

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

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

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. 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 enquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia (Tel: +603 9770 2200).

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

The approval from our shareholders for the Rights Issue was obtained at the EGM held on 19 January 2024. Approval has been obtained from Bursa Securities vide its letter dated 15 December 2023 for the admission of ICULS to the Official List of Bursa Securities as well as the listing of and quotation for the ICULS and the new TIB Shares to be issued upon conversion of ICULS on the Main Market of Bursa Securities. Admission of the ICULS to the Official List of Bursa Securities and the listing of and quotation for the ICULS and new TIB Shares to be issued upon the conversion of the ICULS on the Main Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue. Approval from the SC has also been obtained on 12 October 2023 for the issuance of the ICULS to our shareholders. The official listing of and quotation for the ICULS will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

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

The Documents will only be despatched to our Entitled Shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on Monday, 4 March 2024. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Neither TIB, KAF IB nor any other professional advisers named herein shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of all or any part of the entitlements to the Rights Issue made by the Entitled Shareholders and/or their renouncee(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 TIB 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 YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6.0 OF THIS ABRIDGED PROSPECTUS.**



**TECHBASE INDUSTRIES BERHAD**  
(formerly known as Prolexus Berhad)  
[Registration No.: 199201019353 (250857-T)]  
(Incorporated in Malaysia)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO RM102,578,353 NOMINAL VALUE OF 2,051,567,055 FIVE (5)-YEAR, 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”) AT 100.0% OF ITS NOMINAL VALUE OF RM0.05 EACH (“RIGHTS ICULS”) ON THE BASIS OF FIVE (5) RIGHTS ICULS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF TIB (“SHARES”) HELD AS AT 5.00 P.M. ON MONDAY, 4 MARCH 2024**

*Principal Adviser*



**INVESTMENT BANK BERHAD**  
Registration No. 197401003530 (20657-W)

*Trustee*

**MTRUSTEE BERHAD**  
SINCE 1987

**MTrustee Berhad**  
(Registration No. 198701004362 / 163032-V)

**IMPORTANT RELEVANT DATES AND TIMES:-**

|                                      |   |                                       |
|--------------------------------------|---|---------------------------------------|
| Entitlement Date                     | : | Monday, 4 March 2024 at 5.00 p.m.     |
| <b>Last date and time for:-</b>      |   |                                       |
| Sale of Provisional Rights ICULS     | : | Monday, 11 March 2024 at 5.00 p.m.    |
| Transfer of Provisional Rights ICULS | : | Wednesday, 13 March 2024 at 4.30 p.m. |
| Acceptance and payment               | : | Wednesday, 20 March 2024 at 5.00 p.m. |
| Excess application and payment       | : | Wednesday, 20 March 2024 at 5.00 p.m. |

This Abridged Prospectus is dated 4 March 2024

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

**RESPONSIBILITY STATEMENTS**

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

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

**OTHER STATEMENTS**

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

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

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

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

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

## DEFINITIONS

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

|                                |   |  |
|--------------------------------|---|--|
| “Abridged Prospectus”          | : | This Abridged Prospectus dated 4 March 2024 in relation to the Rights Issue  |
| “Act”                          | : | The Companies Act 2016   |
| “Advisers”                     | : | Collectively, the Principal Adviser, solicitors, Share Registrar and paying agent as well as Trustee, being the advisers appointed by our Company for the Rights Issue as disclosed in the Advisers’ Directory   |
| “Allocations”                  | : | Allocations of share grants and/or share options under the ESS to our Directors of our Company   |
| “Base Case Scenario”           | : | (i) Assuming that the Rights Issue is implemented based on the Base Case Subscription Level basis; and<br>(ii) ICULS to be issued under the Base Case Subscription Level will be fully converted into new TIB Shares   |
| “Base Case Subscription Level” | : | The base case subscription level basis of RM68,979,578 nominal value of 1,379,591,565 ICULS that may be issued under the Rights Issue on the assumption that the Rights Issue is undertaken on a full subscription basis by the Entitled Shareholders without taking into account any exercise of 133,585,898 Warrants and any resale of 809,200 treasury shares |
| “Bloomberg”                    | : | Bloomberg Finance Singapore L.P. and its affiliates  |
| “Board”                        | : | Board of Directors of TIB  |
| “Bursa Depository”             | : | Bursa Malaysia Depository Sdn Bhd [Registration No.: 198701006854 (165570-W)]  |
| “Bursa Securities”             | : | Bursa Malaysia Securities Berhad [Registration No.: 200301033577 (635998-W)]   |
| “Cash Option”                  | : | The ICULS is converted by surrendering such number of ICULS together with cash such that in aggregate it amounts to the Conversion Price, subject to a minimum of one (1) ICULS and paying the difference between the aggregate value of the ICULS surrendered and the Conversion Price in cash for one (1) new Share  |
| “CDS”                          | : | Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository  |
| “CDS Account(s)”               | : | A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor  |
| “Closing Date”                 | : | 20 March 2024 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Rights ICULS and the application and payment for the Excess Rights ICULS or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time                                   |
| “CMSA”                         | : | Capital Markets and Services Act 2007  |
| “Conversion Price”             | : | RM0.20, being the conversion price of one (1) ICULS into one (1) new TIB Share   |

**DEFINITIONS (CONT'D)**

|                                 |   |  |
|---------------------------------|---|--|
| “COVID-19”                      | : | Coronavirus disease 2019   |
| “Director(s)”                   | : | Director(s) of TIB and shall have the meaning given in Section 2(1) of the CMSA  |
| “e-RSF”                         | : | Electronic RSF   |
| “e-Subscription”                | : | The method available for Entitled Shareholders to subscribe for the Provisional Rights ICULS and to apply for Excess Rights ICULS electronically via <a href="https://www.aldpro.com.my">https://www.aldpro.com.my</a>   |
| “EGM”                           | : | Extraordinary general meeting  |
| “Entitled Shareholders”         | : | Shareholders of TIB, whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date   |
| “Entitlement Date”              | : | 4 March 2024, at 5.00 p.m., being the date on which the names of our shareholders must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue  |
| “EPS”                           | : | Earnings per Share   |
| “ESS”                           | : | Establishment of the employees’ share scheme of up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) at any point in time to the eligible Directors and employees of our Group (excluding dormant subsidiaries), who fulfil the eligibility criteria for participation in the ESS as set out in the by-laws governing the ESS, which comprising executive share grant and issuance of employees’ shares option |
| “Excess Application”            | : | The excess application for unsubscribed Rights ICULS by the Entitled Shareholders and/or their renounee(s)/transferee(s)   |
| “Excess Rights ICULS”           | : | Rights ICULS which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) prior to the Closing Date  |
| “Foreign Entitled Shareholders” | : | Entitled Shareholders who do not have a registered address in Malaysia or an address for service in Malaysia   |
| “FPE 2023”                      | : | Three (3)-month financial period ended 31 October 2022   |
| “FPE 2024”                      | : | Three (3)-month financial period ended 31 October 2023   |
| “FYE”                           | : | Financial year ended 31 July   |
| “Government”                    | : | Government of Malaysia   |
| “KAF IB” or “Principal Adviser” | : | KAF Investment Bank Berhad [Registration No.: 197401003530 (20657-W)]  |
| “LAT”                           | : | Loss after taxation  |
| “Listing Requirements”          | : | Main Market Listing Requirements of Bursa Securities   |
| “LPD”                           | : | 5 February 2024, being the latest practicable date prior to the issuance of this Abridged Prospectus   |
| “MADANI”                        | : | The Malay acronym for the core values of sustainability ( <b>kemampanan</b> ), prosperity ( <b>kesejahteraan</b> ), innovation ( <b>daya cipta</b> ), respect ( <b>hormat</b> ), trust ( <b>keyakinan</b> ) and compassion ( <b>ihsan</b> )  |

## DEFINITIONS (CONT'D)

|                              |   |   |
|------------------------------|---|---|
| “Market Day(s)”              | : | A day on which Bursa Securities is open for trading in securities   |
| “Maximum Scenario”           | : | (i) Assuming that the Rights Issue is implemented based on the Maximum Subscription Level basis; and<br>(ii) ICULS to be issued under the Maximum Subscription Level will be fully converted into new TIB Shares  |
| “Maximum Subscription Level” | : | The maximum subscription level basis of RM102,578,353 nominal value of 2,051,567,055 Rights ICULS that may be issued under the Rights Issue on the assumption that the Rights Issue is undertaken on a full subscription basis by the Entitled Shareholders by taking into consideration that all 133,585,898 Warrants are exercised into 133,585,898 new Shares and all 809,200 treasury shares held by the Company are resold at the market |
| “MIDA”                       | : | Malaysian Investment Development Authority  |
| “Minimum Scenario”           | : | (i) Assuming that the Rights Issue is implemented based on the Minimum Subscription Level basis; and<br>(ii) ICULS to be issued under the Minimum Subscription Level will be fully converted into new TIB Shares  |
| “Minimum Subscription Level” | : | The minimum subscription level basis of RM16,231,775 nominal value of 324,635,500 Rights ICULS that may be issued under the Rights Issue on the assumption that the Rights Issue is undertaken based on the Undertakings procured from the Undertaking Shareholders   |
| “MTrustee” or “Trustee”      | : | MTrustee Berhad [Registration No.:198701004362 (163032-V)]  |
| “NA”                         | : | Net assets  |
| “Non-Cash Option”            | : | The ICULS will be converted by surrendering the nominal value of ICULS equivalent to the Conversion Price   |
| “NPA”                        | : | Notice of Provisional Allotment of Rights ICULS   |
| “Official List”              | : | A list specifying all securities listed on the Main Market of Bursa Securities  |
| “PACs”                       | : | Persons acting in concert with the Undertaking Shareholders   |
| “PAT”                        | : | Profit after taxation   |
| “Price-Fixing Date”          | : | 15 February 2024, being the date on which the Conversion Price was determined by our Board and announced by our Company   |
| “Proposals”                  | : | Collectively, the Rights Issue, ESS and Allocations   |
| “Provisional Rights ICULS”   | : | Rights ICULS provisionally allotted to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) pursuant to the Rights Issue   |
| “ICULS” or “Rights ICULS”    | : | Five (5)-year, 0.10%, irredeemable convertible unsecured loan stocks to be issued by our Company pursuant to the Rights Issue   |
| “Record of Depositors”       | : | A record of depositors established by Bursa Depository under the Rules of Bursa Depository  |
| “Rights Issue”               | : | Renounceable rights issue of up to RM102,578,353 nominal value of 2,051,567,055 ICULS at 100% of its nominal value of RM0.05 each on the basis of five (5) Rights ICULS for every one (1) TIB Share held by the Entitled Shareholders on the Entitlement Date   |

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**DEFINITIONS (CONT'D)**

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|                              |   |   |
|------------------------------|---|---|
| “RM” and “sen”               | : | Ringgit Malaysia and sen, respectively  |
| “RSF”                        | : | Rights Subscription Form  |
| “Rules”                      | : | Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC   |
| “Rules of Bursa Depository”  | : | The rules of Bursa Depository as issued pursuant to the SICDA   |
| “SC”                         | : | Securities Commission Malaysia  |
| “Share Registrar”            | : | Aldpro Corporate Services Sdn Bhd [Registration No.: 202101043817 (1444117-M)]  |
| “SICDA”                      | : | Securities Industry (Central Depositories) Act, 1991, as amended from time to time  |
| “TERP”                       | : | Theoretical ex-rights price   |
| “Trust Deed”                 | : | The document constituting the ICULS executed by our Company and the Trustee on 16 February 2024   |
| “TIB” or the “Company”       | : | Techbase Industries Berhad (formerly known as Prolexus Berhad) [Registration No.: 199201019353 (250857-T)]  |
| “TIB Group” or the “Group”   | : | TIB and its subsidiaries, collectively  |
| “TIB Share(s)” or “Share(s)” | : | Ordinary share(s) in our Company  |
| “Undertakings”               | : | Irrevocable and unconditional undertakings dated 29 August 2023 from the Undertaking Shareholders to subscribe in full for their respective entitlements for the ICULS under the Rights Issue |
| “Undertaking Shareholders”   | : | Collectively, Yi-Lai Marketing Sdn Bhd, Yi-Lai Industry Berhad, Datuk Au Yee Boon and TechBase Solution Sdn Bhd   |
| “VWAMP”                      | : | Volume weighted average market price  |
| “Warrants”                   | : | 133,585,898 outstanding warrants 2021/2026  |

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

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

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

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**ADVISERS' DIRECTORY**

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- PRINCIPAL ADVISER** : KAF Investment Bank Berhad  
Level 13A, Menara IQ  
Lingkar TRX, Tun Razak Exchange  
55188 Kuala Lumpur  
Wilayah Persekutuan  
  
Tel No: +603 2708 2800  
Fax No: +603 2708 2801
- SOLICITORS FOR THE RIGHTS ISSUE** : David Lai & Tan  
Level 8-3 & 8-4, Wisma Miramas  
No.1, Jalan 2/109E  
Taman Desa  
Jalan Klang Lama  
58100 Kuala Lumpur  
Wilayah Persekutuan  
  
Tel No: +603 7972 7968  
Fax No: +603 7972 7967
- SHARE REGISTRAR AND PAYING AGENTS** : Aldpro Corporate Services Sdn Bhd  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
Wilayah Persekutuan  
  
Tel No: +603 9770 2200  
Fax No: +603 9770 2239
- TRUSTEE** : MTrustee Berhad  
Level 15, Menara AmFirst  
No.1, Jalan 19/3  
46300 Petaling Jaya  
Selangor Darul Ehsan  
  
Tel No: +603 7954 6862  
Fax No: +603 7954 3712
- STOCK EXCHANGE LISTED AND LISTING SOUGHT** : Main Market of Bursa Securities

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## SUMMARY OF RIGHTS ISSUE

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

- (i) **Basis of allotment** : Five (5) Rights ICULS for every one (1) TIB Share held by Entitled Shareholders on the Entitlement Date.  
Please refer to Section 2.1 of this Abridged Prospectus for further information.
- (ii) **Nominal value of ICULS to be issued** : Up to RM102,578,353 nominal value of 2,051,567,055 ICULS  
Please refer to Section 2.1 of this Abridged Prospectus for further information.
- (iii) **Issue Price and Conversion Price** : The Rights ICULS is issued at 100% of the nominal value of RM0.05 each and the Conversion Price for one (1) new TIB Share is RM0.20.  
Please refer to Section 2.2 of this Abridged Prospectus for further information.
- (iv) **Shareholders' Undertakings** : The Rights Issue will be undertaken based on the Minimum Subscription Level basis. The Undertaking Shareholders have provided the Undertakings to subscribe in full for their respective entitlements to the Rights ICULS under the Rights Issue.  
  
As the Undertakings are sufficient to achieve the Minimum Subscription Level, the remaining portion of RM86.35 nominal value of ICULS will not be underwritten.  
  
Please refer to Section 2.5 of this Abridged Prospectus for further information.
- (v) **Utilisation of proceeds** : The Rights Issue is expected to raise total gross proceeds of up to RM102.58 million which shall be utilised as follows:-

| <b>Utilisation of proceeds</b>   | <b>Expected timeframe for utilisation</b> | <b>Minimum Subscription Level RM'000</b> | <b>Base Case Subscription Level RM'000</b> | <b>Maximum Subscription Level RM'000</b> |
|--|---|--|--|--|
| Installation of roof-top solar photovoltaic ("PV") systems   | Within 24 months                          | 10,000                                   | 10,000                                     | 10,000                                   |
| Working capital  | Within 24 months                          | 5,432                                    | 34,180                                     | 34,180                                   |
| Repayment of bank borrowings   | Within 12 months                          | -  | 20,000                                     | 42,598                                   |
| Acquisitions and/or investments in assets and/or businesses that are similar and/or complementary to our Group's existing businesses | Within 24 months                          | -  | 4,000                                      | 15,000                                   |
| Estimated expenses   | Immediate                                 | 800                                      | 800  | 800                                      |
| <b>Total</b>   |   | <b>16,232</b>                            | <b>68,980</b>                              | <b>102,578</b>                           |

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

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**SUMMARY OF RIGHTS ISSUE (CONT'D)**

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- (vi) **Risk factors** : There are a number of risks that you should consider before subscribing for or investing in the Rights Issue, particularly the following:-
- (i) risks relating to our businesses and operations, of which our Group are exposed to, including business risks, operational risks and dependency on key management;
  - (ii) risks relating to the industry, of which our Group are exposed to, including competition risk, foreign exchange fluctuation risk and changes in economic, political and regulatory conditions; and
  - (iii) risks relating to the Rights Issue, including the unsecured obligations/repayment risks of the ICULS, investment risks, delay or failure in the completion of the Rights Issue, factors affecting the ICULS and potential dilution.

