

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

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

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.** All enquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia (Tel: +603 7890 4700).

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

The approval for the Rights Issue has been obtained from our shareholders at our EGM held on 18 November 2022. Approvals have been obtained from Bursa Securities via its letter dated 21 October 2022 for the listing and quotation of the new ordinary shares to the Official List of the Main Market of Bursa Securities. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue and are not to be taken as an indication of the merits of the Rights Issue. Bursa Securities takes no responsibility for the correctness of any statement made or opinion expressed in the Documents.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on Friday, 23 December 2022 at their registered addresses in Malaysia. Entitled Shareholders who do not have a registered address in Malaysia and wish to provide their Malaysian address, should inform their respective stockbrokers or our Share Registrar to effect the change of address by 5.00 p.m. on Friday, 23 December 2022. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance and/or renunciation/ transfer (as the case may be) of their entitlement to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 9 of this Abridged Prospectus. Neither our Company, TA Securities nor any other professional advisers to the Rights Issue shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or renunciation/ transfer (as the case may be) 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 in which the said Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are residents.

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

**FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS ABRIDGED PROSPECTUS.**



## INDUSTRONICS BERHAD

(Registration No. 197501001969 (23699-X))

(Incorporated in Malaysia)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 875,060,548 NEW ORDINARY SHARES IN INDUSTRONICS BERHAD ("SHARES") ("RIGHTS SHARES") ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 EXISTING SHARE HELD AS AT 5.00 P.M. ON 23 DECEMBER 2022, TOGETHER WITH UP TO 656,295,411 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF 3 WARRANTS FOR EVERY 4 RIGHTS SHARES SUBSCRIBED FOR, AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE**

*Principal Adviser*



AN UNWAVERING COMMITMENT

**TA SECURITIES HOLDINGS BERHAD**

(Registration No.: 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

### **IMPORTANT RELEVANT DATES AND TIMES**

Entitlement date	: Friday, 23 December 2022 at 5.00 p.m.
<b>Last day, date and time for:</b>	
Sale of Provisional Allotments	: Tuesday, 3 January 2023 at 5.00 p.m.
Transfer of Provisional Allotments	: Thursday, 5 January 2023 at 4.30 p.m.
Acceptance and payment	: Wednesday, 11 January 2023 at 5.00 p.m.
Excess application and payment	: Wednesday, 11 January 2023 at 5.00 p.m.

**This Abridged Prospectus is dated 23 December 2022**

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

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

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

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**

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

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

**THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO 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 and the accompanying appendices:

### COMPANIES:

“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Bluemount”	:	Bluemount Investment Fund SPC
“Group”	:	Industronics and its subsidiaries, collectively
“Industronics” or the “Company”	:	Industronics Berhad
“SC”	:	Securities Commission Malaysia
“Share Registrar”	:	Boardroom Share Registrars Sdn Bhd
“TA Securities” or “Principal Adviser”	:	TA Securities Holdings Berhad

### GENERAL:

“5D-VWAP”	:	5-day volume weighted average market price
“9M-FPE”	:	9-month financial period ended
“Act”	:	Companies Act 2016
“Authorised Nominee”	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
“Board”	:	Board of Directors of our Company
“CDS”	:	Central Depository System
“Circular”	:	Circular to shareholders dated 3 November 2022 in relation to the Corporate Exercises
“Closing Date”	:	Wednesday, 11 January 2023 being the last date and time for the acceptance of and payment for the Rights Shares
“CMSA”	:	Capital Markets and Services Act, 2007
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016
“Constitution”	:	Constitution of our Company
“Corporate Exercises”	:	Rights Issue and Diversification, collectively
“COVID-19”	:	Coronavirus 2019
“Deed Poll”	:	The deed poll dated 9 December 2022 constituting the Warrants
“Director”	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“Diversification”	:	Diversification of the existing business of our Group to include trading of precision instruments (watches) approved by our shareholders on 18 November 2022
“Documents”	:	Abridged Prospectus, NPA and RSF, collectively
“EGM”	:	Extraordinary general meeting of our Company held on 18 November 2022

**DEFINITIONS (CONT'D)**

“Entitlement Date”	:	Friday, 23 December 2022 at 5.00 p.m., being the date and time on which the names of the Entitled Shareholders must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue
“Entitled Shareholders”	:	Our shareholders whose names appear on the Record of Depositors of our Company on the Entitlement Date
“EPS”	:	Earnings per share
“Excess Rights Shares”	:	Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/or their transferee(s) and/or their renounee(s) before the Closing Date
“Excess Rights Shares Application”	:	Application for additional Rights Shares in excess of the Provisional Allotments by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable)
“FYE”	:	Financial year ended/ending
“HKD”	:	Hong Kong Dollar
“ICT”	:	Information and communication technology
“IMR Report”	:	Independent market research overview report of the ICT industry in Malaysia, the outdoor advertising market in Malaysia and the Hong Kong’s retail sector by Protégé Associates Sdn Bhd dated 7 December 2022
“Issue Date”	:	Date of issuance of the Warrants
“LAT”	:	Loss after tax attributable to the owners of our Company
“LBT”	:	Loss before tax
“LED”	:	Light-emitting diode
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	29 November 2022, being the latest practicable date prior to the printing of this Abridged Prospectus
“LPS”	:	Loss per Share
“Market Day”	:	Any day between Monday to Friday (inclusive of both days) (excluding Saturday, Sunday and public holiday) and a day on which Bursa Securities is open for trading in securities
“Maximum Scenario”	:	Up to 875,060,548 Rights Shares with up to 656,295,411 Warrants assuming all Entitled Shareholders subscribed in full for their respective entitlements under the Rights Issue
“Minimum Scenario” or “Minimum Subscription Level”	:	Minimum gross proceeds of RM12,000,000 (including the Set-off Amount of RM9,000,000) with the issuance of 150,000,000 Rights Shares together with 112,500,000 Warrants based on the issue price of RM0.08 per Rights Share, pursuant to the shareholders’ undertakings by Luk Tung Lam and Datuk Chu Boon Tiong
“NA”	:	Net assets attributable to the owners of our Company
“NPA”	:	Notice of provisional allotment in relation to the Rights Issue
“Official List”	:	The list specifying all securities listed on Main Market of Bursa Securities
“Private Placement”	:	Private placement of new Shares, representing not more than 20% of the enlarged number of issued shares in our Company (excluding treasury shares, if any) pursuant to the general mandate which was completed on 3 February 2022 through the issuance of 37,502,700 new Shares and raised RM5.10 million
“Provisional Allotments”	:	The Rights Shares provisionally allotted to Entitled Shareholders

**DEFINITIONS (CONT'D)**

“Record of Depositors”	:	A record of depositors maintained by Bursa Depository
“RCPS”	:	25,000,000 Redeemable convertible preference shares of our Company with a conversion price of RM0.04 each expiring on 6 February 2026 that had been fully converted to 25,000,000 new Shares on 15 August 2022
“Rights Issue”	:	Renounceable rights issue of up to 875,060,548 Rights Shares on the basis of 2 Rights Shares for every 1 existing Share held on an Entitlement Date, together with up to 656,295,411 Warrants on the basis of 3 Warrants for every 4 Rights Shares subscribed for at an issue price to be determined at the Entitlement Date
“Rights Shares”	:	Up to 875,060,548 new Shares to be issued pursuant to the Rights Issue
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Rights subscription form in relation to the Rights Issue
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
“Rules of Bursa Depository”	:	Rules of Bursa Depository as issued pursuant to the SICDA
“SC”	:	Securities Commission Malaysia
“Set-off Amount”	:	At least RM4,666,752 and up to RM9,000,000, being the advances owing by our Company to Luk Tung Lam to be set-off against the rights subscription monies payable by Luk Tung Lam pursuant to the Undertakings
“Set-off Arrangement”	:	A set-off arrangement to set-off the rights subscription monies of at least RM4,666,752 and up to RM9,000,000 against the advances provided by Luk Tung Lam
“Shares”	:	Ordinary shares in our Company
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991
“TEAP”	:	Theoretical ex-all price
“Undertakings”	:	Separate unconditional and irrevocable written undertakings dated 8 July 2022 from the Undertaking Shareholders to, amongst others, to apply and subscribe in full their entitlements of Rights Shares and Excess Rights Shares to the extent such aggregate subscription proceeds amount to RM12,000,000
“Undertaking Shareholders”	:	Luk Tung Lam and Datuk Chu Boon Tiong, collectively
“Warrants”	:	Up to 656,295,411 free detachable warrants to be issued pursuant to the Proposed Rights Issue

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

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

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

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

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**ADVISERS' DIRECTORY**

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- PRINCIPAL ADVISER** : **TA Securities Holdings Berhad**  
32<sup>nd</sup> Floor, Menara TA One  
22, Jalan P. Ramlee  
50250 Kuala Lumpur  
  
Tel : 03-2072 1277
- COMPANY SECRETARY** : **Leong Sue Ching**  
(MAICSA 7040814) (SSM Practicing No. 201908001823)  
  
**CAREsec Advisory Sdn Bhd**  
9A, Jalan Medan Tuanku, Medan Tuanku  
50300 Kuala Lumpur  
Tel : 03-2691 8996
- DUE DILIGENCE SOLICITORS FOR THE RIGHTS ISSUE** : **Messrs Teh & Lee**  
A-3-3, A-3-4 & A-3-5 Northpoint Offices,  
1, Medan Syed Putra Utara, Mid Valley City  
59200 Kuala Lumpur  
Tel : 03-2283 2800
- INDEPENDENT RESEARCHER** **MARKET** : **Protégé Associates Sdn Bhd**  
Suite C-09-12, Plaza Mont'Kiara  
2, Jalan Kiara, Mont'Kiara  
50480 Kuala Lumpur  
Tel : 03- 6201 9301  
  
Person-in-charge : Seow Cheow Seng  
  
Qualification :
  - Master in Business Administration from Charles Sturt University, Australia
  - Bachelor of Business specialising in Marketing from RMIT University, Australia
- SHARE REGISTRAR** : **Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : 03-7890 4700 (Helpdesk)  
Fax No.: 03-7890 4670
- STOCK EXCHANGE** : Main Market of Bursa Securities



**SUMMARY OF RIGHTS ISSUE**

**THIS SUMMARY OF RIGHTS ISSUE ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. AS THIS SUMMARY DOES NOT CONTAIN ALL INFORMATION THAT MAY BE IMPORTANT TO YOU, YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ENTIRE ABRIDGED PROSPECTUS.**

