in stages, with the primary review having been completed in December 2020. Presently, the Company is in the process of updating its due diligence on PESB which is expected to be completed by mid-March 2021.

If the conditions precedent are unable to be fulfilled, this may lead to a termination of the SPA, and result in non-completion of the Proposed Acquisition. In the event the Proposed Acquisition fails to materialise after the completion of the Rights Issue, our Group will earmark the proceeds towards other strategic investments and/or acquisition opportunities which are complementary to our Group's existing business.

(2) Working capital

Strictly for illustration purposes only, the proceeds set out in the table above of up to RM60.8 million will be earmarked for working capital requirements, which includes, amongst others, payment to suppliers, contractors, staff salaries, finance costs, consultancy fees relating to contract administration, as well as general overheads and administrative expenses such as office rental and office expenses relating to utilities and general upkeep. As at the LPD, our Group has cash and bank balances amounting to approximately RM11.9 million.

The proceeds to be utilised for each component of the working capital are subject to the operating requirements of our Group at the time of utilisation. Our management expects the Group's working capital requirements to increase in tandem with its business growth and expansion plans pursuant to the completion of the Proposed Acquisition.

(3) Estimated expenses for the Corporate Exercises

The proceeds earmarked for estimated expenses in relation to the Corporate Exercises totalling RM2.8 million under the Minimum Scenario and Maximum Scenario will be utilised in the following manner:-

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Professional fees (i.e. principal adviser, underwriter, solicitors, independent adviser, company secretary and share registrar)	1,543	2,400
Regulatory fees	-	65
Contingencies and other incidental expenses in relation to the Corporate Exercises (i.e. convening of Meeting of Members, printing and advertisement expenses)	-	335
	*1,543	2,800

Note:-

* *The total estimated expenses in relation to the Corporate Exercises under the Minimum Scenario and Maximum Scenario amounts to RM2.80 million. In respect of the Minimum Scenario, the shortfall amounting to RM1.26 million will be funded through the Group's internally generated funds.*

There will be no proceeds raised upon conversion of the RCPS into new Pansar Shares as the conversion mode will be the surrender of such number of RCPS by their holders based on the Conversion Ratio.

6. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE

The Rights Issue is undertaken with the following objectives:-

- (a) to enable Pansar to raise funds to finance the Proposed Acquisition;
- (b) the Rights Issue would enable the Entitled Shareholders to participate in an equity instrument of the Company without diluting equity interest, based on the assumption that all Entitled Shareholders subscribe for their respective entitlements;
- (c) the issuance of RCPS will provide Entitled Shareholders with an opportunity to further increase their equity participation in the Company via the option to convert the RCPS held by them into new Pansar Shares at the Conversion Ratio;
- (d) the issuance of RCPS would minimise the immediate dilution effect on the basic EPS of the Company as the RCPS are expected to be converted over a period of time; and
- (e) as the RCPS will be listed and traded on the Main Market of Bursa Securities, depending on the future performance of the Group, the Entitled Shareholders and/or potential investors may be able to benefit from future capital appreciation in the RCPS and/or new Pansar Shares.

7. RISK FACTORS

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

7.1 Risks relating to our existing business and operations

7.1.1 Impact of COVID-19 on the business and operations of our Group

The COVID-19 pandemic and introduction of the MCO, CMCO and RMCO had varying impacts and effects on our Group's various business divisions. In particular, our Group had temporarily closed our business operations from 1 April 2020 to 12 May 2020 to comply with the MCO.

Our building products, marine and industrial, agro engineering, electrical and office automation segments were impacted by supply and logistical disruptions arising from travel restrictions imposed, leading to delays in shipments and fulfilment of products from our suppliers and increase in shipping costs, since the MCO. Nonetheless, further to the transitioning from the MCO to CMCO and subsequent easing of travel restrictions, we were able to fully restore our supply chain. In addition, we had also faced delays in the implementation for our ongoing projects, particularly for our mechanical and electrical segment, due to the restrictions in business operations from our Group as well as our customers. Due to the MCO (as well as the subsequent CMCO and RMCO), our main customer base comprising businesses operating within the infrastructure and construction industry, had suspended their operations, leading to delays in construction projects and, as a result, a decrease and delay in fulfilment of orders for our products and services.

Whilst our Group was subsequently able to resume business operations from 13 May 2020 onwards, our inventory purchasing and trading activities had gradually decreased, in line with the general slowdown of economic activity. As a result, our Group's overall sales performance had been negatively impacted. Our workforce had been operating at limited capacity with work from home measures in place throughout the MCO period, and continues to practice working remotely as and when required. We had also incurred additional costs in order to comply with standard operating procedures in line with the National Security Council and the Ministry of Health for COVID-19 infection control measures ("**SOPs**"). These costs primarily relate to sanitisation expenses, screening tests, and purchase of personal protective equipment, and did not have a material impact to our financial performance.

Any adverse developments to the COVID-19 pandemic may lead to the suspension of our operations, as well as the operations of our customers, with stricter conditions, standard operating procedures and compliance requirements imposed by the relevant regulatory authorities. Such adverse developments may have a negative impact on our sales and financial position.

7.1.2 Dependency on the infrastructure market and construction industry

Our Group's existing principal business is primarily centered in the infrastructure and construction industry, and our main customer base comprises businesses operating within the infrastructure and construction industry. In particular, our Group's Building Products, Electrical and Office Automation, Heavy Equipment and Mechanical Electrical segments provide services and equipment for businesses operating within the infrastructure, industrial and construction sector. These segments collectively contributed approximately 65.6%, 69.7% and 60.8% to our Group's total revenue for the past 3 FYEs 31 March 2018, 2019 and 2020, respectively, and 61.8% to our Group's total revenue for the 9-month FPE 31 December 2020. As such, our business is, to a certain extent, dependent on the performance and outlook of the Malaysian property sector. The outlook of the Malaysian property sector may be affected by market risks such as the political and economic stability, shortage of labour supply as well as increase in labour and raw materials costs.

7.1.3 Dependency on the marine and water transport industry

Our Group's marine and industrial division is primarily involved in the supply and distribution of equipment and supplies to marine sector, and, to a certain extent, is dependent on the level of activity as well as the level of capital spending on the oil and gas ("O&G") industry in Malaysia, which is mainly driven by government initiatives and strategies for the development of Malaysia's O&G industry. Our marine and industrial division contributed approximately 25.0%, 22.2% and 31.8% to our Group's total revenue for the past 3 FYEs 31 March 2018, 2019 and 2020, respectively, and 29.9% to our Group's total revenue for the 9-month FPE 31 December 2020. The O&G industry is expected to be impacted by global factors such as changes in demand for a supply of oil, which in turn is determined by, among others, fluctuations in current and future crude oil prices, the number, size and location of oil fields discovered, the demand for and supply of alternative fuels or energy supply, the prices of alternative fuels or energy supply, changes in capital expenditure by customers in the O&G industry, and general economic, social and political conditions. Consequently, the demand for our services may also rise and decline in tandem with these global factors.

7.1.4 Competition risk

We face competition from other suppliers of building products and construction equipment, marine and industrial products, and office automation supplies in the industry. Failure by our Group to price our products competitively and offer an optimal product portfolio to cater for market trends and demands may have a bearing on our business and relationships with our key customers, and may result in a decline in demand for our products. Such decline may also result in an inventory build-up, impacting our associated logistics and warehousing costs. As a result, such factors may negatively affect our cash flow and profitability.

7.1.5 Dependence on key personnel

The continued success of our Group depends, to a significant extent, on the abilities, continued efforts and teamwork of our directors and key senior personnel as well as our ability to attract and retain experienced sales, project management and other technical and management personnel. In the event that our Group loses a significant number of our directors and key senior personnel and/or are unable to replace these key personnel, the future success and prospects of our Group may be affected. In addition, there is no assurance that our human resource strategies will be successful in attracting and retaining key personnel or ensuring a smooth transition should changes occur.

7.2 Risks relating to our future business and operations

7.2.1 Impact of COVID-19 on PESB's business activities

During the period of the MCO, PESB's construction business had been suspended and the PESB Group's administrative staff were working from home. Nevertheless, the costs incurred throughout the MCO period were not material to PESB's earnings as costs incurred are mainly variable costs which are dependent on the progress of PESB's construction projects. The variable costs include the progress billings billed by subcontractors as well as construction material costs.

In addition, certain construction projects that have been tendered for and scheduled for 2020 may be delayed until 2021 due to workforce, manpower and travel restrictions related to the COVID-19 pandemic.

The implementation of CMCO by the Malaysian Government allowed certain business sectors to resume operations, which include PESB's construction operations. PESB had taken the initiatives to perform COVID-19 tests on all foreign workers as a precautionary measure (including sub-contractors' construction workers) in order to resume operations at construction sites. As at the LPD, PESB is not aware of any positive COVID-19 cases at any of their construction sites or offices.

Further, since the recommencement of PESB's construction operations, PESB has gradually increased its administrative workforce and construction workers on site. PESB expects its construction operations to gradually recover from the adverse operational and financial impacts due to the implementation of MCO.

Whilst there have been no material interruptions to PESB's construction operations, save for the temporary suspension of operations during the MCO, any adverse developments to the COVID-19 pandemic may lead to suspension of PESB's operations, with stricter conditions, SOPs and compliance requirements imposed by the relevant regulatory authorities. In addition, any confirmed cases of COVID-19 at PESB's construction sites or offices may also lead to a suspension of operations.

