

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

All inquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar for the Rights Issue, Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H)) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur (Tel No.: +603 2783 9299).

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. This Abridged Prospectus, and the accompanying NPA and RSF (collectively, the "Documents"), have also been lodged with the Registrar of Companies who takes no responsibility for the contents.

Approval has been obtained from our shareholders for the Rights Issue at our EGM held on 4 November 2020. The approval from Bursa Securities had also been obtained vide its letter dated 9 October 2020 for the admission of the New Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, New Warrants and the new Shares to be issued arising from the exercise of New Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue, and shall not be taken as an indication of the merits of the Rights Issue. The admission of the New Warrants to the Official List and the listing of and quotation for all the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue. The admission of the New Warrants to the Official List and the listing of and quotation for all the said new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

These Documents are only despatched to our Entitled Shareholders whose names appear on 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 Wednesday, 2 December 2020. These Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares 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 Right Shares made by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



LEWKO RESOURCES BERHAD

(Registration No.: 200201000757 (568420-K))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF 183,455,525 NEW ORDINARY SHARES IN LEWKO RESOURCES BERHAD ("LEWKO") ("LEWKO SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 EXISTING LEWKO SHARES HELD, TOGETHER WITH 220,146,630 FREE DETACHABLE WARRANTS ("NEW WARRANT(S)") ON THE BASIS OF 6 NEW WARRANTS FOR EVERY 5 RIGHTS SHARES SUBSCRIBED BY THE ENTITLED SHAREHOLDERS AS AT 5.00 P.M. ON WEDNESDAY, 2 DECEMBER 2020 AT AN ISSUE PRICE OF RM0.09 PER RIGHTS SHARE

Adviser and 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 TIME:-

Entitlement Date	:	Wednesday, 2 December 2020 at 5.00 p.m.
Last date and time for:-		
Sale of provisional allotment of rights	:	Wednesday, 9 December 2020 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Friday, 11 December 2020 at 4.30 p.m.
Acceptance and Payment	:	Thursday, 17 December 2020 at 5.00 p.m.
Excess application and payment	:	Thursday, 17 December 2020 at 5.00 p.m.

This Abridged Prospectus is dated 2 December 2020

Unless stated otherwise, all terms and abbreviations used herein shall have the same meanings as those defined in the “definitions” section of this Abridged Prospectus.

OUR BOARD HAS SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPTS FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE IS 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 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 RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS, INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY. SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

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

THESE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

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

“Abridged Prospectus”	: This abridged prospectus dated 2 December 2020
“Act”	: Companies Act 2016, as amended from time to time and includes any re-enactment thereof
“Bloomberg”	: Bloomberg Finance Singapore L.P. and its affiliates
“Board”	: The Board of Directors of Leweko
“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 the Bursa Depository for the recording of deposits and dealing in securities by the depositor
“Closing Date”	: Thursday, 17 December 2020 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and the application and payment for the Excess Rights Shares with New Warrants
“CMSA”	: Capital Markets and Services Act 2007, as amended from time to time and includes any re-enactment thereof
“Code and the Rules”	: The Malaysian Code on Take-overs and Mergers 2016 and the Rules on Take-overs, Mergers and Compulsory Acquisitions
“COVID-19”	: Coronavirus disease 2019
“Deed Poll”	: The deed poll dated 18 November 2020 executed by Leweko constituting the New Warrants
“Director(s)”	: The director(s) of Leweko having the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“Documents”	This Abridged Prospectus together with the NPA and RSF, collectively
“e-NPA”	: Electronic NPA
“e-RSF”	: Electronic RSF
“e-Subscription”	: Electronic subscription
“EGM”	: Extraordinary general meeting of the Company held on 4 November 2020 in relation to the Rights Issue
“Entitled Shareholder(s)”	: The shareholder(s) of Leweko whose name(s) appear in the Record of Depositors of the Company on the Entitlement Date

DEFINITIONS (Cont'd)

“Entitlement Date”	: Wednesday, 2 December 2020 at 5.00 p.m. being the date and time on which the names of the Entitled Shareholders must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue
“Entitlement Undertaking”	: Irrevocable undertaking dated 11 September 2020 from the Undertaking Shareholder, who has irrevocably undertaken to apply and subscribe in full for its entitlements to the Rights Shares together with the New Warrants
“EPS”	: Earnings per share
“Excess Application(s)”	: Application(s) for Excess Rights Shares with New Warrants as set out in Section 10.8 of this Abridged Prospectus
“Excess Rights Shares with New Warrants”	: Rights Shares with New Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounees/transferee(s) (if applicable) by the Closing Date
“Exercise Price”	: RM0.12, being the price at which 1 New Warrant is exercisable into 1 Leweko Share, subject to the adjustments in accordance to provisions of the Deed Poll
“Foreign Entitled Shareholders”	: Entitled shareholders who have not provided us with a registered address in Malaysia
“FPE”	: Financial period ended/ending
“FYE”	: Financial year ended/ending
“LAT”	: Loss after tax
“LBT”	: Loss before tax
“Leweko” or the “Company”	: Leweko Resources Berhad (Registration No.: 200201000757 (568420-K))
“Leweko Group” or the “Group”	: Leweko and its subsidiary companies, collectively
“Leweko Share(s)” or “Share(s)”	: Ordinary share(s) in Leweko
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, as amended and modified from time to time
“LPD”	: 30 October 2020, being the latest practicable date prior to the registration of this Abridged Prospectus by the SC
“Market Day(s)”	: Any day between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading of securities
“MCO”	: Movement Control Order
“NA”	: Net assets

DEFINITIONS (Cont'd)

“New Warrant(s)”	: 220,146,630 free detachable warrants of Leweko to be allotted and issued pursuant to the Rights Issue
“NPA”	: Notice of provisional allotment of Rights Shares with New Warrants 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 and not removed
“Price Fixing Date”	: 18 November 2020, being the date on which the issue price of the Rights Shares and exercise price of the New Warrants were fixed pursuant to the Rights Issue
“Provisional Allotments”	: Rights Shares with New Warrants to be provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Registered Entitled Shareholders”	: Entitled Shareholders who are the registered user of TIIH Online
“Rights Issue”	: The renounceable rights issue of 183,455,525 Rights Shares on the basis of 1 Rights Share for every 2 existing Leweko Shares held, together with 220,146,630 New Warrants on the basis of 6 New Warrants for every 5 Rights Shares subscribed for on the Entitlement Date at an issue price of RM0.09 per Rights Share
“Rights Share(s)”	: 183,455,525 new Shares to be allotted and issued pursuant to the Rights Issue
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“RSF”	: Rights Subscription Form in relation to the Rights Issue
“Rules of Bursa Depository”	: The rules of Bursa Depository as issued pursuant to the SICDA
“SC”	: Securities Commission Malaysia
“SICDA”	: Securities Industry (Central Depositories) Act 1991
“TERP”	: Theoretical ex-rights price
“TIIH Online”	: Tricor’s propriety-owned application to facilitate Entitled Shareholders to subscribe for the Provisional Allotments and to apply for Excess Rights Shares with New Warrants electronically
“Tricor” or “Share Registrar”	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H)), being the Share Registrar for the Rights Issue
“Undertaking Shareholder”	: The substantial shareholder of Leweko who has provided its Entitlement Undertaking, the details of which are set out in Section 3.1 of this Abridged Prospectus

DEFINITIONS (Cont'd)

“Underwriting Agreement”	:	Underwriting agreement dated 18 November 2020 entered into between the Company and UOBKH in relation to the underwriting of 79,635,121 Rights Shares not subscribed by the Undertaking Shareholder
“UOBKH” or the “Adviser” or the “Underwriter”	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))
“VWAP”	:	Volume-weighted average market price

All references to “our Company” and “Leweko” in this Abridged Prospectus are made to Leweko Resources Berhad (Registration No.: 200201000757 (568420-K)) and references to “our Group” or “Leweko Group” are made to our Company and our subsidiary companies. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to “you” in this Abridged Prospectus are made to our Entitled Shareholders and/or, where the context otherwise requires, their renounee(s) and/or transferee(s) (if applicable).

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.

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

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

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TABLE OF CONTENTS

	Page
ADVISER'S DIRECTORY	vii
SUMMARY OF THE RIGHTS ISSUE	viii
LETTER TO OUR SHAREHOLDERS CONTAINING:-	
1. INTRODUCTION	1
2. DETAILS OF THE RIGHTS ISSUE	2
2.1 Basis and number of Rights Shares and New Warrants to be issued	2
2.2 Basis and justification for the issue price of the Rights Shares	3
2.3 Basis and justification for the Exercise Price	4
2.4 Ranking of the Rights Shares and new Leweko Shares to be issued arising from the exercise of the New Warrants	4
2.5 Salient terms of the New Warrants	4
3. ENTITLEMENT UNDERTAKING AND UNDERWRITING ARRANGEMENT	7
3.1 Entitlement Undertaking	7
3.2 Underwriting arrangement	8
4. UTILISATION OF PROCEEDS	8
5. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE	12
6. RISK FACTORS	12
6.1 Risks relating to our Group	13
6.2 Risks relating to the construction and property development industry	15
6.3 Risks relating to the Rights Issue	17
7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP	18
7.1 Overview and outlook of the Malaysian economy	18
7.2 Overview and outlook of the construction and property development industry	19
7.3 Prospects of our Company	20
7.4 Impact of COVID-19 pandemic on our business operations	22
8. EFFECTS OF THE RIGHTS ISSUE	22
8.1 Issued share capital	22
8.2 NA per Share and gearing	23
8.3 Earnings and EPS	24
8.4 Convertible securities	24
9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS	24
9.1 Working Capital	24
9.2 Borrowings	24
9.3 Contingent liabilities	24
9.4 Material commitments	24
9.5 Material transactions	25

TABLE OF CONTENTS (Cont'd)

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION FOR THE RIGHT ISSUE	25
10.1 General	25
10.2 NPA	25
10.3 Methods of acceptance and application	25
10.4 Last date and time for acceptance and payment	25
10.5 Procedure for full acceptance and payment	26
10.6 Procedure for part acceptance	32
10.7 Procedure for sale or transfer of the Provisional Allotments	33
10.8 Procedure for application of Excess Rights Shares with New Warrants	33
10.9 Procedures to be followed by renouncee(s)/transferee(s)	36
10.10 Notice of allotment	36
10.11 CDS Account	36
10.12 Laws of foreign jurisdiction	37
11. TERMS AND CONDITIONS	39
12. FURTHER INFORMATION	39
APPENDICES	
I. INFORMATION ON OUR COMPANY	40
II. ADDITIONAL INFORMATION	48