<b>Issue size and basis of allotment</b>	<p>: Up to 875,060,548 Rights Shares on the basis of 2 Rights Shares for every 1 existing Share held by the Entitled Shareholders and/or their renounee(s) or transferee(s) (if applicable) on the Entitlement Date together with up to 656,295,411 Warrants on the basis of 3 Warrants for every 4 Rights Shares subscribed for. Any Rights Shares with Warrants which are not taken up or validly taken up shall be made available for excess applications by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). It is the intention of the Board to reduce the incidence of odd lots and to allocate Excess Rights Shares in a fair and equitable manner and on a basis to be determined by the Board and announced later by our Company.</p> <p>Please refer to <b>Section 2.1</b> of this Abridged Prospectus for further information.</p>																																																																		
<b>Issue price of Rights Shares</b>	<p>: Our Board has fixed the issue price of the Rights Shares at RM0.08 each.</p> <p>Please refer to <b>Section 2.2</b> of this Abridged Prospectus for further information.</p>																																																																		
<b>Exercise price of Warrants</b>	<p>: Our Board has fixed the exercise price of the Warrants at RM0.10 each. Each Warrant exercised entitled the registered holder to subscribe for 1 new Share at any time during the exercise period.</p> <p>Please refer to <b>Section 2.2</b> of this Abridged Prospectus for further information.</p>																																																																		
<b>Minimum Subscription Level and Undertaking</b>	<p>: 150,000,000 Rights Shares with 112,500,000 Warrants to raise a minimum gross proceeds of RM12,000,000 (including the Set-off Arrangement). The proforma effects of the Rights Issue on the shareholdings of the respective Undertaking Shareholders are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Undertaking Shareholders</th> <th colspan="2">As at LPD</th> <th colspan="2">Total Rights Shares and Warrants to be subscribed pursuant to the Undertakings</th> </tr> <tr> <th>No. of Shares</th> <th>%</th> <th>No. of Shares</th> <th>No. of Warrants</th> </tr> </thead> <tbody> <tr> <td>Luk Tung Lam</td> <td>29,167,200</td> <td>6.67</td> <td>112,500,000</td> <td>84,375,000</td> </tr> <tr> <td>Datuk Chu Boon Tiong</td> <td>13,685,080</td> <td>3.13</td> <td>37,500,000</td> <td>28,125,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>42,852,280</b></td> <td><b>9.80</b></td> <td><b>150,000,000</b></td> <td><b>112,500,000</b></td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Undertaking Shareholders</th> <th>Funding required (RM)</th> </tr> </thead> <tbody> <tr> <td>Luk Tung Lam</td> <td>9,000,000*</td> </tr> <tr> <td>Datuk Chu Boon Tiong</td> <td>3,000,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>12,000,000</b></td> </tr> </tbody> </table> <p>Note: * Pursuant to the Set-off Arrangement.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Undertaking Shareholders</th> <th colspan="2">As at LPD</th> <th colspan="2">After the Rights Issue</th> <th colspan="2">Assuming full exercise of the Warrants</th> </tr> <tr> <th>No. of Shares</th> <th>%</th> <th>No. of Shares</th> <th>%</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Luk Tung Lam</td> <td>29,167,200</td> <td>6.67</td> <td>141,667,200</td> <td>24.11</td> <td>226,042,200</td> <td>32.29</td> </tr> <tr> <td>Datuk Chu Boon Tiong</td> <td>13,685,080</td> <td>3.13</td> <td>51,185,080</td> <td>8.71</td> <td>79,310,080</td> <td>11.33</td> </tr> <tr> <td><b>Total</b></td> <td><b>42,852,280</b></td> <td><b>9.80</b></td> <td><b>192,852,280</b></td> <td><b>32.28</b></td> <td><b>305,352,280</b></td> <td><b>43.62</b></td> </tr> </tbody> </table> <p>The Undertaking Shareholders will be obligated to subscribe in full for their entitlements and excess Rights Shares pursuant to the Undertakings, regardless of whether the Minimum Subscription Level is met via the subscription by the Entitled Shareholders, excluding the Undertaking Shareholders. The Undertaking Shareholders do not intend to subscribe for additional Rights Shares above the Undertakings.</p> <p>Please refer to <b>Section 2.4</b> of this Abridged Prospectus for further information.</p>	Undertaking Shareholders	As at LPD		Total Rights Shares and Warrants to be subscribed pursuant to the Undertakings		No. of Shares	%	No. of Shares	No. of Warrants	Luk Tung Lam	29,167,200	6.67	112,500,000	84,375,000	Datuk Chu Boon Tiong	13,685,080	3.13	37,500,000	28,125,000	<b>Total</b>	<b>42,852,280</b>	<b>9.80</b>	<b>150,000,000</b>	<b>112,500,000</b>	Undertaking Shareholders	Funding required (RM)	Luk Tung Lam	9,000,000*	Datuk Chu Boon Tiong	3,000,000	<b>Total</b>	<b>12,000,000</b>	Undertaking Shareholders	As at LPD		After the Rights Issue		Assuming full exercise of the Warrants		No. of Shares	%	No. of Shares	%	No. of Shares	%	Luk Tung Lam	29,167,200	6.67	141,667,200	24.11	226,042,200	32.29	Datuk Chu Boon Tiong	13,685,080	3.13	51,185,080	8.71	79,310,080	11.33	<b>Total</b>	<b>42,852,280</b>	<b>9.80</b>	<b>192,852,280</b>	<b>32.28</b>	<b>305,352,280</b>	<b>43.62</b>
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<b>Rationale for the Rights Issue</b>	<p>: The proceeds from the issuance of Rights Shares are primarily to obtain funding for the purposes set out in <b>Section 4</b> of this Abridged Prospectus and strengthen our Group's financial position.</p> <p>Please refer to <b>Section 3</b> and <b>4</b> of this Abridged Prospectus for further information.</p>																																																																		

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

**Utilisation of proceeds** : Based on the issue price of RM0.08 per Rights Share, the gross proceeds to be raised from the Rights Issue will be utilised in the following manner:

Purposes	Notes	Minimum Scenario (RM'000)	%	Maximum Scenario (RM'000)	%	Utilisation timeframe (from listing date of the Rights Shares)
Gross proceeds		12,000		70,005		Immediately
Less: Set-off Arrangement	(i)	9,000		4,667		
Net proceeds		<b>3,000</b>	<b>100.0</b>	<b>65,338</b>	<b>100.0</b>	
Repayment of advances	(i)	-	-	10,333	15.82	Within 1 month
Existing business of trading of precision instruments (watches)	(ii)	2,320	77.33	20,000	30.61	Within 24 months
Expansion of existing business	(iii)	-	-	34,325	52.53	Within 24 months
Expenses relating to the Rights Issue	(iv)	680	22.67	680	1.04	Within 1 month

Please refer to **Section 4** of this Abridged Prospectus for further information.

**Key risk factors** : You should carefully consider the following key risk factors before subscribing for the Rights Issue:

- (i) our Group's business sustainability is dependent on our existing key personnel. The loss of any of our Group's key management personnel without suitable and timely replacement may adversely affect our Group's revenue and profitability;
- (ii) Our Group activities are exposed to risk arising from business operating conditions and regulatory environments in Hong Kong such as their local economic and political conditions;
- (iii) our Group's sales of precision instrument (watches) are sold to a small number of regular customers at this juncture, any loss of the current customers will affect our Group's revenue;
- (iv) our Group's insurance for the retail segment may not be adequate to cover for all losses or liabilities that might be incurred as a result of any unforeseen circumstances;
- (v) our Group is exposed to the risk of not able to secure new projects that are currently under negotiation phase. Our Group is unable to utilise the proceeds of the Rights Issue effectively in the event any of the projects are not secured;
- (vi) our Group's ICT segment is exposed to technology obsolescence risk where it would have an adverse effect on our Group's financial performance if our Group is unable to continuously innovate and enhance its products and solutions;
- (vii) the Rights Issue is exposed to the risk that they may be delayed or not implemented; and
- (viii) certain statements in this Abridged Prospectus are forward-looking in nature, which are subject to uncertainties and contingencies. Although these forward-looking statements are reasonable at this point in time, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from the future results.

Please refer to **Section 5** of this Abridged Prospectus for further information on other risks.

**Procedures for acceptance and payment** : Acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF and must conform to the terms and conditions contained therein.

The last day, date and time for acceptance of and payment for the Provisional Allotments is on Wednesday, **11 January 2023 at 5.00 p.m.**

Please refer to **Section 9** of this Abridged Prospectus for further information.



**INDUSTRONICS BERHAD**  
(Registration No. 197501001969 (23699-X))  
(Incorporated in Malaysia)

**Registered Office:**

No. 9A, Jalan Medan Tuanku  
Medan Tuanku  
50300 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

23 December 2022

Board of Directors

Datuk Chu Boon Tiong (*Executive Director*)  
Liu Wing Yee Amy (*Executive Director*)  
Chow Yun Cheung (*Non-Independent Non-Executive Director*)  
Chui Ee Mien (*Independent Non-Executive Director*)  
Sandra Chan Wan Shan (*Independent Non-Executive Director*)

**To: Entitled Shareholders**

Dear Sir/Madam,

**RIGHTS ISSUE**

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**1. INTRODUCTION**

On 8 July 2022, TA Securities announced on behalf of our Board that our Company had proposed to undertake the Corporate Exercises.

On 21 October 2022, TA Securities announced on behalf of our Board that Bursa Securities, had through its letter dated 21 October 2022, approved the following:

- (i) listing of and quotation for up to 875,060,548 Rights Shares and 656,295,411 Warrants to be issued on the Main Market of Bursa Securities pursuant to the Rights Issue;
- (ii) admission of the Warrants to the Official List of the Main Market of Bursa Securities; and
- (iii) listing of and quotation for the new Shares to be issued pursuant to the exercise of the Warrants, on the Main Market of Bursa Securities.

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

	Conditions	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	To be complied
(b)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Rights Issue;	To be complied
(c)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied
(d)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 18 November 2022, our shareholders had approved the Corporate Exercises at our EGM.

On 9 December 2022, on behalf of our Board, TA Securities had announced the following:

- (i) the fixing of issue price for the Rights Shares at RM0.08 each;
- (ii) the fixing of exercise price for the Warrants at RM0.10 each; and
- (iii) the Entitlement Date together with the other relevant dates pertaining to the Rights Issue as well as the execution of the Deed Poll by our Company.

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

**YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## 2. RIGHTS ISSUE

### 2.1 Details of the Rights Issue

As at the date of this Abridged Prospectus, our Company has an issued share capital of RM22,988,454.94 comprising 437,530,274 issued Shares (no treasury shares).

The Rights Issue involves the issuance of up to 875,060,548 Rights Shares on the basis of 2 Rights Shares for every 1 existing Share together with up to 656,295,411 Warrants on the basis of 3 Warrants for every 4 Rights Shares subscribed for, held on the Entitlement Date to the Entitled Shareholders and/or their renouneece(s) or transferee(s) (if applicable).

The basis of 2 Rights Shares for every 1 existing Share held on the Entitlement Date was arrived at after taking into consideration the following:

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

The basis of 3 Warrants for every 4 Rights Shares subscribed for was arrived at after taking into consideration the following:

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

The actual number of Rights Shares and Warrants to be issued pursuant to the Rights Issue would depend on the issued share capital of our Company on the Entitlement Date and eventual subscription level for the Rights Issue.

The Rights Issue will be undertaken on the Minimum Subscription Level basis to raise minimum gross proceeds of RM12.00 million (including the Set-off Arrangement) for our Group's intended usage as set out in **Section 4** of this Abridged Prospectus.

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

Any Rights Shares with Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/or their transferee(s) and/or their renounee(s) before the Closing Date shall be made available for Excess Rights Shares Application in the manner set out in **Section 9.8** of this Abridged Prospectus. Any fractional entitlements under the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit or expedient to minimise the incidence of odd lots and in the best interest of our Company.

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such number of Provisional Allotment into your CDS Account, and the RSF to enable you to subscribe for such Provisional Allotments as well as to apply for the Excess Rights Shares if you choose to do so. However, only our Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors will receive this Abridged Prospectus, together with the NPA and RSF.

Any dealings in our Company's securities will be subject to, amongst others, the provisions of SICDA, Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of successful applicants. No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants.

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

The Rights Shares with Warrants will be admitted to the Official List and the listing and quotation of these securities will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants are ready to be credited with the Rights Shares with Warrants.

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

### Issue price of the Rights Shares

Our Board has fixed the issue price of the Rights Share at RM0.08 each after taking into consideration the following:

- (i) the historical share prices our Company;
- (ii) our Group's funding needs as set out in **Section 4** of this Abridged Prospectus; and
- (iii) the TEAP of RM0.0890 (computed based on the 5D-VWAP of our Shares up to and including 8 December 2022 (being the last trading day prior to the price-fixing date ("LTD")) of RM0.1070. The issue price of RM0.08 per Rights Share is at a discount of RM0.0090 or 10.11% to the TEAP of RM0.0890.

### Exercise price of the Warrants

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

Our Board has fixed the exercise price of the Warrants at RM0.10 each after taking into consideration the following:

- (i) the historical share prices our Company;
- (ii) the 5D-VWAP of the Shares as at LPD; and
- (iii) the proceeds that may be raised for future usage by our Group.