7.2.2 Business and operational risk

Upon completion of the Proposed Acquisition and Proposed Diversification, we will be exposed to inherent risks of the construction sector, which include amongst others, dependency on awards for projects and contracts, delays in commencement and/or completion of projects, price fluctuations on the costs of building material, increases in cost of energy, shortage of skilled workers in the construction sector, adverse weather conditions, natural disasters, accidents and changes in general economic, business and credit conditions. Any adverse change in such conditions may have an adverse material effect on the business operations and financial prospects of the Group.

7.2.3 Delays in the completion of construction projects

Construction projects may face delays, which could be due to external factors beyond the control of Pansar Group such as obtaining approvals from various regulatory authorities as scheduled, sourcing and securing quality construction materials, favourable credit terms and satisfactory performance of the Group's sub-contractors. Any failure or delay in completing the projects within the timeframe agreed with our customers may expose the Group to additional costs and potential claims which may impact our profitability.

7.2.4 Dependency on key management personnel

Upon completion of the Proposed Acquisition and Proposed Diversification, as our Group does not have direct experience in the operations and technical expertise in construction business, we are dependent on the expertise and experience of key management personnel of PESB. The loss of any key management personnel without suitable and timely replacement, or the inability to attract and retain other qualified personnel, may adversely affect our Group's ability to compete effectively in the construction industry.

7.2.5 Financing risk

The Proposed Acquisition will be financed by a combination of bank borrowings and proceeds to be raised from the Proposed Rights Issue. Therefore, the Group may be exposed to fluctuations in interest rate and repayment commitments. Any adverse movement in the interest rates may have an adverse impact on the cash flows and the Group's financial performance in the future.

7.2.6 Impairment of assets and goodwill/intangibles

The Company expects to recognise goodwill arising from the Proposed Acquisition, the amount of which will depend on the fair value of PESB at the time of completion of the Proposed Acquisition. The identifiable assets and liabilities of PESB will initially be recorded in the Company's books at its provisional fair values as at the acquisition date pending the conclusion of the purchase price allocation exercise which shall be completed at the earliest practicable date following the completion of the Proposed Acquisition, as required by the Malaysian Financial Reporting Standards 3 – Business Combinations. However, the outcome of the purchase price allocation exercise cannot be ascertained at this juncture. Any fair value adjustment to the assets and liabilities arising, and the effect of the amortisation of intangible assets identified from the Proposed Acquisition may materially and adversely affect the financial position of Pansar Group. In addition, any impairment on the carrying amount of intangible assets (including any goodwill arising from the Proposed Acquisition) pursuant to the impairment tests will also affect the financial position of Pansar Group.

7.2.7 Investment risk relating to the Proposed Acquisition

The Proposed Acquisition is being undertaken with a view to expand our Group's future growth and is expected to contribute positively to the future earnings of our Group. However, there is no assurance that the anticipated benefits from the Proposed Acquisition will be realised, or that our Group will be able to generate sufficient returns from the construction and civil engineering projects undertaken by PESB, to offset the associated cost of investment. As such, there is no assurance that the Proposed Acquisition will improve our Group's future earnings, and the duration for our Group to recoup our investment in PESB could be longer than expected.

In addition, the completion of the Proposed Acquisition is subject to, amongst others, the fulfilment of the conditions precedent as set out in the SPA which includes, amongst others, the successful completion of the Rights Issue and the results of the due diligence on PESB being satisfactory to the Company. The ongoing due diligence on PESB is expected to be completed by mid-March 2021. In the event the conditions precedent are not fulfilled, the Proposed Acquisition may not be completed, which may result in the failure of the Pansar Group to achieve the objective and benefits of the Proposed Acquisition.

7.3 Risks relating to the Rights Issue

7.3.1 Failure or delay in the completion of the Rights Issue

The Rights Issue is exposed to the risk that it may be terminated or delayed due to, amongst others, the occurrence of material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which are beyond the control of the Group and the Principal Adviser, arising prior to the completion of the Rights Issue. There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue.

If the RCPS have not been issued and allotted, and the Rights Issue is subsequently cancelled or terminated arising from:-

- (i) SC issuing a stop order under Section 245(7)(a) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we shall repay all monies paid in respect of the applications to our RCPS within 14 days of the stop order, failing which we shall be liable to return such monies with interest rate at the rate of 10.0% per annum or at such other rate as may be specified by SC; or
- (ii) our Rights Issue being aborted, investors will not receive any RCPS, and all monies paid in respect of all applications for RCPS will be refunded free of interest.

If the RCPS have been allotted to the successful Entitled Shareholders and/or their transferees and/or their renounees, if applicable, and the Rights Issue is subsequently cancelled or terminated arising from:-

- (i) SC issuing a stop order under Section 245(7)(b) of the CMSA, the issuance of our RCPS shall be deemed void and all monies received from the applications of the RCPS shall be forthwith repaid and if any such money is not repaid within 14 days of the stop order, failing which we shall be liable to return such monies with interest rate at the rate of 10.0% per annum or at such other rate as may be specified by SC; or
- (ii) our Rights Issue is aborted other than pursuant to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants of RCPS can only be achieved by way of cancellation of share capital under the Act and its related rules. Such cancellation can be implemented by either:-
 - (a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Board.

7.3.2 Capital market risk

The market price of our Shares and the RCPS are, and will be, influenced by prevailing market sentiments, volatility of the stock market, interest rate movements, trades of substantial amount of our securities in the open market on Bursa Securities in the future, corporate developments and future profitability of our Group as well as the prospects of the industries in which we operate in.

In addition, the RCPS is a new class of security for our Company and there is no prior market for it. No assurance can be given that an active market for the RCPS will develop upon or subsequent to the listing and quotation of the RCPS on the Main Market of Bursa Securities or, if developed, that such a market is sustainable or will be adequately liquid.

8. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

8.1 Overview and outlook of the Malaysian economy

The Malaysian economy contracted by 8.3% in the first half of 2020, with a decline of 17.1% in the second quarter. The economy is expected to contract at a slower pace in the second half of the year, aided by the speedy implementation of various stimulus packages to support the people and revitalise the economy. In 2020, the economy is expected to contract by 4.5%. The impact of the packages is anticipated to have spillover effects and provide an additional boost to the economy in 2021. With the anticipated improvement in global growth and international trade, the Malaysian economy is projected to rebound between 6.5% and 7.5% in 2021. Growth will continue to be supported by strong economic fundamentals and a well-diversified economy. However, the favourable outlook hinges on two major factors – the successful containment of the pandemic and sustained recovery in external demand.

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

8.2 Overview and outlook of the building products / electrical and office automation / heavy equipment / mechanical and electrical division as well as the construction industry and infrastructure market in Malaysia

The Group's Building Products, Electrical and Office Automation, Heavy Equipment, and Mechanical and Electrical segments operate within the construction industry and infrastructure market. As such, demand for products and services within these segments mainly follows the performance of the construction industry and infrastructure market.

The construction sector contracted by 25.9% in the first half of 2020 and is expected to shrink by 11.8% in the second half with all segments declining significantly. At the same time, prolonged property overhangs continue to weigh down the performance of the sector. However, civil engineering and specialised construction activities subsectors are expected to improve gradually, cushioned by various measures under the economic stimulus packages. Overall, for the year, the sector is projected to contract by 18.7%.

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector. Among the major infrastructure projects include Mass Rapid Transit 2 (MRT2), Light Rail Transit 3 (LRT3), West Coast Expressway (WCE) and Bayan Lepas Light Rail Transit (LRT) as well as Pan Borneo and Coastal Highways in Sarawak. Utility projects include the Langat 2 Water Treatment Plant, Baleh Hydroelectric Dam and Sarawak Water Supply Grid Programme (Phase 1).

A total of RM322.5 billion (20.6% of GDP) will be allocated in the 2021 Budget. Of this total, RM236.5 billion (73.3%) will be channelled to Operating Expenditure, RM69 billion (21.4%) to Development Expenditure and RM17 billion (5.3%) is for the COVID-19 Fund.

In terms of allocation by sector, the economic sector remains the largest recipient at 56.4% of Development Expenditure. The allocation for economic sector is at RM39.0 billion (2020: RM28.5 billion) in line with the efforts to drive and enhance the growth of the economy. The main focus for the sector is transportation, trade and industry as well as energy and public utilities related projects.

The transport subsector accounts for the largest share at 21.8% of the total Development Expenditure or RM15.0 billion. Projects under the subsector include upgrading, expansion and maintenance of highways, roads, railways, bridges, ports and airports such as the construction of Electrified Double Track Gemas - Johor Bahru, Pan Borneo Highway, Klang Valley Double Track Phase 1, Rapid Transit System as well as the expansion of Kuantan Port and airport in Sandakan.

The energy and public utility subsector will be allocated with a sum of RM3.3 billion (4.8% of the total Development Expenditure), in line with Government's effort to provide a higher quality of living environment and improve rural access to public amenities. Projects under the subsector include providing and improving electricity and water supply, telecommunications access and sewerage services.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia, Budget 2021 and Fiscal Outlook and Federal Government Revenue Estimates 2021, Ministry of Finance)

8.3 Overview and outlook of the marine and industrial / agro-engineering division

The Group's Marine and Industrial and Agro Engineering segments operate primarily within the agriculture sector and mainly oil palm subsector, as well as the water transport segment (i.e. transportation and storage subsector), particularly international and national energy (oil and gas and coal) transportation. As such, demand for products and services within these segments mainly follows the performance of the agriculture, energy and transportation and storage sectors.