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

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

The last day, date and time for acceptance of and payment for the Provisional Rights ICULS and the Excess Rights ICULS is on **Wednesday, 20 March 2024, 5.00 p.m.**

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

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**TECHBASE INDUSTRIES BERHAD**  
(formerly known as Prolexus Berhad)  
[Registration No.: 199201019353 (250857-T)]  
(Incorporated in Malaysia)

**Registered Office:**  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No.1 Medan Syed Putra Utara  
59200 Kuala Lumpur  
Wilayah Persekutuan

**4 March 2024**

## **BOARD OF DIRECTORS**

Datuk Au Yee Boon (Executive Director)  
Datin Lim Lee Wheng (Non-Independent Non-Executive Director)  
Au Yee Soon (Non-Independent Non-Executive Director)  
Lee Boon Siong (Executive Director)  
Datuk Low Chin Koon (Independent Non-Executive Director)  
Tan Chin Yong (Independent Non-Executive Director)

### **To: The Entitled Shareholders**

Dear Sir/Madam,

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**RENOUNCEABLE RIGHTS ISSUE OF UP TO RM102,578,353 NOMINAL VALUE OF 2,051,567,055 FIVE (5)-YEAR, 0.10% ICULS AT 100% OF ITS NOMINAL VALUE OF RM0.05 EACH ON THE BASIS OF FIVE (5) RIGHTS ICULS FOR EVERY ONE (1) EXISTING TIB SHARE HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 4 MARCH 2024**

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### **1.0 INTRODUCTION**

- 1.1 On 10 August 2023, KAF IB had, on behalf of our Board, announced that our Company proposed to undertake the Rights Issue.
- 1.2 On 12 October 2023, KAF IB had, on behalf of our Board, announced that the SC had, vide its letter dated 12 October 2023, resolved to approve the issuance of the ICULS pursuant to the Rights Issue under subsection 214(1) of the CMSA, subject to the compliance with the standard conditions and continuing obligations as stipulated in Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors issued by the SC.
- 1.3 On 18 December 2023, KAF IB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 15 December 2023 (which was received on 18 December 2023), resolved to approve, amongst others, the following:-
- (i) admission of the ICULS to the Official List and the listing of and quotation for up to RM102,578,353 nominal value of 2,051,567,055 ICULS to be issued pursuant to the Rights Issue; and
  - (ii) the listing of and quotation for up to 2,051,567,055 new TIB Shares to be issued pursuant to the conversion of the ICULS.

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

|     | <b>Conditions imposed</b>   | <b>Status of compliance</b> |
|-----|---|-----------------------------|
| (1) | TIB and KAF IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals.   | Noted                       |
| (2) | TIB must comply with the public security holding spread requirements pursuant to paragraph 8.02(1) of the Listing Requirements upon listing and quotation of the new Shares.  | To be complied              |
| (3) | TIB and KAF IB are required to inform Bursa Securities upon completion of the Proposals.  | To be complied              |
| (4) | TIB and KAF IB are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed.   | To be complied              |
| (5) | KAF IB is required to furnish Bursa Securities with certified true copy of the resolution passed by the shareholders in general meeting approving the Proposals.  | Complied                    |
| (6) | TIB is required to submit a confirmation to Bursa Securities of full compliance of the ESS pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation.  | To be complied              |
| (7) | TIB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the conversion of ICULS and ESS as at the end of each quarter together with a detailed computation of listing fees payable.   | To be complied              |
| (8) | TIB is required to provide quarterly updates via Bursa Link (simultaneous with the submission of quarterly report), the following:- <ul style="list-style-type: none"> <li>• amount of ICULS converted during the quarter and amount of ICULS remained outstanding at the end of the quarter;</li> <li>• number of new Shares issued during the quarter and aggregate number of new Shares issued arising from the conversion of the ICULS;</li> <li>• proceeds raised during the quarter and total proceeds raised from the conversion of the ICULS at the end of the quarter;</li> <li>• breakdown of the allocation of the proceeds raised during the quarter and allocation of the total proceeds raised pursuant to the conversion of ICULS and percentage of the amount utilised;</li> <li>• explanatory note(s) on the amount utilised; and</li> <li>• status of each of the event, project or purpose for which the total proceeds raised from the conversion are utilised for, including but not limited to the percentage of the completion of the projects / initiatives.</li> </ul> | To be complied              |

1.4 On 19 January 2024, our shareholders had, during the EGM held on 19 January 2024, approved the Rights Issue.

- 1.5 On 15 February 2024, KAF IB had, on behalf of our Board, announced the following:-
- (i) the Conversion Price has been fixed at RM0.20; and
  - (ii) the Entitlement Date for the Rights Issue has been fixed at 5.00 p.m. on 4 March 2024.
- 1.6 The official listing of and quotation for the ICULS to be issued pursuant to the Rights Issue will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renounee(s)/transferee(s) have been duly credited and notices of allotment have been despatched to them.
- 1.7 No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or KAF IB in connection with the Rights Issue.

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

## 2.0 DETAILS OF THE RIGHTS ISSUE

### 2.1 Particulars of the Rights Issue

The Rights Issue, to be undertaken on a renounceable basis, entails the issuance of up to RM102,578,353 nominal value of 2,051,567,055 ICULS at 100.0% of its nominal value of RM0.05 each on the basis of five (5) ICULS for every one (1) TIB Share held by the Entitled Shareholders on the Entitlement Date, on the assumption that all the 133,585,898 Warrants are fully exercised and all 809,200 treasury shares held by our Company are resold to the market. The Maximum Subscription Level was derived as follows:-

|  |                       | <b>No. of Shares / ICULS</b> |
|--|-----------------------|------------------------------|
| Issued share capital as at the LPD (excluding treasury shares) | (A)                   | 275,918,313                  |
| Full exercise of the Warrants                                  | (B)                   | 133,585,898                  |
| Full resale of the treasury shares                             | (C)                   | <u>809,200</u>               |
|  | (D) = (A) + (B) + (C) | 410,313,411                  |
| No. of ICULS to be issued pursuant to Rights Issue             | (E) = (D) x 5 / 1     | 2,051,567,055                |
| Nominal value of ICULS   | (F) = (E) x RM0.05    | 102,578,353                  |

The basis of five (5) ICULS for every one (1) TIB Share held on the Entitlement Date was arrived at after taking into consideration, amongst others, the following:-

- (i) the amount of proceeds to be raised from the Rights Issue which is to be channelled towards the purposes as detailed in Section 3.0 of this Abridged Prospectus; and
- (ii) Paragraph 6.50 of the Listing Requirements which states that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity convertibles (i.e. warrants and convertible preference shares), does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The coupon rate of 0.10% per annum was determined after taking into consideration the following:-

- (a) our Company is able to raise funds without incurring high interest costs;
- (b) the ICULS holders able to increase their equity participation in our Company at the Conversion Price (which our Board intends to fix the Conversion Price at a discount of between 10% and 30% to the TERP) during the tenure of the ICULS; and

- (c) the ICULS holders have the potential to benefit from our Group's growth and enhanced financial performance following the completion of the expansion of production capacity as disclosed in Section 5.3 of this Abridged Prospectus when the ICULS are converted into Shares.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can fully or partially subscribe for and/or renounce their entitlements to the Rights ICULS. Any unsubscribed Rights ICULS shall be made available for Excess Applications. It is the intention of our Board to allocate the Excess Rights ICULS on a fair and equitable manner and on a basis to be determined by our Board and announced later by our Company.

The Rights ICULS will be provisionally allotted to our Entitled Shareholders on the Entitlement Date after obtaining all relevant approvals in respect of the Rights Issue.

The ICULS will be issued in registered form and constituted by the Trust Deed. The salient terms of the ICULS are set out in Section 2.4 of this Abridged Prospectus.

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

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

## **2.2 Basis and justifications of arriving at the issue price and the Conversion Price**

### **2.2.1 Issue price of the ICULS**

The ICULS shall be issued at 100% of the nominal value of RM0.05 each. The nominal value was fixed after taking into consideration the minimum level of funds intended to be raised by TIB for the purposes stated in Section 3.0 of this Abridged Prospectus and is deemed sufficiently attractive to encourage subscription of the ICULS by our shareholders.

### **2.2.2 Conversion Price**

On 15 February 2024, our Company has fixed and announced the Conversion Price at RM0.20 (including the basis and justifications for the Conversion Price) after taking into consideration of the following:-

- (i) the prevailing market conditions and market prices of TIB Shares preceding the Price-Fixing Date; and
- (ii) the TERP.

The Conversion Price represents a discount of 15.50% to the TERP of RM0.2367 per TIB Share, calculated based on the 5-day VWAMP of TIB Shares up to and including 14 February 2024, being the last Market Day immediately before the Price-Fixing Date of RM0.2826.

Throughout the tenure of the ICULS, the Conversion Price may be subject to adjustments under certain circumstances in accordance with the provisions of the Trust Deed.

### 2.3 Ranking of the ICULS and new TIB Shares arising from the conversion of ICULS

The ICULS shall constitute direct, unconditional, unsubordinated and unsecured obligations of TIB and subject to the provisions contained in the Trust Deed, must at all times rank equally, without discrimination, preference or priority between themselves and must rank at least equally with all present and future direct, unconditional, unsubordinated and unsecured debts and obligations of TIB, from time to time, except those which are preferred by law.

The new TIB Shares to be issued pursuant to the conversion of the ICULS shall, upon issuance and allotment, rank equally in all respects with the then existing TIB Shares, except that they shall not be entitled to any dividends, rights, allotments and/or any other distribution that may be declared, made or paid where the entitlement date is prior to the date of issuance and allotment of such new TIB Shares.

### 2.4 Salient terms of ICULS

The salient terms of ICULS are set out as follow:-

|                                |   |  |
|--------------------------------|---|--|
| Issuer                         | : | TIB  |
| Issue size/ Basis of allotment | : | Up to RM102,578,353 nominal value of 2,051,567,055 ICULS at 100.0% of its nominal value of RM0.05 on the basis of five (5) ICULS for every one (1) existing TIB Share held by the Entitled Shareholders on the Entitlement Date  |
| Issue Price                    | : | Each ICULS shall be issued at 100.0% of its nominal value of RM0.05  |
| Form and denomination          | : | The ICULS will be issued in registrable form and in the denomination of RM0.05 each and multiples thereof, and constituted by the Trust Deed   |
| Issue date                     | : | A Market Day to be mutually agreed upon between our Company and KAF IB   |
| Tenure                         | : | Five (5) years from and inclusive of the date of issue of the ICULS  |
| Maturity date                  | : | The date immediately preceding the fifth (5 <sup>th</sup> ) anniversary date of the issue date of the ICULS, and if such date is not a Market Day, then on the immediate preceding Market Day  |
| Rating                         | : | Not applicable   |
| Trust Deed                     | : | The ICULS is constituted by a Trust Deed to be executed between TIB and the Trustee  |
| Coupon rate                    | : | Fixed rate of 0.10% per annum on the nominal value of the ICULS  |
| Coupon payment                 | : | The coupon is payable on an annual basis, on the last day of each of the five (5) successive periods of one (1) year calculated from (and including) the issue date<br><br>For the avoidance of doubt, if any ICULS holder exercises their rights to convert all or any part of the ICULS held by them into new TIB Shares, no coupon shall be payable on such converted ICULS during the year of such conversion taking place |
| Conversion period              | : | On any Market Day after the issue date and up to 5.00 p.m. on the maturity date  |
| Conversion Price               | : | The Conversion Price of the ICULS is RM0.20 for every one (1) new TIB Share. The Conversion Price may be subject to adjustments as described below   |



- Redeemability** : The ICULS will not be redeemable for cash. All outstanding ICULS will be mandatorily converted into TIB Shares on the maturity date on a Non-Cash Option basis
- Conversion Rights** : The holders of ICULS shall have the right at any time during the conversion period to convert such amount of ICULS held into new TIB Shares at the Conversion Price. Any remaining ICULS not converted at the end of the conversion period shall be mandatorily converted into new TIB Shares at the Conversion Price on the maturity date. Any fractional new Shares arising from the conversion of the ICULS will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interest of our Company
- Status of ICULS** : The ICULS shall constitute direct, unconditional, unsubordinated and unsecured obligations of TIB and subject to the provisions contained in the Trust Deed, must at all times rank equally, without discrimination, preference or priority between themselves and must rank at least equally with all present and future direct, unconditional, unsubordinated and unsecured debts and obligations of TIB, from time to time, except for those which are preferred by law
- Conversion mode** : The ICULS may be converted into new Shares at the ICULS holders' discretion in the following manner:-
- (i) Non-Cash Option. The ICULS holder will need to surrender four (4) ICULS for one (1) new TIB Share; or
  - (ii) Cash Option, subject to a minimum of one (1) ICULS and paying the difference between the aggregate value of the ICULS surrendered and the Conversion Price in cash for one (1) new Share. For illustration purpose, the ICULS holder can surrender such number of ICULS together with cash such that in aggregate it amounts to RM0.20 for one (1) new Share as follows:-

| No. of ICULS | Aggregate nominal value of ICULS (RM) | Additional cash payment (RM) | Aggregate Conversion Price (RM) |
|--------------|---------------------------------------|------------------------------|---------------------------------|
| 1            | 0.05                                  | 0.15                         | 0.20                            |
| 2            | 0.10                                  | 0.10                         | 0.20                            |
| 3            | 0.15                                  | 0.05                         | 0.20                            |

- Adjustments in the Conversion Price and nominal value of the ICULS** : Necessary adjustments to the Conversion Price and/or the nominal value of the ICULS shall be made, in the event of any alteration in our Company's share capital on or before the maturity date, whether by way of rights issue, bonus issue, consolidation of shares, subdivision of shares or capital distribution whether on a reduction of capital howsoever being effected, by our Board in accordance with the provisions of the Trust Deed
- Ranking of new TIB Shares to be issued pursuant to the conversion of ICULS** : The new TIB Shares to be issued pursuant to the conversion of ICULS shall, upon issuance and allotment, rank equally in all respects with the then existing TIB Shares, except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid where the entitlement date is prior to the date of issuance and allotment of such new TIB Shares
- Rights of ICULS** : All the ICULS holders (including ICULS held by our Company as well as Director, major shareholder and chief executive of our Company) are not entitled to any voting rights and shall not have any participating rights in any distributions and/or offer of securities in our Company until and unless such ICULS holders convert their ICULS into the new TIB Shares

- Amendment to the ICULS holders' rights : Save as otherwise provided in the Trust Deed and consented to in writing by our Company, approval of the ICULS holders by way of Special Resolution (as defined below) is required to sanction any modification, variation or arrangement requested by TIB in respect of the rights of the ICULS holders
- Listing : The ICULS and the new TIB Shares arising from the conversion of the ICULS will be listed on Bursa Securities. The listing and quotation of the ICULS on the Main Market of Bursa Securities is subject to a minimum of 100 holders of ICULS holding not less than one (1) board lot each
- Board lot : The ICULS will be freely transferable in board lots of 100 units of ICULS for the purpose of trading on Bursa Securities, unless otherwise revised by the relevant authorities
- Rights of the ICULS holders on liquidation : If a resolution is passed for a voluntary winding-up of TIB while any of the ICULS remain capable of being converted, then:-
- (i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the ICULS holders, or some person designated by them for such purpose, shall be a party, the terms of such scheme of arrangement if approved by an extraordinary resolution shall be binding on all the ICULS holders; and
  - (ii) in any other case, every ICULS holder shall be entitled to upon and, subject to the Trust Deed, at any time within 21 days ("**Specified Period**") after the passing of such resolution for a members' voluntary winding-up of TIB, deliver to the share registrar a duly completed conversion notice in relation to the ICULS to elect to be treated as if he had, on the last day of the month immediately before the commencement of such winding-up, exercised the conversion rights to the extent specified in the conversion notice and be entitled to receive out of the assets of TIB which will be available in liquidation if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of TIB shall give effect to such election accordingly. Upon such election taking effect, all ICULS converted under such election shall cease to carry any coupon as from the last day of the month immediately before the month in which the ICULS are converted or deemed converted under this provision
- All conversion rights which have not been exercised at the expiry date of the Specified Period shall lapse and cease to be valid for any purpose
- Events of default : The Trustee may and, if so directed by a resolution passed at a meeting of the ICULS holders (by a majority consisting of not less than three-fourths (3/4) of the votes cast on a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths (3/4) of the votes cast on a poll) ("**Special Resolution**"), shall (subject to its rights to be indemnified to its satisfaction under the Trust Deed) declare (by giving a written notice to our Company) that the outstanding ICULS is immediately due and repayable, and the ICULS then outstanding shall become immediately due and repayable at their nominal amounts of RM0.05 each together with accrued interest up to and including the date of repayment, if any of the following events occur:-
- (i) if our Company fails to pay any principal, premium, interest or profit owing on the ICULS after the remedy period of seven (7) business days from the date on which the payment is due;