The Exercise Price of RM0.10 per Warrant represents a premium of RM0.0110 or approximately 12.36% to the TEAP of RM0.0890 (computed based on the 5D-VWAP of our Shares up to and including the LTD) of RM0.1070.

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

The Rights Shares and new Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the holder of such Right Shares and new Shares arising from the exercise of the Warrants shall not be entitled to any dividend, rights, allotments and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Right Shares and new Shares arising from the exercise of the Warrants.

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

## **2.4 Minimum subscription level and undertaking**

Our Board has determined to undertake the Rights Issue based on the Minimum Subscription Level after taking into consideration the amount of funds that our Company intends to raise from the Rights Issue amounting to RM12.00 million (including the Set-off Amount of RM9.00 million) under the Minimum Scenario that will be channelled towards the proposed utilisation as set out in **Section 4** of this Abridged Prospectus.

In order to meet the Minimum Subscription Level, our Company has procured irrevocable written undertakings from the Undertaking Shareholders to subscribe for their entitlements under the Rights Issue as well as to apply for additional Rights Shares not subscribed by other Entitled Shareholders by way of excess shares application, to achieve an aggregate subscription value amounting to RM12.00 million (including the Set-off Amount of RM9.00 million).

Pursuant to the Undertakings:

- (i) The rights subscription monies payable by Luk Tung Lam amounting to RM9.00 million pursuant to the Undertaking will be set off against the advances owing by our Company to her pursuant to the Letter of Set-off dated 8 July 2022 between our Company and Luk Tung Lam. No proceeds will accrue to our Company from the subscription of Rights Shares by Luk Tung Lam pursuant to her Undertaking.
- (ii) the Undertaking Shareholders irrevocably and unconditionally undertake that they shall not dispose or otherwise reduce or transfer their existing interests in our Company or any part thereof during the period commencing from the date of the Undertaking up to the Entitlement Date; and
- (iii) Datuk Chu Boon Tiong confirmed that he has sufficient financial resources to subscribe in full for his entitlement and excess shares application amounting to RM3.00 million via his undertaking letter dated 8 July 2022. TA Securities, being the Principal Adviser for the Rights Issue, has also verified that Datuk Chu Boon Tiong has sufficient financial resources to fulfil his Undertaking.

**[The rest of this page has been intentionally left blank]**

A summary of the Undertakings is set out as follows:

Undertaking Shareholders	As at the LPD		Rights Shares to be subscribed for pursuant to the Undertaking					Warrants to be issued pursuant to the Undertaking		Funding required <sup>(3)</sup> (RM)	
	No. of Shares	%	Entitlement	% <sup>(1)</sup>	Excess shares application	% <sup>(1)</sup>	Total	% <sup>(1)</sup>	Warrants		% <sup>(2)</sup>
Luk Tung Lam	29,167,200	6.67	58,334,400	38.89	54,165,600	36.11	112,500,000	75.0	84,375,000	75.0	9,000,000 <sup>(4)</sup>
Datuk Chu Boon Tiong	13,685,080	3.13	27,370,160	18.25	10,129,840	6.75	37,500,000	25.0	28,125,000	25.0	3,000,000
<b>TOTAL</b>	<b>42,852,280</b>	<b>9.80</b>	<b>85,704,560</b>	<b>57.14</b>	<b>64,295,440</b>	<b>42.86</b>	<b>150,000,000</b>	<b>100.0</b>	<b>112,500,000</b>	<b>100.0</b>	<b>12,000,000</b>

Notes:

- (1) Based on 150,000,000 Rights Shares to be issued under the Minimum Scenario pursuant to the Rights Issue.
- (2) Based on 112,500,000 Warrants to be issued under the Minimum Scenario pursuant to the Rights Issue.
- (3) Based on the issue price of RM0.08 per Rights Share.
- (4) Pursuant to the Set-off Arrangement.

The proforma effects of the Rights Issue on the shareholdings of the respective Undertaking Shareholders are as follows:

Undertaking Shareholders	As at the LPD		Total Rights Shares with Warrants to be subscribed pursuant to the Undertakings			Shareholding assuming Minimum Scenario		Shareholding assuming full exercise of Warrants		
	No. of Shares	%	No. of Shares	% <sup>(1)</sup>	Warrants	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>	No. of Shares	% <sup>(4)</sup>
Luk Tung Lam	29,167,200	6.67	112,500,000	75.0	84,375,000	75.0	141,667,200	24.11	226,042,200	32.29
Datuk Chu Boon Tiong	13,685,080	3.13	37,500,000	25.0	28,125,000	25.0	51,185,080	8.71	79,310,080	11.33
<b>TOTAL</b>	<b>42,852,280</b>	<b>9.80</b>	<b>150,000,000</b>	<b>100.0</b>	<b>112,500,000</b>	<b>100.0</b>	<b>192,852,280</b>	<b>32.82</b>	<b>305,352,280</b>	<b>43.62</b>

Notes:

- (1) Based on 150,000,000 Rights Shares to be issued under the Minimum Scenario pursuant to the Rights Issue.
- (2) Based on 112,500,000 Warrants to be issued under the Minimum Scenario pursuant to the Rights Issue.
- (3) Based on the 587,530,274 Shares in our Company after the Rights Issue.
- (4) Based on the 700,030,274 Shares in our Company assuming full exercise of Warrants.



The Undertaking Shareholders will be obligated to subscribe in full for their entitlements and excess Rights Shares pursuant to the Undertakings, regardless of whether the Minimum Subscription Level is met via the subscription by the Entitled Shareholders, excluding the Undertaking Shareholders. The Undertaking Shareholders do not intend to subscribe for additional Rights Shares above the Undertakings.

Pursuant to the Undertakings, the subscription of Rights Shares and the exercise of the Warrants by the Undertaking Shareholders will not give rise to any consequences of mandatory general offer pursuant to the Code and the Rules. The Undertaking Shareholders have undertaken to observe and comply at all times with the provisions of the Code and the Rules and will seek from the SC the necessary exemption from undertaking such mandatory general offer, if required.

## 2.5 Salient terms of the Warrants

The salient terms of the Warrants are as follows:

Terms	Details
Issue size	: Up to 656,295,411 Warrants
Form and denomination	: The Warrants will be issued in registered form and constituted by the Deed Poll.
Tenure	: 5 years commencing from and inclusive of the Issue Date.
Exercise Rights	: Each Warrant entitles the registered Warrant holder to subscribe for 1 new Share at the Exercise Price at any time during the Exercise Period, subject to the provisions of the Deed Poll.
Exercise Price	: The exercise price of the Warrants shall be determined and fixed by the Board and announced at a later date, after obtaining all relevant approvals but before the Entitlement Date.
Exercise Period	: The Warrants may be exercised at any time during the tenure of the Warrants commencing from and including the Issue Date and ending at the close of business at 5.00 p.m. on the Expiry Date. Any Warrants which have not been exercised will lapse and every Warrant not exercised by then will cease to be valid for any purpose.
Expiry Date	: A date which falls on the day before the 5 <sup>th</sup> anniversary of the Issue Date, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day.
Adjustment in the Exercise Price and/or the number of Warrants	: Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants held by each Warrant holder shall be adjusted by the Board in consultation with an approved adviser appointed by the Company or certified by the auditors of the Company in accordance with the provisions of the Deed Poll.
Status of the new Shares to be issued arising from the exercise of the Warrants	: The new Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, except for any entitlements given on an entitlement date prior to the date of allotment of the said Shares.

Terms	Details
Rights of Warrants holders	: The Warrants holders are not entitled to any voting rights in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrants holder are issued with new Shares arising from their exercise of the Warrants.
Modification of rights of Warrant holder	: The Company may, from time to time, without the consent of the Warrant holders but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with prevailing laws of Malaysia, Rules of the Bursa Malaysia Depository Sdn Bhd, Securities Industry (Central Depositories) Act, 1991 and/or AMLR.  Subject to the approval of Bursa Securities (if required), any modifications to the Deed Poll may be effected only by a supplemental Deed Poll, executed by the Company and expressed to be supplemental to the Deed Poll and comply with the requirements of the Deed Poll. The Company must notify the Warrant holders of any modification within 30 days after such modification is effected in accordance with the Deed Poll.
Rights in the event of winding up, liquidation, compromise and/or arrangement	: Where a resolution has been passed by the Company for a members' voluntary winding-up or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies then:  (a) for the purpose of such a winding-up, compromise or arrangement (other than consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders or some persons designated by them for such purposes by special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrants holders; and  (b) in any other case, every Warrant holder shall be entitled at any time within 6 weeks after the passing of such resolution or 6 weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his Warrants together with payment of the relevant Exercise Price monies, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by such Warrants, to the extent specified in the exercise notice and be entitled to receive out of the assets of the Company (which would be available in liquidation) if he had on such date been a holder of the Shares, to which he would have become entitled pursuant to such exercise; and the liquidator of the Company shall give effect to such election accordingly.  Upon the expiry of the above 6 weeks, all Exercise Rights shall lapse and cease to be valid for any purpose.

Terms	Details
	(c) If the Company is wound up (other than by way of a members' voluntary winding up), all Exercise Rights which have not been exercised prior to the date of the commencement of the winding up shall cease to be valid for any purpose.
Board Lot	: The Warrants are tradeable upon listing in board lot of 100 units carrying the right to subscribe for 100 new Shares at any time during the Exercise Period or such other denomination as may be prescribed by Bursa Securities.
Listing status	: The Warrants shall be listed and quoted on the Main Market of Bursa Securities.
Governing law	: The laws of Malaysia.

## 2.6 Details of other corporate exercises

As at the date of this Abridged Prospectus, our Board has confirmed that there are no other corporate exercises which have been approved by the regulatory authorities but pending completion.

## 2.7 Details of previous fund-raising exercises

On 3 February 2022, our Company completed a private placement of 37,502,700 new Shares and raised approximately RM5.10 million:

Tranche	No. of Shares	Issue price (RM)	Total (RM)	Listing Date
1 <sup>st</sup>	14,258,400	0.158	2,252,827	4 October 2021
2 <sup>nd</sup>	5,494,600	0.182	1,000,017	28 October 2021
3 <sup>rd</sup> (Final)	17,749,700	0.104	1,845,969	3 February 2022
<b>Total</b>	<b>37,502,700</b>		<b>5,098,813</b>	

As at the LPD, our Company has fully utilised the proceeds raised from the Private Placement as follows:

Purposes	Proposed utilisation <sup>(1)</sup> (RM'000)	Proposed utilisation <sup>(2)</sup> (RM'000)	Amount used (RM'000)	Estimated timeframe for utilisation from listing of placement shares
Purchase of inventories for the trading of precision instruments (watches) <sup>(4)</sup>	6,000	-	-	Within 24 months
Working capital <sup>(5)</sup>	6,801	5,006	5,006	Within 24 months
Expenses for the Private Placement <sup>(6)</sup>	100	92	92	Immediately
<b>Total</b>	<b>12,901</b>	<b>5,098<sup>(3)</sup></b>	<b>5,098</b>	

Notes:

- (1) As announced on 19 July 2021, the Private Placement is expected to raise gross proceeds of RM12.90 million assuming the Private Placement will be implemented based on 20% general mandate with the issuance of 60,005,500 Shares at an indicative issue price of RM0.215 per Share.
- (2) As stated in the announcement dated 19 July 2021 for the Private Placement, in the event the actual proceeds raised are lower, it will be adjusted against the amount allocated for the working capital of our Group. In this instance, our Group has decided to allocate the actual fund raised from the Private Placement for the expenses for the Private Placement and the balance was fully allocated for the working capital requirement of our Group. Therefore, there is no variation of the intended usage of the proceeds from the Private Placement.