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ADVISER'S DIRECTORY

- COMPANY SECRETARIES** : Chong Lay Kim
(SSM PC No. 202008001920) (LS 0008373)
- Yeng Shi Mei
(SSM PC No. 202008001282) (MAICSA 7059759)
- Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
- Tel : (03) 2783 9191
Fax : (03) 2783 9111
- SHARE REGISTRAR FOR THE RIGHTS ISSUE** : Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
- Tel : (03) 2783 9299
Fax : (03) 2783 9222
- SOLICITORS FOR THE RIGHTS ISSUE** : Kadir Andri & Partners
Suite A-38-8, Level 38, Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
- Tel : (03) 2780 2888
Fax : (03) 2780 2833
- 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 : (03) 2147 1888
Fax : (03) 2147 1950
- STOCK EXCHANGE LISTED** : 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 Rights Shares and New Warrants to be issued pursuant to the Rights Issue	<p>183,455,525 Rights Shares together with 220,146,630 New Warrants on the basis of 1 Rights Share for every 2 existing Leweko Shares held and 6 New Warrants for every 5 Rights Shares subscribed by the Entitled Shareholders on the Entitlement Date at an issue price of RM0.09 per Rights Share. Any unsubscribed Rights Shares with New Warrants will be made available for excess applications by Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable).</p> <p>Please refer to Section 2.1 of this Abridged Prospectus for further details of the basis of allotment and number of Rights Shares and New Warrants to be issued pursuant to the Rights Issue.</p>
Issue price of the Rights Shares and Exercise Price	<p>The Board has fixed the issue price of the Rights Shares at RM0.09 and the exercise price of the New Warrants at RM0.12.</p> <p>Please refer to Sections 2.2 and 2.3 of this Abridged Prospectus for the basis and justification for the issue price of the Rights Shares and the Exercise Price.</p>
Entitlement Undertaking and underwriting arrangement	<p>The substantial shareholder of the Company, Rengit Capital Sdn Bhd has provided its Entitlement Undertaking to subscribe in full for its entitlement of 103,820,404 Rights Shares with 124,584,484 New Warrants under the Rights Issue. The Rights Issue will be undertaken on a full subscription basis. As such, our Company had, on 18 November 2020 entered into the Underwriting Agreement with the Underwriter to underwrite the remaining 79,635,121 Rights Shares.</p> <p>Please refer to Section 3 of this Abridged Prospectus for further details of the Entitlement Undertaking and underwriting arrangement.</p>
Rationale and justification for the Rights Issue	<ul style="list-style-type: none"> (i) the Rights Issue will involve the issuance of new Leweko Shares without diluting the existing shareholders' respective shareholdings provided that all the Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue; (ii) the Rights Issue will provide the Entitled Shareholders with an opportunity to participate in an equity offering in the Company on a pro rata basis and ultimately, participate in the prospects and future growth of Leweko Group by subscribing to the Rights Shares with New Warrants; (iii) the Rights Issue will enable the Company to raise requisite funds without incurring interest expense as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs; and (iv) the Rights Issue will strengthen Leweko Group's financial position with enhanced shareholders' funds and reduced gearing level as compared to bank borrowings which are expected to facilitate the continuous long-term growth and expansion plans of Leweko Group

SUMMARY OF THE RIGHTS ISSUE (Cont'd)

Key Information	Summary																								
Utilisation of proceeds	<p>The gross proceeds to be raised from the Rights Issue will be utilised in the following manner:-</p> <table border="1"> <thead> <tr> <th>Details of utilisation</th> <th>Timeframe for utilisation</th> <th>(RM'000)</th> <th>(%)</th> </tr> </thead> <tbody> <tr> <td>(ii) Funding for existing and/or future construction projects</td> <td>Within 12 months</td> <td>7,000</td> <td>42.40</td> </tr> <tr> <td>(iii) Acquisition of new land bank for property development</td> <td>Within 24 months</td> <td>6,000</td> <td>36.34</td> </tr> <tr> <td>(iii) Working capital</td> <td>Within 12 months</td> <td>2,733</td> <td>16.55</td> </tr> <tr> <td>(iv) Estimated expenses for the Rights Issue</td> <td>Within 1 month</td> <td>778</td> <td>4.71</td> </tr> <tr> <td>Total</td> <td></td> <td>16,511</td> <td>100.0</td> </tr> </tbody> </table> <p>Please refer to Section 4 of this Abridged Prospectus for further details of the utilisation of proceeds.</p>	Details of utilisation	Timeframe for utilisation	(RM'000)	(%)	(ii) Funding for existing and/or future construction projects	Within 12 months	7,000	42.40	(iii) Acquisition of new land bank for property development	Within 24 months	6,000	36.34	(iii) Working capital	Within 12 months	2,733	16.55	(iv) Estimated expenses for the Rights Issue	Within 1 month	778	4.71	Total		16,511	100.0
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Total		16,511	100.0																						
Risk factors	<p>You should carefully consider the following risk factors before subscribing for or investing in the Rights Issue:-</p> <p>(a) our Group has been operating at a net loss for the past 5 financial years. The net losses were mainly due to the decline in revenue of our property development division;</p> <p>(b) our businesses and financial performance is subject to risks relating to delay in the completion of our projects, our dependence on third-party contractors/subcontractors, the supply of our construction materials and the availability of commercially viable land bank for our property development business as well as the prevailing political, economic and regulatory conditions in Malaysia;</p> <p>(c) we operate in the construction and property development industry, which is dependent on the performance of the property market, and is expose to completion risks, dependence on the supply of foreign workers and the current outbreak of the COVID-19 pandemic; and</p> <p>(d) the market price of our Shares is influenced by the prevailing market sentiments and the volatility of the equity markets. Accordingly, there can be no assurance that the market price of the Rights Shares will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares.</p> <p>Please refer to Section 6 of this Abidged Prospectus for futher details of the risk factors.</p>																								
Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares with New Warrants must be made by way of the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF or by way of e-Subscription and must conform with the terms and conditions of TIH Online contained therein. The last day, date and time for acceptance of and payment for the Provisional Allotments and the application and payment for the Excess Rights Shares with New Warrants is on Thursday, 17 December 2020 at 5.00 p.m.</p> <p>Please refer to Section 10 of this Abridged Prospectus for further details of the procedures for acceptance and payment.</p>																								



LEWKO RESOURCES BERHAD

(Registration No.: 200201000757 (568420-K))
(Incorporated in Malaysia)

Registered Office

Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

2 December 2020

Board of Directors

Tan Sri (Dr) Ir. Jamilus bin Md Hussin	<i>(Independent Non-Executive Chairman)</i>
Kor Beng	<i>(Managing Director)</i>
Kor Yann Kae	<i>(Executive Director)</i>
Kor Yann Shiun	<i>(Executive Director)</i>
Tan Tai Ming	<i>(Non-Independent Non-Executive Director)</i>
Arthur Law Hian Tat	<i>(Independent Non-Executive Director)</i>

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 183,455,525 NEW ORDINARY SHARES IN LEWKO ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 EXISTING LEWKO SHARES HELD, TOGETHER WITH 220,146,630 FREE DETACHABLE NEW WARRANTS ON THE BASIS OF 6 NEW WARRANTS FOR EVERY 5 RIGHTS SHARES SUBSCRIBED BY THE ENTITLED SHAREHOLDERS, AS AT 5.00 P.M. ON WEDNESDAY, 2 DECEMBER 2020 AT AN ISSUE PRICE OF RM0.09 PER RIGHTS SHARE

1. INTRODUCTION

On 8 September 2020, UOBKH had, on behalf of our Board, announced that we propose to undertake the Rights Issue.

Subsequently, on 9 October 2020, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated on even date, approved the following:-

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

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

Condition(s)		Status of compliance
(i)	Leweko and UOBKH must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Rights Issue;	To be complied
(ii)	Leweko and UOBKH to inform Bursa Securities upon completion of the Rights Issue;	To be complied
(iii)	UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed;	To be complied
(iv)	Leweko to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the EGM for the Rights Issue; and	Complied
(v)	Payment of additional listing fees pertaining to the exercise of the New Warrants, if relevant. In this respect, Leweko is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the New Warrants as at the end of each quarter together with a detailed computation of the listing fees payable.	To be complied

On 4 November 2020, our shareholders had approved the Rights Issue at our EGM.

On 18 November 2020, our Company had entered into the Underwriting Agreement in connection with the Rights Issue.

On 18 November 2020, UOBKH had, on behalf of our Board, announced that the issue price of the Rights Shares has been fixed at RM0.09 per Rights Share and the exercise price of the New Warrants has been fixed at RM0.12 per New Warrant. On even same date, UOBKH had also, on behalf of our Board, announced the Entitlement Date and other relevant dates pertaining to the Rights Issue.

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

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Basis and number of Rights Shares and New Warrants to be issued

The Rights Issue entails a renounceable rights issue on the basis of 1 Rights Share for every 2 existing Leweko Shares held, together with free detachable New Warrants on the basis of 6 New Warrants for every 5 Rights Shares subscribed by the Entitled Shareholders on the Entitlement Date at an issue price of RM0.09 per Rights Share.

As at the LPD, our Company has an issued share capital of RM78,146,304 comprising 369,911,051 Leweko Shares. As such, a total of 183,455,525 Rights Shares together with 220,146,630 New Warrants will be issued pursuant to the Rights Issue.

The Rights Shares and New Warrants will be provisionally allotted and issued to the Entitled Shareholders. In determining shareholders' entitlements under the Rights Issue, fractional entitlements of the Rights Shares and New Warrants, if any, will be dealt with in such manner and on such terms and conditions as the Board in its absolute discretion deems fit or expedient and in the best interest of our Company.

The New Warrants are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who subscribe for their entitled number of Rights Shares. The New Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded from the Rights Shares on the Main Market of Bursa Securities. The New Warrants will be issued in registered form and constituted by the Deed Poll. Please refer to **Section 2.5** of this Abridged Prospectus for the salient terms of the New Warrants.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares together with the New Warrants in full or in part. However, the Rights Shares and the New Warrants cannot be renounced separately and only the Entitled Shareholders who subscribe for the Rights Shares will be entitled to the New Warrants. As such, the Entitled Shareholders who renounced all of their Rights Share entitlements shall be deemed to have renounced all the accompanying entitlements to the New Warrants to be issued together with the Rights Shares. If the Entitled Shareholders accept only part of their Rights Share entitlements, they shall be entitled to the New Warrants in proportion to their acceptance of their Rights Share entitlements.

Any Rights Shares which are not taken up or not validly taken up shall be made available for excess applications by the other Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). It is the intention of the Board to allocate the Excess Rights Shares with New Warrants in a fair and equitable manner, and on a basis as set out in **Section 10.8** of this Abridged Prospectus.

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such number of Provisional Allotment into your CDS Account, and the RSF to enable you to subscribe for such Provisional Allotments as well as to apply for the Excess Rights Shares if you choose to do so.

Only Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided the Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF. Further, an electronic notification on the Rights Issue will also be sent to all Registered Entitled Shareholders on the date of despatch of the NPA and RSF.

For information purposes, the Company had not undertaken any other fund raising exercises in the past 12 months up to the LPD.

2.2 Basis and justification for the issue price of the Rights Shares

The issue price of RM0.09 per Rights Share was determined and fixed by our Board on the Price Fixing Date after taking into consideration the following:-

- (i) the funding requirements of our Group for the proposed utilisation as set out in **Section 4** of this Abridged Prospectus;
- (ii) the prevailing market conditions, which includes, amongst others, the market sentiment and volatility of the Malaysian stock market, and the historical market prices of Leweko Share since the first announcement of the Rights Issue on 8 September 2020 up to the Price Fixing Date;
- (iii) the TERP of Leweko Shares based on the 5-day VWAP of Leweko Shares immediately preceding the Price Fixing Date; and

- (iv) a suitable issue price that is deemed attractive to encourage the subscription of Rights Shares with New Warrants by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable).

The issue price of RM0.09 per Rights Share represents a discount of RM0.05 or approximately 35.7% to the TERP of Leweko Shares of RM0.14, calculated based on the 5-day VWAP of Leweko Shares up to and including 17 November 2020, being the last trading day immediately preceding the Price Fixing Date of RM0.16.

2.3 Basis and justification for the Exercise Price

The exercise price of RM0.12 per New Warrants was determined and fixed by our Board on the Price Fixing Date after taking into consideration, amongst others, the following:-

- (i) the New Warrants will be issued at no cost to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who successfully subscribed for the Rights Shares;
- (ii) the TERP of Leweko Shares based on the 5-day VWAP of Leweko Shares immediately preceding the Price Fixing Date; and
- (iii) the prevailing market conditions and the historical trading price of Leweko Shares.

The Exercise Price represents a discount of RM0.02 or approximately 14.29% to the TERP of Leweko Shares of RM0.14, calculated based on the 5-day VWAP of Leweko Shares up to and including 17 November 2020, being the last trading day immediately preceding the Price Fixing Date of RM0.16.