The agriculture sector contracted by 3.9% in the first half of 2020 due to lower growth of oil palm and rubber subsectors, following supply disruptions. The oil palm subsector was affected even before the pandemic, attributed to dry weather and cutbacks in fertilizer by smallholders in 2019. The agriculture sector was further affected by the MCO, which led to lower production across most of the subsectors. The sector is anticipated to rebound by 1.4% in the second half of the year driven by the recovery in the oil palm subsector. Hence, the agriculture sector is projected to decline by 1.2% in 2020.

Value-added in the oil palm subsector (at constant 2015 prices) is estimated at 37.6% in 2020, recording a -1.3% change in 2020, and is forecasted to increase by 5.9% in 2021. Exports of palm oil are projected to increase by 5.6% with higher demand, particularly from China, India and the Netherlands. The exemption of export duties on CPO, crude palm kernel oil as well as refined, bleached and deodorized palm kernel oil is also expected to support the exports of palm oil.

The agriculture sector is expected to turnaround by 4.7% in 2021, supported mainly by higher production of palm oil and rubber. The oil palm subsector is anticipated to rebound following improvements in global demand, particularly from China and India. The crude palm oil (CPO) price is projected to remain stable with higher demand following recovery in the hotel, restaurant and catering operations, as well as higher biodiesel mandate in Indonesia and Malaysia.

The transportation and storage subsector contracted significantly by 24% in the first half of 2020 with all segments severely affected by the border closure and lower trade activities. However, the subsector is anticipated to decline marginally by 0.5% in the second half following the lifting of interstate travel bans, increasing domestic travellers, improving trade activities and loosening of port restrictions. With prolonged border closure for tourism-related activities and the extension of Recovery Movement Control Order (RMCO) until year-end, the subsector is forecast to record a decline of 11.9% in 2020.

The subsector is projected to rebound by 7.5% in 2021, driven by the land transport segment, following operations of new highways. The water transport segment is forecast to improve gradually, as world maritime trade recovers.

With the COVID-19 pandemic crushing demand, storage facilities filled rapidly, and Brent crude oil price fell to its lowest level at USD17.32 per barrel ("pb") on 21 April 2020 before stabilising to about USD40 pb. Brent crude oil prices improved to an average of USD45 pb during the fourth quarter of 2020 (third quarter of 2020: USD43 pb), driven mainly by higher global oil demand and positive sentiments surrounding the COVID-19 vaccine rollout. Brent crude oil price is expected to improve in 2021 to an average of USD42 pb and recover to pre-pandemic level in the medium term.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia, Department of Statistics Malaysia and Economic and Financial Developments in the Malaysian Economy in the 4th Quarter of 2020 – Bank Negara Malaysia Quarterly Bulletin)

8.4 Prospects of our Group

Our Group's business has been supported by growth in the marine and industrial, as well as the infrastructure sector. These sectors are not as impacted by the general domestic economic contraction. In particular, infrastructure development is the main focus of the Sarawak state budget, whereby out of the RM9.89 billion 2020 state budget, RM6.60 billion is for development and of that, 63% is for improving basic rural infrastructure such as roads, bridges and supplies of water and electricity. Our Group has also been awarded RM72.06 million in respect of the development and upgrading of the Pan Borneo Highway in June 2020, and is in the midst of completing the Sibü Flood Mitigation Project Phase 3 which was awarded in 2019.

Our Board will continue the organisational transformation of our Group to ensure the sustainability of our business operations, and improve the operational efficiencies and competitiveness of our Group's existing principal business. Such measures include, amongst others:-

- (i) leaner operations by optimising cost structure through a simplified regional sales structure;
- (ii) increased focus on marketing through the setting up of a dedicated marketing department based in Sibü and Kuching, comprising approximately 3-4 personnel, with particular focus on digital strategy, market knowledge and dedicated relationship management for key customers; and
- (iii) increasing our wallet share of existing customers by focusing on customer relationships and optimising product portfolio to cater for market trends and demands.

Meanwhile, the Proposed Acquisition and Proposed Diversification represents an opportunity for our Group to expand our existing businesses into construction and civil engineering which our Board anticipates will contribute meaningfully to the financial performance of our Group.

Premised on the positive outlook of the construction industry, particularly with regards to infrastructure development works in East Malaysia, the enlarged Pansar Group is poised to benefit from existing as well as potential contracts to be awarded under such future developments. PESB has an established track record for construction and infrastructure works, particularly in the Sarawak region, and is presently involved in numerous infrastructure projects and upgrading works for the development of, amongst others, roads, bridges and hospitals, serving both the public and private sector.

Moving forward, our Board believes that our Group would be able to leverage on PESB's existing relationships with developers and governmental authorities, for future infrastructure development projects which are expected to enhance the financial performance and prospects of our Group in the long-term. In addition, PESB will also benefit as part of the enlarged Pansar Group, enhancing its profile and visibility within a listed group of companies, which may provide PESB with a better competitive edge when tendering for future construction projects.

PESB's earnings visibility over the next 2 to 3 years will be supported by projects under its secured orderbook, which amounted to RM1.46 billion as at the LPD, comprising notable infrastructure contracts for the construction of a reinforced concrete bridge across Batang Lupar in Sarawak, as well as several road projects. As such, PESB's resources will mainly be focused on the execution and successful completion of its existing order book. At the same time, PESB will also continue to explore opportunities to enhance the value of its construction business and ensure a sustainable revenue stream for the medium to long term, through the following:-

- (i) proactively monitoring the infrastructure market in Malaysia for new developments in both the public and private sector, and participating in new projects tenders which are suitable for PESB's operations and construction expertise, to replenish and secure its future orderbook.

In particular, PESB hopes to capitalise on the Sarawak government's largescale investment in roadworks and highway infrastructure over the next few years, comprising, amongst others, the Northern Coastal Highway, spanning 86 km linking the northern states of Sarawak to the Pan Borneo Highway and Sabah, as well as the Sarawak Coastal Highway project, which includes 7 bridges over major river crossings, and the 225km Sarawak Second Trunk Road project; and

- (ii) collaborating with existing customers and associates for future development projects through potential partnerships and/or joint ventures, as well as leveraging on its existing customer relationship and capitalising on its experienced team, track record and established reputation to enable PESB to secure more construction contracts via direct/negotiated tenders.

PESB has also, in recent years, invested approximately RM7.5 million in a proprietary road stabilisation technology, primarily utilised for construction of roads and highways. The use of the proprietary method in PESB's recent projects has been promising, and is expected to provide PESB with a competitive edge when tendering for and securing future infrastructure construction projects. PESB also expects to invest an additional RM12.0 million over the next 2 years into the development and enhancement of this technology.

The construction sector in Sarawak is expected to prosper over the next few years, driven by the RM22 billion in spending for infrastructure projects by the Sarawak government, including the Second Trunk Road, coastal road upgrades, water grid programs, rural electrification projects and telco towers. After the Proposed Acquisition, and premised on PESB's earnings visibility and potential, the enlarged Pansar Group is well positioned to reap the benefits of the construction sector prospects.

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9. EFFECTS OF THE RIGHTS ISSUE

9.1 Issued share capital

The proforma effects of the Rights Issue on our issued share capital is set out below:-

	Minimum Scenario				Maximum Scenario			
	No. of Shares	(RM)	No. of RCPS	(RM)	No. of Shares	(RM)	No. of RCPS	(RM)
Issued share capital as at the LPD	462,675,100	152,381,313	-	-	462,675,100	152,381,313	-	-
Less: Treasury shares	(4,023,150)	(2,313,335)	-	-	-	-	-	-
	458,651,950	150,067,978	-	-	462,675,100	152,381,313	-	-
Assuming full exercise of Warrants 2018/2023	-	-	-	-	230,324,900	⁽¹⁾ 145,104,687	-	-
	458,651,950	150,067,978	-	-	693,000,000	297,486,000	-	-
RCPS to be issued pursuant to the Rights Issue	-	-	229,325,975	⁽²⁾ 121,542,767	-	-	346,500,000	⁽²⁾ 183,645,000
	458,651,950	150,067,978	229,325,975	121,542,767	693,000,000	297,486,000	346,500,000	183,645,000
New Pansar Shares to be issued assuming full conversion of the RCPS ⁽³⁾	229,325,975	121,542,767	(229,325,975)	(121,542,767)	346,500,000	183,645,000	(346,500,000)	(183,645,000)
Enlarged issued share capital	687,977,925	271,610,745	-	-	1,039,500,000	481,131,000	-	-

Notes:-

(1) Based on the exercise price of RM0.63 per Warrant 2018/2023.

(2) Based on the Issue Price of RM0.53 per RCPS.

(3) Based on the Conversion Ratio of 1 RCPS for 1 new Pansar Share

9.2 NA per Share and gearing

For illustration purposes only, the proforma effects of the Rights Issue on the NA per Share and gearing of our Group based on our latest unaudited consolidated financial statement as at 31 December 2020 are set out as follows:-

Minimum Scenario	Unaudited as at 31-Dec-20 (RM'000)	Proforma I After the Rights Issue (RM'000)	Proforma II After Proforma I and the Proposed Acquisition (RM'000)	Proforma III After Proforma II and assuming full conversion of the RCPS (RM'000)
Share capital	152,381	152,381	152,381	⁽⁴⁾ 273,924
RCPS	-	⁽¹⁾ 121,543	121,543	-
Treasury shares	(2,313)	(2,313)	(2,313)	(2,313)
Non-distributable reserves	(112,128)	(112,128)	(112,128)	(112,128)
Retained profits	140,120	140,120	⁽²⁾ 137,320	137,320
Equity attributable to owners of the Company	178,060	299,603	296,803	296,803
Non-controlling interests	1,165	1,165	1,165	1,165
Total equity/NA	179,225	300,768	297,968	297,968
No. of Shares in issue (excluding treasury shares) ('000)	458,652	458,652	458,652	⁽⁴⁾ 687,978
NA per Share (RM)	0.39	0.65	0.65	0.43
Total borrowings (RM'000)	6,104	6,104	⁽³⁾ 37,104	37,104
Gearing (times)	0.03	0.02	0.12	0.12
Deposits, cash and bank balances (RM'000)	20,528	⁽¹⁾ 142,071	⁽²⁾⁽³⁾ 19,271	19,271

Notes:-

- (1) After the issuance of 229,325,975 RCPS at the Issue Price of RM0.53 per RCPS pursuant to the Rights Issue.
- (2) After deducting the estimated expenses pertaining to the Corporate Exercises amounting to RM2.8 million.
- (3) Based on the payment of the Purchase Consideration for the Proposed Acquisition, comprising:-
 - bank borrowings amounting to RM31.0 million; and
 - RM120.0 million in cash from the proceeds of the Rights Issue
- (4) Assuming full conversion of the RCPS into new Pansar Shares, based on the Conversion Ratio of 1 RCPS into 1 new Pansar Share.