- (3) After the issuance of 37,502,700 Shares and raised approximately RM5.10 million. Our Company is not able to fully issue the Shares based on the 20% general mandate as our Company is no longer eligible for the extension of the 20% general mandate provided by Bursa Securities after 31 December 2021 in view that our Company has utilised part of 20% general mandate prior to 31 December 2021 (i.e., the issuance of 19,753,000 Shares).

Therefore, our Company is only able to issue the remaining placement shares in 2022 based on the 10% general mandate (i.e., the issuance of 17,749,700 Shares).

- (4) Consist of new watches to be purchased and sold under the e-commerce platform. After completion of the Private Placement, the Board had reallocated the proceeds to be utilised for the purchase of inventories for the trading of precision instruments (watches) to working capital purposes in order to address the urgency of the funds required for the working capital as set out in Note (5) below. The Board is of the view that the funding for the purchase of inventories will be raised through future equity fund-raising proposals to be undertaken by our Group.
- (5) Consisting of payment to sub-contractors for electronics and system integration related business amounting RM1.46 million and administrative expenses (e.g. rental, upkeep and maintenance of offices, factory and warehouse as well as staff cost (e.g. salaries and statutory contribution amounting RM3.55 million)).
- (6) Consisting of mainly professional fees, placement fees, fees payable to Bursa Securities and other ancillary expenses.

### 3. RATIONALE FOR THE RIGHTS ISSUE

The rationale for the Rights Issue includes the following:

- (a) The proceeds from the issuance of Rights Shares would enable our Company to obtain funding for the purposes set out in **Section 4** of this Abridged Prospectus, and strengthen our Group's financial position;
- (b) The Rights Issue will involve the issuance of new Shares without diluting the Entitled Shareholders' shareholdings, provided that all Entitled Shareholders subscribed in full for their respective entitlements;
- (c) The Rights Issue will increase the number of Shares in circulation which may potentially enhance the liquidity and marketability of the Shares on the Main Market of Bursa Securities;
- (d) The Warrants attached to the Rights Shares are expected to enhance the attractiveness of the Rights Issue. It provides the shareholders with the option to further participate in the equity of our Company at a pre-determined price and enables them to benefit from the future growth of our Group and any potential capital appreciation arising thereof;
- (e) The Warrants will also provide our Company with additional funding if and when they are exercised; and
- (f) Our Company will be able to settle up to RM15,000,000 that it is owing to Luk Tung Lam by way of the Set-off Arrangement, and at the same time, procure the Minimum Subscription Level for the Rights Issue. The Set-off Arrangement will reduce our Company's liabilities while preserving our Company's cash reserves.

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#### 4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.08 per Rights Share, the gross proceeds to be raised from the Rights Issue will be utilised in the following manner:

Purposes	Notes	Minimum Scenario	%	Maximum Scenario	%	Utilisation timeframe (from listing date of the Rights Shares)
		(RM'000)		(RM'000)		
Gross proceeds		12,000		70,005		Immediately
Less: Set-off Arrangement	(i)	9,000		4,667		
Net proceeds		<b>3,000</b>	<b>100.0</b>	<b>65,338</b>	<b>100.0</b>	
Repayment of advances	(i)	-	-	10,333	15.82	Within 1 month
Existing business of trading of precision instruments (watches)	(ii)	2,320	77.33	20,000	30.61	Within 24 months
Expansion of existing business	(iii)	-	-	34,325	52.53	Within 24 months
Expenses relating to the Corporate Exercises	(iv)	680	22.67	680	1.04	Within 1 month

Under the Minimum Scenario, the Rights Issue will raise gross proceeds of RM12.00 million. The subscription of 150,000,000 Rights Shares at the issue price of RM0.08 each will amount to RM12.00 million, of which RM9.00 million will be subject to the Set-off Arrangement, with the balance of RM3.00 million to be received by our Company as net proceeds.

Under the Maximum Scenario, the Rights Issue will raise gross proceeds of RM70.00 million. The subscription of up to 875,060,548 Rights Shares at the issue price of RM0.08 each will amount to RM70.00 million, of which RM4.67 million will be subject to the Set-off Arrangement, with the balance of RM65.34 million to be received by our Company as net proceeds.

The actual proceeds to be raised from the Rights Issue is dependent on the subscription level of the Rights Shares. Any additional proceeds raised in excess of RM3.00 million (under the Minimum Scenario) will be utilised up to its maximum allocation in the following order of priority:

- (a) Repayment of advances;
- (b) Existing business of trading of precision instruments (watches); and
- (c) Expansion of existing business.

**(i) Set-off Arrangement and repayment of advances**

Luk Tung Lam had advanced in aggregate of RM29,904,000 (including debt assignment) (based on the exchange rate of HKD1.00 to RM0.534 as at 31 December 2021) to our Company from October 2021 to December 2021 for the purchase of inventories for the trading of precision instruments business (i.e., watches) as set out in the table below:

Date	Amount	
	HKD	RM
19 July 2021*	6,200,000	3,310,800
21 July 2021*	4,300,000	2,296,200
22 July 2021*	5,800,000	3,097,200
5 August 2021*	7,700,000	4,111,800
7 October 2021	5,000,000	2,670,000
20 October 2021	8,000,000	4,272,000
9 November 2021	8,000,000	4,272,000
30 November 2021	5,000,000	2,670,000
1 December 2021	6,000,000	3,204,000
<b>Total</b>	<b>56,000,000</b>	<b>29,904,000</b>

Note:

- \* The aggregate amount of RM24.00 million was assigned to Luk Tung Lam by Zhou Qilin and Lissington Limited pursuant to the agreement for the assignment of loan dated 18 November 2021. Further details of the agreement is set out in **Section 8, Appendix I** of this Abridged Prospectus.

As at LPD, the outstanding advances owed by our Company to Luk Tung Lam is RM24,515,940 (including debt assignment) (based on the exchange rate of HKD1.00 to RM0.534 as at 31 December 2021), after the repayment of advances by our Company to Luk Tung Lam of RM5,388,060 (based on the exchange rate of HKD1.00 to RM0.534 as at 31 December 2021), as set out in the table below:

Date	Amount	
	HKD	RM
10 November 2021	100,000	53,400
11 November 2021	990,000	528,660
17 November 2021	9,000,000	4,806,000
<b>Total</b>	<b>10,090,000</b>	<b>5,388,060</b>

Pursuant to the loan agreements, the advances are subject to a fixed interest rate of 7% per annum and repayable within 1 year from the drawdown date.

Our Company intends to partially set off up to RM9,000,000 against the amounts owing by our Company to Luk Tung Lam of RM26,609,060 (inclusive of interest) as at the LPD. Under the Maximum Scenario, our Company intends to repay up to RM15,000,000 against the amounts owing by our Company to Luk Tung Lam. Assuming all shareholders subscribed for their own entitlement in the Rights Issue, Luk Tung Lam will only be able to subscribe for her own entitlement of 58,334,400 Rights Shares for total proceeds of RM4,666,752 rights subscription monies to be set off against the Set-off Amount. There will be no cash inflow to our Company as the rights subscription monies payable by Luk Tung Lam will be used to set off against the Set-off Amount by an equivalent amount under the Set-off Arrangement. The balance of RM10,333,248 will be repaid by our Company via the proceeds raised from the Rights Issue.

### Luk Tung Lam

Luk Tung Lam was born in China in the year 1967 and is currently a Singapore citizen. She is a full-time stock investor, most of her stock investments cover Hong Kong, United State of America, United Kingdom and Malaysia.

In 2018, she invested in our Company through the recommendation of her acquaintance, Ms. Liu Weng Yee Amy, the executive director of our Company. Upon perusing our Company's future prospects in the business of trading luxury watches, and the value of our Company, Luk Tung Lam had initially invested in 8,865,000 Shares in our Company (representing 8.63% of issued share capital of our Company) on 8 February 2018 and thereafter provided a sum of advances to our Company between October 2021 to December 2021.

Presently, Luk Tung Lam is a substantial shareholder of our Company. As at LPD she holds 29,167,200 Shares, representing 6.67% of issued share capital of our Company. Upon completion of the Rights Issue and assuming full exercise of the Warrants, Luk Tung Lam will hold 226,042,200 Shares (32.29% equity interest) under the Minimum Scenario and she will hold 131,252,400 Shares (6.67% equity interest) under the Maximum Scenario, without any indirect interest in our Company.

**(ii) Existing business of trading of precision instruments (watches)**

Up to RM20.00 million will be used to fund our Company's existing business of trading of precision instruments (watches), as follows:

<b>Details of utilisation</b>	<b>Minimum Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>
Purchase of inventories for trading of precision instruments (watches) <sup>(a)</sup>	2,320	17,000
Upgrade and maintenance of online trading platform <sup>(b)</sup>	-	3,000
<b>Total</b>	<b>2,320</b>	<b>20,000</b>

Notes:

- (a) Our Company intends to utilise up to RM17.00 million of the proceeds to purchase additional inventories for our Group's trading of precision instruments segment which involves new and pre-owned luxury watches (such as Seiko, Tag Heuer, Rolex, Patek Phillipe) to ensure that our Group has continuous supply of a wide variety of watches for potential buyers mainly in Hong Kong offered through our Company's e-commerce platform (i.e., www.allbest.com) to improve its competitiveness. Our Group expect to incur a total cost of RM17.00 million purchase of inventories for trading of precision instruments (watches). The actual inventories to be purchased in excess of Minimum Scenario will depends on the amount of proceeds to be raised from the Rights Issue.
- (b) As at the LPD, our Group maintains and uses its e-commerce platform to sell new and pre-owned luxury watches. Under the Maximum Scenario, our Company intends to utilise up to RM3.00 million of the proceeds to upgrade and maintain the online platform (www.allbest.com) to provide potential customers with a better viewing experience while using our Group's trading platform. Our Group expects to incur approximately RM3.00 million for the upgrade and maintenance of online platform with the breakdown as follows:

<b>Details of utilisation</b>	<b>Minimum Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>
Upgrade of online trading platform	-	2,000
Maintenance of online trading platform	-	1,000
<b>Total</b>	<b>-</b>	<b>3,000</b>

The upgrade will include system enhancement to increase user-friendliness, with new features such as 360-degree view of items, 3D display of watches, additional language support and others. The maintenance cost includes work to ensure that the platform is compatible with the latest version of operating system, and to cope with higher traffic due to increase in users. The upgrade and maintenance work are expected to commence in the mid 2023 until end of 2024. Our Group intends to launch its new upgraded online trading platform to end users by end of 2024.

In the event the Rights Issue is undertaken under the Minimum Scenario, our Company will not proceed with the upgrade and maintenance of the online trading platform.

**(iii) Expansion of existing business**

Under the Maximum Scenario, our Company proposes to utilise up to RM34.33 million of the proceeds to expand its existing business of electronics and system integration. The existing business of our Group includes supply, installation, commissioning and maintenance of traffic light system, information display system, fire alarm panel, video surveillance systems and audio-visual multimedia system. Our Group mainly generates its revenue from the sales of systems (as stated above) to customers and provide continues maintenance of the systems.

Clients of our Group includes but not limited to airports, banks, schools and highway operators in Malaysia. The breakdown of the utilisation is as follows:

<b>Details of utilisation</b>	<b>Minimum Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>
Educational equipment <sup>(a)</sup>	-	15,000
LED project <sup>(b)</sup>	-	10,000
Information display project <sup>(c)</sup>	-	9,325
<b>Total</b>	-	<b>34,325</b>

Notes:

- (a) Under the Maximum Scenario, our Company intends to utilise up to RM15.00 million of the proceeds to purchase equipment (i.e., computer equipments), as well as payment to sub-contractors. This is in anticipation of increase in demand for online educational systems and equipment due to the rise in e-learning in education institutions such as private schools, government schools and universities (as stated in **Section 6.3** of this Abridged Prospectus).