- (ii) if our Company fails to issue and allot new TIB Shares following the exercise of the conversion rights by an ICULS holder;
- (iii) if our Company fails to perform or observe any of its obligations under the Trust Deed and/or the terms and conditions of the ICULS certificate (other than our Company's obligation to pay the interest in which clause (i) above shall apply) and such default is not capable of remedy within seven (7) days from the written notice issued by the Trustee to our Company and is certified by the Trustee to be in its reasonable opinion materially prejudicial to the interest of the ICULS holders;
- (iv) if a distress, execution or seizure before a judgment is levied or enforced on or against a substantial part of the assets of our Company and is not paid out, withdrawn or discharged within thirty (30) days (or such longer period as the Trustee may consider appropriate in relation to the jurisdiction concerned), except if such distress, execution or seizure is disputed in good faith under or pursuant to proceedings duly instituted by our Company;
- (v) if a petition to wind up our Company is presented against our Company, except if such petition is disputed in good faith under or pursuant to proceedings duly instituted by our Company;
- (vi) if an incumbrancer takes possession or a Trustee, administrator or receiver is appointed in respect of all or any substantial part of the assets of our Company or any form of execution of legal process has been enforced against our Company and such possession or appointment is certified by the Trustee to be in its reasonable opinion materially prejudicial to the interest of the ICULS holders;
- (vii) if an effective resolution is passed by our Company or an order of a court of competent jurisdiction is made for the winding-up of our Company, except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms of which are agreed to in writing by the Trustee;
- (viii) if our Company is the subject of a scheme of compromise or arrangement under Section 366 of the Act and for purposes of this clause (viii), our Company shall be deemed the subject of such a scheme of compromise or arrangement if:-
  - (a) an application is made under Section 366 of the Act to convene a meeting of creditors or class of creditors or of members;
  - (b) an application is made for a restraining order under Section 368 of the Act; or
  - (c) an application is made under Section 366 of the Act for approval by the court of a compromise or arrangement,

whether or not by the court's discretion or meeting's outcome (as the case may be) approves of such application or matter, our Company shall not be deemed to be the subject of a scheme of compromise or arrangement if it is a scheme for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction of which the terms were agreed to in writing by the Trustee;

- (ix) if a qualified and experienced person approved by an independent oversight committee appointed to manage and control distressed enterprises of our Company is appointed;
- (x) if it is or will become unlawful for our Company to perform or comply with all or any of its obligations under the Trust Deed;
- (xi) if our Company ceases or threatens to cease to carry on all or any substantial part of its business which it carries on as at the date of the Trust Deed;
- (xii) if our Company is for the purposes of Section 465 of the Act deemed to be unable to pay its debts;
- (xiii) if all or any ICULS is de-listed or ceases to be listed on Bursa Securities by reason of our Company's default of Listing Requirements (and, for this purpose, a suspension of trading at the request of our Company or Bursa Securities shall not be deemed a de-listing or cessation of listing);
- (xiv) any borrowed money of our Company is not paid when due or becomes due and payable or any guarantee or indemnity given by our Company in respect of such borrowed money is not honoured when due and called upon, or if any other indebtedness of our Company becomes due and payable prior to its stated maturity or where the security created for any other indebtedness becomes enforceable, but only if the aggregate amount of such borrowed money which is not paid, such indebtedness and the amount under such guarantee or indemnity which is not honoured (both of which have occurred and is continuing) equals or exceeds RM150,000,000 or its equivalent in other currency;
- (xv) any consent, authorisation, licence or approval of, registration with or declaration to governmental or public bodies or authorities or courts in Malaysia (if any) required by our Company to authorise or required by our Company in connection with the execution, issue, sale, delivery, validity, enforceability or admissibility in evidence of the Trust Deed or the ICULS or the performance by our Company of its obligations under the Trust Deed or the ICULS (as the case may be) is revoked, withheld or modified to such degree as would be materially prejudicial to the interest of the ICULS holders or is not granted or is revoked or terminated or expired and is not renewed or otherwise ceases to be in full force and effect;
- (xvi) all or any material part of the undertaking or assets of our Company is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body in Malaysia, but only if the relevant governmental body does not make or does not propose to make an offer of compensation which would be sufficient to repay amounts due on all outstanding ICULS. For the purpose of this paragraph (xvi) (Events of Default), the word 'material' means a value exceeding 50% of the value of the net tangible assets of our Group as disclosed in the latest audited accounts of our Group; or

- (xvii) our Company disposes of a whole or a substantial part of its principal assets, or threatens to cease or ceases to carry on the whole or a substantial part of its business otherwise than for purposes of consolidation, amalgamation, merger or reconstruction under which the rights of the ICULS holders are not impaired and the continuing entity effectively assumes the entire obligations of our Company and for the purpose of this paragraph (xvii) (Events of Default), the word ‘substantial’ means a value exceeding 50% of the value of the net tangible assets of our Group as disclosed in the latest audited accounts of our Group

Notwithstanding the above, the ICULS shall not become immediately due and repayable if any of the events referred to in paragraph (ii) to (xvii) (Events of Default) occur unless and until the Trustee has served a written notice on our Company requiring our Company to remedy such event of default (if capable of being remedied) (“**Notice**”) and our Company fails to comply with such Notice within thirty (30) days from the date of such Notice

For clarity, in the event that our Company fails to comply with such Notice within thirty (30) days from the date of such Notice, the ICULS shall then become immediately due and payable at their nominal value of RM0.05 each together with the accrued interest up to and including the date of repayment in cash

Governing laws : The ICULS and the Trust Deed shall be governed by and construed in all respects in accordance with the laws of Malaysia

## 2.5 Minimum Subscription Level and Shareholders’ Undertakings

The Rights Issue will be undertaken on the Minimum Subscription Level, which was determined after taking into consideration the minimum level of funds required by TIB for the purposes stated in Section 3.0 of this Abridged Prospectus and the Undertakings procured from the following shareholders of TIB as follows:-

| Undertaking Shareholders                 | As at LPD         |              | Entitlements / Undertakings |                  |                   |
|--|-------------------|--------------|-----------------------------|------------------|-------------------|
|  | No. of Shares     | %            | No. of ICULS                | <sup>(1)</sup> % | RM                |
| Yi-Lai Marketing Sdn Bhd                 | 27,905,000        | 10.11        | 139,525,000                 | 6.80             | 6,976,250         |
| Yi-Lai Industry Berhad                   | 20,998,400        | 7.61         | 104,992,000                 | 5.12             | 5,249,600         |
| Datuk Au Yee Boon                        | 11,100,200        | 4.02         | 55,501,000                  | 2.71             | 2,775,050         |
| TechBase Solution Sdn Bhd <sup>(2)</sup> | 4,923,500         | 1.78         | 24,617,500                  | 1.20             | 1,230,875         |
| <b>Total</b>                             | <b>64,927,100</b> | <b>23.52</b> | <b>324,635,500</b>          | <b>15.83</b>     | <b>16,231,775</b> |

### Notes:-

- (1) As a percentage of the total number of 2,051,567,055 ICULS under the Maximum Subscription Level. As the Undertaking Shareholders do not have any Warrants and pursuant to the full resale of treasury shares, their percentage of entitlements pursuant to the Undertakings would appear to be diluted under the Maximum Subscription Level.
- (2) Datuk Au Yee Boon is the sole shareholder of TechBase Solution Sdn Bhd.

The Undertaking Shareholders have provided written confirmations that they have sufficient financial resources to subscribe in full for their Undertakings pursuant to the Rights Issue. KAF IB has verified that the Undertaking Shareholders have the sufficient financial resources to fulfil their commitments pursuant to the Undertakings.

For clarity, in the event that the Minimum Subscription Level is met, the Undertaking Shareholders will also subscribe for their full entitlements for the ICULS pursuant to the Undertakings. As the Undertakings are sufficient to achieve the Minimum Subscription Level, the remaining open portion of RM86,346,578 nominal value of ICULS or representing approximately 84.18% of the Rights ICULS to be issued under Maximum Subscription Level will not be underwritten.

Our Company further confirms that the Undertakings are not expected to give rise to any implications under the Rules issued by the SC upon implementation of the Rights Issue. However, should the Undertaking Shareholders and/or PACs convert their holdings of ICULS into new Shares during the tenure of ICULS, which results in their shareholdings in TIB exceeding 33%, whether individually or collectively, they will be required to extend a mandatory take-over offer for all the remaining TIB Shares not already owned by them pursuant to the Rules.

For the avoidance of doubt, it is not the intention of the Undertaking Shareholders and/or PACs to undertake a mandatory take-over offer. In such an event, the Undertaking Shareholders will make an application to the SC to seek an exemption under the Rules from the obligation to undertake a mandatory take-over offer prior to the conversion of such portion of their holdings of ICULS that will trigger such obligation under the Rules. The Undertaking Shareholders shall at all times observe and ensure compliance with the provisions of the Rules.

In accordance with the Paragraph 6.18(4) of the Listing Requirements, in the event our Company fails to achieve the Minimum Subscription Level pursuant to the failure of the Undertaking Shareholders to fulfil the obligations under the Undertakings or any other reasons, the Rights Issue will be terminated and all subscription money received pursuant to the Rights Issue will be immediately returned to all subscribers of the ICULS without interest. Please refer to Section 6.3.3 of this Abridged Prospectus for information on the risks in relation to the delay or failure in the completion of the Rights Issue.

## 2.6 Public shareholding spread requirement

Pursuant to Paragraph 8.02(1) of the Listing Requirements, at least 25% of TIB's total listed shares (excluding treasury shares) are required to be held by public shareholders. The public shareholdings spread of our Company upon completion of the Rights Issue under different scenarios are as follows:-

|                    | Conversion mode<br>of ICULS | Public shareholdings spread (%) |                                    |                                   |
|--------------------|-----------------------------|---------------------------------|------------------------------------|-----------------------------------|
|                    |                             | As at LPD                       | <sup>^</sup> After Rights<br>Issue | After full conversion<br>of ICULS |
| Minimum Scenario   | Cash Option                 | 55.27                           | 55.27                              | 25.39                             |
|                    | Non-Cash Option             | 55.27                           | 55.27                              | 42.71                             |
| Base Case Scenario | Cash Option                 | 55.27                           | 55.27                              | 54.89                             |
|                    | Non-Cash Option             | 55.27                           | 55.27                              | 54.89                             |
| Maximum Scenario   | Cash Option                 | 55.27                           | 55.27                              | 68.64                             |
|                    | Non-Cash Option             | 55.27                           | 55.27                              | 68.64                             |

*Note <sup>^</sup>:- For the avoidance of doubt, the public shareholdings spread of our Company upon completion of the Rights Issue will be the same as at the LPD as there is no new Shares issued.*

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### 3.0 UTILISATION OF PROCEEDS

The proceeds arising from the Rights Issue are intended to be utilised by our Group in the following manner:-

| Utilisation of proceeds   | Expected timeframe for utilisation <sup>(1)</sup> | Minimum Subscription Level<br>RM'000 | Base Case Subscription Level<br>RM'000 | Maximum Subscription Level<br>RM'000 |
|---|---|--------------------------------------|--|--------------------------------------|
| Installation of roof-top solar PV systems <sup>(3)</sup>  | Within 24 months                                  | 10,000                               | 10,000                                 | 10,000                               |
| Working capital <sup>(4)</sup>  | Within 24 months                                  | 5,432                                | 34,180                                 | 34,180                               |
| Repayment of bank borrowings <sup>(5)</sup>   | Within 12 months                                  | -                                    | 20,000                                 | 42,598                               |
| Acquisitions and/or investments in assets and/or businesses that are similar and/or complementary to our Group's existing businesses <sup>(6)</sup> | Within 24 months                                  | -                                    | 4,000                                  | 15,000                               |
| Estimated expenses <sup>(7)</sup>   | Immediate   | 800                                  | 800                                    | 800                                  |
| <b>Total</b>  |   | <sup>(2)</sup> <b>16,232</b>         | <b>68,980</b>                          | <b>102,578</b>                       |

Notes:-

- (1) From the date of receipt of the proceeds.
- (2) Any additional proceeds raised in excess of this amount under the Minimum Subscription Level will be utilised in the following order of priority up to the respective maximum allocation under the Maximum Subscription Level as follows:-
  - (i) the working capital of our Group;
  - (ii) the repayment of bank borrowings; and
  - (iii) the acquisitions and/or investments in assets and/or businesses that are similar and/or complementary to our Group's existing businesses.
- (3) Intends to allocate RM10.0 million for the installation of roof-top solar PV systems on our existing two (2) factories located at Batu Pahat and Kluang, Johor. The installation of roof-top solar PV systems is aimed at achieving cost-saving measures by reducing overall electricity expenses while maintaining the same amount of electricity consumption in the factories. This is also part of the environmental, social and governance initiatives of our Company in promoting sustainability and responsible business practice.

The installation of roof-top solar PV systems is expected to commence after the completion of the Rights Issue and is targeted to complete and commission within 12 months from the commencement date. The solar PV systems are anticipated to generate up to 3.0 megawatts peak, which will be used for the existing factories' consumption. With the installation of the solar PV systems, our Group anticipates a saving in electricity cost of up to RM1.50 million per year. Should there be any excess electricity generated from the solar PV systems, the excess will be fed into the national power grid under the Net Energy Metering scheme, which allows our Group to offset or reduce electricity bills.

In addition, the installation of the solar PV systems will allow our Group to hedge against future increases in electricity tariff and at the same time receive incentives from MIDA in the form of green investment tax allowance of 100.0% of qualifying capital expenditure, subject to the prevailing policies and initiatives adopted by MIDA. The allowance can be offset against 70% of statutory income in the year of assessment. Any unutilised allowances can be carried forward until they are fully absorbed.

The expected cost for the installation of the roof-top solar PV system is approximately RM10.0 million. However, in the event of any shortfall due to the higher actual costs of the installation of solar PV systems, the shortfall will be funded via a combination of internally generated funds and/or bank borrowings. Any surplus for such expenditures will be adjusted accordingly against the amount allocated for working capital purposes.
- (4) Intended to be utilised to meet the working capital requirements of our Group, such as purchase of raw materials for our business operations, staff costs as well as other operating and administrative expenses. The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore have not been determined at this juncture.

Solely for illustration purposes and based on our Group's best estimates, the proceeds allocated for our Group's working capital requirements are anticipated to be utilised for each component of the working capital as per the following breakdown:-

|  | <b>Minimum<br/>Subscription Level<br/>RM'000</b> | <b>Base Case Subscription Level /<br/>Maximum Subscription Level<br/>RM'000</b> |
|--|--|---|
| Purchase of raw materials <sup>(a)</sup>                   | 3,531  | 22,217  |
| Staff costs <sup>(b)</sup>                                 | 1,358  | 8,545   |
| Other operating and administrative expenses <sup>(c)</sup> | 543  | 3,418   |
| <b>Total</b>   | <b>5,432</b>                                     | <b>34,180</b>   |

**Notes:-**

- (a) These includes, amongst others, fabric, sewing accessories, yarn, polyester, dyestuff, chemicals and packing material. For clarity, the proceeds of up to RM22.22 million allocated for the purchase of raw materials represent approximately 24.44% to 31.68% of our Group's audited total purchase of raw materials between FYE 2021 and FYE 2023.
- (b) These include, amongst others, salaries, allowances, wages, other statutory contributions and employee benefits.
- (c) These include, amongst others, parking rental for staff, hostel rental for factory workers, utilities, transportation costs, upkeep of the office, professional fees such as audit fees, legal fees, secretarial fees and valuer as well as insurance for fire and consequential loss, motor vehicles, product liability, public liability and burglary.
- (5) As at the LPD, the total outstanding principal amount of our Group's bank borrowings for term loans, invoice financing and finance lease are as follows:-

| Type of facility  | Financial institution             | Maturity date   | Purpose  | Annual interest rate<br>% | Amount outstanding as at the LPD<br>RM'000 | Base Case Subscription Level |                                   | Maximum Subscription Level   |                                   |
|-------------------|-----------------------------------|-----------------|--|---------------------------|--|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
|                   |                                   |                 |  |                           |  | Proposed repayment<br>RM'000 | Annual interest savings<br>RM'000 | Proposed repayment<br>RM'000 | Annual interest savings<br>RM'000 |
| Term loan         | OCBC Al-Amin Bank Berhad          | December 2028   | To finance the acquisition of land and construction cost of fabric mill in Kluang, Johor | 6.25                      | 36,875                                     | 12,483                       | 780                               | 35,081                       | 2,070                             |
| Term loan         | AmBank Islamic Berhad             | October 2024    | To finance the purchase of plant and machineries   | 6.14                      | 4,545                                      | 4,545                        | 105                               | 4,545                        | 105                               |
| Invoice financing | Bank of China (Malaysia) Berhad   | *Not applicable | To finance amount due from customers   | 6.50                      | 2,316                                      | 2,316                        | 151                               | 2,316                        | 151                               |
| Invoice financing | United Overseas Bank Malaysia Bhd | *Not applicable | To finance amount due from customers   | 5.38                      | 656  | 656                          | 35                                | 656                          | 35                                |
| Term loan         | Public Bank Berhad                | August 2036     | To finance the purchase of factory in Kluang, Johor                                      | 4.72                      | 497  | -                            | -                                 | -                            | -                                 |
| Term loan         | Public Bank Berhad                | April 2036      | To finance the purchase of hostel in Kluang, Johor                                       | 4.72                      | 521  | -                            | -                                 | -                            | -                                 |



| Type of facility | Financial institution | Maturity date | Purpose  | Annual interest rate | Amount outstanding as at the LPD | Base Case Subscription Level |                        | Maximum Subscription Level |                        |
|------------------|-----------------------|---------------|--|----------------------|----------------------------------|------------------------------|------------------------|----------------------------|------------------------|
|                  |                       |               |  |                      |                                  | Proposed repayment           | Annal interest savings | Proposed repayment         | Annal interest savings |
|                  |                       |               |  |                      |                                  | RM'000                       | RM'000                 | RM'000                     | RM'000                 |
| Term loan        | Public Bank Berhad    | October 2035  | To finance the purchase of hostel in Kluang, Johor | 4.72                 | 414                              | -                            | -                      | -                          | -                      |
| Finance lease    | Affin Bank Berhad     | December 2031 | To finance purchase of motor vehicles              | 2.27                 | 518                              | -                            | -                      | -                          | -                      |

**Note** \*:- For clarity, invoice financing is a banking facility for our Group to meet our cash flow obligation as well as other funding requirements, bridging the gap when invoices are issued to the customers with credit terms of up to 120 days. The invoice financing does not have maturity dates, but instead have a repayment period of up to 120 days.