2.4 Ranking of the Rights Shares and new Leweko Shares to be issued arising from the exercise of the New Warrants

The Rights Shares will, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the Rights Shares.

The new Leweko Shares to be issued arising from the exercise of the New Warrants will, upon allotment and issue, rank equally in all respects with the existing Leweko Shares, save and except that the new Leweko Shares to be issued arising from the exercise of the New Warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the new Leweko Shares.

2.5 Salient Terms of the New Warrants

The salient terms of the New Warrants are as follows:-

Number of New Warrants : 220,146,630 New Warrants

Form and denomination : The New Warrants which are issued with the Rights Shares are immediately detached upon issuance and will be separately traded on Bursa Securities. The New Warrants will be issued in registered form and constituted by the Deed Poll

- Exercise Period** : The New Warrants may be exercised at any time within a period of 5 years, which shall commence from and including the date of issuance of the New Warrants and ending at the Expiry Date ("**Exercise Period**")
- The New Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid
- Expiry Date** : A date being 5 years from and including the date of issuance of the New Warrants, and if such a day is not a Market Day, on the immediate preceding Market Day ("**Expiry Date**")
- Exercise Rights** : The New Warrants entitle the registered holders, at any time during the Exercise Period, to subscribe for new Shares on the basis of 1 new Leweko Share for 1 New Warrant at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll ("**Exercise Rights**")
- Tenure of New Warrants** : 5 years from the date of issuance of the New Warrants
- Exercise Price** : RM0.12 per New Warrants, subject to adjustments in accordance with the provisions of the Deed Poll
- Mode of exercise** : The registered holder of the New Warrant is required to lodge an exercise form as set out in the Deed Poll with the Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in accordance with the provisions of the Deed Poll
- Mode of transfer** : The New Warrants are transferrable in the manner and according to the provisions of the Deed Poll, SICDA and the Rules of Bursa Depository
- Participating rights of the holders of New Warrants in any distribution and/or offer of further securities** : The New Warrant holders are not entitled to any voting right or participation in any forms of distribution and/or offer of further securities in the Company until and unless such New Warrant holders exercise the New Warrants for the new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to the New Warrant holders. Each New Warrant holder shall be deemed to remain the registered holder of the New Warrants credited in his/her securities account until the name of the transferee is entered in the Record of Depositors.
- Ranking of new Shares arising from the exercise of the New Warrants** : The new Leweko Shares to be issued arising from the exercise of the New Warrants will, upon allotment and issue, rank equally in all respects with the then existing Leweko Shares, save and except that the new Leweko Shares to be issued arising from the exercise of the New Warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the new Leweko Shares

- Board lot** : For the purpose of trading in Bursa Securities, a board lot of New Warrants shall comprise 100 New Warrants carrying the right to subscribe for 100 new Leweko Shares at any time during the Exercise Period, or in such denomination as determined by Bursa Securities
- Listing status** : The New Warrants and new Leweko Shares to be issued pursuant to the exercise of New Warrants will listed and quoted on the Main Market of Bursa Securities
- Adjustments in the exercise price and/or number of New Warrants** : The Exercise Price and/or number of unexercised New Warrants may be adjusted, calculated or determined by the Board from time to time, at any time during the tenure of the New Warrants in consultation with its professional advisers and/or auditors, in the event of alteration to the share capital of the Company, whether by way of, amongst others, rights issue, bonus issue, consolidation or subdivision or conversion of shares, reduction of capital, issuance of shares to shareholders of the Company by way of capitalisation of profits or reserves or capital distribution or allotment of shares, offer or invitation to its shareholders or any other events in accordance with the provisions of the Deed Poll
- Modification** : Save as expressly provided in the Deed Poll, no modification, amendment, deletion or addition may be made to the provisions of this deed without the sanction of a special resolution of the New Warrant holders unless the modifications, amendments, deletions or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the New Warrant holders
- Any modification, amendment, deletion or addition to the Deed Poll (including the form and content of the warrant certificate) may be effected only (i) by a supplemental deed poll executed by the Company and expressed to be supplemental thereof and (ii) approved of sanctioned by the New Warrant holders by way of a special resolution
- Rights in the event of winding-up, liquidation, compromise and/or arrangement** : Where a resolution has been passed for a member's voluntary winding-up of the Company, or where there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), every holder of the New Warrants shall be entitled upon and subject to the provisions of the Deed Poll at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within 6 weeks after the granting of the court order approving the compromise or arrangement (whichever is later), by irrevocable surrender of his/her New Warrants to our Company, elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/her New Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of our Company which would be available in liquidation as if he/she had on such date been the holder of the new Leweko Shares to which he/she would have been entitled to pursuant to such exercise

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

Governing law : Laws and regulations of Malaysia

3. ENTITLEMENT UNDERTAKING AND UNDERWRITING ARRANGEMENT

3.1 Entitlement Undertaking

The Rights Issue will be undertaken on a full subscription basis. The substantial shareholder of the Company, Rengit Capital Sdn Bhd has provided its Entitlement Undertaking to subscribe in full for its entitlement of the Rights Shares with New Warrants under the Rights Issue based on its shareholdings as at the LPD.

Details of the Entitlement Undertaking are as follows:-

Undertaking Shareholder	As at the LPD		Subscription pursuant to the Entitlement Undertaking			
	No. of Shares	⁽¹⁾ (%)	No. of Rights Shares	⁽²⁾ (%)	No. of New Warrants	⁽²⁾ (%)
Rengit Capital Sdn Bhd	207,640,808	56.59	103,820,404	56.59	124,584,484	56.59

Notes:-

- (1) Based on the share capital of Leweko as at the LPD comprising 366,911,051 Leweko Shares.
- (2) Based on 183,455,525 Rights Shares and 220,146,630 New Warrants to be issued pursuant to the Rights Issue.

Pursuant to the Entitlement Undertaking, the Undertaking Shareholder has:-

- (i) irrevocably and unconditionally undertaken that it will not sell or in any way dispose of or transfer its existing interest in the Company or any part thereof during the period commencing from the date of the Entitlement Undertaking up to the Entitlement Date;
- (ii) irrevocably and unconditionally undertaken to subscribe in full for any additional entitlement of the Rights Shares in the event that it increases its shareholdings in Leweko prior to the Entitlement Date; and
- (iii) confirmed that it has sufficient financial resources to subscribe in full for the Rights Shares under the Rights Issue.

The Entitlement Undertaking provided by the Undertaking Shareholder reflect its commitment and confidence in growing our Group's business and driving the financial performance of our Group further.

UOBKH has also verified that the Undertaking Shareholder has sufficient financial resources to take up the number of Rights Shares as specified in its Entitlement Undertaking.

The Undertaking Shareholder has also confirmed that its subscription of the Rights Shares pursuant to the Entitlement Undertaking will not give rise to any consequences of mandatory general offer obligations pursuant to the Code and the Rules and they will observe and comply at all times with the provisions of the Code and the Rules.

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

3.2 Underwriting arrangement

Our Company had on, 18 November 2020 entered into the Underwriting Agreement with the Underwriter for the underwriting of 79,635,121 Rights Shares, representing approximately 43.41% of the total Rights Shares to be issued under the Rights Issue, for which no unconditional and irrevocable undertaking has been obtained from other shareholders. The details of underwriting arrangement are as set out below:-

Underwriter	Underwritten Rights Shares				Funding required (RM)
	No. of Rights Shares	(1)%	No. of New Warrants	(2)%	
UOBKH	79,635,121	43.41	95,562,145	43.41	7,167,161

Notes:-

(1) Based on the 183,455,525 Rights Shares to be issued under the Rights Issue.

(2) Based on 220,146,630 New Warrants to be issued under the Rights Issue.

The underwriting commission is 2.0% of the value of the underwritten Rights Shares, subject to the terms and conditions of the Underwriting Agreement. The underwriting commission payable to the Underwriter and all other costs in relation to the Underwriting Agreement will be fully borne by our Company.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.09 per Rights Share, the Rights Issue is expected to raise gross proceeds of approximately RM16.51 million to be utilised in the following manner:-

Details of utilisation	Timeframe for utilisation	(RM'000)	(%)
(i) Funding for existing and/or future construction projects	Within 12 months	7,000	42.40
(ii) Acquisition of new land bank for property development	Within 24 months	6,000	36.34
(iii) Working capital	Within 12 months	2,733	16.55
(iv) Estimated expenses for the Rights Issue	Within 1 month	778	4.71
Total		16,511	100.0

Notes:-**(i) Funding for existing and/or future construction projects**

We intend to utilise the proceeds of RM7.0 million to fund for existing construction projects undertaken by our Group. The proceeds will be utilised towards payment for, amongst others, mechanical, electrical works and civil works and material cost as well as payment to contractors. At this juncture, we have identified the following construction projects to be funded via the proceeds of the Rights Issue:-

No.	Project Name / Location	Contract value (RM'000)	Total value completed as at the LPD (RM'000)	Balance amount to be incurred (work in progress) (RM'000)	Details
1.	Project Carnus 66/ Hulu Langat, Selangor Darul Ehsan	12,139	4,874	7,264	Residential development comprising of 66 units of double terrace houses
2.	Project Nara 80/ Hulu Langat, Selangor Darul Ehsan	16,173	6,037	10,136	Residential development project comprising 80 units of 4-storey townhouse

The exact allocation of funding for the above construction projects will be determined over the progress of the projects based on their status and the estimated costs required then. Any balance/shortfall required to fund these construction projects undertaken will be financed through our internally generated funds and/or bank borrowings.

The exact breakdown between the sources of fund will be determined by our management at a later stage, after taking into consideration, amongst others, our internal fund requirement and/or our gearing level as well as the availability and suitability of other funding options at the relevant time.

Any amount not utilised for the specific projects above and/or any surplus from the amounts earmarked for the working capital requirements as set out in Note (iii) below will be reallocated and utilised for other existing construction projects and/or future projects of our Group, depending on their respective funding requirements. However, in the event of any shortfall in the allocated amounts for the working capital requirements as set out in Note (iii) below, such deficit will be adjusted from the proceeds allocated for our existing construction projects and/or future projects.

(ii) Acquisition of new land bank for property development

We intend to identify and acquire suitable land bank or development rights for our property development activities. Our management is currently sourcing for commercially viable and sizeable land bank or development rights located in Wilayah Persekutuan, Perak and Selangor. We may also explore entering into strategic partnerships with suitable partners to acquire and jointly develop these land bank/development rights.

As such, we intend to allocate approximately RM6.0 million of the proceeds from the Rights Issue to part finance the acquisition of new land bank/development rights for our property development division or any potential joint venture property development projects (collectively referred to as "**Potential Land Bank**"). The proceeds will potentially be channelled towards, amongst others, payment of upfront deposits for the acquisition/joint venture and the associated costs to undertake feasibility studies on the potential property development projects. The balance/shortfall required to fund the proposed acquisition or the potential joint venture development project will be financed through our internally generated funds and/or bank borrowings.

We anticipate that the process to identify and acquire the Potential Land Bank will be carried out in stages over a period of 2 years from the completion of the Rights Issue. Our indicative timeframe to acquire the Potential Land Bank is set out as follows:-

No.	Stage(s)	Indicative Timeframe
1.	Identify Potential Land Bank located in Wilayah Persekutuan, Perak and Selangor	January to August 2021
2.	Conduct preliminary feasibility studies on the potential development projects in respect of the identified Potential Land Bank	September to December 2021
3.	Commence discussions with owners of the identified Potential Land Bank to negotiate on the terms of the acquisition of the land bank/development rights or potential joint venture to develop the Potential Land Bank	January 2022 to June 2022
4.	Execution of the relevant agreement for the acquisition of the land bank/development rights or potential joint venture to develop the Potential Land Bank and the completion of the transaction(s)	July to December 2022
Total		Up to 24 months

We will make necessary announcement(s) in accordance to the Listing Requirements, as and when, we have entered into any agreement in relation to the acquisition of any new land bank or development rights for our property development activities or potential joint venture. In the event such transactions require shareholders' approval and/or other regulatory approvals, we will obtain the necessary approval(s) to undertake the said transactions.