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Maximum Scenario	Unaudited as at 31-Dec-20 (RM'000)	Assuming full exercise of Warrants and resale of treasury shares (RM'000)	Proforma I After the Rights Issue (RM'000)	Proforma II After Proforma I and the Proposed Acquisition (RM'000)	Proforma III After Proforma II and assuming full conversion of the RCPS (RM'000)
Share capital	152,381	297,486	297,486	297,486	⁽⁴⁾ 481,131
RCPS	-	-	⁽¹⁾ 183,645	183,645	-
Treasury shares	(2,313)	-	-	-	-
Non-distributable reserves	(112,128)	(112,128)	(112,128)	(112,128)	(112,128)
Retained profits	140,120	140,120	140,120	⁽²⁾ 137,320	137,320
Equity attributable to owners of the Company	178,060	325,478	509,123	506,323	506,323
Non-controlling interests	1,165	1,165	1,165	1,165	1,165
Total equity/NA	179,225	326,643	510,288	507,488	507,488
No. of Shares in issue ('000)	458,652	693,000	693,000	693,000	⁽⁴⁾ 1,039,500
NA per Share (RM)	0.39	0.47	0.74	0.73	0.49
Total borrowings (RM'000)	6,104	6,104	6,104	⁽³⁾ 37,104	37,104
Gearing (times)	0.03	0.02	0.01	0.07	0.07
Deposits, cash and bank balances (RM'000)	20,528	165,633	⁽¹⁾ 349,278	⁽²⁾⁽³⁾ 226,478	226,478

Notes:-

- (1) After the issuance of 346,500,000 RCPS at the Issue Price of RM0.53 per RCPS pursuant to the Rights Issue.
- (2) After deducting the estimated expenses pertaining to the Corporate Exercises amounting to RM2.8 million.
- (3) Based on the payment of the Purchase Consideration for the Proposed Acquisition, comprising:-
 - bank borrowings amounting to RM31.0 million; and
 - RM120.0 million in cash from the proceeds of the Rights Issue
- (4) Assuming full conversion of the RCPS into new Pansar Shares, based on the Conversion Ratio of 1 RCPS into 1 new Pansar Share.

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9.3 Earnings and EPS

The Rights Issue, which is expected to be completed in the first quarter of 2021, is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 March 2021. However, there may be a dilution in the EPS of our Group as and when the RCPS are converted into new Pansar Shares during the tenure of the RCPS. Notwithstanding, the Rights Issue is expected to contribute positively to the future earnings of our Group in the ensuing financial year(s) via the utilisation of proceeds.

9.4 Convertible securities

As at the LPD, save for the outstanding 230,324,900 Warrants 2018/2023, the Company does not have any other convertible securities.

For avoidance of doubt, in accordance with the provisions of the Deed Poll, there shall be no adjustments to the number of Warrants 2018/2023 arising from Rights Issue.

However, the Rights Issue will result in an adjustment to the exercise price of the Warrants 2018/2023 ("**Exercise Price**"), in accordance with the provisions of the Deed Poll. The adjustments to the exercise price is set out as follows:-

$$\text{Adjusted Exercise Price} = \text{Exercise Price} \times \frac{C - D}{C}$$

where:-

- C - current market price of each Share on the date which the offer or invitation is publicly announced to Bursa Securities or any other relevant date as may be determined by the Company in consultation with an approved adviser; and
- D - the value of rights attributable to 1 Share calculated in accordance with the following formula:-

$$\frac{C - E}{F + 1}$$

where:-

- E - the conversion value paid to convert into 1 additional Share;
- F - the number of Shares which is necessary to be held in order to be offered or invited to acquire or subscribe securities convertible into 1 additional Share.

Any necessary adjustments to the Exercise Price arising from the Rights Issue in relation to the outstanding Warrants 2018/2023 will only be finalised on the Entitlement Date and upon consultation with an approved adviser and certified by the auditors of the Company in accordance with the provisions as contained in the Deed Poll. In addition, a notice will be despatched to the respective holders of Warrants 2018/2023, in the event of any such adjustments.

Save for the adjustments to the Exercise Price, the rights and obligations of the holders of the Warrants 2018/2023 will remain unchanged.

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

10.1 Working capital

Our Group's working capital is funded through cash generated from operating activities as well as our Group's existing cash and bank balances.

As at the LPD, our Group has cash and bank balances of RM11.9 million as well as deposits with licensed banks of RM0.3 million.

Our Board is of the opinion that our Group will have adequate working capital for our existing operations in the next 12 months commencing from the date of this Abridged Prospectus after taking into consideration the proceeds from the Rights Issue, completion of the Corporate Exercises, banking facilities available to our Group, our cash and bank balances, as well as funds generated from our operations.

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

10.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM8.8 million. All our borrowings are interest-bearing and denominated in RM, further details of which are set out as follows:-

	Purpose of facility	Interest rate (%)	(RM'000)
<u>Long term borrowings</u>			
Secured			
• Term loan	Working capital	13.45	208
<u>Short term borrowings</u>			
Secured			
• Bank overdrafts	Working capital	6.15 to 6.20	5,048
• Term loan	Working capital	13.45	53
• Bankers' acceptance	Working capital	2.22	3,000
Unsecured			
• Bank overdrafts	Working capital	6.20	479
Total			8,788

There has not been any default on payments of either interest and/or principal sums in respect of any borrowings throughout the FYE 31 March 2020 or the subsequent period up to the LPD.

In addition, the Group has also secured a term loan of RM30.0 million to part finance the Purchase Consideration for the Proposed Acquisition, which carries a fixed interest rate of 4.35% per annum.

10.3 Contingent liabilities

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

Secured	(RM'000)
Performance and other guarantees ⁽¹⁾ extended by subsidiaries to 3 rd parties. The guarantees are supported by debentures incorporating floating charges over all undertakings and assets of a subsidiary, and a corporate guarantee from the holding company in relation to banking facility provided	12,595

Note:-

(1) *Other guarantees comprise, amongst others, bank guarantees and collateral deposit.*

10.4 Material commitments

As at the LPD, save as disclosed below, there are no material commitments for capital expenditure incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results or position of the Group.

	(RM'000)
Purchase of 2 residential units for investment and rental income generating purposes	430

10.5 Material transactions

Save for the Rights Issue and the Proposed Acquisition (as set out in **Section 3.1** of this Abridged Prospectus), our Board confirms that there are no other material transactions which may have a material effect on our Group's operations, financial position and results since our Group's most recent announced unaudited interim consolidated financial statement for the 9-month FPE 31 December 2020.

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

11.1 General

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

This Abridged Prospectus and the RSF are also available at our Registered Office, our Share Registrar's office (details as set out in **Section 11.5** of this Abridged Prospectus), or on Bursa Securities' website at <http://www.bursamalaysia.com>.

11.2 NPA

The Provisional RCPS are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional RCPS will be by book entries through the CDS Accounts and will be governed by the SICDA 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 for the RCPS.

11.3 Last date and time for acceptance and payment

The last date and time for acceptance of and payment for the Provisional RCPS and the Excess Application is **5.00 p.m. on Tuesday, 23 March 2021**.

Our Group will make an announcement on the outcome of the Rights Issue after the Closing Date.

11.4 Methods of acceptance and application

You may subscribe for the Provisional RCPS as well as apply for Excess RCPS, if you choose to do so, by way of RSF enclosed together with this Abridged Prospectus.

11.5 Procedures for acceptance and payment

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

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RCPS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you or your renounee(s)/transferee(s) (if applicable) wish to accept either in full or in part of the Provisional RCPS of your entitlement, please complete Part 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 in the reply envelope enclosed with this Abridged Prospectus must be sent to our Share Registrar by **ORDINARY POST, COURIER** or **DELIVERED BY HAND**, at the following address:-

Metra Management Sdn Bhd (Registration No.: 198001008385 (62169-A))
35th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

Tel. No.: (03) 2698 3232
Fax. No.: (03) 2698 0313

so as to arrive not later than **5.00 p.m. on Tuesday, 23 March 2021**, being the last date and time for acceptance of and payment for the Provisional RCPS.

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 Registered Office, our Share Registrar at the address stated above, or on Bursa Securities' website at <http://www.bursamalaysia.com>.

1 RSF can only be used for acceptance of Provisional RCPS standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional RCPS standing to the credit of more than 1 CDS Account(s). If successful, the RCPS subscribed for will be credited into your 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.