The breakdown of the utilisation is as follows:

<b>Details of utilisation</b>	<b>RM'000</b>
Purchase of equipment (i.e., computer equipments) <sup>(aa)</sup>	12,000
Payment of sub-contractors <sup>(bb)</sup>	3,000
<b>Total</b>	<b>15,000</b>

Notes:

- (aa) Our Group is currently in the midst of finalising a joint-venture agreement with Eduspec Holdings Berhad to offer electronic gadgets and educational equipment to schools nationwide as set out in **Section 6.6** of this Abridged Prospectus. The equipment consists of interactive board and computers to be used in e-learning. Our Company intends to purchase approximately 800 units of interactive boards and 800 units of computers to increase the capacity of their supply to educational sectors. The newly purchased units are expected to be supplied to approximately 300 schools. As at the LPD, our Company does not hold any inventory on the above equipment as they will only purchase the equipment upon the execution of agreement or receipt of purchase order from their client.
- (bb) Sub-contractors for installation, wiring and site work for the e-learning platform for educational institutions.
- (b) Under the Maximum Scenario, our Company intends to utilise up to RM10.00 million of the proceeds to purchase computer systems, traffic systems and display systems for its LED project. The proceeds are to be allocated towards the supply and installation of LED display boards for buildings, schools as well as tourist hotspots. Demand for advertising and creative LED display boards is expected to increase with the opening of international borders, with more tourist arrivals. The target market for the LED project includes advertising companies, buildings, schools, restaurants and retail outlets in Malaysia.

The breakdown of the utilisation is as follows:

<b>Details of utilisation</b>	<b>RM'000</b>
Purchase of equipment, computers and appliances <sup>(aa)</sup>	8,000
Payment of sub-contractors <sup>(bb)</sup>	2,000
<b>Total</b>	<b>10,000</b>

Notes:

- (aa) LED display panels, media player or video processors, graphics and video contents, audio & visual equipment for proper functioning of LED boards.
- (bb) In relation to the support of structure and wiring necessary for the installations of LED display boards.



As at LPD, our Company does not have any on-going LED projects. However, our Company is presently in discussion with 3 potential clients for the LED projects. The requisite announcement will be made upon finalisation of the contracts if required by the Listing Requirement.

- (c) Under the Maximum Scenario, our Company intends to utilise up to RM9.33 million of the proceeds to purchase computers, servers and display systems to implement its information display projects. This includes the development of digital information systems and audio visuals used in most passenger-related businesses, such as train stations, highways, airports as well as sports stadium in Malaysia as they are the target market for the information display project.

The breakdown of the utilisation is as follows:

Details of utilisation	RM'000
Hardware	1,325
Information display system	4,000
Sub-contractors	4,000
<b>Total</b>	<b>9,325</b>

Our Company is currently negotiating with an airport operator services company for the provision of centralised, cloud based and real time flight information display system with artificial intelligent features (i.e., facial recognition) with an estimated contract value of RM20.00 million. The requisite announcement will be made upon finalisation of the contracts if required by the Listing Requirement.

In the event our Company is not able to secure the relevant contracts or projects to expand our existing business of electronics and system integration, the actual proceeds allocated for expansion of existing business will be adjusted against the amount allocated for the existing business of trading of precision instruments (watches) of our Group as set out in **Note (ii)** above.

**(iv) Expenses relating to the Corporate Exercises**

The breakdown of estimated expenses for the Rights Issue is illustrated below:

Details of utilisation	RM'000
Professional fees <sup>(i)</sup>	530
Fees to authorities	96
Miscellaneous charges (printing, meeting expenses and advertising)	54
<b>Total</b>	<b>680</b>

Note:

- (i) Comprise professional fees relating to the Corporate Exercises, which include fees payable to the adviser, solicitors, company secretary, share registrar and independent market researcher.

Pending utilisation of the proceeds from the Rights Issue for the abovementioned purposes, the proceeds will be placed in deposits with financial institution or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used for working capital requirements of our Company (i.e., staff salary, office rental and utilities bill), of which the breakdown for the utilisation cannot be determined by our Company at this juncture.

Any excess or shortfall of the actual proceeds allocated for the expenses will be adjusted against the amount allocated for the expansion of existing businesses of our Group as set out in **Note (iii)** above.

For illustrative purposes, the gross proceeds to be raised upon the full exercise of the Warrants based on the exercise price of RM0.10 per Warrant is as follows:

	Minimum Scenario	Maximum Scenario
No. of Warrants	112,500,000	656,295,411
Total gross proceeds raised assuming all the Warrants are exercised (RM)	11,250,000	65,629,541

The proceeds to be raised from the exercise of Warrants will be utilised as additional working capital to finance our Group's administrative expenses (i.e., rental, upkeep and maintenance of offices, factory and warehouse as well as staff cost (e.g. salaries and statutory contribution)) and will be utilised within 24 months from the receipt of such proceeds. The breakdown of the utilisation of proceeds cannot be determined at this juncture as the exact amount to be raised from the exercise of the Warrants is dependent on the total number of Warrants exercised during the tenure of the Warrants and the final exercise price.

Pursuant to Paragraph 8.22 of the Listing Requirements, our Company will seek its shareholder's approval if our Company proposes to make any material change (i.e., 25% or more of the total proceeds raised) to the use of proceeds raised from the Rights Issue.

## 5. RISK FACTORS

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

### 5.1 Risks relating to our Group

#### (a) Dependency on key personnel

Our Group's business sustainability depends largely on the abilities, skills and experience as well as continued efforts of our existing key personnel. Our Group is supported by key management personnel with relevant experience as well as knowledge in the each of our business segments including the new business segment namely the trading of precision instruments (watches), which is highly dependent on our Executive Directors, namely Datuk Chu Boon Tiong and Liu Wing Yee Amy.

The loss of any of our Group's key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, may adversely affect our Group's revenue and profitability. Our Group may not be able to identify, attract and retain skilled personnel from time to time in the future, and any loss of key personnel may not be easily and quickly replaced without major disruption to our Group's operations.

#### (b) Risk relating to business venture in Hong Kong

Our Group had begun the trading of watches in 2015 through business contacts of our Group's Executive Director, Liu Wing Yee Amy. Subsequently in 2021, our Group had expanded our business in trading of watches by conducting its trading via our own e-commerce platform (www.allbest.com). Currently, the timepieces are sold online through our subsidiary, namely ECGO International Limited.

Our Group is required to comply with Hong Kong's laws and regulation including but not limited to trade laws, sanction laws, environmental laws and tax laws. Besides, our Group's activities in Hong Kong are also exposed to risk arising from business operating conditions and regulatory environments in Hong Kong such as their local economic and political conditions.

Our Group has undertaken considerable steps to ensure viability and sustainability of our operations in Hong Kong which includes implementing prudent management policies and maintaining cordial relationship with the relevant authorities in Hong Kong. However, there is no assurance that the aforementioned factors, which are beyond our control, will have a material impact on our Group's business operations in Hong Kong which will in turn affect the financial performance of our Group.

**(c) Foreign currency exchange risk**

Our Group is exposed to foreign currency exchange risk from the trading of precision instrument (watches) in Hong Kong Dollar (HKD). In the FYE 31 December 2021, our Group's revenue contribution for the business in Hong Kong stood at HKD66,976,312 (RM35,865,815 based on the exchange rate of HKD1.00 to RM0.5355) or approximately 88.85% of the total revenue of our Group. In addition, in the 9M-FPE 30 September 2022, our Group's revenue contribution for the business in Hong Kong stood at HKD32,852,853 (RM18,496,156 based on the exchange rate of HKD1.00 to RM0.563) or approximately 78.58% of the total revenue of our Group. These transactions are translated to the functional currency of our Group, primarily RM at exchange rates on the dates of transactions.

Any difference in the prevailing exchange rates on the dates of transaction may give rise to foreign currency exchange gains or losses that would affect our Group's financial performance. If significant foreign currency fluctuations occur in the future, they may adversely and materially affect the financial performance of our Group.

**(d) Financing and liquidity risk**

As set out in **Section 4** of this Abridged Prospectus, our Group's funding requirements for the repayment of advances, funding for existing business of trading of precision instrument (watches) and expansion of existing business are estimated to be up to RM64.66 million. Such funding requirements are expected to be funded via proceeds to be raised from the Rights Issue. If the proceeds to be raised from the Rights Issue are not enough to meet our Group's funding requirements, our Group may have to seek for alternative sources of funds i.e., advances from shareholders, bank borrowings and/or future equity fund-raising exercises to be undertaken by our Group (if required).

Additionally, our Group has been on a loss-making position for the past 3 financial years which increases the risk of our Group obtaining financing from financial institutions. As at LPD, our Group's total borrowings stood at approximately RM1.38 million as set out in **Section 8.2** of this Abridged Prospectus, all of which are interest-bearing. Furthermore, if our Group obtains further borrowings, our Group will be subject to periodical repayment and interest commitments. In this regard, our Group may be exposed to fluctuations in interest rates. Any increase in interest rate will affect the financial performance of our Group.

Besides, in view of the historical loss-making position of our Group, the cash and bank balances of our Group as at LPD of RM1.33 million and the funds generated from the operations of our Group may not be sufficient to sustain the working capital of our Group moving forward. There is no assurance that our Group is able to source for additional funds for working capital purposes and there is no assurance that the borrowings will be available in amounts or on terms acceptable to our Group, which may adversely affect the operations of our Group and as a result affect the financial performance of our Group.

If our Group is unable to identify other sources of funds and other available liquid resources, our Group's plans for the repayment of advances, funding for the existing business of trading of precision instrument (watches) and expansion of existing business may be delayed or may only be implemented partially, thus resulting in suboptimal efficiency due to lack of scale.

**(e) Political, economic and regulatory considerations**

Our Group’s financial and business operations may be adversely affected by the developments in political, socio-economic and regulatory conditions in Malaysia and Hong Kong. Political and socio-economic uncertainties include, but are not limited to, risks of war, change of governments, expropriation, nationalisation, renegotiation or nullification of existing contracts and methods of taxation, interest rate environment and currency exchange controls.

Whilst our Group will continue to take measures such as careful planning in its financial management and ensuring efficient operating procedures, there is no assurance that adverse political, socio-economic and regulatory conditions will not materially affect our business.

**5.2 Risks relating to our Group’s retail segment**

Our Group’s retail segment had contributed RM35.90 million (or approximately 88.93%) of the total revenue of our Group of RM40.37 million in the FYE 31 December 2021. In addition, our Group’s retail segment had contributed RM18.50 million (or approximately 78.59%) of the total revenue of our Group of RM23.54 million in the 9M-FPE 30 September 2022. The risks associated with our Group’s retail segment are as follows:

**(a) Customer concentration risk**

At this juncture, the watches are sold to a small number of regular customers. Any loss of the current customers will affect our Group’s revenue. Our Group plans to increase its customer base in the future by purchasing additional inventories as well as attracting new customers by upgrading and maintaining the e-commerce platform using the proceeds raised from the Rights Issue in order to provide customers with more convenience for better user experience as stated in **Section 4** of this Abridged Prospectus.

However, due to the competitive nature of the trading of precision instruments (watches), there is no assurance that our Group is able to attract new customers and/or maintain the current customer base.

**(b) Inadequate insurance coverage**

Our Group’s insurance may not be adequate to cover for all losses or liabilities that might be incurred in our Group’s operations as a result of any unforeseen circumstances. As at LPD, the insurance coverage of our Group are as follows:

Type	Coverage	Coverage amount (RM)
Burglary insurance	Inventories	150,000
Fire insurance	Building	1,950,000
	Inventories	150,000

Furthermore, our Group’s involvement in the trading of precision instruments (watches) requires our Group to transport physical inventories at the risk of damage or loss which are not covered by any insurance. In such event, this could have a material adverse effect on the financial position of our Group.