In the event that we are unable to acquire any Potential Land Bank within 2 years from the completion of the Rights Issue, the proceeds earmarked for such purposes will be reallocated to our existing and/or future construction projects.

(iii) Working capital

We intend to utilise approximately RM2.73 million of the proceeds from the Rights Issue to support our working capital requirements and to ensure that our business operations run smoothly. The proceeds will be primarily channelled towards, amongst others, the staff costs of our Group, payment to creditors, office expenses (such as utilities, insurance, maintenance, quit rent and assessment), and other expenses, the breakdown of which has yet to be determined by the management at this juncture.

Notwithstanding that, and on best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital are as follows:-

	Estimated allocation of proceeds (%)
Payment to suppliers/creditors of our Group	60.00
General administrative expenses and other operating expenses such as staff-related costs, utilities, statutory payments and any other overhead expenditures	40.00
Total	100.00

Any surplus or shortfall of proceeds for this purpose will be adjusted to/from the proceeds allocated for existing and/or future construction projects.

(iv) Estimated expenses for the Rights Issue

The proceeds earmarked for the estimated expenses relating to the Rights Issue shall be utilised in the following manner:-

	(RM'000)
Professional fees (i.e. principal adviser, solicitors, company secretary and share registrar)	600
Regulatory fees	95
Contingencies and other incidental expenses in relation to the Rights Issue (i.e. convening of EGM, printing and advertisement expenses)	83
Total	778

If the actual expenses are higher than budgeted, the deficit will be funded from the portion allocated for working capital. Conversely, any surplus of funds following the payment of expenses will be utilised for working capital requirements of our Group.

Pending utilisation of proceeds from the Rights Issue for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund our working capital requirement. Any variance to the total gross proceeds raised from the Rights Issue will be adjusted against the proceeds earmarked for working capital.

The exact quantum of proceeds that may be raised from the exercise of New Warrants will depend upon the actual number of New Warrants as and when exercised during the tenure of the New Warrants. As such, the exact timeframe for utilisation of such proceeds arising from the exercise of the New Warrants is not determinable at this juncture. Such proceeds raised shall be utilised to fund our working capital requirements, which include mainly staff costs of our Group, payment to creditors, office expenses (such as utilities, insurance, maintenance, quit rent and assessment), and other expenses.

5. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE

The Rights Issue is undertaken to raise proceeds to be utilised in the manner as set out in **Section 4** of this Abridged Prospectus. After due consideration of the various options available as well as the capital structure of our Company, our Board is of the opinion that the Rights Issue is the most appropriate means of raising funds for the following reasons:-

- (i) the Rights Issue will involve the issuance of new Leweko Shares without diluting the existing shareholders' respective shareholdings provided that all the Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue;
- (ii) the Rights Issue will provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares with New Warrants;
- (iii) the Rights Issue will enable our Company to raise requisite funds without incurring interest expense as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs; and
- (iv) the Rights Issue will strengthen our Group's financial position with enhanced shareholders' funds and reduced gearing level as compared to bank borrowings which are expected to facilitate the continuous long-term growth and expansion plans of our Group.

Further, the free New Warrants attached to the Rights Shares is intended to reward and provide the Entitled Shareholders with an option to further increase their equity participation in our Company by exercising their New Warrants at the Exercise Price over the tenure of the New Warrants. The exercise of the New Warrants will also strengthen the capital base of our Company and provide additional funds to our Group. In addition, the New Warrants will be listed and traded separately from the Leweko Shares on the Main Market of Bursa Securities, thereby providing the holders of the New Warrants with an avenue to monetise the New Warrants should they choose to do so.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue.

6.1 Risks relating to our Group

6.1.1 Our Group has been incurring losses since FYE 30 June 2015

Our Group has been operating at a net loss for the past 5 financial years. The net losses were mainly attributed to the decline in revenue of our property development division, which was primarily involved in the development of commercial properties in Ipoh, Perak Darul Ridzuan. Our net losses in the latest FYE 30 June 2020 was RM18.07 million. Further details on the financial performance of our Group for the past 3 FYE 30 June 2020 and up to FPE 30 September 2020 are set out in **Section 9.1, Appendix I** of this Abridged Prospectus.

In view of our weak financial performance, our Company had diversified our existing core business to include construction and construction related activities in the 4th quarter of 2019 with the aim of improving our earnings and financial position. Our Board envisaged that the utilisation of proceeds raised from the Rights Issue for our construction and property development businesses as set out in **Section 4** of this Abridged Prospectus will assist us to expand our businesses and enhance our income streams.

Notwithstanding the prospects and future plans of our construction and property development businesses as set out in **Section 7.3** of this Abridged Prospectus, there is no assurance that these future plans will successfully turnaround the financial performance of our Group in the future.

6.1.2 Delays in the completion of our projects

The timeframe to complete our construction projects is in accordance with the terms in our contracts.

However, the completion of our projects may be affected by various external factors, some of which may be beyond our control. The external factors include the timely receipt and renewal of requisite licenses, permits and approvals, availability of construction materials and labour.

Any prolonged delay due to the above factors may subsequently lead to project cost overrun, premature termination of our contract or the postponement of or scaling down of the projects by our customers. Material project delays will also affect our profitability, delay the recognition of revenue, incur additional costs and/or result in our customers imposing liquidated and ascertained damages on us, all of which may adversely affect our financial performance. As at the LPD, apart from the temporary suspension of our ongoing construction projects from 18 March 2020 to 15 June 2020 following the implementation of the MCO, we have not experienced any other incidences of material delay in our construction projects which may have a material adverse impact on our financial performance.

6.1.3 Dependent on third-party contractors / subcontractors

Our construction and property development businesses are highly dependent on the support of third-party contractors/subcontractors. As such, the performance and profitability of our projects are dependent on the quality, pricing, performance and reliability of the appointed contractors to carry out the projects within the prescribed timeframe.

Our contractors and subcontractors may also experience financial and/or other difficulties which in turn may affect their ability to perform the contracted work. This may eventually lead to possible delays in the completion of our projects as well as resulting in cost overruns. Any non-performance or unsatisfactory performance of our appointed contractors and their inability to supply sufficient labour will inevitably disrupt the progress of our projects and/or the quality of our operations.

Hence, there is no assurance that our financial performance will not be adversely affected if our appointed contractors fail to provide the agreed contracted services in a timely, reliable and satisfactory manner. Although we may claim compensation from our appointed contractors for any non-performance or unsatisfactory performance, we may be required to compensate our customers in advance prior to the receipt of the compensation from the contractors. We may also suffer losses which may adversely affect our financial performance in the event that we are unable to recover the compensation amount from our appointed contractors, whether in full or in part.

Notwithstanding the above, we have not experienced any past instances where any delay or non-performance by our appointed contractors have had a material adverse impact on our financial performance.

6.1.4 Availability and fluctuations in prices of our construction materials

Due to the nature of our construction and property development businesses, we will constantly source and purchase a wide range of construction materials, which includes steel bars, ready mixed concrete, precast products, electrical cables and fittings from our suppliers.

The unavailability of certain construction materials may require us to source for suitable replacements in a timely manner. Failure to obtain the replacements in a timely manner may lead to delays in our construction works and as a result thereof, our business operations may be adversely affected. Hence, under such circumstances, there is no assurance that we are able to obtain sufficient quantities of construction materials for our projects at competitive prices at all times without any adverse impact to our financial performance.

Further, construction raw materials are subject to price fluctuations which are beyond our control and may result in increased costs that have a material adverse effect on our financial performance.

Notwithstanding the above, we have not experienced any fluctuations in prices or shortages of construction materials in the past up to the LPD which have had a material adverse impact on our financial performance.

6.1.5 Availability of commercially viable land bank for our property development business

Our property development business relies on our ability to identify and acquire suitable and sizeable land bank at strategic locations with development potential to deliver growth and profitability. However, we face competition from other industry players in identifying and acquiring strategically located land bank at commercially viable prices. The competition among industry players has, to a certain extent, resulted in scarcity of sizeable and strategically located land bank. This may lead to higher land acquisition cost, which will potentially affect our profitability and prospects.

There can be no assurance that we will be able to continuously identify new land bank on commercially viable prices and on suitable terms to increase our land bank. Further, in view of the intense competition, it would also be more challenging to jointly develop land with land owners on commercially viable profit-sharing terms and with good development potential which in turn may have an adverse effect on our earnings.

6.1.6 Political, economic and regulatory risk

As we derive our revenue solely from Malaysia, any adverse changes or uncertainties in regulation, political condition and investment sentiments in Malaysia could adversely affect our business operations and financial prospects. The political, economic plus regulatory conditions are beyond our control. As such, there is no assurance that any adverse changes in these conditions will not affect our businesses. As at the LPD, we have not experienced any adverse political, economic and regulatory changes or force majeure events (save for the COVID-19 pandemic) which has a direct impact on our business operations. Please refer to **Section 7.4** of this Abridged Prospectus for further details relating to the impact of COVID-19 pandemic on our business operations.

6.2 Risks relating to the construction and property development industry

6.2.1 Dependence on the performance of the property market

The performance of our construction and property development businesses are dependent on the performance of the property market in Malaysia. The performance of the property market in Malaysia is generally affected by, amongst others, population growth, economic growth, government policies and regulations as well as demographic trends.

Any adverse development affecting the property market may result in adverse impact on the performance of our construction and property development businesses, which in turn may adversely affect our financial performance.

In year 2020, the property market has been affected by the COVID-19 pandemic and lockdown measures that have in turn affected our businesses. Please refer to **Sections 7.2** and **7.4** of this Abridged Prospectus for further details on the industry outlook of the property and construction sector in Malaysia and the impact of the COVID-19 pandemic on our Group.

6.2.2 Competition risk

We operate in the construction and property development industry, which is highly fragmented and as such, we often face intense competition from the industry players. Some of our competitors may have longer operating track record and more resources in terms of capital, machinery and manpower as compared to us.

Due to the intense competition, we often compete with other construction companies by offering highly competitive pricing to bid and secure the construction contracts/projects, which in turn may adversely affect our financial performance. We also compete with property developers to amongst others, identify and purchase strategically located and reasonably priced land bank, engaging reliable contractors and purchasing sufficient and reasonably priced building materials for the property development projects.

Hence, we cannot assure you that we will be able to compete effectively with the current and new entrants in the construction and property development industry in the future and that such competition will not become more intense in the future.

6.2.3 We are dependent on the supply of foreign workers

We are heavily dependent on the supply of foreign workers at our project sites, which are mainly employed by our contractors. Our contractors are also subject to the regulations imposed by the Construction Industry Development Board and the Immigration Department of Malaysia in relation to the employment of foreign workers in the construction and property development industry. Any scarcity in supply of foreign workers may adversely affect our business operations.

Further, if the Government amends the policies and imposes a stricter regime on employers to employ foreign workers for construction projects and our contractors are unable to obtain an adequate supply of foreign workers on similar terms, the quality of our work and our ability to complete our projects in a timely manner may be affected. This may in turn affect our business operations and financial performance adversely. As at the LPD, we have not encountered any issues on the supply of foreign workers.