The minimum number of RCPS that can be subscribed for or accepted is 1 RCPS. However, you and/or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot comprises of 100 RCPS. Fractions of RCPS, if any, shall be disregarded, and dealt with in a fair and equitable manner and on terms as our Board, in their absolute discretion, deems fit and expedient, as well as in the best interest of our Company.

If acceptance of and payment for the Provisional RCPS allotted to you and/or your renounee(s)/transferee(s) (if applicable) is not received by our Share Registrar by the Closing Date, such Provisional RCPS will be deemed to have declined the provisional entitlement made to you and it will be cancelled.

Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the RCPS are not fully taken up by such applicants, our Board will then have the right to allot such RCPS to the applicants who have applied for the Excess RCPS in the manner as set out in **Section 11.9** of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

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

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY 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 PANSAR OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR 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.

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

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

WHERE AN APPLICATION IS NOT ACCEPTED OR 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 MADE BY ISSUANCE OF CHEQUE DESPATCHED TO THE APPLICANT OR CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. THE REFUND MADE BY ISSUANCE OF CHEQUE SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

11.6 Procedures for part acceptance by Entitled Shareholders

You are entitled to accept part of your entitlement to the Provisional RCPS provided always that the minimum number of RCPS that can be subscribed for or accepted is 1 RCPS.

You may refer to the procedures set out in **Section 11.5** 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 RCPS that have not been accepted will be made available to applicants for Excess Application.

11.7 Procedures for sale/transfer of the Provisional RCPS

As the Provisional RCPS are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional RCPS 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 RCPS, without first having to request for a split of the Provisional RCPS standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional RCPS, 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 RCPS, you may still accept the balance of the Provisional RCPS. Please refer to **Section 11.5** of this Abridged Prospectus for the procedures of acceptance and payment by way of RSF.

In selling or transferring all or part of your Provisional RCPS, you need not deliver any document including the RSF, to your stockbroker. However, you must ensure that there is sufficient Provisional RCPS 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 RCPS may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers, our Registered Office, our Share Registrar's office (details as set out in **Section 11.5** of this Abridged Prospectus), or on Bursa Securities' website at <http://www.bursamalaysia.com>.

11.8 Procedure for acceptance by renounee(s)/transferee(s)

Renounee(s)/transferee(s) who wish to accept the Provisional RCPS by way of RSF must obtain a copy of the RSF from their stockbrokers, our Registered Office, our Share Registrar's office (details as set out in **Section 11.5** of this Abridged Prospectus), or on Bursa Securities' website at <http://www.bursamalaysia.com>, complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Section 11.5** of this Abridged Prospectus also applies to renounee(s)/transferee(s) who wish to accept the Provisional RCPS.

11.9 Procedures for application of the Excess RCPS

You and/or your renounee(s)/transferee(s) (if applicable) may apply for additional RCPS in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a **separate remittance made in RM** for the full and exact amount payable for the Excess RCPS applied for, to our Share Registrar **not later than the Closing Date**.

PAYMENT FOR THE EXCESS RCPS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 11.5 OF THIS ABRIDGED PROSPECTUS, AND 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 "ACCOUNT PAYEE ONLY", MADE PAYABLE TO "PANSAR EXCESS RIGHTS RCPS" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RCPS.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE MADE BY PANSAR OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RCPS. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE 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 APPLICATION AND PAYMENT FOR THE EXCESS RCPS.

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 MADE BY ISSUANCE OF CHEQUE DESPACHED TO THE APPLICANT OR CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. THE REFUND MADE BY ISSUANCE OF CHEQUE SHALL BE DESPACHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

It is the intention of our Board to allot the Excess RCPS, 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 RCPS, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in Pansar as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for Excess RCPS, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Application; and
- (iv) fourthly, for allocation to renounee(s) or transferee(s) who have applied for Excess RCPS, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Application.

In the event there is any remaining balance of the Excess RCPS applied for by the Entitled Shareholders and/or renounee(s)/transferee(s) who have applied for the Excess RCPS after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated in the same sequence to allocate the remaining balance of the Excess RCPS to the Entitled Shareholders and/or renounee(s)/transferee(s) who have applied for the Excess RCPS. Any remaining Excess RCPS thereafter which the Company is unable to allocate to our Entitled Shareholders and/or renounee(s)/transferee(s) will then be allocated to the major shareholders at the discretion of our Board.

Nevertheless, our Board reserves the right to allot any Excess RCPS applied for in such manner as our Board deems fit and expedient in the best interest of Pansar subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in steps (i) to (iv) above are achieved. Our Board also reserves the right at its absolute discretion to accept in full or in part any application for the Excess RCPS without assigning any reason thereof.

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 MADE BY ISSUANCE OF CHEQUE DESPACHED TO THE APPLICANT OR CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. THE REFUND MADE BY ISSUANCE OF CHEQUE SHALL BE DESPACHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

11.10 Notice of allotment

Upon allotment of the RCPS in respect of your acceptance and/or your renounee's/transferee's acceptance (if applicable) and Excess RCPS application (if any), the RCPS shall be credited directly into the respective CDS Account. No physical share certificate will be issued in respect of the RCPS. However, a notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (if applicable), by ordinary post 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 RCPS 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 made by issuance of cheque despatched to you or credited into your bank account registered with Bursa Depository for the purpose of cash dividend/distribution. The refund made by way of issuance of cheque shall be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last shown in the Record of Depositors at your own risk.

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

11.11 Form of issuance

The RCPS are prescribed securities and as such, all dealings in the RCPS will be subject to the SICDA and the Rules of Bursa Depository. Bursa Securities has prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical unit certificate will be issued to you under the Rights Issue. The RCPS which you have successfully subscribed for will be credited directly into your CDS Account.

11.11.1 Subscription for the RCPS by Entitled Shareholders

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

11.11.2 Subscription for the RCPS by renounee(s)/transferee(s)

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

11.11.3 Application for the Excess RCPS by Entitled Shareholders and/or renounee(s)/transferee(s)

The Excess RCPS, if allotted to the successful applicant who applies for the Excess RCPS, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess RCPS will be made on a fair and equitable basis as disclosed in **Section 11.9** of this Abridged Prospectus.

11.12 Laws of foreign jurisdictions

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

Accordingly, this Abridged Prospectus, the accompanying NPA and RSF will not be sent to the Foreign Addressed Shareholders who do not have a registered address in Malaysia. However, the Foreign Addressed Shareholders may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar for the Rights Issue, in which event our Share Registrar for the Rights Issue 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 Addressed 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. UOBKH, Pansar, Pansar's Directors and officers and other professional advisers would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to. The Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/or other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. UOBKH, Pansar, 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 Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, and voidable or void in any such country or jurisdiction.

The Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/or UOBKH in respect of their rights and entitlements under the Rights Issue. Such Foreign Addressed 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 Addressed 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) UOBKH, Pansar, Pansar's 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 that Foreign Addressed Shareholders and/or their renounee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Addressed 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 RCPS;

- (iii) the Foreign Addressed Shareholders and/or their renouncee(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 RCPS, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Addressed Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are aware that the RCPS 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 Addressed Shareholders and/or their renouncee(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 RCPS; and
- (vi) the Foreign Addressed Shareholders and/or their renouncee(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 RCPS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the RCPS.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the RCPS from any such application by Foreign Addressed Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the RCPS as invalid if it is believed that such acceptance may violate any applicable legal or regulatory requirements.

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12. TERMS AND CONDITIONS

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

13. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of our Board
PANSAR BERHAD



FONG YOO KAW @ FONG YEE KOW
Independent Non-Executive Director

INFORMATION ON OUR COMPANY

1. BOARD OF DIRECTORS

The details of our Board as at the LPD are set out as follows:-

Name / (Designation)	Age	Address	Nationality
Dato' James Tai Cheong @ Tai Chiong (Non-Independent Non-Executive Chairman)	65	No. 8, Jalan Kumpang, Persiaran Brooke 15, 96000 Sibul, Sarawak	Malaysian
Datuk Tai Hee (Managing Director)	57	8, Brooke Drive 15, 96000 Sibul, Sarawak	Malaysian
Ling Lee Chuon @ James Ling Chung (Non-Independent Non-Executive Director)	73	7, Taman Teratai, Lintang Park, 93200 Kuching, Sarawak	Malaysian
Ting Ing Horh @ Ting Ing Ho (Non-Independent Non-Executive Director)	61	1, Bruang Road, 96000 Sibul, Sarawak	Malaysian
Fong Yoo Kaw @ Fong Yee Kow (Independent Non-Executive Director)	68	292, Lorong Kedandi 14, Tabuan Dusun, 93350 Kuching, Sarawak	Malaysian
Azman Bin Bujang (Independent Non-Executive Director)	57	Lot 892, Sri Imran Lorong Menggris 1, Jalan Menggris Petra Jaya 93050 Kuching, Sarawak	Malaysian

2. SHARE CAPITAL

As at the LPD, the issued share capital of our Company is RM152,381,313 comprising 462,675,100 Pansar Shares, including 4,023,150 treasury shares.

In addition, as at the LPD, there are 230,324,900 outstanding Warrants 2018/2023 in issue, constituted by the Deed Poll dated 21 May 2018. Each Warrant 2018/2023 carries the entitlement to subscribe for 1 new Pansar Share at the exercise price of RM0.63 per Pansar Share (subject to adjustments arising from the Rights Issue, as set out in **Section 9.4** of this Abridged Prospectus) at any time during the exercise period until the maturity date of 6 June 2023.

3. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of Pansar Shares traded on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus from March 2020 to February 2021 are as follows:-

	High (RM)	Low (RM)
2020		
March	0.653	0.535
April	0.707	0.608
May	0.834	0.697
June	0.932	0.839
July	1.001	0.869
August	0.952	0.620
September	0.765	0.615

INFORMATION ON OUR COMPANY (Cont'd)

	High (RM)	Low (RM)
October	0.715	0.580
November	0.645	0.570
December	0.805	0.595
2021		
January	0.755	0.645
February	0.865	0.645
The last transacted price of Pansar Shares as at 8 September 2020, being the last trading date prior to the announcement of the Rights Issue		0.745
Last transacted market price of Pansar Shares as at the LPD		0.660
Last transacted market price on 4 March 2021, being the last Market Day immediately preceding the ex-date for the Rights Issue		0.780

(Source: Bloomberg)

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INFORMATION ON OUR COMPANY (Cont'd)

4. HISTORICAL FINANCIAL INFORMATION

4.1 Historical financial performance

	Audited			Unaudited	
	FYE 31 March			9-month FPE 31 December	
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)
Revenue	386,529	367,983	338,681	259,206	225,311
Cost of sales	(336,463)	(321,487)	(288,772)	(221,199)	(193,311)
Gross profit	50,066	46,496	49,909	38,007	32,000
Other income	6,446	10,689	13,453	7,737	11,112
Selling and distribution expenses	(9,857)	(10,141)	(9,827)	(7,420)	(6,840)
Administrative expenses	(30,726)	(32,602)	(32,505)	(24,350)	(24,363)
Other operating expenses	(4,172)	(3,431)	(11,380)	(4,235)	(2,659)
Finance costs	(1,027)	(1,351)	(1,686)	(693)	(701)
Share of profit of an equity-accounted associate	854	697	2,001	1,457	116
Profit before tax	11,583	10,356	9,966	10,503	8,665
Tax income/(expense)	(2,839)	(2,427)	(2,617)	(2,625)	(1,564)
Profit after tax	8,744	7,929	7,349	7,878	7,101
Total other comprehensive income/(expense)	(1,341)	397	259	72	(244)
Total comprehensive income/(expense) for the financial year/period	7,403	8,326	7,608	7,950	6,857
Weighted average no. of ordinary shares ('000)	283,682	⁽¹⁾ 459,661	457,977	457,977	458,354
Basic earnings/(loss) per Share (sen)	3.08	1.72	1.60	1.72	1.53

Note:-

- (1) Comparative figures for the weighted average number of ordinary shares in issue for the basic earnings per ordinary share computations have been restated to reflect the adjustments arising from the bonus issue, which was completed on 8 May 2019.

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INFORMATION ON OUR COMPANY (Cont'd)

4.2 Historical financial position

	Audited			Unaudited	
	FYE 31 March			9-month FPE 31 December	
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)
Non-current assets	25,971	32,800	52,513	34,050	47,442
Current assets	251,264	222,711	210,556	223,947	211,873
Total assets	277,234	255,511	263,069	257,997	259,315
Share capital	151,956	151,956	151,956	151,956	152,381
Treasury shares	-	(2,313)	(2,313)	(2,313)	(2,313)
Reserves	30,313	25,089	28,117	28,459	27,992
Non-controlling interest	-	-	-	-	1,165
Total equity	182,269	174,732	177,760	178,102	179,225
Non-current liabilities	17	-	8,607	-	6,340
Current liabilities	94,948	80,779	76,702	79,895	73,750
Total liabilities	94,965	80,779	85,310	79,895	80,090
Total equity and liabilities	277,234	255,511	263,070	257,997	259,315

4.3 Historical cash flow

	Audited			Unaudited	
	FYE 31 March			9-month FPE 31 December	
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)
Net cash from/(for) operating activities	(11,535)	12,028	29,690	16,200	11,145
Net cash from/(for) investing activities	(14,019)	12,333	9,887	5,270	(15,734)
Net cash from/(for) financing activities	6,256	(8,929)	(10,197)	(5,680)	(13,541)
Net increase/(decrease) in cash and cash equivalents	(19,298)	15,432	29,380	15,790	(18,130)
Cash and cash equivalents at beginning of the financial year/period	10,550	(9,146)	6,381	6,381	35,834
Effects of foreign exchange translation	(398)	96	73	(30)	(19)
Cash and cash equivalents at end of the financial year/period	(9,146)	6,381	35,834	22,141	17,685

INFORMATION ON OUR COMPANY (Cont'd)

Commentary on financial performance**(i) Segmental financial performance**

The segmental breakdown of our revenue is set out as follows:-

	Audited FYE 31 March			Unaudited 9-month FPE 31 December	
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)
Revenue					
Building Products	138,357	145,511	115,776	92,363	65,306
Marine & Industrial	96,821	81,540	107,793	81,484	78,271
Agro Engineering	36,266	29,992	24,947	19,707	20,268
Electrical & Office Automation	18,699	25,325	20,863	16,393	16,943
Heavy Equipment	4,810	16,338	13,109	9,170	11,748
Mechanical & Electrical	91,576	69,275	56,193	40,089	53,886
	386,529	367,981	338,681	259,206	246,422

(ii) FYE 31 March 2018

For the financial year ended 31 March 2018 ("FY2018"), our Group recorded an increase in revenue of 7.7% to RM386.5 million, from RM358.9 million in the financial year ended 31 March 2017 ("FY2017"). Growth in revenue was mainly attributed to an increase in revenue from the Mechanical and Electrical division from new contracts secured, which recorded a 59.4% increase to RM91.6 million from RM57.5 million in FY2017.

Meanwhile, our Building Products division recorded a 7.7% decrease in revenue from RM146.1 million in FY2017 to RM138.4 million in FY2018. The decrease corresponds with the slowdown in the construction industry, particularly in roofing and building structural products. Revenue from Electrical and Office Automation division also decreased by 21.8% to RM18.7 million in FY2018 from RM23.9 million in FY2017, largely attributed to the lower sales of products as a result of stiff competition.

Our Group's gross profit increased by 1.7% to RM50.1 million in FY2018 from RM49.2 million in FY2017, attributed to higher contribution from the Marine & Industrial division.

Our Group's other operating income increased 32.8% from RM4.9 million in the FY2017 to RM6.4 million in the FY2018, primarily due to higher foreign exchange gain of RM0.7 million, higher reversal of previously recognised impairment loss on trade receivables of RM0.7 million as well as higher recovery on bad debts of RM0.2 million.

Consequently, net profit attributable to owners of the Company increased from RM4.9 million in the FY2017 to RM8.7 million in the FY2018.

For further details on our financial and business operational review, please refer to the **Management Discussion and Analysis** set out in our Annual Report 2018.

INFORMATION ON OUR COMPANY (Cont'd)

(iii) FYE 31 March 2019

For the financial year ended 31 March 2019 ("**FY2019**"), our Group recorded revenue of RM368.0 million, a 4.8% decrease from RM386.5 million recorded in the FY2018. Our Group saw significant revenue growth in the Heavy Equipment, Building Products and Electrical & Office Automation business divisions. However, overall revenue was impacted by lower performance in the Mechanical & Electrical, Marine & Industrial and Agro Engineering divisions.

In particular, our Building Products division remained our top revenue contributor for the FY2019, contributing 39.5% to our Group's total revenue as compared to 35.8% in the FY2018. The division saw a 5.2% increase in revenue from RM138.4 million in FY2018 to RM145.5 million in FY2019 due to improved sales performance. However, operating profit for this division was affected by margins compression due to continued pricing pressure particularly on building structural products. Our Electrical & Office Automation division also recorded a 35.4% increase in revenue from RM18.7 million in FY2018 to RM25.3 million in FY2019, driven by the successful introduction of a new product line. However, profit margins for this division were affected by continuing downward price pressure resulting from competitive operating environment.

Meanwhile, our Marine & Industrial division recorded a 15.8% decrease in revenue from RM96.8 million in FY2018 to RM81.5 million in FY2019 due to the continued downturn in the oil and gas offshore sector. The industrial range of products was impacted by delayed implementation or deferment of government projects. Our Mechanical & Electrical division also saw a 24.4% decrease in revenue from RM91.6 million in FY2018 to RM69.3 million in FY2019, due to lower work progress of on-going projects.

With the lower revenue, the Group's gross profit decreased by 7.1% from RM50.1 million in FY2018 to RM46.5 million in FY2019. This was mainly due to intensified competitiveness experienced in all business segments in a weaker economy.

Our Group's administrative expenses increased by 6.2% from RM30.7 million in FY2018 to RM32.6 million in FY2019, mainly attributed to the increase in personnel costs resulting from annual increment and the setting up of a new subsidiary company, Pansar Heavy Equipment Sdn Bhd.

The Group's other operating income increased by 65.8% to RM10.7 million in FY2019. This increase was primarily due to higher write back of allowance for impairment losses on trade receivables of approximately RM4.1 million and reversal of impairment of investment in associate of approximately RM1.0 million. These were partially offset by a decrease in gain on foreign exchange of approximately RM0.7 million.

Our Group recorded a profit before taxation of approximately RM10.4 million, which represents a decrease of approximately RM1.2 million or approximately 10.6% as compared to profit before taxation of approximately RM11.6 million in the preceding financial year.

Taking all the above factors into account, our Group posted a net profit attributable to owners of the Company of RM7.9 million in FY2019, which was a decrease of 9.3% as compared to a net profit of RM8.7 million in FY2018.

For further details on our financial and business operational review, please refer to the **Management Discussion and Analysis** set out in our Annual Report 2019.