The office where the watches are kept is under CCTV surveillance 24 hours everyday. Besides, the watches are kept inside a safe and could only be opened with a minimum of 2 personnel. Our Group also plans to store the watches in multiple locations. Nevertheless, there is no assurance that the inventories of our Group are prone to any damages or losses which will materially affect our Group’s financial performance.

**(c) Inventory risk**

Our Group intends to purchase additional inventories for the existing business of trading of precision instruments (watches) as set out in **Section 4(ii)** of this Abridged Prospectus. Our Group's decision to increase the inventory count will also increase the risk of damage or loss. As the inventories consist of luxury watches, there are no adequate insurance that are able to cover the losses as a result of any unforeseen circumstances as set out in **Section 5.2(b)** of this Abridged Prospectus.

Besides, the general turnover for the luxury watches is low as our Company may hold on to our inventories, especially limited-edition models, for higher profit margin in the future. In view of the above, our Group is exposed to risk of stockpiling inventories pursuant to the purchase of new inventories for the trading of precision instrument (watches) through the proceeds to be raised from the Rights Issue. There can be no assurance that the inventories will not be damaged or stolen due to unforeseen circumstances as well as there is no adequate insurance to cover the loss which would could have a material adverse effect on the financial position of our Group.

**(d) Competition risk**

Our Group will face direct competition from new entrants and established competitors in the trading of precision instruments (watches). Our Group will take proactive measures to remain competitive in this business by, amongst others, constantly keeping abreast with the latest market conditions, customers' buying behaviour and making efforts in maintaining a competitive edge in terms of cost efficiency, service quality and reliability.

However, there can be no assurance that our Group will be able to compete effectively with existing and new entrants in the future, with regards to the trading of precision instruments (watches), which may materially affect our Group's financial performance.

**(e) Business diversification risk**

The trading of precision instruments (watches) of our Group contributed RM26.23 million (or 64.97%) in the FYE 31 December 2021 and RM16.81 million (or 71.41%) in the 9M-FPE 30 September 2022. Pursuant to the Diversification, our Group intends to further expand the business in the trading of precision instruments (watches), as such our Group is subject to risks inherent in the industry which include but not limited to, adverse changes in supply and demand conditions, downturns in the global, regional and/or national economies, inability to anticipate changes in consumer preferences, changes in law and tax regulations, cost and availability of inventories as well as risk of receiving counterfeit products.

Notwithstanding that, our Board will conduct periodic reviews on the performance of the trading of precision instruments (watches) and adopts necessary financial management and operating procedures to limit the impact of the abovementioned risks.

However, there can be no assurance that our Group may be able to successfully mitigate the various risks inherent in the trading of precision instruments (watches) business, and if unable to do so, the business operation and financial performance of our Group may be adversely affected.

**5.3 Risks relating to our Group's ICT segment**

Our Group's ICT segment had contributed RM4.47 million (or approximately 11.07%) of the total revenue of our Group of RM40.37 million in the FYE 31 December 2021. In addition, our Group's ICT segment had contributed RM5.04 million (or approximately 21.41%) of the total revenue of our Group of RM23.54 million in the 9M-FPE 30 September 2022. The risks associated with our Group's ICT segment are as follows:

**(a) Risk of not able to secure new projects**

Based on the usage of proceeds under the Maximum Scenario, our Group had allocated approximately RM34.33 million for the expansion of our Group's existing business of electronics and system integration. However, most of the projects are uncertain at this juncture as our Group are currently negotiating with the respective parties as set out in **Section 4(iii)** of this Abridged Prospectus. In the event our Group is unable to secure any of the project for our Group's expansion, our Group is unable to utilise the proceeds effectively to generate revenue until the next project is secured.

While our Group will take the necessary steps to secure the potential projects as set out in **Section 4(iii)** of this Abridged Prospectus, there is no assurance that our Group is able to secure all the projects and will in turn affect our Group's operations and financial performance in the long run.

**(b) Technology obsolescence risk**

The ICT industry is a dynamic sector where products and solutions are subject to continuous improvement and innovation as the technological landscape constantly evolves at a rapid pace. In this regard, our Group is dependent on its ability to constantly innovate and keep up with the latest technologies in order to remain relevant and competitive in the ICT industry.

There is no assurance that our Group's products and solutions will always remain relevant and competitive in the ICT industry. There is also no assurance that our Group will be able to successfully anticipate and pick up new technologies to enhance its existing products and solutions or develop new products and solutions.

In the event that our Group is unable to continuously innovate and enhance its products and solutions to meet the latest expectations of its customers in light of the prevailing technological landscape, our Group would be exposed to the risk of technological obsolescence on its products and solutions and in turn would have an adverse effect on our Group's business and financial performance.

**(c) Competition risk**

The ICT industry is competitive in nature and characterised by rapid technological changes, our Group faces direct competition from both new entrants and existing players within the ICT industry. Thus, our Group is dependent on its ability to continuously promote and sell its products and solutions to existing and new customers while competing with other providers in the ICT industry.

Competition may be in the form of pricing, quality of service, technological competence as well as new innovative inventions. There is no assurance that our Group can remain competitive against its competitors moving forward. The emergence of new competitors who can offer more innovative solutions at a competitive cost may result in our Group losing its market share to such competitors. In turn, this would adversely affect the business and financial performance of our Group.

**5.4 Risk factors relating to the Rights Issue**

**(a) Delay or failure to implement the Rights Issue**

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

Acquiror of the Provisional Allotments would lose his investment in the event the Rights Issue is terminated.

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

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

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

- (i) the SC issues a stop order pursuant to section 245(1) of the CMSA, any issue of the Rights Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days from the stop order, our Company shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to section 245(7)(b) of the CMSA; or
- (ii) the Rights Issue is subsequently cancelled or terminated for reasons other than pursuant to a stop order by the SC under section 245(1) of the CMSA, a return of money to our shareholders can only be achieved by way of cancellation of our Company's share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either:
  - (a) consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya; or
  - (b) a solvency statement from the directors;

in which there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

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

**(b) Forward-looking statements**

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

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

**(c) Investment and capital market risk**

The market price of the new securities arising from the Rights Issue as well as the Warrants are influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of our Shares, the outlook of the industries in which our Group operates, changes in regulatory requirements or market conditions, as well as the financial performance and fluctuations in our Group's operating results.

In addition, the performance of the Malaysian share market (where our Shares are listed) is dependent on the economic and political conditions in Malaysia and overseas as well as external factors such as, amongst others, the performance of the world bourses and flows of foreign funds. In view of this, there can be no assurance that the Right Shares will trade above the issue prices or TEAP upon or subsequent to its listing on the Main Market of Bursa Securities.

**(d) Potential dilution on our existing shareholders' shareholdings**

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

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

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

Malaysia's economy has recovered from the COVID-19 pandemic thanks to the collaborative whole-of-nation effort by the Government, private sector, and civil society. As the country entered the recovery phase, the economy grew by 3.1% in 2021, supported by the return of domestic demand and the implementation of various assistance and economic stimulus packages.

Malaysia's economy expanded by 6.9% in the first half of 2022 underpinned by favourable momentum in the domestic economy and steady expansion in the external sector, as well as continued improvement of the labour market conditions. The strong performance is expected to sustain, backed by an increase in private consumption and business activities as the economy transitions to endemicity phase of COVID-19 with the surging tourist arrivals. Furthermore, the growth momentum was attributed to the government's consistent policy support, particularly with the implementation of initiatives under the Budget 2022 since the start of the year, as well as the spillover effects from the Budget 2021 measures coupled with various assistance and stimulus packages.

In tandem with continued implementation of development programmes and projects, the economy is expected to expand further in the second half of the 2022. The growth prospects have been supported by the resumption of economic and social activities and improvement in international travel activities following the relaxation of COVID-19 restrictions regionally.

With better prospects as indicated by the leading Index, the economy is anticipated to gain its growth momentum in the second half of the 2022 attributed to strong domestic demand as the country transitions into endemicity.



For the full year of 2022, the economic growth is expected to register a higher growth within the range of 6.5% - 7%. The domestic economy remains resilient and is forecast to expand between 4% - 5% in 2023 driven by the domestic demand.

Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (“**2Q 2022**”) (first quarter of 2022 (“**1Q 2022**”): 5.0%). While growth was sluggish to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust, underpinned by the continued recovery in labour market conditions and policy support. The improvement also reflected normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for electrical and electronics (“**E&E**”) products. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% in 2Q 2022 (1Q 2022: 3.8%).

The Malaysian economy is projected to expand further for the remainder of the year. Economic growth will be underpinned by firm domestic demand as external demand is expected to moderate, weighed by headwinds to global growth. Going forward, growth would continue to benefit from improving labour market conditions and recovery in tourism-related sectors, following the reopening of international borders. Furthermore, investment activities are also projected to improve, supported by the realisation of multi-year projects. However, the balance of risks to Malaysia’s growth remains tilted to the downside. This stems mainly from weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

Furthermore, investment activities are also projected to improve, supported by the realisation of multi-year projects. However, the balance of risks to Malaysia’s growth remains tilted to the downside. This stems mainly from weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

(Source: 2<sup>nd</sup> quarter 2022, Quarterly Bulletin, Bank Negara Malaysia)

## 6.2 Overview and outlook of the Hong Kong economy

The Hong Kong economy improved in the second quarter of 2022, but the extent of improvement was weaker than expected. As the local epidemic situation generally improved and social distancing measures were relaxed in tandem, and aided by the Government’s various support measures, there was some revival in domestic activities. Yet, the momentum softened in the latter part of the quarter amid the increase in the number of COVID-19 cases and tightened financial conditions. Externally, weakened global demand and continued disruptions to cross-boundary land cargo flows weighed heavily on Hong Kong’s exports.

In the second quarter, real GDP decreased at a moderated pace of 1.3% year-on-year (revised from the advance estimate of -1.4%), after contracting by 3.9% in the preceding quarter. On a seasonally adjusted quarter to-quarter basis, real GDP reverted to an increase of 1.0% (revised from the advance estimate of 0.9%), having declined by 2.9% in the preceding quarter.

(Source: Half Year Economic Report 2022, Government of Hong Kong Special Administrative Region)

The global economy rebounded notably in 2021, despite the challenges from the emergence of more infectious COVID-19 variants, supply disruptions as well as surging energy and commodity prices. While the largely accommodative global monetary environment has contributed to the strong growth, some central banks began to tighten their policies towards the end of the year amid rising inflation.

Looking ahead, the global economy should continue to recover in 2022, but probably at a more moderate pace. In late January, the International Monetary Fund (IMF) projected the global economy to grow by 4.4% in 2022 after a 5.9% expansion in 2021, and warned that the balance of risks remains tilted to the downside.

(Source: 2021 Economic Situation and 2022 Prospects, Government of Hong Kong Special Administrative Region)

### 6.3 Outlook and prospects of the ICT industry in Malaysia

ICT has evolved beyond being a mere collection of technological tools, a socio-economic enabler as well as a key driver of business transformation. According to the Information and Communication Technology Satellite Account 2020, the Malaysian ICT industry contributed RM201.6 billion (in terms of gross value added) or 14.2% to Malaysia's gross domestic product in 2020. The ICT services industry dominated with a share of 45.0%, followed by ICT manufacturing at 34.5%, ICT trade at 14.2% and content and media at 6.3%.

The main categories of ICT services are telecommunication services and computer programming, consultancy, information, and related activities. The ICT services industry registered a growth of 6.7% to RM90.72 billion in 2020 supported by telecommunication services. The information and communication, as well as finance and insurance sub-sectors are poised to lead the recovery as demand for digital solutions, especially in e-commerce and e-payment continues to accelerate. In addition, ICT manufacturing industry registered a growth of 5.9% to RM69.55 billion supported by computers and peripheral equipment.