6.2.4 Outbreak and spread of COVID-19 pandemic

Due to the COVID-19 pandemic, the Government had implemented the MCO which took effect from 18 March 2020. During the MCO period, all government and private premises except those involved in essential services are required to be closed and to cease operations. This was followed by the conditional MCO (“**CMCO**”) which took effect from 4 May 2020 which allowed selected business sectors to resume operations and recovery MCO (“**RMCO**”) from 10 June 2020 to 31 August 2020, which was subsequently extended to 31 December 2020. On 12 October 2020, the Government had announced the enforcement of CMCO in the Klang Valley, which involves, amongst others, restriction in movements across districts and the closure of schools, public parks, recreational centres and entertainment centres in Selangor, Kuala Lumpur and Putrajaya.

Upon the implementation of the MCO, we had to temporarily suspend our on-going construction projects from 18 March 2020 to 15 June 2020. This has resulted in an estimated loss of revenue for our construction business of approximately RM2.30 million per month, whilst we still had to incur fixed overhead costs of approximately RM0.20 million per month (which include salary and other operational expenses) during this temporary suspension period.

Please see **Section 7.4** of this Abridged Prospectus for further details on the impact of COVID-19 pandemic on the business operations of our Group.

In line with the directives issued by the Government, our Group has implemented various procedures in our business conduct to reduce the risks of the spread of COVID-19 and to safeguard our employees. However, there can be no assurance that the outbreak of COVID-19 pandemic can be effectively controlled or other pandemics will not happen in the future. Other outbreak or pandemics may occur in the future and could persist for a substantial period, and this may materially and adversely affect our business operations and financial performance.

6.3 Risks relating to the Rights Issue

6.3.1 Investment risk

The market price of the new securities arising from the Rights Issue, like all other listed securities traded on Bursa Securities, are subject to fluctuation and will be influenced by, amongst others, prevailing market sentiment, volatility of the stock market, volatility of the Shares, movement of the interest rate, outlook of the industries in which we operate in and our financial performance. In view of this, there can be no assurance that the Shares will trade at or above the issue price of the Rights Shares after the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

6.3.2 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances, unfavourable changes in the governments' policies as well as other force majeure events, which are beyond the control of our Company and UOBKH, arising prior to or during the implementation of the Rights Issue.

The Rights Issue is dependent on the underwriting arrangement for the Rights Issue, whereby, there are certain circumstances where UOBKH, being the underwriter may terminate the Underwriting Agreement on the occurrence of any of the events which could lead to termination, amongst others, as follows:-

- (a) UOBKH, being the underwriter is of the opinion that since the date of the Underwriting Agreement, there has been a change, or any development involving a prospective change in the national or international monetary, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market or commodities market), political, legal regulatory, industrial or economic conditions or currency exchange rates or foreign exchange controls;
- (b) Bursa Securities, the SC, the Companies Commission Malaysia or any other regulatory or governmental body in Malaysia makes any stop order or ruling (or revoke any ruling previously made), the effect of which is to prevent the issuance and the listing of and quotation for the Rights Shares and New Warrants on the Main Market of Bursa Securities; or
- (c) the Entitlement Undertaking becomes void or unenforceable or the performance by the Undertaking Shareholder of its obligations pursuant to the Entitlement Undertaking becomes unlawful, impossible or unenforceable for whatever reason.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the New Warrants. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue. In the event the Rights Issue is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 245(7) of the CMSA.

In the event that the Rights Issue is aborted/terminated, and the Rights Shares and the New Warrants have been allotted to the shareholders, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be removed within a short period of time or at all in such circumstances.

6.3.3 Potential dilution

Entitled Shareholders who do not or are unable to subscribe fully for their entitlement pursuant to the Rights Issue will have their proportionate percentage of shareholdings and voting interest in our Company reduced and the percentage of the enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly. Consequently, their proportionate entitlement to any future distribution, rights and/or, allotment that our Company may make after completion of the Rights Issue will correspondingly be diluted.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

Our Group revenue is mainly derived from our construction and property development segment. As such, the overview and outlook of the economy and the construction and property development industry in Malaysia as well as the prospects of our Group are set out below.

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in the second quarter of 2020 (“**2Q 2020**”). As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; Third quarter of 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally adjusted basis, the economy declined by 16.5% (First quarter of 2020 (“**1Q 2020**”): -2.0%). Weak growth was recorded across most economic sectors amid the imposition of the MCO, followed by the CMCO and RMCO, during 2Q 2020.

The services sector contracted by 16.2% (1Q 2020: 3.1%). The sector was affected by the implementation of a nationwide restrictive MCO, with only essential services such as food-related retail, utilities, banking, transportation as well as information and communication entities allowed to operate with very limited capacity. The subsequent transition to CMCO in May and RMCO in June provided some relief to businesses in the sector.

The manufacturing sector contracted by 18.3% (1Q 2020: 1.5%), due largely to the imposition of MCO restrictions as well as weak demand conditions. The extension of the MCO from end-March throughout April curtailed production activity across all industries. Essential sectors and those in the related supply-chain sectors operated at reduced capacity to ensure sufficient social distancing at workplaces, while nonessential sectors such as transport equipment and textile-related industries did not operate. Following the lifting of MCO restrictions in May, manufacturing firms gradually restarted operations, but did so while observing sector-specific health protocols amidst subdued demand conditions externally and domestically.

Economic activity has resumed significantly since the economy began to reopen in early May. Monthly indicators such as wholesale and retail trade, industrial production, electricity generation, and gross exports all grew faster in June than in the period between March and May.

The improvement in growth in the second half of 2020 will also be supported by the recovery in global growth and continued policy support. In particular, consumption and investment activities are expected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. While there is upside potential to growth, the pace and strength of the recovery remain susceptible to downside risks emanating from domestic and external factors. Growth could potentially be lifted by a larger-than-expected impact from stimulus measures. Nevertheless, the prospect of secondary COVID-19 outbreaks leading to the re-imposition of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth pose downside risks to growth.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)

7.2 Overview and outlook of the construction and property development industry

Construction

Activity in the construction sector declined by 44.5% (1Q 2020: -7.9%), as almost all activities came to a standstill particularly in the month of April. Despite the partial reopening of the economy on 4 May, most construction sites faced challenges restarting due to adjustments required to comply with the strict COVID-19 Standard Operating Procedures (“SOPs”). Most of the construction sites were reported to remain idle as developers faced challenges to restart, including financial constraints, initial lack of clarity over the SOPs and COVID-19 testing, and disruptions in the supply of construction materials. However, the situation improved significantly towards the end of the quarter after the Government implemented additional measures to facilitate the revival of the economy.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)

The value of construction work done in the second quarter 2020 contracted by 44.9 per cent (Q1 2020: -6.3%) year-on-year basis, amounting to RM19.8 billion (Q1 2020: RM35.0 billion). All construction activities slowed down in the second quarter of 2020 due to the closing in construction activities during the implementation of the MCO affected by pandemic COVID-19. The decline was contributed by Civil engineering (-55.2%), Residential buildings (-38.7%), Non-residential buildings (-36.2%) and Special trades activities sub-sectors (-28.7%) in the second quarter 2020.

The Civil engineering sub-sector remained dominant as the main contributor to the value of construction work done with 36.4 per cent share. Non-residential buildings contributed 29.4 per cent, Residential buildings (27.3%) and Special trades activities (7.0%).

The private sector continued to propel the construction activity with 62.2 per cent share of value of construction work done (RM12.3 billion) as compared to the public sector with 37.8 per cent share of value of construction work done (RM7.5 billion).

(Source: Quarterly Construction Statistics Second Quarter 2020, Department of Statistics Malaysia)

Property

The property market performance recorded a sharp decline in the first half of 2020 (“H1 2020”) compared to the same period last year (H1 2019).

The property sector recorded 115,476 transactions worth RM46.94 billion in H1 2020, a decrease by 27.9% in volume and 31.5% in value compared to H1 2019, which recorded 160,165 transactions worth RM68.53 billion.

The residential sub-sector led the overall property market with 65.2% contribution, followed by the agriculture sub-sector with 20.1% share. In terms of value, residential took the lead with 54.6% share, followed by commercial (18.1%).

(Source: Press Release Malaysia Property Market First Half 2020, Valuation & Property Services Department, Ministry of Finance Malaysia)

Residential Property

There were 75,318 transactions worth RM25.61 billion recorded in H1 2020, declining 24.6% in volume and 26.1% in value compared to H1 2019. Performance across the states was less than encouraging as all states recorded declines in market activity. Selangor contributed the highest volume and value to the national market share, with 22.8% in volume (17,178 transactions) and 32.9% in value (RM8.44 billion).

In the primary market, the number of new launches in H1 2020 were far behind those recorded in H1 2019. A total of 13,294 units were launched, down by 43.6% against 23,591 units in H1 2019. Against the preceding half year, the launches were lower by 31.6% (second half of 2019 ("H2 2019"): 19,444 units).

Sales performance was poor at 3.3%, considerably lower compared to H1 2019 (30.9%) and H2 2019 (28.4%). The lower new launches and poor sales performance was probably due to the total closure of almost all business and economic activities during the MCO period, which was imposed since 18 March 2020.

Newly launched houses priced between RM100,000 and RM500,000 dominated the market in H1 2020, with the RM200,000 to RM300,000 price segment leading supply with 4,022 units (30.3%). Meanwhile, sales concentrated on units priced RM400,000 and below constituting 92.0% of total sales.

By property type, terraced houses dominated the new launches. Single storey and 2-3 storey terraced altogether contributed 55.6% (7,389 units) of the total units, followed by condominium/apartment units (29.7%: 3,951 units).

The residential overhang continued to increase due to slow market absorption of the primary market. There were 31,661 overhang units worth RM20.03 billion, increased by 3.3% in volume (H2 2019: 30,664 units) and 6.4% in value against the preceding half year (H2 2019: RM18.82 billion).

(Source: Press Release Malaysia Property Market First Half 2020, Valuation & Property Services Department, Ministry of Finance Malaysia)

7.3 Prospects of our Group

The prospects of the construction and property development industries are expected to remain challenging due to the COVID-19 pandemic. Several measures undertaken by the Government such as lowering of overnight policy rate (OPR), and exemption of real property gain tax for residential properties will help to improve the construction and property development activities.

Our construction operations have been negatively affected by the COVID-19 pandemic and the MCO. In particular, the pandemic and the MCO have resulted in, amongst others, delays in the completion of some of our construction projects and the decline in the number of construction tenders/projects in the construction sector.

Nevertheless, we expect our on-going construction contracts in hand will continue to contribute to our earnings for the FYE 30 June 2021. Our outstanding order book as at the LPD is RM18.27 million, further details of which are set out as follows:-

Project Name / Location	Type of project/description	Date of commencement/ Estimated date of completion	Total contract value RM'000	Outstanding order book as at the LPD RM'000
<i>Project Carnus 66/ Hulu Langat, Selangor Darul Ehsan</i>	<i>Residential development comprising of 66 units of double terrace houses</i>	<i>2 January 2020 / March 2021</i>	<i>12,139</i>	<i>7,264</i>
<i>Project Nara 80/ Hulu Langat, Selangor Darul Ehsan</i>	<i>Residential development project comprising 80 units of 4-storey townhouse</i>	<i>2 January 2020/ March 2021</i>	<i>16,173</i>	<i>10,136</i>
<i>Project Alam Sari 56/ Semenyih, Selangor Darul Ehsan</i>	<i>Residential development project comprising 56 units of double terrace houses</i>	<i>2 January 2020 / February 2021</i>	<i>6,107</i>	<i>749</i>
<i>Project Alam Sari 68/ Semenyih, Selangor Darul Ehsan</i>	<i>Residential development project comprising 68 units of double terrace houses</i>	<i>2 January 2020 / December 2020</i>	<i>6,302</i>	<i>119</i>

Our Group envisaged that most of the revenue to be derived from the above existing projects will be recognised in the FYE 30 June 2021.