INFORMATION ON OUR COMPANY (Cont'd)

(iv) FYE 31 March 2020

For the financial year ended 31 March 2020 ("**FY2020**"), we registered revenue of approximately RM338.7 million, a 8.0% decrease from RM368.0 million in FY2019. This decline was due to a lacklustre economy and political instability, which was further exacerbated in March 2020 by the temporary closure of business operations to comply with the MCO. The MCO was imposed by the Government to curb the spread of COVID-19 infections in the country effective 18 March 2020.

Our Marine & Industrial segment recorded revenue of RM107.8 million in the FY2020, a 32.3% increase from RM81.5 million in FY2019, driven by the sales of marine propulsion systems to the shipbuilding industry and the government sector, coupled with the write back of impairment losses on trade receivables. Meanwhile, our other business segments recorded decline in revenue in the FY2020, notably our Building Products segment recording RM115.8 million in revenue (a 20.4% decrease from RM145.5 million in FY2019) as well as our Mechanical & Electrical segment recording RM56.2 million in revenue (a 18.9% decrease from RM69.3 million in FY2019). These segments were primarily impacted by the glut in the property market as well as slower work progress during the FY2020.

While overall revenue was lower in FY2020, we recorded higher gross profit of RM49.9 million, a 7.3% increase from RM46.5 million in FY2019. We also recorded an increase in other operating income for FY2020 of 25.9% from RM10.7 million in FY2019 to RM13.5 million in FY2020, due largely to higher realised gain in foreign exchange, interest charges on overdue accounts as well as write back of impairment losses on receivables and overprovision for previous year's bonus.

Meanwhile, our other operating expenses increased by RM8.0 million from RM3.4 million in FY2019 to approximately RM11.4 million in FY2020, mainly attributed to higher debts provision and inventory impairment of approximately RM6.2 million and approximately RM2.0 million respectively.

As such, we registered a net profit attributable to shareholders of RM7.3 million in FY2020, a decrease of 7.3% as compared to RM7.9 million in FY2019.

For further details on our financial and business operational review, please refer to the **Management Discussion and Analysis** set out in our Annual Report 2020.

(v) 9-month FPE 31 December 2020

For the 9-month FPE 31 December 2020 ("**FPE2020**"), our Group recorded a decrease in revenue of 13.1% to RM225.3 million, from RM259.2 million recorded in the 9-month FPE 31 December 2019 ("**FPE2019**"). This decrease was mainly attributable to the COVID-19 pandemic, which had significantly affected the overall sales performance of our Group.

In particular, our Building Products division recorded a 34.1% decrease in revenue, from RM92.4 million in the FPE2019 to RM60.9 million in the FPE2020, primarily due to lower sales volume from roofing and building structural products. Further, the Marine & Industrial division recorded a 17.3% decrease in revenue, from RM81.5 million in the FPE2019 to RM67.4 million in the FPE2020, due to weaker sales largely from marine engines and spare parts.

In line with the decrease in revenue, we recorded a 15.8% decrease in gross profit, from RM38.0 million in the FPE2019 to RM32.0 million in the FPE2020.

INFORMATION ON OUR COMPANY (Cont'd)

Meanwhile, we recorded an increase in other operating income of 43.6% from RM7.7 million in the FPE2019 to RM11.1 million in the FPE2020, primarily due to a gain on disposal of an associate of RM2.0 million and a fair value gain on quoted equity investment of RM2.0 million which were both classified under other operating income.

We had also recorded a 37.2% decrease in other operating expenses from RM4.2 million in the FPE2019 to RM2.7 million in the FPE2020, primarily attributed to lower allowance for individual impairment losses on receivables.

As a result of the impact of the COVID-19 pandemic to our sales performances, we recorded a lower profit after tax of RM7.1 million in the FPE2020, representing a 9.9% decrease compared to RM7.9 million in the FPE2019.

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INFORMATION ON OUR COMPANY (Cont'd)

5. DIRECTORS' SHAREHOLDINGS

The details of our directors' shareholdings in Pansar before and after the Rights Issue are set out as follows, based on the assumption that all Entitled Shareholders subscribe for their respective entitlements under the Rights Issue:-

Minimum Scenario

Directors	As at the LPD				Proforma I After the Rights Issue and assuming full conversion of the RCPS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares (^{'000})	⁽¹⁾ (%)	No. of Shares (^{'000})	⁽¹⁾ (%)	No. of Shares (^{'000})	⁽²⁾ (%)	No. of Shares (^{'000})	⁽²⁾ (%)
Dato' James Tai Cheong @ Tai Chiong	-	-	⁽³⁾ 302,251	65.90	-	-	⁽³⁾ 453,344	65.90
Datuk Tai Hee	-	-	⁽⁴⁾ 301,768	65.79	-	-	⁽⁴⁾ 452,652	65.79
Ling Lee Chuon @ James Ling Chung	-	-	1,905	0.42	-	-	2,857	0.42
Ting Ing Horh @ Ting Ing Ho	-	-	-	-	-	-	-	-
Fong Yoo Kaw @ Fong Yee Kow	-	-	-	-	-	-	-	-
Azman Bin Bujang	-	-	-	-	-	-	-	-

Notes:-

- (1) Based on the existing total number of issued shares of Pansar as at the LPD of 458,651,950 Pansar Shares, which excludes 4,023,150 treasury shares.
- (2) Based on the enlarged total number of issued shares Pansar of 687,977,925 Pansar Shares after the Rights Issue and after assuming full conversion of the RCPS.
- (3) Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's and children's shareholding in the Company.
- (4) Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

	As at the LPD				Proforma I Assuming full exercise of Warrants 2018/2023 and resale of all treasury shares				Pro forma II After Proforma I and assuming full conversion of the RCPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares (^{'000})	(¹)(%)	No. of Shares (^{'000})	(¹)(%)	No. of Shares (^{'000})	(²)(%)	No. of Shares (^{'000})	(²)(%)	No. of Shares (^{'000})	(³)(%)	No. of Shares (^{'000})	(³)(%)
Directors												
Dato' James Tai Cheong @ Tai Chiong	-	-	⁽⁴⁾ 302,251	65.90	-	-	⁽⁴⁾ 453,344	65.42	-	-	⁽⁴⁾ 680,015	65.42
Datuk Tai Hee	-	-	⁽⁵⁾ 301,768	65.79	-	-	⁽⁵⁾ 452,652	65.32	-	-	⁽⁵⁾ 678,979	65.32
Ling Lee Chuon @ James Ling Chung	-	-	1,905	0.42	-	-	2,857	0.41	-	-	4,285	0.41
Ting Ing Horh @ Ting Ing Ho	-	-	-	-	-	-	-	-	-	-	-	-
Fong Yoo Kaw @ Fong Yee Kow	-	-	-	-	-	-	-	-	-	-	-	-
Azman Bin Bujang	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

- (1) Based on the existing total number of issued shares of Pansar as at the LPD of 458,651,950 Pansar Shares, which excludes 4,023,150 treasury shares.
- (2) Based on the enlarged total number of issued shares of Pansar of 693,000,000 Pansar Shares after the following adjustments:-
 - (i) assuming full exercise of 230,324,900 Warrants 2018/2023 into new Pansar Shares; and
 - (ii) assuming all the 4,023,150 treasury shares held by the Company are resold to the open market prior to the Entitlement Date
- (3) Based on the enlarged total number of issued shares of Pansar of 1,039,500,000 Pansar Shares after the Rights Issue and assuming full conversion of the RCPS.
- (4) Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's and children's shareholding in the Company.
- (5) Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.

INFORMATION ON OUR COMPANY (Cont'd)

6. SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

The details of our substantial shareholders' shareholdings in Pansar before and after the Rights Issue are set out as follows, based on the assumption that all Entitled Shareholders subscribe for their respective entitlements under the Rights Issue:-

Minimum Scenario

Substantial shareholders	As at the LPD				Proforma I			
					After the Rights Issue and assuming full conversion of the RCPS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(2)(%)	No. of Shares ('000)	(2)(%)
Pan Sarawak	301,500	65.74	-	-	452,250	65.74	-	-
Tai Sing Chii & Sons Sdn Bhd	-	-	(3)301,500	65.74	-	-	(3)452,250	65.74
Inplaced Capital Sdn Bhd	-	-	(3)301,500	65.74	-	-	(3)452,250	65.74
Puan Sri Datin Sri Ling Lah Kiong	-	-	(4)301,500	65.74	-	-	(4)452,250	65.74
Dato' James Tai Cheong @ Tai Chiong	-	-	(5)302,251	65.90	-	-	(5)453,344	65.90
Datuk Tai Hee	-	-	(6)301,768	65.79	-	-	(6)452,652	65.79
David Tai Wei	-	-	(7)301,500	65.74	-	-	(7)452,250	65.74

Notes:-

- (1) Based on the existing total number of issued shares of Pansar as at the LPD of 458,651,950 Pansar Shares, which excludes 4,023,150 treasury shares.
- (2) Based on the enlarged total number of issued shares Pansar of 687,977,925 Pansar Shares after the Rights Issue and after assuming full conversion of the RCPS.
- (3) Deemed interested by virtue of its interests in Pan Sarawak pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of her interests in Tai Sing Chii & Sons Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's and children's shareholding in the Company.
- (6) Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.
- (7) Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

Substantial shareholders	As at the LPD				Proforma I Assuming full exercise of Warrants 2018/2023 and resale of all treasury shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(2)(%)	No. of Shares ('000)	(2)(%)
Pan Sarawak	301,500	65.74	-	-	452,250	65.26	-	-
Tai Sing Chii & Sons Sdn Bhd	-	-	(4)301,500	65.74	-	-	(4)452,250	65.26
Inplaced Capital Sdn Bhd	-	-	(4)301,500	65.74	-	-	(4)452,250	65.26
Puan Sri Datin Sri Ling Lah Kiong	-	-	(5)301,500	65.74	-	-	(5)452,250	65.26
Dato' James Tai Cheong @ Tai Chiong	-	-	(6)302,251	65.90	-	-	(6)453,213	65.40
Datuk Tai Hee	-	-	(7)301,768	65.79	-	-	(7)452,638	65.32
David Tai Wei	-	-	(8)301,500	65.74	-	-	(8)452,250	65.26