In 2021, the Malaysian ICT industry in terms of gross value added is estimated RM210.86 billion, an increase of 4.6% from its preceding year. In the short term (2022-2023), the Malaysian ICT industry is expected to be influenced by rising demand for equipment for remote working and the digitalisation of businesses could lead to an upswing in the technology cycle. This will benefit manufacturing production, investments, and exports for economies that are part of the electrical and electronics ("E&E") global value chain, particularly the regional economies.

In the medium to long term (2024-2026), the ICT industry is anticipated to be fuelled by factors such as wide usage of ICT, replacement cycle of devices and continuous technological advancement and governmental support. ICT has become an essential part in everyday lives where it is used for communication, social and networking, e-commerce, e-sports and entertainment as well as work and learning purposes. The percentage of individuals using the Internet in Malaysia grew from 81.20% in 2018 to 89.56% in 2020, further accentuating the importance of ICT products and services in supporting businesses and improving business operations.

On the supply side, the ICT industry in Malaysia is expected to be boosted by the rapid development of 5G network connectivity and continued governmental support. According to its Budget 2021, the Malaysian Government allocated RM500 million to implement the National Digital Network initiative ("JENDELA") to ensure the connectivity of 430 schools across all states in Malaysia. The implementation of JENDELA provides greater digital connectivity and address gaps in the digital divide in the country. At the same time, Malaysian Communications and Multimedia Commission ("MCMC") has allocated RM7.4 billion to build and upgrade broadband services which facilitate the transition to the 5G spectrum. The Government had also launched the Malaysian Digital Economy Blueprint ("MyDigital") on 19 February 2021 mainly to accelerate the growth of the digital economy. The blueprint serves as a foundation for Malaysia's aim for transformation into a "regional digital pulse" by 2030. In the latest Budget 2022, the Government has further prepared RM30 million to implement the Innovation Hub: Industrial Revolution 4.0 under Technology Park Malaysia as an innovation ecosystem one-stop centre with the development of new emerging technology clusters such as drones, robotics and autonomous vehicles.

The COVID-19 pandemic has caused massive technological and economic shifts; reshaping the way modern society works. Certain aspects of the ICT industry are benefiting from health concerns and social distancing requirement caused by the Covid-19 pandemic. Some of obvious ICT opportunity areas are telemedicine, food delivery and logistics, digital and contactless payments, remote working, and learning. The development of 5G is a unifying force to consolidate these different innovations as higher digital connectivity becomes critical in opening up opportunities for businesses and enterprises.

With this development, the ICT industry is anticipated to continue generating positive growth in the medium and long term with the emergence of BDA, artificial intelligence and robotics being the drivers of the Industry 4.0. Going forward, the ICT industry in Malaysia is projected to expand by a compounded annual growth rate (“CAGR”) of 6.0% from RM210.86 billion in 2021 to RM282.71 billion in 2026.

(Source: IMR Report)

#### 6.4 Overview of the outdoor advertising market in Malaysia

The advertising industry in Malaysia can be segmented into traditional and modern platforms, which can then be further divided into segments namely television (“TV”) advertising, newspaper/ magazine publishing, radio-broadcasting, outdoor advertising and Internet advertising. The advertising industry today is showing a shift, with digital advertising making new strides and traditional advertising innovating to keep pace with its digital counterpart. The rise of Internet usage, increased use and availability of smartphone and broadband connection had help to promote the growth of digital advertising. As the demand on digital advertising increases, the demand on traditional advertising media such as newspapers/magazines, TV and radio-broadcasting grew lesser over the years.

Despite the challenges, outdoor advertising is one of the traditional advertising platforms that benefits from digitisation and remain vital in the advertising competitive landscape. Outdoor advertising typically involves the placing of advertisements on billboards, wall banners, bus and taxi stops which attracts large amount of pedestrian traffic. Over the years, there is a gradual replacement of static billboards to digital billboards as they are more interactive. Smart billboards that are compatible with near-field communication and quick response code enable data transfer to mobile devices. Advertisements in terms of apps, videos, audio, and graphics can be transferred from these billboards to the consumers’ smartphones and engage consumers in real time.

In 2021, the outdoor advertising market in terms of expenditure stood at RM1.32 billion, an increase of 2.5% from its previous year, when the enforcement of movement control orders caused the rental for outdoor advertising to contract in 2020 during the year as advertisers pulled back on advertising campaigns. As the high vaccination rates in Malaysia led to recovery in economic activities and a gradual return to life before COVID-19, advertisers increased spending on advertising campaigns to try to make up for loss revenue during 2020. In the short term (2022-2023), the outdoor advertising market in Malaysia is expected to be influenced by the recovery in economic activities as living with COVID-19 becomes the new normal. Malaysia entered the ‘Transition to Endemic’ phase on 1 April 2022, with restriction being eased and more economic activities resuming.

The recovery in economic activities is expected to bode well for the Out of Home advertising market as more advertisers seek to promote their brands. However, the high inflation environment in the US had led to the country raising interest rates to combat rising prices. Malaysia's central bank had also raised the overnight policy rate from 1.75% in 3 March 2022 to 2.75% in 3 November 2022. The higher interest rate in the country is expected to affect business activities, including budget for advertising. In the medium to long term (2024-2026), the outdoor advertising market is anticipated to be fuelled by factors such as increasing urbanisation, rapid expansion of mobile connectivity and property and infrastructure investment. The United Nations Department of Economic and Social Affairs forecasted that Malaysia will reach an urbanisation of between 85% to 90% in the next 30 years. Urbanisation trend shapes consumer behaviour and lifestyle which in turns continues to stimulate advertising strategies.

On the supply side, the outdoor advertising market is expected to be boosted from the rapid development of 5G network connectivity, which further fuels advertising industry growth by providing opportunity for real-time advertising solutions such as more engaging and innovative video advertising contents that can be accessed on mobile phones.

In addition, property and infrastructure investment is expected create increased and improved outdoor advertising space, While the local property market has been experiencing a slowdown in recent years, attributable to high property prices and home ownership issues, resulting in the Malaysian Government setting various measures and initiatives to curb speculative activities and promote responsible financing practices. In addition, the property market will be supported by efforts from the Malaysian Government to push for more availability of affordable housing.

On the infrastructure front, the on-going and upcoming mega infrastructures projects such as the Pan Borneo Highway, the East Coast Rail Link, the Gemas-Johor Bahru Electrified Double-Tracking, the Mass Rapid Transit 3 will contribute to the creation of more billboard sites and thus drive-up billboard inventory nationwide.

Technological advancement such as augmented reality is a major trend gaining population in the advertising industry. These days, advertisers have adopted augmented reality in their advertising strategies to enhance the user experience.

For instance, augmented reality advertisements give consumers the option to display items in a “real-life” environment, increases the interaction of the viewer and create a more memorable user experience. Going forward, the outdoor advertising market in Malaysia is projected to expand by a CAGR of 11.9% from RM1.38 billion in 2022 to RM2.32 billion in 2026.

(Source: IMR Report)

## 6.5 Outlook and prospects of the retail industry in Hong Kong

For 2021, the value of total retail sales was provisionally estimated at HKD353.0 billion, an increase of 8.1% in value and 6.5% in volume, respectively from the previous year. This is mainly due to the global economic recovery from the Covid-19 pandemic albeit at a slower pace. The slowdown comes amid an outbreak of the highly contagious omicron virus variant which weakened consumer sentiment. Analysed by broad type of retail outlet, the rise in sales value was driven by a more profound increase in the sales of jewellery and watches, (+27.3%), followed by wearing apparel (+22.6%), sales of other consumer goods (+20.6%) and optical shops (+14.4%).

In particular, the value of retail sales of jewellery and watches in the 2021 totalled HKD38.77 billion, an increase 27.3% from HKD30.46 billion in 2020. For 2022, the value of retail sales of jewellery and watches in 2022 is forecast to contract by 3.7% to HKD37.33 billion in light of global economic slowdown as well as greater focus on services spending. The Internet has become an essential sales and marketing channel for the sales of watches amid the global pandemic. A growing number of brand owners, retailers and dealers have set up their own websites and e-shops on major online marketplaces such as Alibaba, Tmall and JD.com. Premium delivery services and offline after-sales services are also becoming the industry norm for luxury watch brands sold online. Many brands are adapting to the growing demand for customisation experiences. One trend is to offer personalised DIY design via workshops or online applications.

Nonetheless, the value of retail sales of jewellery and watches in 2021 is pale in comparison with its pre-COVID-19 times. The value of retail sales of jewellery and watches in 2018 were HKD85.33 billion and HKD66.21 billion in 2019. With its tourism-driven sales dented by pro-democracy demonstrations in 2019 and a COVID-19 ban on tourist arrivals in 2020, Hong Kong lost half its jewellery and watches sales between 2018 and 2021. Once a tax-free shopping haven for mainland China’s more than 1.4 billion citizens as well as international tourists, Hong Kong has restricted the entry of non-residents since March 2020, forcing its watch market to reorient itself to local buyers. Before the political unrest and the pandemic, the density of stores selling Swiss watches was a large part of the city’s appeal to Chinese mainland shoppers who purchased duty-free timepieces for a fraction of prices they would have paid back in China.

In 2020, those same buyers that were unable to leave China, redirected their spending domestically, making China the second leading importer of Swiss watch during the year. For 2020 and 2021, Swiss watch exports to China amounted to 2.39 billion Swiss francs (+20.1%) and 2.97 billion Swiss francs (+48.8%) respectively, compared with 1.99 billion Swiss francs in 2019. In contrast, exports to Hong Kong in 2020 and 2021 amounted to 1.70 billion Swiss francs (-36.9%) and 2.13 billion Swiss francs (-20.7%) respectively, compared with 2.69 billion Swiss francs in 2019.

According to the Hong Kong Tourism Board, there were only about 90,000 tourist arrivals in 2021, a sharp decline of 97.4% from the previous year. Visitors from mainland China fell to 60,000 arrivals in 2021 from 2.7 million arrivals in 2020. In the face of deteriorating retail sales, retailers are looking toward investing in e-commerce that could help improve retail sales.

E-commerce retailers in Hong Kong were able to leverage on a highly connected domestic market. Total value of online retail sales in 2021 accounted for 8.1% of total retail sales in Hong Kong, an increase of 39.0% year-on-year.

As e-commerce users demand more from retailers and expect products to be delivered within days, Hong Kong is strategically placed to meet this need. The Hong Kong–Zhuhai–Macao Bridge officially opened on 24 October 2018, Hong Kong’s proximity to Chinese manufacturing hubs such as Shenzhen and Guangzhou offers a vast pool of products that retailers can source. In addition, the Guangzhou–Shenzhen–Hong Kong rail link puts travelling distance between Hong Kong and Beijing within 9 hours. Hong Kong airport has also taken the boom of Chinese e-commerce. In 2021, Hong Kong’s inward and outward airfreight movement reached 5.0 million tonnes.

To facilitate and promote its e-commerce sector, the HKSAR Government in its 2021/2022 budget allocated a total of HKD375 million to the Hong Kong Trade Development Council (“TDC”) over a span of three (3) years from 2021-22 for developing virtual platforms to enhance its capability to organise online activities and to proceed with digitalisation. TDC will also explore the use of its physical and online Business-to-Consumer platforms to assist young business starters in promoting their original products and gauging the preference of consumers. In addition, an allocation of HKD1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (“BUD Fund”) to provide funding support to enterprises for upgrading and restructuring their operations and promoting sales, in which its funding scope covers the development of e-commerce and the integration of online-offline modes of sales and marketing.

Protégé Associates forecast Hong Kong retail sales to increase by 6.0% to HK374.2 billion in 2022. Looking ahead, the Hong Kong Special Administrative Region of the People’s Republic of China (“HKSAR”) Government pointed out that the consumption demand in the near term will be supported by the generally stable local epidemic situation, along with improved labour condition and consumption voucher scheme. Nevertheless, as the city faces challenging recovery from COVID-19 pandemic, the business environment for retail trade is anticipated to remain challenging as the pandemic had halted inbound tourism and various uncertainties continued to weigh on consumption sentiment. For retailers, embracing digital technologies and innovation would be a sensible strategy to remain competitive, accelerate their pace in offline-to-online integration to serve existing and new customers outside Hong Kong, expanding their consumer base in the rapidly growing Guangdong-Hong Kong-Macao Greater Bay Area.