Up to RM20.0 million and up to RM42.60 million under Base Case Subscription Level and Maximum Subscription Level respectively, will be allocated for partial repayment of bank borrowings, by prioritising those carrying higher interest rates. The expected annual interest savings from the repayment of the borrowings are approximately RM1.07 million under the Base Case Subscription Level and RM2.36 million under the Maximum Subscription Level based on the interest rates ranging from 5.38% to 6.50% per annum as tabulated above. However, the actual interest savings may vary depending on the eventual proceeds to be raised from the Rights Issue and the prevailing applicable interest rates of bank borrowings.

In the event that the outstanding borrowings at the time of repayment are less than the allocated amount stipulated in the table above, the surplus will be utilised to repay the other existing bank borrowings stipulated in the table above and/or other banking facilities, if any, in the order of impending maturity/repayment date followed by the potential interest savings in determining the type and quantum of borrowings to be repaid. In the event that there is any surplus, the proceeds will then be adjusted accordingly to the amount allocated for our Group's working capital purposes.

- (6) Our Group intends to utilise up to RM4.0 million and up to RM15.0 million of the proceeds raised from the Rights Issue under Base Case Subscription Level and Maximum Subscription Level respectively, to finance/part finance the acquisitions and/or investments in assets and/or businesses that are similar and/or complementary to our Group's existing businesses as these potential acquisition/investment opportunities may cost a substantial amount.

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

Our Group will make the necessary announcements in accordance with the Listing Requirements as and when the new acquisition/investment opportunities have been finalised and materialised. Additionally, if such acquisition/investment opportunities in assets and/or businesses that are complementary to our Group's existing businesses are expected to contribute more than 25% of the net profits of our Group or may result in a diversion of more than 25% of the net assets of our Group to an operation which differs widely from our current operations, our Board will ensure the compliance with the provisions of the Listing Requirements, particularly Paragraph 10.13 of the Listing Requirements. In the event that shareholders' approval and/or other regulatory bodies' approvals are required, the necessary approvals will be sought in accordance with the Listing Requirements or such other regulatory bodies.

In the event of any shortfall due to the higher costs for such acquisitions/investments, the shortfall will be funded via a combination of internally generated funds, bank borrowings and/or fund raising exercises. However, if our Company is unable to identify suitable acquisition/investment opportunities within the timeframe stipulated, the proceeds allocated shall be adjusted accordingly to the amount allocated for our Group's working capital purpose and/or repayment of our Group's bank borrowings.

- (7) *The proceeds earmarked for estimated expenses in relation to the Rights Issue will be utilised as set out below:-*

|  | <b>RM'000</b> |
|--|---------------|
| <i>Professional fees</i>                   | 440           |
| <i>Fee payable to relevant authorities</i> | 170           |
| <i>Other expenses *</i>                    | 190           |
| <b>Total</b>                               | <b>800</b>    |

*Note* \*:- *Other expenses including printing and advertising costs, expenses incidental to the convening of the EGM and other miscellaneous expenses.*

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

Pending utilisation of proceeds for the abovementioned purposes, the total gross proceeds arising from the Rights Issue will be placed in interest-bearing deposits and/or short-term money market instruments with financial institutions as our Board in its absolute discretion deems fit and in the best interest of our Company. The resulting interest income derived from such deposits and gain from such instruments, if any, will be used as additional working capital for our Group as set out in note (4) above, the breakdown of which has not been determined at this juncture and is subject to the operating requirements at the time of utilisation.

The exact quantum of the proceeds that may be raised by our Company from the conversion of the ICULS would be dependent on the actual number of ICULS converted and the conversion mode. The proceeds from the conversion of the ICULS will be received on an “as and when basis” over the tenure of the ICULS.

For illustrative purposes, based on the Conversion Price, our Company will raise gross proceeds of the range of RM48.70 million and RM307.74 million upon full conversion of the ICULS based on different scenarios via Cash Option, where all the ICULS holders surrender one (1) ICULS together with additional cash payment of RM0.15 such that in aggregate it amounts to RM0.20 for one (1) new Share as follows:-

|                    | <b>Gross proceeds (RM'000)</b> |
|--------------------|--------------------------------|
| Minimum Scenario   | 48,695                         |
| Base Case Scenario | 206,939                        |
| Maximum Scenario   | 307,735                        |

Any proceeds to be received by our Company pursuant to the conversion of the ICULS in the future, are intended to be utilised for the working capital requirements of our Group as set out in note (4) above. The eventual quantum of such proceeds cannot be determined at this juncture as it would be dependent on the manner and number of ICULS converted.

For the avoidance of doubt, in the event of any variation to the manner of utilisation of proceeds to be raised from the Rights Issue, our Company will ensure it complies with the relevant requirements of CMSA, Guidelines on Trust Deeds, Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors, Listing Requirements and any other relevant guidelines, laws, rules and regulations, including to seek the approval of our shareholders in accordance with Paragraph 8.22 of the Listing Requirements.

#### **4.0 RATIONALE FOR THE RIGHTS ISSUE**

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

- (i) the Rights Issue serves to raise funds for the purpose set out in Section 3.0 of this Abridged Prospectus, which is expected to contribute positively to the business operation and thus the future financial performance of our Group;

- (ii) the Rights Issue enables our Company to raise funds without incurring high interest costs as in the case of borrowings from financial institutions, where the 0.10% annual coupon payment on the nominal value of the ICULS is lower than the average effective borrowing cost of our Group;
- (iii) the Entitled Shareholders would have the opportunity to increase their equity participation in our Company at the Conversion Price during the tenure of the ICULS and at the same time, stand to benefit from the annual coupon payment for the ICULS;
- (iv) the proceeds from the conversion of the ICULS via Cash Option, if any, will provide an additional source of funds for our Group's future working capital requirements; and
- (v) the issuance of ICULS does not have an immediate dilutive effect on the EPS and NA per Share of our Group as opposed to the issuance of new TIB Shares and it enables our Group to strengthen our eventual capital base upon full conversion of the ICULS.

In addition, our Board has also considered the following aspects in relation to the Rights Issue:-

**(a) Value creation of the Rights Issue to our Group and our shareholders**

The Rights Issue is expected to enhance the value of our Group and benefit our shareholders as it allows our Group to raise the funds to defray, amongst others, the installation of solar PV system, working capital for the day-to-day business operations, bank borrowings as well as acquisitions and/or investments in assets and/or businesses that are similar and/or complementary to our Group's businesses, without increasing the gearing ratio (as detailed in Section 7.4 of this Abridged Prospectus).

Premised on the foregoing, our Board is of the opinion that the Rights Issue is envisaged to improve the financial performance of our Group and thus enhance value of our shareholders moving forward.

**(b) Impact of the Rights Issue to our Group and our shareholders**

Should all the Entitled Shareholders subscribe for their respective entitlements to the ICULS and upon full conversion of the ICULS:-

- there will not be any dilution to their shareholdings in our Company;
- our enlarged number of Shares in issue will dilute the EPS of our Group; and
- our Group's pro forma NA per Share is expected to decrease from RM1.18 to RM0.33 under Maximum Scenario as illustrated in Section 7.4 of this Abridged Prospectus.

Notwithstanding the above, our enlarged capital base upon the conversion of the ICULS is expected to strengthen the financial position of our Group. The Rights Issue will also enable our Group to have better cash commitment planning with the fixed funding costs.

**(c) Adequacy of the Rights Issue in addressing our Group's financial concerns**

As at 31 July 2023, being the latest available audited financial statements as at the LPD, our Group has a total cash and bank balances as well as deposits with financial institutions of approximately RM67.35 million as follows:-

|  | <u>RM'000</u>        |
|--|----------------------|
| Cash and bank balances:  |                      |
| - Held by our Company and our subsidiaries in Malaysia <sup>(1)</sup>  | 30,039               |
| - Held by our subsidiaries in People's Republic of China ("PRC") (including Hong Kong Special Administrative Region of the PRC) <sup>(2)</sup> | 28,330               |
| Deposits with financial institutions   |                      |
| - Fixed deposits pledged with financial institutions <sup>(3)</sup>  | 2,286                |
| - Fixed deposits not pledged with financial institutions <sup>(4)</sup>  | 4,549                |
| - Short-term placements <sup>(1)</sup>   | 2,150                |
| <b>Total</b>   | <b><u>67,354</u></b> |

**Notes:**

- (1) *These funds totalling RM32.19 million are the only pool of cash available to meet the working capital requirements of our Group.*
- (2) *These funds may not be readily accessible by our Group for our Malaysian operations as the repatriation of funds from China is subject to various regulations, amongst others, foreign exchange controls, repatriation limits, tax considerations, banking procedures and compliance with the legal and operational framework set by the local authorities of China.*
- (3) *These funds may not be readily accessible by our Group as they have been pledged to financial institutions for bank borrowings procured.*
- (4) *The maturity of these fixed deposits is in the second half of 2024.*

In essence, approximately RM32.19 million of our Group's total cash and bank balances and unpledged fixed deposits, which could be utilised for our working capital requirements have been substantially earmarked for our Group's expansion of textile and apparel businesses as disclosed in Section 5.3 of this Abridged Prospectus. Our management anticipates that such proposed expansion of production capacity would require additional working capital of approximately RM40.0 million per annum. Hence, the Rights Issue is essential for the purposes as given in Section 3.0 of this Abridged Prospectus, including to supplement the funding requirements for our Group's expansion plan with lower reliance on invoice financing, which will reduce our Group's profit margin.

Barring any unforeseen circumstances, our Board is of the view that the Rights Issue is adequate to meet our Group's financial requirements at this juncture and to improve our financial performance in the future, thereby enhance our shareholders' value.

In the event if our Group requires additional capital in the future for the purposes which have not been budgeted in Section 3.0 of this Abridged Prospectus, our Group may consider other fund raising exercises, either through bank borrowings or the capital market.

## **5.0 INDUSTRY OVERVIEW AND PROSPECTS**

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

Domestic demand anchored the Malaysian economy in the third quarter of 2023 (Q3 2023), while global conditions remained weak and volatile. The gross domestic product (GDP) in Q3 2023 rose 3.3%, bringing growth in the nine months of 2023 to 3.9%. This is consistent with the Government's growth forecast of approximately 4% for 2023.

Domestic demand soared by 4.8% in Q3 2023, with the resilient labour market and an improving tourism sector lending further support. In terms of supply, the Malaysian economy's growth was propelled by expansion in the services (5%), agriculture (0.8%) and construction (7.2%) sectors. Offsetting these growths were minor contractions in the manufacturing (0.1%) and mining and quarrying (0.1%) sectors. Meanwhile, total trade contracted by 15.7% to RM653.3 billion.

"The dynamic domestic demand reflects the MADANI Government's ongoing efforts to restore the vibrancy of the Malaysian economy. The early stages of fiscal reforms undertaken by the Government has already generated savings and higher revenue that are being redistributed to the rakyat directly or indirectly," said Yang Amat Berhormat Dato' Seri Anwar bin Ibrahim, Prime Minister and Finance Minister.

"The labour market continued to improve, with the unemployment rate declining to 3.4% in Q3 2023, a decline by 1.4% of unemployed persons from the preceding quarter. Inflation on the other hand moderated to 2% from 2.8% in Q2 2023, aided by the Government's consumption subsidies to temper services and food price increases," he added.

In September 2023, Malaysia's Consumer Price Index (CPI) growth of 1.9% was far more benign than selected advanced economies and regional countries such as the United Kingdom (6.7%), the Philippines (6.1%), Singapore (4.1%), the United States of America (3.7%) and Indonesia (2.3%).

## **Ekonomi MADANI reforms to bolster Malaysia’s underlying fundamentals**

As the domestic market continues to improve, the onset of a recovery in electrical and electronics (“E&E”) industry is envisaged to provide some reprieve to the export market in Q4 2023.

Moving into 2024 and beyond, the Government will further implement the economic reforms as mapped out in the Ekonomi MADANI: Memperkasa Rakyat framework, together with key policy documents such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the 12<sup>th</sup> Malaysia Plan Mid-term Review. Focus areas include improving ease of doing business, promoting quality investments to generate higher-income jobs, ensuring good governance, and investing in better public services and infrastructure towards improving the quality of life for the rakyat.

“Belanjawan 2024 will effectively translate the MADANI Government’s fiscal and economic reforms into reality, with more measures introduced to realise the vision set forth in the Ekonomi MADANI. While the Government will continue to taper the fiscal deficit from 5% in 2023 to 4.3% in 2024, it remains steadfast with an expansionary fiscal policy stance to support Malaysia’s economic growth and ease the rakyat’s cost-of-living burden,” said Yang Amat Berhormat Dato’ Seri Anwar bin Ibrahim.

“The steady performance in Q3 2023 sets a strong signal for a positive trajectory for Malaysia to achieve economic resilience and support the restructuring of the economy envisaged under Ekonomi MADANI,” he added.

Nonetheless, geopolitical tensions have set a domino effect following a protracted disruption in the global supply chains and elevated global interest rates. These culminated in a slump in external demand, exposing the country’s economy to downside risks that could linger for the medium-term.

Efforts to rein in these downside risks come from the Government’s ongoing initiatives to rope in high-value foreign direct investments (“FDI”). In Q3 2023, net FDI more than doubled from the preceding quarter to RM7.2 billion (Q2 2023: RM3.1 billion). The financial and insurance/takaful activities; information and communication as well as wholesale & retail trade sectors attracted the most FDI, primarily from Hong Kong, China, the United Kingdom, Singapore and Japan. Going forward, more efforts will be mobilised to attract FDI in the high-value manufacturing sector, particularly for E&E, petrochemicals and renewable energy.

*(Source: Press release dated 17 November 2023, Ministry of Finance Malaysia)*

## **5.2 Overview and outlook of the apparel industry in Malaysia**

Malaysia has become a global trendsetter in the field of textiles and apparel wear. Malaysian designers have been creating clothing worn by celebrities, members of royalty and even heads of states. Malaysian textile and fashion entrepreneurs are more than capable of becoming international players, given their many talents.

The textile and apparels industry is an ever-growing market, with key competitors being China, European Union, United States of America and India. Nonetheless, Malaysia’s mature and well-established textile and apparels industry provides plentiful growth potential. Business opportunities lie in the higher end of the global value chain and the diversified production of higher value-added products.

Going forward, the industry’s growth will depend on building a stronger and more comprehensive ecosystem that focusses on talent, skills and innovation. Industry 4.0 technologies such as automation have impacted both the front-end as well as the back-end of the industry. Digital transformation has paved the way for completely new and efficient business models.

The importance of the textile and apparels industry continues to be prioritised in the industrial master plans, which identify industrial and technical textiles, functional fabrics, high-end fabrics and ethnic fabrics as growth categories. We welcome investments that are involved in the improvement of product quality while allowing the maintenance of reasonable price levels and contribute to the country’s export earnings.

*(Source: MIDA’s website, [www.mida.gov.my/industries/manufacturing/lifestyle/](http://www.mida.gov.my/industries/manufacturing/lifestyle/))*

### 5.3 Prospects of our Group

Our Group's operation comprises four (4) segments namely apparel, textile, advertising and others which include investment holding, property investment, provision of management services and provision of agency services. The breakdown of our revenue and PAT/LAT generated from the aforesaid four (4) segments during the FYE 2023 are as below:-

| <b>Business segments</b> | <b>Revenue (RM'000)</b> | <b>PAT / (LAT) (RM'000)</b> |
|--------------------------|-------------------------|-----------------------------|
| Apparel                  | 199,761                 | 2,592                       |
| Textile                  | 13,325                  | (16,695)                    |
| Advertising              | 12,600                  | 4,801                       |
| Others                   | 5,189                   | 26,131                      |

Similar to most of the businesses, our Group's financial performance has been adversely impacted by various factors such as slower economic recovery from the pandemic, high inflation as well as persistent geopolitical tension.