Substantial shareholders	Proforma II After Proforma I and assuming full conversion of the RCPS			
	Direct		Direct	
	No. of Shares ('000)	(3)(%)	No. of Shares ('000)	(3)(%)
Pan Sarawak	678,375	65.26	-	-
Tai Sing Chii & Sons Sdn Bhd	-	-	(4)678,375	65.26
Inplaced Capital Sdn Bhd	-	-	(4)678,375	65.26
Puan Sri Datin Sri Ling Lah Kiong	-	-	(5)678,375	65.26
Dato' James Tai Cheong @ Tai Chiong	-	-	(6)679,819	65.40
Datuk Tai Hee	-	-	(7)678,957	65.32
David Tai Wei	-	-	(8)678,375	65.26

INFORMATION ON OUR COMPANY (Cont'd)

Notes:-

- (1) *Based on the existing total number of issued shares of Pansar as at the LPD of 458,651,950 Pansar Shares, which excludes 4,023,150 treasury shares.*
- (2) *Based on the enlarged total number of issued shares of Pansar of 693,000,000 Pansar Shares after the following adjustments:-*
 - (i) *assuming full exercise of 230,324,900 Warrants 2018/2023 into new Pansar Shares; and*
 - (ii) *assuming all the 4,023,150 treasury shares held by the Company are resold to the open market prior to the Entitlement Date.*
- (3) *Based on the enlarged total number of issued shares of Pansar of 1,039,500,000 Pansar Shares after the Rights Issue and assuming full conversion of the RCPS.*
- (4) *Deemed interested by virtue of its interests in Pan Sarawak pursuant to Section 8 of the Act.*
- (5) *Deemed interested by virtue of her interests in Tai Sing Chii & Sons Sdn Bhd pursuant to Section 8 of the Act.*
- (6) *Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's and children's shareholding in the Company.*
- (7) *Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.*
- (8) *Deemed interested by virtue of his interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act.*

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INFORMATION ON OUR COMPANY (Cont'd)

7. OPTION TO SUBSCRIBE FOR PANSAR SHARES

As at the LPD, save for the provisional RCPS, the Excess RCPS and the Warrants 2018/2023, no option to subscribe for Pansar Shares has been granted or is entitled to be granted to anyone.

8. MATERIAL CONTRACTS

Save for the SPA in relation to the Proposed Acquisition, as disclosed in **Section 3.1** of this Abridged Prospectus, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Abridged Prospectus.

9. MATERIAL LITIGATION

As at the LPD, save as disclosed below, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and there are no proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

(a) Pansar Engineering Services Sdn Bhd ("PESSB") against Chieng Chuang Construction Sdn Bhd ("CCCSB")

PESSB, a wholly-owned subsidiary of Pansar, brought an action against CCCSB via a Writ of Summons on 10 June 2013 (Suit No. KCH-22-45/6-2013) for specific performance of a contract between PESSB and CCCSB amounting to RM1,920,000 for the sale of chillers to CCCSB, as well as damages and cost.

On 20 January 2017, a judgment was obtained in favour of PESSB for the specific performance of the contract of sale of the chillers at the price of RM1,920,000, the sum of RM63,000 as storage charges from January 2012 up to August 2014, storage charges amounting to RM3,000 per month from September 2014 until full and final settlement, interest of 5% on the sum of RM1,920,000 from 9 November 2012 until full settlement, and cost of RM10,000.

CCCSB then filed an appeal to the Court of Appeal which was heard on 9 February 2018, however the appeal was dismissed.

A statutory notice of demand was issued to CCCSB on 5 June 2018 demanding the storage charges in the sum of RM63,000 from January 2012 up to August 2014, storage charges of RM3,000 per month from September 2014 until full and final settlement, and cost of RM10,000.

CCCSB failed to comply with the said notice and PESSB filed a Petition for Companies (Winding-Up) No. BTU28NCC-3/8-2018 (HC) on 7 August 2018. CCCSB then filed an application to strike out the petition and to stay the winding up proceedings. The Court dismissed both applications on 19 June 2019.

CCCSB had again on 7 August 2019 applied for a stay of the winding up proceedings and the same was struck out by the Court on 9 October 2019. The Petition was fixed for hearing on 17 December 2019.

CCCSB had through its advocates' letter dated 22 November 2019 furnished 4 cheques totaling RM262,000.00 as payment of the amount demanded under the statutory notice.

INFORMATION ON OUR COMPANY (Cont'd)

PESSB had on 2 December 2019 arranged delivery of the chillers to CCCSB but CCCSB refused to accept the chillers delivered to their premise.

CCCSB paid another RM3,000 in January 2020 being the storage charges for December 2019, RM6,000 in February 2020 being the storage charges for January and February 2020, and RM6,000 in May 2020 being the storage charges for March and April 2020.

The Court had on 29 April 2020 dismissed the Petition with no order as to costs on the ground that CCCSB had fully settled the amount demanded in the statutory notice of demand. PESSB had filed an application to the court to ask for further direction in respect of the order for specific performance of the contract for sale and the said application is still pending a decision from the Court.

Subject to any further direction to be granted by the High Court, the potential amount to be recovered from CCCSB is:-

- (A) RM1,920,000 being the price of the chillers;
- (B) Storage charges for the said chillers at the rate of RM3,000 per month from May 2020 until the day of delivery of the chillers to CCCSB; and
- (C) Interest at the rate of 5% on the sum of RM1,920,000 from 9 November 2012 until full settlement.

Despite the above, the Board is of the view that the abovementioned case has no material adverse impact on the financial position or business of the Company and/or the Group.

PESSB's counsel for this suit is of the opinion that the court may:-

- (A) dismiss the application and the order for specific performance in the said judgment remains unchanged;
- (B) allow the application and give such further directions for compliance to the order for specific performance; or
- (C) allow the application and terminate the order for specific performance and for damages in lieu of specific performance to be assessed by the registrar.

In the event that the court allows a termination of the order for specific performance, PESSB is at liberty to dispose the chillers.

(b) Pansar Company Sdn Bhd ("PCSB") against Chu Vui Fai @ Daniel Chu ("Daniel Chu") and Chu Kiam Fah @ Chu Vui Phin (both trading under the name and style of Yun Siong Construction Co), and Chu Su Ken @ Kelvin ("Kelvin")

Via a writ dated 4 October 2005, PCSB brought an action (Suit No. K22-145 of 2005) against the defendants for debt owed to PCSB for goods sold and delivered, in the sum of RM3,783,875.

PCSB obtained a Judgment in Default of Appearance against the defendants for RM3,783,875 on 27 October 2005, whereby the defendants are ordered to pay PCSB the sum of RM3,783,875.

Subsequently, PCSB negotiated with Daniel Chu and Kelvin to pay RM1,450,000 and another RM878,800 by way of contra of 6 units of apartments. PCSB had not enforced the court judgement after the partial settlement of RM1,450,000 and RM878,800, thus leaving a balance of RM1,455,075 ("**Balance Sum**"). PCSB is currently in the midst of settling with Daniel Chu and Kelvin on the Balance Sum.

INFORMATION ON OUR COMPANY (Cont'd)

Despite the above, the Board is of the view that the abovementioned case has no material adverse impact on the financial position or business of the Company and/or the Group.

(c) PESSB against Bina Puri Sdn Bhd (“BPSB”)

Via a Writ of Summons dated 27 July 2020, PESSB brought an action (Suit No. BKI-22 NCvC-59/7 of 2020) against BPSB for the outstanding balance of RM2,846,951.28 being total final payment for works done under 2 Letters of Award in respect of the air conditioning and mechanical ventilation system for Blocks A, B and C and Interior Design Works for Blocks A and C at Pusat Pentadbiran Negeri Sabah.

Further in the same suit, PESSB claimed against BPSB for the sum of RM17,196.65 being costs and expenses incurred in the sub-sales of the Apartment Units purportedly as payment in kind by BPSB to PESSB which sub-sales were rescinded.

On 14 August 2020, PESSB applied to enter summary judgment. BPSB then applied to stay proceedings of the suit pending arbitration. PESSB and BPSB have agreed to proceed to arbitration and an arbitrator has been appointed. The arbitration hearing has been scheduled for 12 July 2021 to 16 July 2021.

PESSB's counsel for this suit is of the opinion that PESSB has a good case on the merits against BPSB.

Despite the above, the Board is of the view that the abovementioned case has no material adverse impact on the financial position or business of the Company and/or the Group.

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ADDITIONAL INFORMATION

1. CONSENTS

The written consents of our Principal Adviser, Underwriter, Legal Advisers connected to the Rights Issue and Share Registrar for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

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

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at 4th Floor, Wisma Pansar, 23-27, Jalan Bengkel, 96000 Sibu, Sarawak, during normal business hours between Mondays and Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the Undertaking provided by the Undertaking Shareholder as referred to in **Section 4** of this Abridged Prospectus;
- (ii) the material contract as set out in **Section 8 of Appendix I**;
- (iii) the relevant cause papers in relation to the material litigation of our Group as referred to in **Section 9 of Appendix I** of this Abridged Prospectus; and
- (iv) the letters of consent referred to in **Section 1** of this **Appendix II**.

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