Our Group will also continue to actively participate in tenders for both public and private projects to replenish our order book under the "new normal", supported by our track record, experience and competitiveness in the construction sector.

In line with our efforts to strengthen our competitive strengths in the construction sector, our management is also in the midst of identifying suitable strategic partners (with established track record in structural engineering) to jointly bid for construction projects and compete with other established construction players.

Our management also intends to identify and acquire suitable land bank development rights for our property development activities. At this juncture, our Company does not have any property development projects in hand. Our management is currently sourcing for commercially viable and sizeable land bank or development rights located in Wilayah Persekutuan, Perak and Selangor. We may also explore entering into strategic partnerships with suitable partners to acquire and jointly develop these land bank/development rights.

We believe that our Group will emerge stronger from this crisis while at the same time taking the necessary steps to proactively pursue disciplined cost optimisation and active capital management to strengthen our financial position.

7.4 Impact of COVID-19 pandemic on our business operations

During the period of the MCO, our construction operations had been suspended and our administrative staff have been working from home. The subsequent implementation of CMCO and the RMCO by the Government had allowed certain business sectors to resume operations, which include our construction operations. However, in order for us to resume operations at our construction sites, we were required to perform COVID-19 tests on all of our construction workers (including the workers hired by our contractors). We have since resumed our construction operations and there has been no positive COVID-19 case detected at any of our sites to-date.

The Government had, on 12 October 2020, announced the enforcement of CMCO in the Klang Valley. In the subsequent month of November, Klang Valley had experienced a spike in the number of COVID-19 cases, some of which were detected at construction sites located in Kuala Lumpur. As at the LPD, our Company has not received any new directives on the requirements to perform COVID-19 tests on construction workers following the recent spike of COVID-19 cases at the construction sites.

Nevertheless, we will continue to operate our construction business with strict compliance to the standard operating procedures issued by the National Security Council, including the temperature screening for all workers before entering our sites, allocation of workforce in small groups and on shifts, and minimising clusters to the extent possible. As at the LPD, we have not been in breach of any directives or restrictions issued by the Government, which may lead to penalties and fines by the regulatory authorities. We will continue to strictly adhere to the COVID-19 directives and restrictions as may be imposed by the regulatory authorities from time to time.

We expect our construction business to gradually recover from the adverse operational and financial impacts due to the implementation of the MCO. Apart from the suspension of our projects during the MCO, as at the LPD, we have not been informed by our customers of any intention to suspend any of our existing projects.

The long term impact of COVID-19 pandemic on our business operations and financial performance remains uncertain at this juncture. Hence, as part of our plans to ensure sustainability in our business operations, we will continue to implement cost-cutting and cost saving measures such as managing our operating costs and monitoring of the costs of construction materials.

8. EFFECTS OF THE RIGHTS ISSUE

8.1 Issued share capital

The pro forma effects of the Rights Issue on the issued and paid-up share capital of Leweko are set out below:-

	No. of Shares	RM
Issued share capital as at the LPD	366,911,051	78,146,304
Rights Shares to be issued pursuant to the Rights Issue	183,455,525	⁽¹⁾ 15,732,997
Reversal of warrants reserve ⁽²⁾	-	⁽²⁾ (19,813,197)
	550,366,576	74,066,104
Assuming full exercise of New Warrants	220,146,630	⁽³⁾ 46,230,793
Enlarged issued share capital	770,513,206	120,296,897

Notes:-

- (1) Computed based on the issue price of RM0.09 per Rights Share after deducting the estimated expenses pertaining to the Rights Issue amounting to RM0.78 million.
- (2) Accounting for the creation of warrants reserve at an allocated fair value of RM0.09 per New Warrant (computed based on the Trinomial option pricing model with data sourced from Bloomberg).
- (3) Computed based on the Exercise Price.

8.2 NA per Share and gearing

Based on the latest unaudited consolidated financial statements of Leweko Group for the 3-month FPE 30 September 2020 and on the assumption that the Rights Issue had been effected on that date, the pro forma effects of the Rights Issue on the consolidated NA per Share and gearing of Leweko Group are set out below:-

	Undited 3-month FPE 30 September 2020 (RM'000)	Subsequent adjustments up to the LPD (RM'000)	Pro forma I After the Rights Issue (RM'000)	Pro forma II After pro forma I and assuming full exercise of New Warrants (RM'000)
Share capital	78,146	78,146	⁽²⁾ 74,066	⁽⁴⁾ 120,297
Warrants reserves	-	-	⁽³⁾ 19,813	-
Accumulated losses	(26,810)	(26,810)	(26,810)	(26,810)
Shareholders' equity/ NA	51,339	51,335	67,069	93,487
Non-controlling interest	(13,384)	(13,384)	(13,384)	(13,384)
Total equity	37,955	37,952	53,686	80,103
No. of Shares in issue ('000)	366,911	366,911	550,366	770,513
NA per Share (RM)	0.14	0.14	0.12	0.12
Total borrowings (RM'000)	253	⁽¹⁾ 40	40	40
Cash and bank balances (RM'000)	4,237	822	⁽⁵⁾ 16,555	⁽⁶⁾ 42,973
Gearing ratio (times)	*	*	*	*

Notes:-

- (1) Settlement of bank borrowings, reducing to RM0.04 million.
- (2) Computed based on the issuance of 183,455,525 Rights Shares at an issue price of RM0.09 per Rights Share after adjusting for the apportionment of its allocated fair value for 220,146,630 New Warrants at RM0.09 per New Warrant based on the trinomial option pricing model as extracted from Bloomberg and deducting the estimated expenses pertaining to the Rights Issue amounting to RM0.78 million ("**Estimated Expenses**").
- (3) The New Warrants are assumed to have a theoretical fair value of RM0.09 each derived from the Trinomial Option Pricing Model as extracted from Bloomberg.
- (4) Computed based on the Exercise Price and after accounting for the reversal of warrant reserve account.
- (5) Proceeds from the Rights Issue (after deducting the Estimated Expenses), all of which will be utilised in the manner set out in **Section 4** of this Abridged Prospectus.
- (6) Proceeds from the full exercise of the New Warrants, all of which will be utilised to fund our working capital requirements.

* Negligible

8.3 Earnings and EPS

The Rights Issue which is expected to be completed by the end of 2020, is not expected to have any material effect on our earnings for the FYE 30 June 2021. However, there will be a dilutive effect on the EPS of our Group for the FYE 30 June 2021 due to the increase in the number of Leweko Shares arising from the Rights Issue and as and when the New Warrants are exercised into new Leweko Shares during the tenure of the New Warrants. Notwithstanding that, the proceeds from the Rights Issue are expected to contribute positively to our earnings for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

8.4 Convertible securities

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

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

9.1 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 RM0.82 million.

Our Board confirmed that, after taking into consideration the funds generated from our Group's operating, the banking facilities available to our Group as well as the proceeds to be raised from the Rights Issue, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

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

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM0.04 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
Short term borrowings:-			
Hire Purchase	Purchase of vehicle	4.83	40,220

There has not been any default on payment of either interest and/or principal sums on any in borrowings throughout FYE 30 June 2020 and subsequent financial period up to the LPD.

9.3 Contingent liabilities

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

9.4 Material commitments

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

9.5 Material transactions

Save for the Rights Issue, our Board confirmed that there are no other material transactions which may have a material effect on our Group's operations, financial position and results since the last audited consolidated financial statements of our Group for the 3-month FPE 30 September 2020.

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION FOR THE RIGHT ISSUE

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

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

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments 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, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the such Rights Shares with New Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares with New Warrants if you choose to do so.

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

10.2 NPA

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

10.3 Methods of acceptance and application

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

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

10.4 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments is at **5.00 p.m.** on **Thursday, 17 December 2020**.

10.5 Procedure for full acceptance and payment

10.5.1 By way of RSF

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

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

The procedures for acceptance and payment applicable to the Entitled Shareholders also apply to renounee(s)/transferee(s) who wishes to accept the Provisional Allotments.

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

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Tel: +603 2783 9299
Fax: +603 2783 9222

Or

Customer Service Centre

Unit G-3 Ground Floor
Vertical Podium, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

so as to arrive **not later than 5.00 p.m.** on **Thursday, 17 December 2020**, being the last date and time for acceptance and payment.

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

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

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You and/or your renouncee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and New Warrants comprises 100 Rights Shares and 100 New Warrants, respectively. Successful applicants of the Rights Shares will be given free attached New Warrants on the basis of 6 New Warrants for every 5 Rights Shares successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share for every 2 existing Leweko Shares held. However, the New Warrants will be issued in the proportion of 6 New Warrants for every 5 Rights Shares subscribed. Any fractional entitlements arising from the Rights Issue shall be disregarded and the aggregate of such fractions shall be dealt with in a fair and equitable manner as our Board in its discretion deems fit and in the best interest of our Company.

If acceptance of and payment for the Provisional Allotments is not received by our Share Registrar on Thursday, 17 December 2020 by 5.00 p.m., being the last date and time for acceptance and payment, you and/or your renouncee(s)/transferee(s) (if applicable) will be deemed to have declined the provisional allotments made to you and/or your renouncee(s)/transferee(s) (if applicable) and it will be cancelled.

In the event that the Rights Shares with New Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with New Warrants to the applicants who have applied for the Excess Rights Shares with New Warrants in the manner as sets out in **Section 10.8** of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

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

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

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR 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 LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH NEW WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

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

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH NEW WARRANTS.

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

10.5.2 By way of e-Subscription

You and/or your renounee(s)/transferee(s) (if applicable) can have the option to accept your or their entitlement to the Provisional Allotments and payment for the Provisional Allotments through e-Subscription available from TIIH Online website at <https://tiih.online>. The e-Subscription is available to all Entitled Shareholders including individuals, corporation or institutional shareholders.

Subsequent to the Entitlement Date, the Company will, at its discretion, authorise the Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

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

- (a) any e-Subscription received by the Share Registrar after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless the Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Share Registrar from you, is irrevocable and shall be binding on you;
- (b) you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Account(s). Accordingly, for each CDS Account, you can choose to subscribe to the Rights Issue which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, this Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of the Company. The Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;

- (d) the number of Provisional Allotments you are entitled to under the Rights Issue is set out in the e-RSF. You are required to indicate the number of Provisional Allotments you wish to accept and number of Excess Rights Shares with New Warrants you wish to apply in the e-RSF;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer;
- (f) a handling fee is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and
- (g) the new shares and new warrants arising from the Rights Shares with New Warrants accepted and Excess Rights Shares with New Warrants applied (if successful pursuant to Procedures for the Excess Application as stated in this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional Allotments.

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

(i) Sign up as a user of TIIH Online

- (a) Access TIIH Online at <https://tiih.online>.
- (b) Under e-Services, select “Sign Up” – “Create *Individual Account*” (applicable for individual shareholders) or “Create *Corporate Holder Account*” (applicable for corporation or institutional shareholders). You may refer to the tutorial guide posted on the homepage for assistance.
- (c) Registration will be verified and you will be notified by email within one to two working days.
- (d) Proceed to activate your account with the temporary password given in the email and re-set your own password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

(ii) Procedures for e-Subscription

Individual Registered Entitled Shareholder

- (a) Login to TIIH Online at <https://tiih.online>.
- (b) Select the corporate exercise name: LEWEKO Rights Issue.
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview your CDS Account details and your Provisional Allotments.
- (e) Select the relevant CDS Account and insert the number of Rights Shares to subscribe and the number of Excess Rights Shares to apply (if applicable) in the e-RSF.

- (f) Review and confirm the number of Rights Shares which you are subscribing and the number of Excess Rights Shares you are applying (if applicable) and the total amount payable for the Rights Shares and Excess Rights Shares (if applicable).
- (g) Review the payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF which is included in the total amount payable.
- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.
- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.
- (j) Print the payment receipt and your e-RSF for your record.