Despite the aforementioned challenges, our Group continues to deliver high quality of products and services and at the same time seek other avenues to grow our business. As the main driver of our Group's operations, the apparel segment continues to deliver high quality products for our customers including international brands. With the ratification of the Regional Comprehensive Economic Partnership by Malaysia which comes into effect in March 2022, our Group hopes to benefit from it by collaborating with more international brands. In order to attract more international customers, our Group expects to incur more expenses on environmental, social and governance aspects in order to meet international requirements. For the textile segment, our Group has been rationalising our business to improve our financial condition and at the same time producing innovative textile products for our customers.

Our Group intends to expand the textile and apparel businesses and thus, with the implementation of the Rights Issue, our Group aims to increase the production capacity by approximately 20.0% in FYEs 2024 and 2025 following the allocation of up to RM30.76 million raised from the Rights Issue for the purchase of raw materials and staff costs. On the other hand, for the advertising segment, our Group expects the industry to recover from the effect of the pandemic and ride on the improved local economic conditions.

Moving forward, our Group will continue to focus on these business segments and promote business continuity and sustainability. Accordingly, our Group has allocated up to RM10.0 million from the Rights Issue as set out in Note (3), Section 3.0 of this Abridged Prospectus to install roof-top solar PV systems in the factories as one of our Group's initiatives to promote sustainability whilst achieving cost savings.

Premised on the above as well as the outlook of the Malaysian economy and the industry outlook as set out in Sections 5.1 and 5.2 of this Abridged Prospectus, our Group is confident that with the proven track record, long term relationships with international brands and continuous product innovation, our Group will remain resilient.

*(Source: Our management)*

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## **6.0 RISK FACTORS**

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

### **6.1 Risks relating to our Group's businesses and operations**

#### **6.1.1 Business risks**

Our Group is not insulated from general business risks as well as risks inherent in the manufacturing industry and risks specific to the textile and apparel industries. These risks include, but are not limited to, constraints in labour supply, shortage and the rising cost of raw materials, changes in the law and tax legislation affecting the textile and apparel industries, fluctuations in foreign exchange rates and changes in business and credit conditions.

Although our Group has always delivered quality products to our customers to maintain good business relationships, established a large pool of reliable and reputable customers and suppliers with long term relationships, expanded our customer base by increasing the range of products offered and implemented effective cost control measures, there is no assurance that we will be able to mitigate the various risks inherent in the textile and apparel industries.

#### **6.1.2 Operational risks**

Our Group's revenue and financial performance are dependent on our business operations running smoothly and efficiently without any significant disruptions. Our Group's business operations could be adversely affected by various factors such as changes in operating expenses, competition, unavailability of human resources, fluctuation in raw material cost, the ability of our Group in controlling unforeseen costs and managing production capacity, machine downtime/failure as well as other operational risks common to going concerns. No assurance can be given that our Group will be completely sheltered against such operational risks in the future.

#### **6.1.3 Dependency on key management**

Our Board believes that our Group's continuing success will depend on the abilities and continuing efforts of our Directors and key management personnel. The loss of any of our Directors or key management personnel without suitable and timely replacement could adversely affect our Group's continued ability to manage our operations effectively and competitively.

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

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

### **6.2 Risks relating to the industry**

#### **6.2.1 Competition risk**

Our Group operates in competitive industries, namely the textile and apparel industries, which we expect to face increasing competition from existing competitors, where some may have significantly greater resources or advantages in terms of market dominance, financial resources, and human

resources. In addition, emerging companies may also enter the market, hence result in revenue erosion and loss of market share to our Group, any of which could materially and adversely affect our Group's businesses, operating results and financial condition.

While no assurance can be given that our Group would be able to maintain our competitive edge over our competitors and also our customer base, our Group believes that our existing business relationships with customers and experienced management would continue to be the key underlying factors for the future growth of our Group's business operations.

### **6.2.2 Foreign exchange fluctuation risk**

Our Group transacts certain sales and purchases in United States Dollar, hence is exposed to potential foreign currency exchange losses or gains arising from timing differences. Any appreciation or depreciation of foreign currencies against the RM will expose our Group to incurring foreign currency exchange gains or losses due to fluctuations in the exchange of foreign currencies to RM.

The risk of foreign currency exchange fluctuation is, to a certain extent, mitigated by the managed float mechanism adopted by Bank Negara Malaysia on the RM as well as our Group's foreign exchange policies where our Group assesses, controls and monitors the risk via regular review of foreign exchange movements and our Group's foreign exchange exposure. For the past three (3) years up to the LPD, our Group has not encountered any significant foreign currency exchange fluctuation that has resulted in any material adverse impact to the financials of our Group. Nevertheless, there can be no assurance that any future significant fluctuation in exchange rates will not have an impact on our Group's earnings.

### **6.2.3 Changes in economic, political and regulatory conditions**

Our Group's business prospects are subject to the developments in economic, political and regulatory conditions in Malaysia. Any adverse development in such conditions may have a negative impact on the prospects of our Group. These adverse developments include, among others, downturn in the global and Malaysian economies, changes in political leadership, changes in interest rates, war, terrorism activities, riots, unfavourable changes in the markets in which our Group operates, unfavourable changes in government policies such as changes in government's fiscal, monetary and regulatory policies, taxation and labour laws. COVID-19 pandemic has also caused an economic slowdown worldwide, including the temporary suspension of our Group's operations.

There can be no assurance that any adverse economic, political and regulatory changes will not materially affect our Group's business prospects.

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

### **6.3.1 Unsecured obligations/repayment risks of the ICULS**

The ICULS shall constitute direct, unconditional, unsubordinated and unsecured obligations of our Company and subject to the provisions contained in the Trust Deed, must at all times rank equally, without discrimination, preference or priority between themselves and must rank at least equally with all present and future direct, unconditional, unsubordinated and unsecured debts and obligations of TIB, from time to time, except those which are preferred by law. Moving forward, there is no assurance that the financial performance of our Group would be favourable to sustain the financial condition of our Group at a satisfactory level to support the value of the ICULS and generate sufficient cash flows to service the annual coupon when due.

In the event of the ICULS becoming payable upon the occurrence of an event of default pursuant to the Trust Deed, the amount which is immediately due and payable by our Company to the holders of the ICULS shall be the nominal value of the outstanding ICULS.

There is no assurance that our Company will generate sufficient cash flow to mitigate the coupon payment risk of the ICULS.



### **6.3.2 Investment risks**

The market price of TIB Shares will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the prospects and operating results of our Group and the future outlook of the industries in which we operate. The Conversion Price was arrived at after taking into consideration, the prevailing market conditions and market prices of TIB Shares preceding the Price-Fixing Date and the TERP.

The market price of the ICULS, like all listed securities traded on Bursa Securities and being new securities to be issued by our Company, are subject to, inter-alia, price discovery by investors, fluctuations in tandem with the overall outlook of the stock market in Malaysia and globally, and will be influenced by, amongst others, the market price, potential payments of dividends and volatility of the TIB Shares and the remaining conversion period of the ICULS. There is no assurance that the Conversion Price will be in-the-money during the tenure of the conversion period of the ICULS.

### **6.3.3 Delay or failure in the completion of the Rights Issue**

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

Where prior to the issuance and allotment of the ICULS to the successful Entitled Shareholders and/or the renouncee(s)/transferee(s) (if applicable):-

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

In the event that the ICULS have been allotted to the successful Entitled Shareholders and/or the renouncee(s)/transferee(s) (if applicable) and:-

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

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

### **6.3.4 Factors affecting the ICULS**

There is no prior market for the ICULS, and as such there is no assurance that an active market for the ICULS will develop upon the listing of and quotation on the Main Market of Bursa Securities, or if developed, that such a market may be sustained or adequately liquid during the tenure of the ICULS.

Our Board believes that a variety of factors could cause the future market price performance of the ICULS to fluctuate, including but not limited to trades of substantial amount of the ICULS on Bursa Securities in the future, fluctuation in the market price of the underlying TIB Shares, announcements of corporate developments relating to our Group's business and the future financial performance of our Group.

The future price performance of the ICULS will also depend on various external factors, such as the prospects of industries in which our Group operates, the economic, monetary and political conditions of Malaysia, outlook of interest rates, the investors' sentiments and liquidity in the local stock market as well as the performance of regional and world bourses. Notwithstanding the above, it should be noted that our Group's financial performance is not dependent on the market price performance of the TIB Shares and/or the ICULS.

#### **6.3.5 Potential dilution**

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

#### **6.3.6 Forward-looking statements**

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

All forward-looking statements contained in this Abridged Prospectus are based on estimates and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements.

In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

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## 7.0 EFFECTS OF THE RIGHTS ISSUE

As at the LPD, save for the Rights Issue, there are no other material transactions which may have a material effect on the operations, financial position and results of our Group since the date of announcement of our Group's latest audited consolidated financial statements for FYE 2023.

### 7.1 Convertible Securities

As at the LPD, save for 133,585,898 Warrants, our Company does not have any other convertible securities in issue. Pursuant to the provisions of the deed poll of the Warrants (“**Deed Poll**”), there shall be no adjustments to the number of the Warrants arising from the Rights Issue.

However, the Rights Issue will result in an adjustment to the exercise price of Warrants, in accordance with the provisions of the Deed Poll. The adjustment to the exercise price is as below:-

$$\text{Adjusted exercise price of Warrants} = \frac{S \times (C-D)}{C}$$

where:-

- S = existing exercise price of the Warrants;
- C = the 5-day VWAMP for each Share on the Market Day the offer or invitation is publicly announced; and
- D = in the case of an offer or invitation to acquire or subscribe for new Shares or acquire or subscribe for securities convertible into rights to acquire for new Shares, the value of rights attributable to 1 new Share

For the purpose of definition of D above, the “value of the rights attributable to 1 new Share” shall be calculated in accordance with the formula:-

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

where:-

- C = as set out above;
- E = the conversion value paid upon conversion of the convertible securities into 1 additional Share
- F = the number of Shares which is necessary to hold in order to be offered or invited by way of rights to acquire or subscribe for securities convertible into 1 additional Share

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

Save for the adjustments to the exercise price of the Warrants, the rights and obligations of the holders of the Warrants will remain unchanged.

## 7.2 Earnings and EPS

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

## 7.3 Issued share capital

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

|   | Minimum Scenario<br>(Non-Cash Option) |                       | Base Case Scenario<br>(Cash Option) <sup>(5)</sup> |                | Maximum Scenario<br>(Cash Option) <sup>(5)</sup> |                |
|---|---------------------------------------|-----------------------|--|----------------|--|----------------|
|   | No. of<br>Shares<br>'000              | RM'000                | No. of<br>Shares<br>'000                           | RM'000         | No. of<br>Shares<br>'000                         | RM'000         |
| As at the LPD <sup>(1)</sup>                                      | 275,918                               | 126,071               | 275,918  | 126,071        | 275,918  | 126,071        |
| To be issued upon full exercise of<br>the Warrants <sup>(2)</sup> | -                                     | -                     | -  | -              | 133,586  | 74,808         |
| Assuming full resale of treasury<br>shares <sup>(3)</sup>         | -                                     | -                     | -  | -              | 809  | -              |
|   | 275,918                               | 126,071               | 275,918  | 126,071        | 410,313  | 200,879        |
| To be issued upon conversion of<br>ICULS                          | 81,159                                | <sup>(4)</sup> 16,170 | 1,379,592  | 275,918        | 2,051,567  | 410,313        |
| Enlarged issued share capital                                     | <b>357,077</b>                        | <b>142,241</b>        | <b>1,655,510</b>                                   | <b>401,989</b> | <b>2,461,880</b>                                 | <b>611,192</b> |

### Notes:-

- (1) Excluding 809,200 treasury shares.
- (2) Assuming the full exercise of 133,585,898 Warrants at the exercise price of RM0.56 per Warrant.
- (3) Assuming all the treasury shares are resold in the open market based on the closing price of RM0.27 as at the LPD.
- (4) Based on the estimated equity component of the ICULS arising from the Rights Issue of RM16.17 million.
- (5) Based on the assumption that all the ICULS holders surrender one (1) ICULS together with additional cash payment of RM0.15 such that in aggregate it amounts to RM0.20 for one (1) new Share.

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#### 7.4 NA and gearing

The pro forma effects of the Rights Issue on our consolidated NA per Share and gearing based on our latest unaudited consolidated financial statements for FPE 2024 are as follows:-

|                                     |   |  | Minimum Scenario<br>(Non-Cash Option)                 |   | Base Case Scenario<br>(Cash Option) <sup>(6)</sup>    |  | Maximum Scenario<br>(Cash Option) <sup>(6)</sup> |  |                |
|-------------------------------------|---|--|---|---|---|--|--|--|----------------|
|                                     | (I)   | (II)   | (III)   | (IV)                                      | (V)   | (VI)   | (VII)  | (VIII)   |                |
|                                     | <sup>(2)</sup> After<br>subsequent<br>events<br>up to LPD | After (I)<br>and<br>Proposed<br>Rights Issue | After (II)<br>and upon full<br>conversion of<br>ICULS | After (I) and<br>Proposed<br>Rights Issue | After (IV) and<br>upon full<br>conversion of<br>ICULS | After (I) and upon full<br>exercise of the<br>Warrants & full resale<br>of the treasury shares | After (VI)<br>and<br>Proposed<br>Rights Issue    | After (VII)<br>and upon full<br>conversion of<br>ICULS |                |
| Unaudited<br>as at<br>31.10.2023    | RM'000  | RM'000                                       | RM'000  | RM'000                                    | RM'000  | RM'000   | RM'000   | RM'000   | RM'000         |
| Share capital                       | 126,071   | 126,071                                      | 126,071   | 142,241                                   | 126,071   | 401,989  | 200,879  | 200,879  | 611,192        |
| ICULS - equity portion              | -   | -  | <sup>(3)</sup> 16,170                                 | -   | <sup>(3)</sup> 68,718                                 | -  | -  | <sup>(3)</sup> 102,190                                 | -              |
| Treasury shares                     | (128)   | (128)  | (128)   | (128)                                     | (128)   | (128)  | -  | -  | -              |
| Reserves                            | 12,817  | 12,533                                       | 12,533  | 12,533                                    | 12,533  | 12,533   | 12,533   | 12,533   | 12,533         |
| Retained earnings                   | 157,077   | 157,361                                      | <sup>(4)</sup> 156,561                                | 156,561                                   | <sup>(4)</sup> 156,561                                | 156,561  | <sup>(7)</sup> 157,451                           | <sup>(4)</sup> 156,651                                 | 156,651        |
| Shareholders' equity                | <b>295,837</b>  | <b>295,837</b>                               | <b>311,207</b>  | <b>311,207</b>                            | <b>363,755</b>  | <b>570,955</b>   | <b>370,863</b>                                   | <b>472,253</b>   | <b>780,376</b> |
| Non-controlling interest            | 28,843  | 28,843                                       | 28,843  | 28,843                                    | 28,843  | 28,843   | 28,843   | 28,843   | 28,843         |
| <b>Total equity / NA</b>            | <b>324,680</b>  | <b>324,680</b>                               | <b>340,050</b>  | <b>340,050</b>                            | <b>392,598</b>  | <b>599,798</b>   | <b>399,706</b>                                   | <b>501,096</b>   | <b>809,219</b> |
| No. of Shares ('000) <sup>(1)</sup> | 275,918   | 275,918                                      | 275,918   | 357,077                                   | 275,918   | 1,655,510  | 410,313  | 410,313  | 2,461,880      |
| NA per Share (RM)                   | 1.18  | 1.18   | 1.23  | 0.95                                      | 1.42  | 0.36   | 0.97   | 1.22   | 0.33           |
| Borrowings (RM'000)                 | 63,824  | 63,824                                       | <sup>(5)</sup> 63,905                                 | 63,824                                    | <sup>(5)</sup> 44,168                                 | 43,824   | 63,824   | <sup>(5)</sup> 21,737                                  | 21,226         |
| Gearing (times)                     | 0.20  | 0.20   | 0.19  | 0.19                                      | 0.11  | 0.07   | 0.16   | 0.04   | 0.03           |

**Notes:-**

(1) Excluding 809,200 treasury shares.

(2) After deducting the ESOS reserves of RM284,420 and transferring to retained earnings pursuant to the expiry of the existing employees' share option scheme on 8 September 2023.

(3) The estimated equity component of the ICULS arising from the Rights Issue is determined by deducting the liability component of the ICULS of about RM80,916 under the Minimum Scenario, RM343,865 under the Base Case Scenario and RM511,356 under the Maximum Scenario, which is estimated by discounting the coupon payments over the tenure of five (5) years at an effective annual interest rate of 0.10%, from the gross proceeds to be raised under the Rights Issue.

The equity component of the ICULS also includes the resulting deferred tax asset arising from the temporary differences of the liability component of the ICULS of about RM19,420 under the Minimum Scenario, RM82,528 under the Base Case Scenario and RM122,725 under the Maximum Scenario, which is recognised based on the Malaysian statutory tax rate of 24.0%.

- (4) After deducting the estimated expenses incidental to the Rights Issue of RM800,000.
- (5) After adjusted for the following:-
- (i) adding the liability component of the ICULS of about RM80,916 under the Minimum Scenario, RM343,865 under the Base Case Scenario and RM511,356 under the Maximum Scenario; and
- (ii) repayment of bank borrowings of RM20.0 million under the Base Case Scenario and RM42.60 million under the Maximum Scenario as set out in Note 5, Section 3.0 of this Abridged Prospectus.
- (6) Based on the assumption that all the ICULS holders surrender one (1) ICULS together with additional cash payment of RM0.15 such that in aggregate it amounts to RM0.20 for one (1) new Share.
- (7) Assuming the resale of 809,200 treasury shares of RM128,036 for RM218,484 in the open market based on the closing price of RM0.27 as at the LPD.

## 7.5 Substantial shareholders' shareholdings

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

### Minimum Scenario

|                                      | (I)           |                  |                           |                  | (II)  |                  |                               |                  | (III)   |                  |                               |                  |
|--------------------------------------|---------------|------------------|---------------------------|------------------|---|------------------|-------------------------------|------------------|---|------------------|-------------------------------|------------------|
|                                      | As at the LPD |                  |                           |                  | After (I) and assuming full conversion of ICULS via Non-Cash Option |                  |                               |                  | After (I) and assuming full conversion of ICULS via Cash Option <sup>(13)</sup> |                  |                               |                  |
|                                      | Direct        |                  | Indirect                  |                  | Direct  |                  | Indirect                      |                  | Direct  |                  | Indirect                      |                  |
| Substantial shareholders             | No. of Shares | <sup>(4)</sup> % | No. of Shares             | <sup>(4)</sup> % | No. of Shares   | <sup>(4)</sup> % | No. of Shares                 | <sup>(4)</sup> % | No. of Shares   | <sup>(4)</sup> % | No. of Shares                 | <sup>(4)</sup> % |
| Lau Mong Ying <sup>(1)</sup>         | 28,080,010    | 10.17            | <sup>(5)</sup> 28,030,650 | 10.16            | 28,080,010  | 7.86             | <sup>(5)</sup> 28,030,650     | 7.85             | 28,080,010  | 4.68             | <sup>(5)</sup> 28,030,650     | 4.67             |
| Yi-Lai Marketing Sdn Bhd             | 27,905,000    | 10.11            | -                         | -                | <sup>(9)</sup> 62,786,250   | 17.58            | -                             | -                | <sup>(9)</sup> 167,430,000  | 27.88            | -                             | -                |
| JE Holdings Sdn Bhd                  | 26,221,050    | 9.50             | -                         | -                | 26,221,050  | 7.34             | -                             | -                | 26,221,050  | 4.36             | -                             | -                |
| Yi-Lai Industry Berhad               | 20,998,400    | 7.61             | -                         | -                | <sup>(10)</sup> 47,246,400  | 13.23            | -                             | -                | <sup>(10)</sup> 125,990,400   | 20.98            | -                             | -                |
| Datuk Au Yee Boon <sup>(2)</sup>     | 11,100,200    | 4.02             | <sup>(6)</sup> 4,923,500  | 1.78             | <sup>(11)</sup> 24,975,450  | 6.99             | <sup>(6)(12)</sup> 11,077,875 | 3.10             | <sup>(11)</sup> 66,601,200  | 11.09            | <sup>(6)(12)</sup> 29,541,000 | 4.92             |
| Lau Mong Fah <sup>(1)</sup>          | 1,785,000     | 0.65             | <sup>(7)</sup> 26,221,050 | 9.50             | 1,785,000   | 0.50             | <sup>(7)</sup> 26,221,050     | 7.34             | 1,785,000   | 0.30             | <sup>(7)</sup> 26,221,050     | 4.37             |
| YB Ventures Berhad <sup>(2)(3)</sup> | -             | -                | <sup>(8)</sup> 48,903,400 | 17.72            | -   | -                | <sup>(8)</sup> 110,032,650    | 30.81            | -   | -                | <sup>(8)</sup> 293,420,400    | 48.86            |

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**Base Case Scenario**

|                                      | (I)           |                  |                           |                  | (II)  |                  |                               |                  | (III)   |                  |                               |                  |
|--------------------------------------|---------------|------------------|---------------------------|------------------|---|------------------|-------------------------------|------------------|---|------------------|-------------------------------|------------------|
|                                      | As at the LPD |                  |                           |                  | After (I) and assuming full conversion of ICULS via Non-Cash Option |                  |                               |                  | After (I) and assuming full conversion of ICULS via Cash Option <sup>(13)</sup> |                  |                               |                  |
|                                      | Direct        |                  | Indirect                  |                  | Direct  |                  | Indirect                      |                  | Direct  |                  | Indirect                      |                  |
| Substantial shareholders             | No. of Shares | <sup>(4)</sup> % | No. of Shares             | <sup>(4)</sup> % | No. of Shares   | <sup>(4)</sup> % | No. of Shares                 | <sup>(4)</sup> % | No. of Shares   | <sup>(4)</sup> % | No. of Shares                 | <sup>(4)</sup> % |
| Lau Mong Ying <sup>(1)</sup>         | 28,080,010    | 10.17            | <sup>(5)</sup> 28,030,650 | 10.16            | <sup>(14)</sup> 63,180,022  | 10.18            | <sup>(5)</sup> 63,068,962     | 10.16            | <sup>(14)</sup> 168,480,060   | 10.18            | <sup>(5)</sup> 168,183,900    | 10.16            |
| Yi-Lai Marketing Sdn Bhd             | 27,905,000    | 10.11            | -                         | -                | <sup>(9)</sup> 62,786,250   | 10.11            | -                             | -                | <sup>(9)</sup> 167,430,000  | 10.11            | -                             | -                |
| JE Holdings Sdn Bhd                  | 26,221,050    | 9.50             | -                         | -                | <sup>(15)</sup> 58,997,362  | 9.50             | -                             | -                | <sup>(15)</sup> 157,326,300   | 9.50             | -                             | -                |
| Yi-Lai Industry Berhad               | 20,998,400    | 7.61             | -                         | -                | <sup>(10)</sup> 47,246,400  | 7.61             | -                             | -                | <sup>(10)</sup> 125,990,400   | 7.61             | -                             | -                |
| Datuk Au Yee Boon <sup>(2)</sup>     | 11,100,200    | 4.02             | <sup>(6)</sup> 4,923,500  | 1.78             | <sup>(11)</sup> 24,975,450  | 4.02             | <sup>(6)(12)</sup> 11,077,875 | 1.78             | <sup>(11)</sup> 66,601,200  | 4.02             | <sup>(6)(12)</sup> 29,541,000 | 1.78             |
| Lau Mong Fah <sup>(1)</sup>          | 1,785,000     | 0.65             | <sup>(7)</sup> 26,221,050 | 9.50             | <sup>(16)</sup> 4,016,250   | 0.65             | <sup>(7)</sup> 58,997,362     | 9.50             | <sup>(16)</sup> 10,710,000  | 0.65             | <sup>(7)</sup> 157,326,300    | 9.50             |
| YB Ventures Berhad <sup>(2)(3)</sup> | -             | -                | <sup>(8)</sup> 48,903,400 | 17.72            | -   | -                | <sup>(8)</sup> 110,032,650    | 17.72            | -   | -                | <sup>(8)</sup> 293,420,400    | 17.72            |

**Maximum Scenario**

|                                      | (I)           |                  |                           |                  | (II)  |      |                           |       |
|--------------------------------------|---------------|------------------|---------------------------|------------------|---|------|---------------------------|-------|
|                                      | As at the LPD |                  |                           |                  | After (I) and assuming full exercise of the Warrants & full resale of the treasury shares |      |                           |       |
|                                      | Direct        |                  | Indirect                  |                  | Direct  |      | Indirect                  |       |
| Substantial shareholders             | No. of Shares | <sup>(4)</sup> % | No. of Shares             | <sup>(4)</sup> % | No. of Shares   | %    | No. of Shares             | %     |
| Lau Mong Ying <sup>(1)</sup>         | 28,080,010    | 10.17            | <sup>(5)</sup> 28,030,650 | 10.16            | <sup>(17)</sup> 28,169,660  | 6.87 | <sup>(5)</sup> 30,516,375 | 7.44  |
| Yi-Lai Marketing Sdn Bhd             | 27,905,000    | 10.11            | -                         | -                | 27,905,000  | 6.80 | -                         | -     |
| JE Holdings Sdn Bhd                  | 26,221,050    | 9.50             | -                         | -                | <sup>(18)</sup> 29,611,575  | 7.22 | -                         | -     |
| Yi-Lai Industry Berhad               | 20,998,400    | 7.61             | -                         | -                | 20,998,400  | 5.12 | -                         | -     |
| Datuk Au Yee Boon <sup>(2)</sup>     | 11,100,200    | 4.02             | <sup>(6)</sup> 4,923,500  | 1.78             | 11,100,200  | 2.71 | <sup>(6)</sup> 4,923,500  | 1.20  |
| Lau Mong Fah <sup>(1)</sup>          | 1,785,000     | 0.65             | <sup>(7)</sup> 26,221,050 | 9.50             | <sup>(19)</sup> 2,677,500   | 0.65 | <sup>(7)</sup> 29,611,575 | 7.22  |
| YB Ventures Berhad <sup>(2)(3)</sup> | -             | -                | <sup>(8)</sup> 48,903,400 | 17.72            | -   | -    | <sup>(8)</sup> 48,903,400 | 11.92 |

|                                      | (III)  |      |                               |       | (IV)   |      |                               |       |
|--------------------------------------|--|------|-------------------------------|-------|--|------|-------------------------------|-------|
|                                      | After (II) and assuming full conversion of ICULS via Non-Cash Option |      |                               |       | After (II) and assuming full conversion of ICULS via Cash Option <sup>(13)</sup> |      |                               |       |
|                                      | Direct   |      | Indirect                      |       | Direct   |      | Indirect                      |       |
| Substantial shareholders             | No. of Shares  | %    | No. of Shares                 | %     | No. of Shares  | %    | No. of Shares                 | %     |
| Lau Mong Ying <sup>(1)</sup>         | <sup>(20)</sup> 63,381,735   | 6.87 | <sup>(5)</sup> 68,661,843     | 7.44  | <sup>(20)</sup> 169,017,960  | 6.87 | <sup>(5)</sup> 183,098,250    | 7.44  |
| Yi-Lai Marketing Sdn Bhd             | <sup>(9)</sup> 62,786,250  | 6.80 | -                             | -     | <sup>(9)</sup> 167,430,000   | 6.80 | -                             | -     |
| JE Holdings Sdn Bhd                  | <sup>(21)</sup> 66,626,043   | 7.22 | -                             | -     | <sup>(21)</sup> 177,669,450  | 7.22 | -                             | -     |
| Yi-Lai Industry Berhad               | <sup>(10)</sup> 47,246,400   | 5.12 | -                             | -     | <sup>(10)</sup> 125,990,400  | 5.12 | -                             | -     |
| Datuk Au Yee Boon <sup>(2)</sup>     | <sup>(11)</sup> 24,975,450   | 2.71 | <sup>(6)(12)</sup> 11,077,875 | 1.20  | <sup>(11)</sup> 66,601,200   | 2.71 | <sup>(6)(12)</sup> 29,541,000 | 1.20  |
| Lau Mong Fah <sup>(1)</sup>          | <sup>(22)</sup> 6,024,375  | 0.65 | <sup>(7)</sup> 66,626,043     | 7.22  | <sup>(22)</sup> 16,065,000   | 0.65 | <sup>(7)</sup> 177,669,450    | 7.22  |
| YB Ventures Berhad <sup>(2)(3)</sup> | -  | -    | <sup>(8)</sup> 110,032,650    | 11.92 | -  | -    | <sup>(8)</sup> 293,420,400    | 11.92 |

**Notes:-**

- (1) *Lau Mong Ying and Lau Mong Fah are siblings.*
- (2) *Datuk Au Yee Boon is an Executive Director of YB Ventures Berhad.*
- (3) *Based on the latest Annual Report of YB Ventures Berhad for 2023, Datin Lim Lee Wheng, Datuk Au Yee Boon and TechBase Solutions Sdn Bhd are the substantial shareholders of YB Ventures Berhad, with a collective shareholding interest of 12.84%.*
- (4) *Excluding treasury shares.*
- (5) *Deemed interested by virtue of his interest in JE Holdings Sdn Bhd pursuant to Section 8 of the Act and the shareholdings of his son, namely Lau Yu Jun (Eugene) in TIB. For clarity, Lau Yu Jun (Eugene) is holding 1,809,600 Shares and 904,800 Warrants as at the LPD.*
- (6) *Deemed interested by virtue of his interest in TechBase Solution Sdn Bhd pursuant to Section 8 of the Act. For clarity, Datuk Au Yee Boon is the sole shareholder of TechBase Solution Sdn Bhd.*
- (7) *Deemed interested by virtue of his interest in JE Holdings Sdn Bhd pursuant to Section 8 of the Act.*
- (8) *Deemed interested by virtue of its interest in Yi-Lai Marketing Sdn Bhd and Yi-Lai Industry Berhad pursuant to Section 8 of the Act. For clarity, YB Ventures Berhad is the sole shareholder of Yi-Lai Marketing Sdn Bhd and Yi-Lai Industry Berhad*
- (9) *Assuming 139,525,000 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (10) *Assuming 104,992,000 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (11) *Assuming 55,501,000 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (12) *Assuming 24,617,500 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (13) *Based on the assumption that all the ICULS holders surrender one (1) ICULS together with additional cash payment of RM0.15 such that in aggregate it amounts to RM0.20 for one (1) new Share.*
- (14) *Assuming 140,400,050 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (15) *Assuming 131,105,250 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (16) *Assuming 8,925,000 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (17) *Upon full exercise of his holdings of 89,650 Warrants.*
- (18) *Upon full exercise of its holdings of 3,390,525 Warrants.*
- (19) *Upon full exercise of his holdings of 892,500 Warrants.*
- (20) *Assuming 140,848,300 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (21) *Assuming 148,057,875 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*
- (22) *Assuming 13,387,500 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.*



## 8.0 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

### 8.1 Working capital

Our Group's current working capital is funded through the existing cash and bank balances along with the funds generated from our Group's operating activities. As at the LPD, our Group holds cash and bank balances of RM46.01 million.

Our Directors are of the opinion, after taking into consideration the proceeds from the Rights Issue, our Group's cash and bank balances and the funds to be internally generated from our operations, that the working capital available to the corporation will be sufficient for a period of twelve (12) months from the date of this Abridged Prospectus.

### 8.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM53.10 million, all of which are denominated in RM and interest-bearing. The details of the outstanding borrowings of our Group are as follows:-

| Purpose of facility                 |  | Annual interest rate<br>% | Outstanding as at the LPD<br>RM'000 |
|-------------------------------------|--|---------------------------|-------------------------------------|
| <b><u>Long-term borrowings</u></b>  |  |                           |                                     |
| Term loan                           | To finance the acquisition of land and construction cost of fabric mill in Kluang, Johor         | 6.25                      | 36,875                              |
| <b><u>Short-term borrowings</u></b> |  |                           |                                     |
| Term loan                           | To finance the purchase of factory and hostels in Kluang, Johor as well as plant and machineries | 4.72 - 6.14               | 5,977                               |
| Invoice financing                   | To finance amount due from customers   | 5.38 - 6.50               | 2,972                               |
| Finance lease                       | To finance purchase of motor vehicles  | 2.27                      | 518                                 |
| Banker acceptance                   | To finance purchase of raw materials   | 4.70                      | 5,727                               |
| Bank overdraft                      | To use as working capital  | 6.57                      | 1,035                               |
| <b>Total borrowings</b>             |  |                           | <b><u><u>53,104</u></u></b>         |

Our Board confirmed that there has been no default on payments of either interest and/or principal sums in respect of any borrowings for the FYE 2023 and the subsequent financial period up to the LPD.

### 8.3 Material commitments and contingent liabilities

As at the LPD, our Board is not aware of any material commitments and contingent liabilities incurred or known to be incurred by the TIB Group which, upon becoming due and enforceable, may have a material and adverse impact on the financial results/position of the TIB Group.