Corporation or Institutional Registered Entitled Shareholder

- (a) Login to TIIH Online at <https://tiih.online>.
- (b) Select the corporate exercise name: LEWEKO Rights Issue.
- (c) Agree to the Terms & Conditions and Declaration.
- (d) Proceed to download the “e-RSF file of Provisional Allotments”.
- (e) Preview the respective CDS Account details and its Provisional Allotments.
- (f) Arrange to pay for the subscription of Rights Shares and Excess Rights Shares via telegraphic transfer into our designated bank account as follows:

Account Name:	LEWEKO RIGHTS ISSUE ACCOUNT	LEWEKO EXCESS RIGHTS ISSUE ACCOUNT
Bank:	MAYBANK	MAYBANK
Bank Account No.:	514012432975	514012432982

- (g) Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM2.00 for each e-RSF into the Share Registrar’s bank account as follows:-

Account Name:	TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Bank:	Malayan Banking Berhad
Bank Account No.:	514012025081

- (h) Upon payments are completed, prepare the submission of your subscriptions by inserting the required information into the “e-RSF file on the Provisional Allotments”.
- (i) Login to TIIH Online, select corporate exercise name: LEWEKO Rights Issue and proceed to upload the subscription file duly completed.
- (j) Select “Submit” to complete your submission.
- (k) Print the confirmation report of your submission for your record.

(iii) Terms and conditions for e-Subscription

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

- (a) After login to TIIH Online, you are required to confirm and declare the following information given are true and correct:-
 - (i) you have attained 18 years of age as at the last day for subscription and payment;
 - (ii) you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;
 - (iii) you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (b) you agree and undertake to subscribe for and to accept the number of Rights Shares with New Warrants and Excess Rights Shares with New Warrants applied (if applicable) for as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares with New Warrants that may be allotted to you;
- (c) by making and completing your e-Subscription, you, if successful, request and authorise the Share Registrar or the Company to credit the Rights shares and New Warrants allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of the Company or the Share Registrar and irrevocably agree that if:-
 - (i) the Company or the Share Registrar does not receive your e-Subscription; or
 - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against the Company or the Share Registrar for the Rights Shares accepted and/or Excess Rights Shares applied for or for any compensation, loss or damage relating to the e-Subscription.
- (e) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository.
- (f) by making and completing an e-Subscription, you agree that:-

- (i) in consideration of the Company agreeing to allow and accept your e-Subscription for the Rights Shares and Excess Rights Shares applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
 - (ii) the Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control.
- (g) the Share Registrar, on the authority of the Company, reserves the right to reject applications which do not conform to these instructions.
- (h) notification on the outcome of your e-Subscription for the Rights Shares and Excess Rights Shares will be despatched to you by ordinary post to the address as shown in the Record of Depositors of the Company at your own risk within the timelines as follows:-
- (i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the Rights Shares and Excess Rights Shares or
 - (ii) unsuccessful/partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day of application and payment for the Rights Shares and Excess Rights Shares.

The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by the Share Registrar by **5.00 p.m. on Thursday, 17 December 2020**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any Rights Shares with New Warrants not validly taken up to applicants applying for the Excess Rights Shares with New Warrants in the manner as set out in **Section 10.8** of this Abridged Prospectus.

10.6 Procedure for part acceptance

If you do not wish to accept the Rights Shares with New Warrants provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed/applied for. The minimum number of Rights Shares that may be subscribed or accepted is 1 Rights Share. Fractions of a Rights Share and/or New Warrants arising from the Rights Issue will be disregarded and the aggregate of such fractions shall be dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interests of our Company. Applicants should take note that a trading board lot comprises 100 Rights Shares and 100 New Warrants respectively.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares and New Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manners as set out in **Section 10.5** of this Abridged Prospectus.

The portion of the Provisional Allotments that have not been accepted will be made available to applicants for Excess Applications.

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

10.7 Procedure for sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotments standing to the credit of your CDS accounts. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement in the open market of Bursa Securities or transfer such entitlement to such person(s) as may be allowed pursuant to the Rules of Bursa Depository.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Part I(A) and Part II of the respective RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with New Warrants applied for to the Share Registrar. Please refer to **Section 10.5** of this Abridged Prospectus for the procedures for acceptance and payment.

In selling or transferring all or part of your Provisional Allotments, you need not deliver any document, including the RSF, to any stockbroker. However, you must ensure that you have sufficient Provisional Allotments standing to the credit of your CDS account before selling or transferring.

10.8 Procedure for application of Excess Rights Shares with New Warrants

10.8.1 By way of RSF

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares with New Warrants in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(a) and II of the RSF) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with New Warrants applied for) to our Share Registrar **not later than 5.00 p.m. on Thursday, 17 December 2020**, being the last date and time for acceptance and payment for Excess Rights Shares with New Warrants.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNERS AS DESCRIBED IN SECTION 10.5 OF THIS ABRIDGED PROSPECTUS, EXCEPT THAT THE BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" MUST BE MADE PAYABLE TO "LEWEKO EXCESS RIGHTS ISSUE ACCOUNT" FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE CLOSING DATE.

It is the intention of our Board to allot the Excess Rights Shares with New Warrants, if any, on a fair and equitable basis and in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;

- (ii) secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with New Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with New Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with New Warrants applied for; and
- (iv) finally, for allocation to renouncee(s)/transferee(s) who have applied for Excess Rights Shares with New Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with New Warrants applied for.

In the event there is any remaining balance of the Excess Rights Shares with New Warrants applied for by the Entitled Shareholders and/or renouncee(s)/transferee(s) who have applied for the Excess Rights Shares with New Warrants after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with New Warrants to the Entitled Shareholders and/or renouncee(s)/transferee(s) who have applied for the Excess Rights Shares with New Warrants until such balance is fully allocated.

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

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

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

WHERE AN EXCESS APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPACHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS.

10.8.2 By way of e-Subscription

If you are an Entitled Shareholder and/or a renouncee(s)/transferee(s) (if applicable), you may apply for the Excess Rights Shares via e-Subscription in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in **Section 10.5.2** of this Abridged Prospectus. The e-Subscription for Excess Rights Shares will be made on, and subject to, the same terms and conditions appearing in **Section 10.5.2** of this Abridged Prospectus.

Any Provisional Allotments which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s), if applicable, shall be made available for Excess Applications. It is the intention of the Board to allot the Excess Rights Shares, if any, on a fair and equitable basis and in the priority and basis as detailed in **Section 10.8.1** above.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPACHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

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10.9 Procedures to be followed by renouncees(s)/transferee(s)

As a renouncee/transferee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with New Warrants and/or payment is the same as that which is applicable to the Entitled Shareholders as described in **Sections 10.3 to 10.8** of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

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

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

10.10 Notice of allotment

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

Upon allotment of the Rights Shares with New Warrants in respect of your acceptance and/or your renouncee's/transferee's acceptance (if applicable) and Excess Rights Shares with New Warrants application (if any), the Rights Shares with New Warrants shall be credited directly into the respective CDS account. No physical share certificate or warrant certificate will be issued in respect of the Rights Shares with New Warrants. However, a notice of allotment will be despatched to you and/or your renouncee(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 Rights Shares with New Warrants is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest. The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk within 15 Market Days from the Closing Date by ordinary post to the address 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 cannot be withdrawn subsequently.

10.11 CDS Account

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

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

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

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

10.12 Laws of foreign jurisdiction

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

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

The Foreign Entitled Shareholders and/or their renouncee(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, our Share Registrar, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/or renouncee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

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

By signing the RSF, the Foreign Entitled Shareholders and/or their renouncee(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, our Share Registrar, our Company, our Directors and officers and other professional advisers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or renouncee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Entitled Shareholders and/or their renouncee(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 Allotment;
- (iii) the Foreign Entitled 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 Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are aware that the Rights Shares and the New Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/or their 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 Rights Shares; and
- (vi) the Foreign Entitled 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 Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the New Warrants.

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

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

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

11. TERMS AND CONDITIONS

The issuance of the Rights Shares with New Warrants pursuant to the Rights Issue is governed by the terms and conditions as set out in these Documents as well as the Deed Poll.

12. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
LEWEKO RESOURCES BERHAD


KOR BENG
Managing Director

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

As at the LPD, the issued and paid-up share capital of our Company is RM78,146,304 comprising 366,911,051 Leweko Shares.

2. BOARD OF DIRECTORS

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

Name / Designation	Age	Address	Nationality
Tan Sri (Dr) Ir. Jamilus bin Md Hussin <i>(Independent Non-Executive Chairman)</i>	76	No. 2, Jalan Bukit Indah, Taman Bukit Mewah 43000 Kajang Selangor	Malaysian
Kor Beng <i>(Managing Director)</i>	67	11, Jalan Bayu 8 Bukit Gita Bayu 43300 Seri Kembangan Selangor	Malaysian
Kwan Yet Ming* <i>(Executive Director)</i>	66	11, Jalan Bayu 8 Bukit Gita Bayu 43300 Seri Kembangan Selangor	Malaysian
Kor Yann Kae <i>(Executive Director)</i>	39	11, Jalan Bayu 8 Bukit Gita Bayu 43300 Seri Kembangan Selangor	Malaysian
Kor Yann Shiun <i>(Executive Director)</i>	35	11, Jalan Bayu 8 Bukit Gita Bayu 43300 Seri Kembangan Selangor	Malaysian
Tan Tai Ming <i>(Non-Independent Non-Executive Director)</i>	34	20, Jalan Seri Beringin 2 Bukit Damansara 50490 Kuala Lumpur	Malaysian
Seou Lim Khoon* <i>(Independent Non-Executive Director)</i>	68	No. 89 Persiaran Zarib 3 Taman Pinji Mewah 31650 Ipoh, Perak	Malaysian
Arthur Law Hian Tat <i>(Independent Non-Executive Director)</i>	67	12, Jalan Pudina Bukit Bandaraya 59000 Kuala Lumpur	Malaysian

Note:-

* Retired on 25 November 2020.

INFORMATION ON OUR COMPANY (Cont'd)

3. DIRECTORS' SHAREHOLDINGS

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

Name of Director	Shareholdings as at the LPD			Pro forma I			Pro forma II				
	Direct		Indirect	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Tan Sri (Dr) Ir. Jamilus bin Md Hussin	-	-	-	-	-	-	-	-	-	-	
Kor Beng	-	-	(1)207,640,808	56.59	-	-	(1)311,461,212	56.59	-	(1)436,045,697	56.59
Kwan Yet Ming*	-	-	(1)207,640,808	56.59	-	-	(1)311,461,212	56.59	-	(1)436,045,697	56.59
Kor Yann Kae	-	-	-	-	-	-	-	-	-	-	-
Kor Yann Shiun	-	-	-	-	-	-	-	-	-	-	-
Tan Tai Ming	-	-	-	-	-	-	-	-	-	-	-
Seou Lim Khoon*	200,000	0.05	-	-	300,000	0.05	-	-	420,000	0.05	-
Arthur Law Hian Tat	-	-	-	-	-	-	-	-	-	-	-

Notes:-

- * Retired on 25 November 2020.
- (1) Deemed interest by virtue of his/her shareholdings in Rengit Capital Sdn Bhd pursuant to Section 8 of the Act.
- (2) Assuming the Entitled Shareholders subscribe for their respective Rights Shares entitlement under the Rights Issue.