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

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

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFeree(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY, IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.**

**ACCEPTANCE OF AND/OR PAYMENT FOR THE PROVISIONAL RIGHTS ICULS WHICH DO NOT CONFORM STRICTLY TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF OR THE NOTES AND INSTRUCTIONS PRINTED THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.**

### **9.1 General**

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

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

Our Share Registrar will not contact you and/or your renounee(s)/transferee(s) (where applicable) for acceptance which do not strictly conform with the terms and conditions of this Abridged Prospectus or the RSF and the notes and instructions contained in the RSF which are illegible. An announcement on the outcome of the Rights Issue shall be released on Bursa Securities' website at <http://www.bursamalaysia.com> after the Closing Date.

### **9.2 NPA**

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

### **9.3 Last date and time for acceptance and payment**

The last date and time for acceptance and payment for the Provisional Rights ICULS is at **5.00 p.m. on Wednesday, 20 March 2024**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

#### 9.4 Methods of acceptance and application

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

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

#### 9.5 Procedures for acceptance and payment

##### 9.5.1 By way of RSF

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

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

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

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

You and/or your renouncee(s)/transferee(s) (if applicable) who are accepting in full or in part of your entitlement to the Provisional Rights ICULS are required to fill and complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER or DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:-

**Aldpro Corporate Services Sdn Bhd**

B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
Wilayah Persekutuan

Tel No: +6 03 9770 2200

Fax No: +6 03 9770 2239

so as to arrive not later than **5.00 p.m. on Wednesday, 20 March 2024**, being the last date and time for acceptance and payment for the Provisional Rights ICULS, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

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

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

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

If acceptance and payment for the Provisional Rights ICULS from you and/or your renouneece(s)/transferee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m. on Wednesday, 20 March 2024**, being the last date and time for acceptance and payment for the Provisional Rights ICULS, or any other extended date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated time and date at its discretion, you and/or your renouneece(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Rights ICULS made to you and/or your renouneece(s)/transferee(s) (if applicable) and it will be cancelled. In the event that the ICULS are not fully taken up by such applicants, our Board will then have the right to allot such ICULS to the applicants who have applied for Excess Rights ICULS in the manner as set out in Section 9.9 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right to accept any application in full or in part only without providing any reasons.

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

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE ICULS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "TECHBASE INDUSTRIES BERHAD RIGHTS ICULS" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS TOGETHER WITH YOUR CONTACT NUMBER, YOUR ADDRESS AND YOUR 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 ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.**

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

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

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

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

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

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

You can have the option to accept your entitlement to the Provisional Rights ICULS and payment for the Provisional Rights ICULS through e-Subscription available from Share Registrar's Investor Portal at <https://www.aldpro.com.my>. The e-Subscription is available to all Entitled Shareholders including individuals, corporations or institutional shareholders. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

The Entitled Shareholders who wish to subscribe for the Provisional Rights ICULS and apply for Excess Rights ICULS by way of e-Subscription shall take note of the following:-

- (i) any e-Subscription received by our Share Registrar after the Closing Date shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by our Share Registrar from you, is irrevocable and shall be binding on you. All valid e-Subscription received by Share Registrar are irrevocable and cannot be subsequently withdrawn;
- (ii) the e-Subscription must be made in accordance with the procedures and terms and conditions of the e-Subscription, this Abridged Prospectus and the notes and conditions contained in the e-RSF. Any incomplete or incorrectly completed e-RSF submitted via Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of our Board;
- (iii) your application for the Provisional Rights ICULS and Excess Rights ICULS (if applicable) must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:-

|                         |  |
|-------------------------|--|
| <b>Name of account</b>  | <b>TECHBASE INDUSTRIES BERHAD RIGHTS ICULS</b> |
| <b>Name of bank</b>     | Malayan Banking Berhad                         |
| <b>Bank account no.</b> | 564044046203                                   |

You are required to pay an **additional fee of RM15.00** being the stamp duty and handling fee for each e-Subscription per CDS Account of e-RSF.

- (iv) All Entitled Shareholders who wish to submit by way of e-Subscription of e-RSF are required to follow the procedures and read the terms and conditions as stated below:-

### Procedures

| <b>Procedure</b>         | <b>Action</b>  |
|--------------------------|--|
| <b>User registration</b> | <ul style="list-style-type: none"> <li>• Access the Investor Portal at <a href="https://www.aldpro.com.my">https://www.aldpro.com.my</a></li> <li>• Click &lt;&lt;Investor Portal&gt;&gt; and followed by &lt;&lt;Register Account&gt;&gt; to register as a new user. Please refer to the online help tutorial for assistance.</li> <li>• Read and agree to the terms &amp; conditions and confirm the declaration.</li> <li>• Your registration will be activated within one (1) working day upon submission.</li> <li>• Upon successful registration of your user account, you will receive a notification email.</li> <li>• If you have already registered an account with Aldpro’s Investor Portal, you are not required to register again.</li> </ul>   |
| <b>e-Subscription</b>    | <ul style="list-style-type: none"> <li>• Login with your user ID and password for e-Subscription before the Closing Date.</li> <li>• Open the “<b>TECHBASE RIGHTS ISSUE OF ICULS</b>”.</li> <li>• Key in your full name, CDS Account number, contact number, the number of units for acceptance of your Rights ICULS and Excess Rights ICULS (if you choose to apply for additional Rights ICULS).</li> <li>• Proceed for the payment via online banking and please indicate the details with the last 9 digits of CDS Account number and shareholder name when payment is made.</li> <li>• Download the payment advice when the payment was successful transferred.</li> <li>• Upload the proof of payment(s) (i.e. payment advice) for the e-subscription.</li> <li>• Ensure all information in the form is accurate before submitting the form.</li> <li>• You may check your submitted transaction(s) under “My Submission” at your main page and print out your e-RSF for your reference / record.</li> </ul> |

If you encounter any problems during the registration or submission, please email to our Share Registrar at [admin@aldpro.com.my](mailto:admin@aldpro.com.my) or call at +603-9770 2200 for assistance.

### Terms and conditions of the e-Subscription

By submitting your acceptance of the ICULS and application of the Excess Rights ICULS (if applicable) by way of e-Subscription:-

- (a) you confirmed that you have attained 18 years of age as at the last day for subscription and payment;
- (b) you confirmed that you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/or have had access to this Abridged Prospectus from Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com) , the contents of which you have read and understood;
- (c) you agree to all the terms and conditions for the e-Subscription and have carefully considered the risk factors as set out in this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;
- (d) you agree and undertake to subscribe for and to accept the number of ICULS and Excess Rights ICULS applied for (if applicable) as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of ICULS that may be allotted to you;

- (e) You acknowledge that your submission by way of e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:-
- our Company or Share Registrar does not receive your submission of the e-RSF; or
  - data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted or not communicated to our Share Registrar,
- your submission of the e-RSF will be deemed as failed and not to have been made. Our Company and Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your e-Subscription due to the above reasons and you further agree that you may not make any claims whatsoever against our Company or Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your e-Subscription;
- (f) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from the records of Bursa Depository, your application by way of e-Subscription may be rejected at the absolute discretion of our Board without assigning any reason. Therefore:-
- you must inform your stockbrokers to update Bursa Depository 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; and
  - by making and completing an e-Subscription, you agree that:-
    1. in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional Rights ICULS and Excess Rights ICULS applied (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and
    2. our Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our Company's control;
- (g) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.
- (h) You agree that all the ICULS to be issued pursuant to the Rights Issue will be allotted by way of crediting the ICULS into your CDS Account. No physical share or ICULS certificates will be issued.
- (i) You agree that our Company and Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.
- (j) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date.

In respect of unsuccessful or partially accepted applications, 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 dividends/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 by ordinary post to the address as shown on the Record of Depositors at your own risk within 15 Market Days from the Closing Date.

If acceptance of and payment for the Provisional Rights ICULS allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by **5.00 p.m. on Wednesday, 20 March 2024**, 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 our Share Registrar.

Our Board will then have the right to allot any ICULS not taken up or not validly taken up to applicants applying for the Excess Rights ICULS in the manner as set out in Section 9.9 of this Abridged Prospectus. Our Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

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

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

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

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

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

#### **9.7 Procedures for sale or transfer of Provisional Rights ICULS**

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

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RIGHTS ICULS, YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) NEED NOT DELIVER ANY DOCUMENT, INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) MUST ENSURE THAT THERE IS SUFFICIENT PROVISIONAL RIGHTS ICULS STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS BEFORE SELLING OR TRANSFERRING.**

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

Purchaser(s) or transferee(s) of the Provisional Rights ICULS may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar as stated above. This Abridged Prospectus and RSF are also available on Bursa Securities' website at <http://www.bursamalaysia.com>.

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



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

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

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

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

## 9.9 Procedures for Excess Application

### (a) By way of RSF

If you and/or your renouneece(s)/transferee(s) (if applicable) wish to apply for Excess Rights ICULS in addition to the Provisional Rights ICULS, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it (together with a **combined remittance in RM** for the full amount payable in respect of the Excess Rights ICULS applied for) to our Share Registrar at the address set out above, so as to arrive **not later than 5.00 p.m. on Wednesday, 20 March 2024**, being the last date and time for excess application and payment, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

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

### (b) By way of e-Subscription

If you are an Entitled Shareholder who is an individual, you may apply for the Excess Rights ICULS via e-Subscription in addition to your Provisional Rights ICULS. If you wish to do so, you may apply for the Excess Rights ICULS by following the same steps as set out in Section 9.5.2 of this Abridged Prospectus.

The e-Subscription for Excess Rights ICULS will be made on, and subject to, the same terms and conditions appearing in Section 9.5.2 of this Abridged Prospectus.

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

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

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

Nevertheless, our Board reserves the right to allot the Excess Rights ICULS applied for via e-RSF or under Part I(B) of the RSF in such a manner as our Board deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in Section 9.9 (i) to (iv) of this Abridged Prospectus are achieved. Our Board also reserves the right at its absolute discretion not to accept any application for the Excess Rights ICULS, in full or in part, without assigning any reason thereto.

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

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

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

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

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

#### **9.10 Notice of allotment**

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

Upon allotment of the ICULS in respect of your acceptance and/or your renouncee(s) / transferee(s) acceptance (if applicable) and Excess Application (if any), the ICULS shall be credited directly into the respective CDS Account where the Provisional Rights ICULS were credited. No physical certificates will be issued in respect of the ICULS. 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 or allowed by Bursa Securities, to the address last shown on the Record of Depositors at your own risk.

Where any application for the ICULS is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be by issuance of cheque or banker's draft and will be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last shown on the Record of Depositors at your own risk.

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

#### **9.11 Form of issuance**

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

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

##### **Subscription of ICULS by Entitled Shareholders**

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

##### **Subscription of ICULS by a renouncee/transferee**

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

##### **Application for the Excess Rights ICULS by an Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable)**

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

## 9.12 Laws of foreign jurisdictions

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

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

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

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

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

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that Foreign Entitled Shareholders and/or renounee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights ICULS;
- (iii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights ICULS, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

- (iv) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are aware that the ICULS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have received a copy of this Abridged Prospectus, and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the ICULS; and
- (vi) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ICULS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the ICULS.

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

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

## 10.0 TERMS AND CONDITIONS

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

## 11.0 FURTHER INFORMATION

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

Yours faithfully,

For and on behalf of our Board of Directors of

**TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)**



**DATUK AU YEE BOON**  
Executive Director

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**INFORMATION OF OUR COMPANY**


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**1. SHARE CAPITAL**

As at the LPD, the issued share capital of our Company is RM126,071,329 comprising 275,918,313 issued TIB Shares (excluding 809,200 treasury shares).

**2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Please refer to Section 7.5 of this Abridged Prospectus for information on our substantial shareholders' shareholdings prior to and after the Rights Issue.

**3. BOARD OF DIRECTORS**

The particulars of our Directors as at the LPD are set out below:-

| <u>Name</u>         | <u>Address</u>   | <u>Age</u> | <u>Nationality</u> | <u>Designation</u>                     |
|---------------------|--|------------|--------------------|--|
| Datuk Au Yee Boon   | D-32-02, Tropicana Grande Condo No.3, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor | 43         | Malaysian          | Executive Director                     |
| Datin Lim Lee Wheng | D-32-02, Tropicana Grande Condo No.3, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor | 43         | Malaysian          | Non-Independent Non-Executive Director |
| Au Yee Soon         | 12A, Persiaran Wira Jaya Timur 25 Taman Gunung View 31350 Ipoh Perak   | 40         | Malaysian          | Non-Independent Non-Executive Director |
| Lee Boon Siong      | B-21-12 Savanna Bukit Jalil Jalan 1/155A Bukit Jalil 57000 Kuala Lumpur Wilayah Persekutuan                            | 43         | Malaysian          | Executive Director                     |
| Datuk Low Chin Koon | No.11, Jalan BP 4/1 Bandar Bukit Puchong 47120 Puchong Selangor  | 44         | Malaysian          | Independent Non-Executive Director     |
| Tan Chin Yong       | 33, Jalan Merawan Taman Majidee 80250 Johor Bahru Johor  | 41         | Malaysian          | Independent Non-Executive Director     |

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**INFORMATION OF OUR COMPANY (CONT'D)**


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**Directors' shareholdings**

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

**Minimum Scenario**

|                     | (I)           |                  |                           |                  | (II)  |                  |                              |                  | (III)  |                  |                              |                  |
|---------------------|---------------|------------------|---------------------------|------------------|---|------------------|------------------------------|------------------|--|------------------|------------------------------|------------------|
|                     | As at the LPD |                  |                           |                  | After (I) and assuming full conversion of ICULS via Non-Cash Option |                  |                              |                  | After (I) and assuming full conversion of ICULS via Cash Option <sup>(6)</sup> |                  |                              |                  |
|                     | Direct        |                  | Indirect                  |                  | Direct  |                  | Indirect                     |                  | Direct   |                  | Indirect                     |                  |
| Directors           | No. of Shares | <sup>(1)</sup> % | No. of Shares             | <sup>(1)</sup> % | No. of Shares   | <sup>(1)</sup> % | No. of Shares                | <sup>(1)</sup> % | No. of Shares  | <sup>(1)</sup> % | No. of Shares                | <sup>(1)</sup> % |
| Datuk Au Yee Boon   | 11,100,200    | 4.02             | <sup>(2)</sup> 4,923,500  | 1.78             | <sup>(4)</sup> 24,975,450   | 6.99             | <sup>(2)(5)</sup> 11,077,875 | 3.10             | <sup>(4)</sup> 66,601,200  | 11.09            | <sup>(2)(5)</sup> 29,541,000 | 4.92             |
| Datin Lim Lee Wheng | -             | -                | <sup>(3)</sup> 11,100,200 | 4.02             | -   | -                | <sup>(3)</sup> 24,975,450    | 6.99             | -  | -                | <sup>(3)</sup> 66,601,200    | 11.09            |

**Base Case Scenario**

|                     | (I)           |                  |                           |                  | (II)  |                  |                              |                  | (III)  |                  |                              |                  |
|---------------------|---------------|------------------|---------------------------|------------------|---|------------------|------------------------------|------------------|--|------------------|------------------------------|------------------|
|                     | As at the LPD |                  |                           |                  | After (I) and assuming full conversion of ICULS via Non-Cash Option |                  |                              |                  | After (I) and assuming full conversion of ICULS via Cash Option <sup>(6)</sup> |                  |                              |                  |
|                     | Direct        |                  | Indirect                  |                  | Direct  |                  | Indirect                     |                  | Direct   |                  | Indirect                     |                  |
| Directors           | No. of Shares | <sup>(1)</sup> % | No. of Shares             | <sup>(1)</sup> % | No. of Shares   | <sup>(1)</sup> % | No. of Shares                | <sup>(1)</sup> % | No. of Shares  | <sup>(1)</sup> % | No. of Shares                | <sup>(1)</sup> % |
| Datuk Au Yee Boon   | 11,100,200    | 4.02             | <sup>(2)</sup> 4,923,500  | 1.78             | <sup>(4)</sup> 24,975,450   | 4.02             | <sup>(2)(5)</sup> 11,077,875 | 1.78             | <sup>(4)</sup> 66,601,200  | 4.02             | <sup>(2)(5)</sup> 29,541,000 | 1.78             |
| Datin Lim Lee Wheng | -             | -                | <sup>(3)</sup> 11,100,200 | 4.02             | -   | -                | <sup>(3)</sup> 24,975,450    | 4.02             | -  | -                | <sup>(3)</sup> 66,601,200    | 4.02             |

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**INFORMATION OF OUR COMPANY (CONT'D)**


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**Maximum Scenario**

|                     | (I)           |       |                |       | (II)  |      |                |      |
|---------------------|---------------|-------|----------------|-------|---|------|----------------|------|
|                     | As at the LPD |       |                |       | After (I) and assuming full exercise of the Warrants & full resale of the treasury shares |      |                |      |
|                     | Direct        |       | Indirect       |       | Direct  |      | Indirect       |      |
| Directors           | No. of Shares | (1) % | No. of Shares  | (1) % | No. of Shares   | %    | No. of Shares  | %    |
| Datuk Au Yee Boon   | 11,100,200    | 4.02  | (2) 4,923,500  | 1.78  | 11,100,200  | 2.71 | (2) 4,923,500  | 1.20 |
| Datin Lim Lee Wheng | -             | -     | (3) 11,100,200 | 4.02  | -   | -    | (3) 11,100,200 | 2.71 |

|                     | (III)  |      |                   |      | (IV)  |      |                   |      |
|---------------------|--|------|-------------------|------|---|------|-------------------|------|
|                     | After (II) and assuming full conversion of ICULS via Non-Cash Option |      |                   |      | After (II) and assuming full conversion of ICULS via Cash Option <sup>(6)</sup> |      |                   |      |
|                     | Direct   |      | Indirect          |      | Direct  |      | Indirect          |      |
| Directors           | No. of Shares  | %    | No. of Shares     | %    | No. of Shares   | %    | No. of Shares     | %    |
| Datuk Au Yee Boon   | (4) 24,975,450   | 2.71 | (2)(5) 11,077,875 | 1.20 | (4) 66,601,200  | 2.71 | (2)(5) 29,541,000 | 1.20 |
| Datin Lim Lee Wheng | -  | -    | (3) 24,975,450    | 2.71 | -   | -    | (3) 66,601,200    | 2.71 |

**Notes:-**

- (1) Excluding treasury shares.
- (2) Deemed interested by virtue of his interest in Techbase Solution Sdn Bhd pursuant to Section 8 of the Companies Act 2016. For clarity, Datuk Au Yee Boon is the sole shareholder of TechBase Solution Sdn Bhd.
- (3) Deemed interested by virtue of the interest of her spouse, Datuk Au Yee Boon.
- (4) Assuming 55,501,000 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.
- (5) Assuming 24,617,500 ICULS to be received pursuant to the Rights Issue are fully converted via Non-Cash Option or Cash Option respectively.
- (6) Based on the assumption that all the ICULS holders surrender one (1) ICULS together with additional cash payment of RM0.15 such that in aggregate it amounts to RM0.20 for one (1) new Share.

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**INFORMATION OF OUR COMPANY (CONT'D)**


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**4. HISTORICAL SHARE PRICE**

The monthly highest and lowest prices of TIB Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows:-

|  | <b>Highest<br/>(RM)</b> | <b>Lowest<br/>(RM)</b> |
|--|-------------------------|------------------------|
| <b><u>2023</u></b>   |                         |                        |
| March  | 0.525                   | 0.425                  |
| April  | 0.500                   | 0.450                  |
| May  | 0.490                   | 0.435                  |
| June   | 0.470                   | 0.395                  |
| July   | 0.425                   | 0.385                  |
| August   | 0.405                   | 0.300                  |
| September  | 0.410                   | 0.325                  |
| October  | 0.345                   | 0.295                  |
| November   | 0.345                   | 0.300                  |
| December   | 0.330                   | 0.300                  |
| <b><u>2024</u></b>   |                         |                        |
| January  | 0.310                   | 0.270                  |
| February   | 0.300                   | 0.190                  |
| Last transacted market price on 9 August 2023<br><i>(being the latest Market Day preceding the announcement of the Rights Issue)</i> |                         | 0.400                  |
| Last transacted market price on 29 February 2024<br><i>(being the latest Market Day prior to the ex-date of the Rights Issue)</i>    |                         | 0.215                  |
| Last transacted market price on the LPD  |                         | 0.270                  |

*(Source: Bloomberg)*

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**INFORMATION OF OUR COMPANY (CONT'D)**


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**5. HISTORICAL CONSOLIDATED FINANCIAL INFORMATION**

A summary of the financial information of our Group based on our audited financial statements for the past three (3) FYEs 2021, 2022 and 2023 as well as the latest announced unaudited interim financial reports for the FPE 2023 and FPE 2024 are as follows:-

**5.1 Historical consolidated financial performance**

|   | <-----Audited-----> |                    |                    | <-----Unaudited-----> |                    |
|---|---------------------|--------------------|--------------------|-----------------------|--------------------|
|   | FYE 2021<br>RM'000  | FYE 2022<br>RM'000 | FYE 2023<br>RM'000 | FPE 2023<br>RM'000    | FPE 2024<br>RM'000 |
| Revenue                                   | 227,529             | 237,379            | 223,227            | 57,147                | 39,182             |
| Cost of sales                             | (186,481)           | (196,429)          | (191,252)          | (46,572)              | (36,425)           |
| <b>Gross profit</b>                       | <b>41,048</b>       | <b>40,950</b>      | <b>31,975</b>      | <b>10,575</b>         | <b>2,757</b>       |
| Other income                              | 15,740              | 10,352             | 30,191             | 11,655                | 2,748              |
| Administrative expenses                   | (22,370)            | (19,420)           | (23,201)           | (4,657)               | (12,948)           |
| Selling and distribution expenses         | (8,570)             | (12,886)           | (10,151)           | (1,813)               | (2,345)            |
| Other operating expenses                  | (525)               | (824)              | (736)              | (119)                 | (22)               |
| <b>Operating profit</b>                   | <b>25,323</b>       | <b>18,172</b>      | <b>28,078</b>      | <b>15,641</b>         | <b>(9,810)</b>     |
| Finance costs                             | (3,843)             | (3,088)            | (3,999)            | (899)                 | (934)              |
| Share of loss of a joint venture          | (217)               | (64)               | (27)               | (13)                  | -                  |
| <b>Profit / (Loss) before taxation</b>    | <b>21,263</b>       | <b>15,020</b>      | <b>24,052</b>      | <b>14,729</b>         | <b>(10,744)</b>    |
| Taxation                                  | (4,106)             | (5,651)            | (4,134)            | (3,352)               | (555)              |
| <b>PAT / (LAT)</b>                        | <b>17,157</b>       | <b>9,369</b>       | <b>19,918</b>      | <b>11,377</b>         | <b>(11,299)</b>    |
| <br>                                      |                     |                    |                    |                       |                    |
| PAT / (LAT) attributable to owners of TIB | 16,734              | 8,741              | 20,880             | 10,509                | (9,845)            |
| EPS (RM)                                  | 0.06                | 0.03               | 0.08               | 0.038                 | (0.036)            |

**5.2 Historical consolidated financial position**

|   | <-----Audited-----> |                    |                    | <-----Unaudited-----> |                    |
|---|---------------------|--------------------|--------------------|-----------------------|--------------------|
|   | FYE 2021<br>RM'000  | FYE 2022<br>RM'000 | FYE 2023<br>RM'000 | FPE 2023<br>RM'000    | FPE 2024<br>RM'000 |
| Non-current assets                          | 183,863             | 190,742            | 187,828            | 188,070               | 184,012            |
| Current assets                              | 198,428             | 226,297            | 229,050            | 244,329               | 231,016            |
| Non-current assets held for sale            | 15,608              | -                  | -                  | -                     | -                  |
| <b>Total assets</b>                         | <b>397,899</b>      | <b>417,039</b>     | <b>416,878</b>     | <b>432,399</b>        | <b>415,028</b>     |
| <br>  |                     |                    |                    |                       |                    |
| Share capital                               | 125,960             | 126,071            | 126,071            | 126,071               | 126,071            |
| Treasury shares                             | (1,490)             | (737)              | (128)              | (365)                 | (128)              |
| Reserves                                    | 4,120               | 7,902              | 9,446              | 11,897                | 12,817             |
| Retained earnings                           | 134,963             | 144,549            | 166,638            | 155,775               | 157,077            |
| <b>Equity attributable to owners of TIB</b> | <b>263,553</b>      | <b>277,785</b>     | <b>302,027</b>     | <b>293,378</b>        | <b>295,837</b>     |
| Non-controlling interests                   | 28,911              | 30,162             | 29,519             | 31,841                | 28,843             |
| <b>Total equity</b>                         | <b>292,464</b>      | <b>307,947</b>     | <b>331,546</b>     | <b>325,219</b>        | <b>324,680</b>     |
| <br>  |                     |                    |                    |                       |                    |
| Non-current liabilities                     | 62,648              | 51,717             | 37,719             | 48,350                | 34,497             |
| Current liabilities                         | 42,787              | 57,375             | 47,613             | 58,830                | 55,851             |
| <b>Total liabilities</b>                    | <b>105,435</b>      | <b>109,092</b>     | <b>85,332</b>      | <b>107,180</b>        | <b>90,348</b>      |
| <br>  |                     |                    |                    |                       |                    |
| <b>Total equity and liabilities</b>         | <b>397,899</b>      | <b>417,039</b>     | <b>416,878</b>     | <b>432,399</b>        | <b>415,028</b>     |

**INFORMATION OF OUR COMPANY (CONT'D)****5.3 Historical cash flow**

|  | <-----Audited-----> |                    |                    | <-----Unaudited-----> |                    |
|--|---------------------|--------------------|--------------------|-----------------------|--------------------|
|  | FYE 2021<br>RM'000  | FYE 2022<br>RM'000 | FYE 2023<br>RM'000 | FPE 2023<br>RM'000    | FPE 2024<br>RM'000 |
| Net cash from / (used in) operating activities                       | 31,369              | (21,006)           | 19,870             | 4,918                 | 4,380              |
| Net cash from / (used in) investing activities                       | 1,328               | (21,154)           | (15,841)           | 3,339                 | (6,896)            |
| Net cash from / (used in) financing activities                       | (21,112)            | 3,570              | (15,435)           | (1,142)               | 1,963              |
| <b>Net changes in cash and cash equivalents</b>                      | <b>11,585</b>       | <b>(38,590)</b>    | <b>(11,406)</b>    | <b>7,115</b>          | <b>(553)</b>       |
| Effect of exchange translation difference                            | (330)               | 1,492              | 564                | 1,871                 | 1,564              |
| Cash and cash equivalents at beginning of the financial years/period | 101,753             | 113,008            | 75,910             | 75,915                | 65,068             |
| <b>Cash and cash equivalents at end of the financial year/period</b> | <b>113,008</b>      | <b>75,910</b>      | <b>65,068</b>      | <b>84,901</b>         | <b>66,079</b>      |

**5.4 Commentaries on Past Financial Performance****FYE 2021**

Our Group recorded a lower revenue of approximately RM227.53 million as compared to the revenue of RM340.50 million recorded in FYE 2020. The decline was mainly impacted by the COVID-19 pandemic, as the demand for apparels softened as well as manpower shortages and production disruption due to the intermittent Movement Control Order (“MCO”) imposed by the Malaysian government. In addition, revenue from advertising division also recorded a decline of 10.1% mainly due to the postponement of advertisement campaign by certain customers and shutdown of digital advertisement boards during MCO.

PAT attributable to owners of TIB decreased to RM16.73 million in FYE 2021 compared to the previous financial year of RM17.63 million. The decrease in PAT attributable to owners of TIB is in tandem with the decrease in revenue and impairment of property, plant and equipment in accordance with Malaysian Financial Reporting Standards 136. However, the decline in PAT attributable to owners of TIB is mitigated by the gain on disposal of lands as part of our Group’s asset rationalisation program, liquidated ascertained damages charged to a contractor, higher profit margin contribution from the sales of fabric mask and implementation of several cost cutting measures. Our Group also benefited from the economic stimulus package by the Malaysia and China government to a certain extent.

For the FYE 2021, our Group recorded a net increase in cash and cash equivalents of RM11.59 million (FYE 2020: increase of RM37.81 million). This was mainly due to the decrease in receivables and inventories of RM25.73 million which was offset by the decrease in payables of RM12.99 million.

**FYE 2022**

Our Group recorded a higher revenue of approximately RM237.38 million as compared with the revenue of RM227.53 million recorded in FYE 2021 mainly attributable to the increased of sales from the apparel and advertising division despite declining fabric mask sales. Revenue from advertising division increased by 31.9% due to the market recovery on digital advertising boards from the COVID-19 pandemic.

Our Group registered a PAT attributable to owners of TIB of RM8.74 million, representing a decrease of RM7.99 million or 47.77% as compared to the previous financial year of RM16.73 million. The decrease in PAT attributable to owners of TIB was mainly due to the decrease in revenue from fabric mask sales which yielded a higher profit margin contribution. However, the decrease in revenue from fabric mask sales was partially offset by the higher profit margin achieved by our Group’s advertising division and gain on other investments.

For the FYE 2022, our Group recorded a decrease in cash and cash equivalents of RM38.59 million (FYE 2021: increase of RM11.59 million). This was mainly due to the decrease in receivables of RM36.11 million.

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**INFORMATION OF OUR COMPANY (CONT'D)**

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**FYE 2023**

Our Group recorded a lower revenue of approximately RM223.23 million as compared with the revenue of RM237.38 million recorded in FYE 2022 mainly due to lower sales contributed from the apparel division. However, our Group registered a higher PAT attributable to owners of TIB of approximately RM20.88 million as compared with the PAT attributable to owners of TIB of approximately RM8.74 million recorded in the previous financial year. The increase in PAT attributable to owners of TIB was mainly due to the gain on other investments.

For the FYE 2023, our Group recorded a net decrease in cash and cash equivalents of RM11.41 million (FYE 2022: decrease of RM38.59 million). This was primarily due to repayment of banking facilities of RM20.68 million and purchase of property, plant and equipment as well as other investments of RM12.52 million which was partially offset by the increase in receivables of RM19.93 million and decrease in inventories of RM4.08 million.

**FPE 2024**

Our Group recorded a lower revenue of approximately RM39.18 million as compared with the revenue of RM57.15 million recorded in FPE 2023 which was mainly due to the lower revenue contributed by the apparels division and textile division.

Our Group registered a LAT attributable to owners of TIB of RM9.85 million, as compared to a PAT attributable to owners of TIB of RM10.51 million recorded in the corresponding period of the previous financial period. This was mainly due to lower revenue, increase in operating cost and fair value loss on other investments.

For the FPE 2024, our Group recorded a decrease in cash and cash equivalents of RM0.55 million (FPE 2023: increase of RM7.12 million). This was mainly due to the increase in inventories of RM15.20 million and net purchase of other investments of RM7.01 million which was partially offset by the increase in receivables of RM18.09 million and increase in other borrowings by RM4.50 million.

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**ADDITIONAL INFORMATION**

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**1. RESPONSIBILITY STATEMENT**

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

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

**2. CONSENTS**

The Principal Adviser, Solicitors, Share Registrar and Trustee have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

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

**3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, TIB Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against our Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of the TIB Group, save and except for the following:-

(a) Legal claim against Trans Pacific Textile (M) Sdn Bhd (“**TPTM**”)

A subsidiary of our Company, TPTM received a Notice of Arbitration from Pembinaan Thong Lian Sdn Bhd (“**PTLSB**”). TPTM had engaged PTLSB for the construction of a textile factory and waste water treatment plant (“**Project**”) via its Letter of Acceptance dated 24 January 2017 and Letter of Supplemental Agreement dated 2 May 2017. As the completion of the Project was behind the original schedule, TPTM was awarded liquidated ascertained damages (“**LAD**”) of RM6.52 million following an adjudication proceeding.

Following the decision of the Adjudicator, PTLSB initiated an Arbitration to claim the following:-

- (i) LAD of RM6.52 million;
- (ii) Retention sum of RM1.51 million;
- (iii) Damages suffered for alleged breach of contract by TPTM and the architect;
- (iv) Interest on any sums awarded in the Arbitral tribunal from such date as the Arbitrator deems fit and proper;
- (v) Cost of the arbitration; and
- (vi) Such other or further reliefs as the Arbitral Tribunal shall deem fit.

**ADDITIONAL INFORMATION (CONT'D)**

TPTM has engaged a legal firm to represent it to defend the claim brought by PTL SB. The parties have agreed on the appointment of the sole arbitrator and the first preliminary meeting was conducted on 25 August 2022.

All pleadings have been filed by both parties detailing out the position of both parties in this arbitration. The parties have also been directed to file the statement of agreed facts, agreed list of issues and the Parties' list of witnesses by 15 November 2023.

On 22 January 2024, PTL SB had delivered an application to amend their pleadings which has been allowed by the Arbitral Tribunal on 31 January 2024. Further, the Arbitral Tribunal have also fixed a new deadline for the Parties to exchange the expert reports, witness statements and joint expert report on 23 February 2024, 29 February 2024 and 12 April 2024 respectively.

As at LPD, the pre-hearing date have been scheduled on 27 March 2024.

The Directors of our Company do not expect the outcome of the action to have a material effect on our Group's financial position. Furthermore, the solicitors having conduct of the matter are of the opinion that there is a more than equal chance for success on the primary defences and the heads of TPTM's claims in the counterclaim.

**4. MATERIAL CONTRACTS**

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

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan during ordinary business hours from Monday to Friday (except public holidays) for a period of six (6) months from the date of this Abridged Prospectus:-

- (i) the Constitution of TIB;
- (ii) the letters of consent referred to in Section 2 of this Appendix II;
- (iii) the cause paper in respect of the material litigation referred to in Section 3 of this Appendix II;
- (iv) the Undertakings as referred to in Section 2.5 of this Abridged Prospectus; and
- (v) the Trust Deed.

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