INFORMATION ON OUR COMPANY (Cont'd)

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

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

Substantial shareholders	Shareholdings as at the LPD			Pro forma I			Pro forma I					
	Direct		Indirect	Direct		Indirect	Direct		Indirect			
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%		
Rengit Capital Sdn Bhd	207,640,808	56.59	(1)207,640,808	56.59	311,461,212	56.59	-	-	436,045,697	56.59	(1)436,045,697	56.59
Kor Beng	-	-	(1)207,640,808	56.59	-	-	(1)311,461,212	56.59	-	-	(1)436,045,697	56.59
Kwan Yet Ming	-	-	(1)207,640,808	56.59	-	-	(1)311,461,212	56.59	-	-	(1)436,045,697	56.59

Notes:-

(1) Deemed interested by virtue of his/her shareholdings in Rengit Capital Sdn Bhd pursuant to Section 8 of the Act.

(2) Assuming the Entitled Shareholders subscribe for their respective Rights Shares entitlement under the Rights issue.

INFORMATION ON OUR COMPANY (Cont'd)**5. HISTORICAL SHARE PRICES**

The monthly highest and lowest transacted market prices of Leweko Shares traded on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus from November 2019 to October 2020 are as follows:-

	High (RM)	Low (RM)
2019		
November	0.260	0.175
December	0.235	0.200
2020		
January	0.230	0.195
February	0.200	0.150
March	0.180	0.060
April	0.150	0.100
May	0.155	0.120
June	0.245	0.125
July	0.225	0.155
August	0.235	0.170
September	0.215	0.135
October	0.155	0.130
The last transacted price of Leweko Shares as at 7 September 2020, being the last trading date prior to the announcement of the Rights Issue on 8 September 2020		0.18
Last transacted market price of Leweko Shares as at the LPD		0.13
Last transacted market price on 30 November 2020, being the last Market Day immediately preceding the ex-date for the Rights Issue on 1 December 2020		0.23

(Source: Bloomberg)

6. OPTION TO SUBSCRIBE FOR LEWEXO SHARES

As at the LPD, save for the Provisional Allotments as well as the Excess Rights Shares with New Warrants, no option to subscribe for Leweko Shares has been granted or is entitled to be granted to anyone.

7. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, the Board confirmed that there are no material contracts (not being contracts in the ordinary course of business) which have been entered into by our Group during the past 2 years preceding the date of this Abridged Prospectus:-

- (i) On 5 June 2020, our Company entered into a sale of shares agreement with Chong Wing Keong for the acquisition of 1,392,443 ordinary shares in Syarikat Amiziz (M) Sdn Bhd for a cash consideration of RM2.00 only. The acquisition has been completed on 5 June 2020;

INFORMATION ON OUR COMPANY (Cont'd)

- (ii) On 21 August 2020, our Company entered into a sale of shares agreement with Aston Avenue Sdn Bhd for the disposal of 3,060,000 ordinary shares in Dura Technology Sdn Bhd for a cash consideration of RM4,138,650.00 only. The disposal has been completed on 21 August 2020; and
- (iii) On 18 November 2020, our Company entered into the Underwriting Agreement with UOBKH, being the underwriter for the Rights Issue. Please refer to **Section 3.2** of this Abridged Prospectus for further details.

8. MATERIAL LITIGATION

Our Board confirmed that, as at the LPD, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and the Board confirmed that there are no proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

9. HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of our Group's key financial information based on the past 3 FYEs up to the FYE 30 June 2020 and the latest unaudited 3-month FPE 30 September 2020 of comprehensive income, statements of financial position and statement of cash flows for the financial years and period under review:-

9.1 Historical financial performance

	Audited			Unaudited	
	FYE 30 June			3-month FPE 30 September	
	2018 (Restated)	2019 ⁽¹⁾ (Restated)	⁽¹⁾ 2020	2019 (Restated)	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	21,291	5,475	14,915	-	8,739
Interest revenue	1,293	-	-	-	-
Other operating income	1,116	138	331	-	24
Raw materials and consumables used	(622)	-	-	-	-
Staff costs	(4,589)	(2,828)	(1,935)	(421)	(174)
Depreciation and amortisation	(747)	(83)	(135)	(16)	(35)
Finance income	-	768	1,373	-	*
Finance costs	(1,680)	(2,073)	(13)	(1)	(8)
Cost of completed properties sold	(582)	(1,631)	-	-	-
Cost of land held for development disposed	-	(3,384)	-	-	-
Land held for property development written off	-	(934)	-	-	-
Property development costs recognised	-	(693)	(245)	-	-
Contract costs recognised	(16,076)	(68)	(14,100)	-	(8,042)
Share of results of associate	3,818	(11,945)	-	-	-
Other operating expenses	(5,070)	(5,257)	(15,768)	(698)	(548)

INFORMATION ON OUR COMPANY (Cont'd)

	Audited			Unaudited	
	FYE 30 June			3-month FPE 30 September	
	2018 (Restated)	2019 ⁽¹⁾ (Restated)	⁽¹⁾ 2020	2019 (Restated)	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Impairment of losses and fair value adjustments	(19)	-	-	-	5
LBT	(1,867)	(22,515)	(15,577)	(1,136)	(39)
Tax income/(expense)	(1,073)	(2,986)	-	-	-
(Loss)/profit and total comprehensive loss for the year from discontinued operations	(806)	3,048	(2,488)	1,566	(352)
LAT	(3,746)	(22,453)	(18,065)	430	(392)
Profit/(Loss) attributable to:-					
- Owners of the Company	(3,693)	(24,287)	(17,166)	(338)	(214)
- Non-controlling interests	(53)	1,834	(899)	767	(178)
LAT margin (%)	(17.59)	(410.10)	(121.12)	-	(4.49)

Note:-

- (1) Reclassification of Dura Technology Sdn Bhd ("**Dura**") as discontinued operations following the disposal on 21 August 2020.

Commentary on financial performance**(i) Audited FYE 30 June 2018**

Our Group recorded a lower revenue of RM21.29 million for the FYE 30 June 2018, representing a decrease of approximately RM13.8 million or 39.33% as compared to the revenue of RM35.09 million recorded in the previous FYE 30 June 2017. The decline in revenue was mainly due to the following:-

- (a) lower revenue of RM19.95 million reported by our precast division in the financial year under review as compared to the revenue of RM32.77 million recorded in the previous financial year. The lower revenue by RM12.82 million or 39.12% recorded was mainly attributed to the delay in the completion of our precast project arising from the delay in the construction site preparation by our client; and
- (b) the weak property market demand, which has resulted in our Group securing lower sales of RM1.34 million for our property development projects in Ipoh, Perak as compared to the sales of RM2.32 million recorded in the previous FYE 30 June 2017.

Despite our lower revenue, our Group recorded a lower LBT of approximately RM1.87 million for the FYE 30 June 2018, representing a decrease of approximately RM2.35 million or 55.69% as compared to the LBT of RM4.22 million recorded in the previous financial year. The lower LBT was mainly due to the following:-

- (a) recognition of higher share of profit in our associate company, Syarikat Amiziz (M) Sdn Bhd ("**SAM**") of RM3.82 million;

INFORMATION ON OUR COMPANY (Cont'd)

- (b) higher other operating income of RM1.12 million, mainly arising from the increased rental income and the reversal of impairment losses on receivables; and
- (c) the absence of the recognition of impairment losses and fair value adjustments on re-assessment of financial assets in the financial year under review ("**Fair Value Adjustments**"). Our Group had previously recognised these impairment losses on investment properties and goodwill and Fair Value Adjustments totalling RM7.20 million in the previous financial year.

(ii) Audited FYE 30 June 2019

Our Group recorded a lower revenue of RM5.48 million for the FYE 30 June 2019, representing a decrease of approximately RM15.81 million or 74.26% as compared to the revenue of RM21.29 million recorded in the previous financial year. The decrease in revenue was mainly attributable to the reclassification of Dura's revenue as discontinued operations for the FYE 30 June 2019.

In the FYE 30 June 2019, our Group recorded a higher LBT of approximately RM22.52 million, representing an increase of approximately RM20.65 million or 1,104.28% as compared to the LBT of RM1.87 million recorded in the previous financial year. The increase in LBT was mainly due to the share of losses by SAM of RM11.95 million, the reclassification of the profits of Dura as discontinued operations, the decrease in rental income and the impairment losses.

(iii) Audited FYE 30 June 2020

Our Group recorded a higher revenue of approximately RM14.92 million for the FYE 30 June 2020, representing an increase of approximately RM9.44 million or 172.26% as compared to the revenue of RM5.48 million recorded in the previous financial year. The increase in revenue was mainly due to the revenue from our newly set-up construction division following our diversification of our existing core business in the 4th quarter of 2019.

We reported a lower LBT of approximately RM15.58 million in the FYE 30 June 2020, representing a decrease of approximately RM6.94 or 30.82% as compared to the LBT of RM22.52 million recorded in the previous financial year. The decrease in our LBT was mainly due lower staff costs and the absence of share losses of SAM during the financial year.

(iv) Unaudited 3-month FPE 30 September 2020

For the 3-month FPE 30 September 2020, our Group recorded a revenue of approximately RM8.74 million. Our Group recorded an increase in revenue during the financial period under review following the reclassification of the revenue of Dura as discontinued operations.

Our Group recorded a LBT of RM0.04 million in the financial period under review, representing a decrease of approximately RM1.10 million or 96.49% as compared to the LBT of RM1.14 million recorded in the 3-month FPE 30 September 2019. This was mainly due to the incurred losses from the discontinued operations and higher operational expenses incurred by our construction division.

INFORMATION ON OUR COMPANY (Cont'd)

9.2 Historical financial position

	Audited			Unaudited
	FYE 30 June			3-month
	2018 (Restated) RM'000	2019 (Restated) RM'000	(¹)2020 RM'000	FPE 30 September 2020 RM'000
Non-current assets	55,233	41,912	25,824	25,787
Current assets	76,764	52,869	58,004	34,786
Total assets	131,997	94,781	83,828	60,573
Share capital	69,143	63,877	75,242	78,146
Warrants reserves	-	5,266	2,900	-
Accumulated losses	15,084	(9,203)	(26,369)	(26,810)
Shareholders' equity/ NA	84,227	59,940	51,773	51,336
Non-controlling interest	3,050	4,883	(9,456)	(13,384)
Total equity	87,277	64,823	42,317	37,952
Non-current liabilities	6,768	7,296	1,990	1,956
Current liabilities	37,952	22,662	39,521	20,666
Total liabilities	44,720	29,958	41,511	22,622
Total equity and liabilities	131,997	94,781	83,828	60,574

Note:-

(1) Reclassification of Dura as discontinued operations following the disposal on 21 August 2020.

9.3 Historical cash flow

	Audited			Unaudited
	FYE 30 June			3-month FPE
	2018 (Restated) RM'000	2019 (Restated) RM'000	(¹)2020 RM'000	30 September RM'000
Net cash from/(used in) operating activities	(2,329)	7,808	(3,899)	(2,531)
Net cash from/(used in) investing activities	(3,567)	8,639	1,272	4,136
Net cash from/(used in) financing activities	6,050	(18,180)	4,212	(48)
Net increase/(decrease) in cash and cash equivalents	154	(1,733)	1,585	1,556
Cash and cash equivalents in beginning of financial year	2,648	2,576	843	2,427
Cash and cash equivalents at the end of financial year	2,802	843	2,428	3,984

Note:-

(1) Reclassification of Dura as discontinued operations following the disposal on 21 August 2020.

ADDITIONAL INFORMATION

1. CONSENTS

- (i) The written consents of the Adviser, Company Secretaries, Solicitors 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 withdrawn.
- (ii) The written consents of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, 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 Entitlement Undertaking provided by the Undertaking Shareholder;
- (ii) the letters of consent referred to in **Section 1** of this **Appendix II**;
- (iii) the material contracts referred to in **Section 7** of **Appendix I**; and
- (iv) the Deed Poll.

3. RESPONSIBILITY STATEMENT

Our Board has seen and approved these Documents. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, they confirmed that there is no false or misleading statement or other facts which if omitted, would make any statement in these Documents false or misleading.

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

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