(Source: IMR Report)

## 6.6 Prospects of our Group

Our Group is mainly involved in the business of providing electronics and system integration related businesses locally which include the supply, installation, commissioning and maintenance of traffic lights aspects, information display system, fire alarm panels, video surveillance systems, audio visual multimedia systems and others as well as the trading of precision instruments (watches) in Hong Kong.

Currently, the trading of precision instruments (watches) of our Group is carried out via e-commerce platforms (i.e., [www.allbest.com](http://www.allbest.com) and [www.watch-exchanges.com](http://www.watch-exchanges.com)). In the 1st quarter of 2021, our Group had entered into a memorandum of understanding with MyWorld Holdings Berhad as well as Bluemount Financial Group Limited and Li Hok Yin to explore the possibility of collaboration in financial technology to, amongst others, enhance the payment gateway system of our Group’s e-commerce platforms for its trading of precision instruments segment. Furthermore, our Group is also looking for more opportunities to expand the trading of precision instruments business, such as the enhancement of its e-commerce platforms to increase the maximum capacity and to include new features as set out in **Section 4** of this Abridged Prospectus. As at LPD, the parties are still negotiating on the terms of the collaboration. The requisite announcement will be made upon finalisation of the collaboration arrangement if required by the Listing Requirement.

Our Group remains focused on growing orders from new and existing customers, continuing development of newly designed solutions for clients, as well as managing capacity and spending of our Group for our Group's core business activities revolving around traffic light system, information display system, fire alarm panels, video surveillance, online video conferencing system, LED displays and trading of precision instruments watches) in Hong Kong via its e-commerce platforms.

In addition, our Group is also in the midst of finalising a joint-venture agreement with Eduspec Holdings Berhad to offer electronic gadgets and educational equipment to over 10,000 schools nationwide. As at LPD, our Company and Eduspec Holdings Berhad is finalising on the terms of the agreement and is expected to be finalised by the 1<sup>st</sup> half of 2023. The requisite announcement will be made upon finalisation of the agreement if required by the Listing Requirement.

Similar to other companies across the globe, fiscal year 2021 had been difficult where the COVID-19 pandemic and related social reactions had impacted our Group's businesses and created an unprecedented and challenging time for our Group. Overall, our Group's revenue improved in FYE 31 December 2021, generating approximately RM40.37 million (FYE 31 December 2020: RM17.43 million).

The higher revenue was mainly contributed by the other operating segment, which had seen more than 290.07% growth in revenue in FYE 2021 (FYE 2021: RM35.90 million; FYE 2020: RM9.20 million). This is attributable to our Group's ability to provide a reliable and secure platform that facilitates trading of luxury watches.

Moving forward, our Group will continue to focus and invest in new production system capabilities, information system infrastructure and product development to advance our Group's technology offerings and serve customers efficiently. Furthermore, our Group will continue to focus on developing new value-added solutions to support our Group's existing customers and promoting business continuity and sustainability.

As the COVID-19 pandemic continues to impact all aspects of our lives, the world had witnessed a digital transformation at a faster pace on interaction and operations of many businesses. Enterprises are beginning to rely more on online meeting rather than physical meeting and schools are also adopting e-learning basis to minimise contact of students. As a result of this, our Group noticed the growing orders and needs for online conferencing system especially from educational sectors.

The adoption of online learning and meeting presents an opportunity to further strengthen the market share in the delivery of information products and services that include Smart Interactive Classroom EDU Board, Smart Classroom Management solutions and Virtual Meeting System on Cloud Infrastructure to the education industry and business sectors.

With the lifting of movement restrictions and opening of borders in 2022, our Group foresees there will be an increase in demand for products and solutions relevant to transportation segment. Our Group is currently supplying LED display information system and services to highway and airport operators, traffic light system and also equipment relevant to building of automation system. Our Group foresees there will be an increase in demand for energy management system and equipment which can help companies comply with the environmental, social and governance requirements.

Notwithstanding that our Group recorded losses for the past 3 financial years/ period up to 9M-FPE 30 September 2022, the management of our Group is optimistic of the future prospects of our Group moving forward, after taking into consideration the above and the overview and outlook of the Malaysian economy and Hong Kong economy, Malaysian ICT economy, outdoor advertising in Malaysia as well as the retail industry in Hong Kong as set out in **Sections 6.1 to 6.5** of this Abridged Prospectus.

Premised on the above as well as the potential risks (as set out in **Section 5** of this Abridged Prospectus) and the outlook of the Malaysian economy, Hong Kong economy, ICT Industry, outdoor advertising market industry and retail industry (as set out in **Sections 6.1 to 6.5** of this Abridged Prospectus), our Board takes cognisance of the business strategy and the future prospects of our Group.

## 7. EFFECTS OF THE RIGHTS ISSUE

### 7.1 Share capital

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

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
As at the LPD	437,530,274	22,988,455	437,530,274	22,988,455
To be issued pursuant to the Rights Issue	150,000,000	12,000,000 <sup>(1)</sup>	875,060,548	70,004,844 <sup>(1)</sup>
Enlarged share capital after the Rights Issue	587,530,274	34,988,455	1,312,590,822	92,993,299
To be issued assuming full exercise of Warrants	112,500,000	11,250,000 <sup>(2)</sup>	656,295,411	65,629,541 <sup>(2)</sup>
<b>Enlarged share capital</b>	<b>700,030,274</b>	<b>46,238,455</b>	<b>1,968,886,233</b>	<b>158,622,840</b>

Notes:

- (1) Based on the issue price of RM0.08 per Rights Share.  
(2) Based on the issue price of RM0.10 per Warrant.

Our Company is in compliance with Paragraph 6.50 of the Listing Requirements, whereby the number of new shares which will be issued from all outstanding convertible equity securities, when exercised, does not exceed 50% of the total number of issued shares of our Company (excluding any treasury shares and before the exercise of the convertible equity securities) at all times.

### 7.2 NA and gearing

The pro forma effect of the Rights Issue on the NA and gearing of our Group are as follows:

#### Minimum Scenario

	(Unaudited) As at 30 September 2022 RM	(I) After the Rights Issue RM	(II) After (I) and assuming full exercise of all Warrants RM
Share capital	22,988,455	27,873,455 <sup>(1)</sup>	45,558,455 <sup>(2)</sup>
Revaluation reserve	3,819,608	3,819,608	3,819,608
Foreign currency translation reserves	4,549,411	4,549,411	4,549,411
Warrant reserves	-	6,435,000 <sup>(1)</sup>	- <sup>(2)</sup>
Accumulated losses	(11,362,752)	(11,362,752)	(11,362,752)
<b>Shareholders' funds/ NA</b>	<b>19,994,722</b>	<b>31,314,722</b>	<b>42,564,722</b>
No. of Shares (including treasury shares)	437,530,274	587,530,274	700,030,274
NA per Share	0.05	0.05	0.06
Total borrowings	1,486,684	1,486,684	1,486,684
Gearing (times)	0.07	0.05	0.03

Notes:

- (1) After taking into consideration the following:  
(i) issuance of 150,000,000 Rights Shares based on issue price of RM0.08 per Rights Share.

- (ii) the issuance of 112,500,000 Warrants with each Warrant assumed to have a fair value of RM0.0572 based on the Black-Scholes Options Pricing Model.
  - (iii) after deducting the estimated expenses in relation to the Rights Issue of RM680,000.
- (2) Based on exercise price of RM0.10 per Warrant inclusive of the transfer of warrants reserve to share capital account upon exercise of Warrants.

### **Maximum Scenario**

	<b>(Unaudited)</b>	<b>(I)</b>	<b>(II)</b>
	<b>As at 30 September 2022 RM</b>	<b>After the Rights Issue RM</b>	<b>After (I) and assuming full exercise of all Warrants RM</b>
Share capital	22,988,455	54,773,201 <sup>(2)</sup>	157,942,840 <sup>(3)</sup>
Revaluation reserve	3,819,608	3,819,608	3,819,608
Foreign currency translation reserves	4,549,411	4,549,411	4,549,411
Warrant reserves	-	37,540,098	- <sup>(2)</sup>
Accumulated losses	(11,362,752)	(11,362,752)	(11,362,752)
<b>Shareholders' funds/ NA</b>	<b>19,994,722</b>	<b>89,319,566</b>	<b>154,949,107</b>
No. of Shares (including treasury shares)	437,530,274	1,312,590,822	1,968,886,233
NA per Share (RM)	0.05	0.07	0.08
Total borrowings	1,486,684	1,486,684	1,486,684
Gearing (times)	0.07	0.02	0.01

Notes:

- (1) After taking into consideration the following:
  - (i) issuance of 875,060,548 Rights Shares based on issue price of RM0.08 per Rights Share.
  - (ii) the issuance of 656,295,411 Warrants with each Warrant assumed to have a fair value of RM0.0572 based on the Black-Scholes Options Pricing Model.
  - (iii) after deducting the estimated expenses in relation to the Rights Issue of RM680,000.
- (2) Based on exercise price of RM0.10 per Warrant inclusive of the transfer of warrants reserve to share capital account upon exercise of Warrants.

### **7.3 Earnings and EPS**

The Rights Issue is not expected to have an immediate effect on the earnings and EPS of our Group for FYE 31 December 2022 as the Rights Issue is only expected to be completed in the first quarter of 2023 and the proceeds to be raised from the Rights Issue are expected to be utilised within 24 months from the date of completion of the Rights Issue.

The effect of the Rights Issue on the earnings and EPS of our Group will depend on, amongst others, the number and issue price of Rights Shares to be issued as well as number and exercise price of Warrants exercised and level of returns generated from the use of proceeds from the Rights Issue. Nevertheless, the Rights Issue is expected to contribute positively to the future earnings and EPS of our Group as and when the potential benefits from the utilisation of proceeds are realised.

Assuming that the earnings of our Group remain unchanged, the EPS of our Group will be diluted as a result of the increase in the number of Shares in issue following the issuance of the Rights Shares and any new Shares arising from the exercise of Warrants. Nevertheless, the funds raised from the Rights Issue is expected to contribute positively to the future earnings and EPS of our Group as and when the benefits of the utilisation of proceeds are realised.



#### 7.4 Convertible securities

Our Company does not have any outstanding options, warrants or convertible securities as at the LPD.

### 8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

#### 8.1 Working capital and sources of liquidity

Our business has been financed by funds from shareholders via fund raising exercise, advances from shareholders and cash generated from our operations. As at the LPD, our Group has cash and bank balances of RM1.33 million as well as deposits with licensed financial institutions of RM0.03 million.

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

Our Board is of the opinion that our Group will have sufficient working capital for our operations in the next 12 months commencing from the date of this Abridged Prospectus after taking into consideration the proceeds to be raised from the Rights Issue under Minimum Scenario as set out in **Section 4** of this Abridged Prospectus, existing cash in hand, funds and/or advances from shareholders.

#### 8.2 Borrowings

As at the LPD, our Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are as follows:

	<b>Total (RM'000)</b>
<b><u>Long-term borrowings</u></b>	
Hire purchase for motor vehicles	1,091
<b><u>Short-term borrowings</u></b>	
Hire purchase for motor vehicles	284
<b>Total</b>	<b>1,375</b>

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

#### 8.3 Contingent liabilities

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

#### 8.4 Material commitments

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

#### 8.5 Material transactions

Save for the Rights Issue, our Board has confirmed that there are no other transactions which may have a material effect on our Group's operations, financial position and results since our Group's most recent announced audited financial statements for the FYE 31 December 2021.

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

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares applications and the procedures to be followed should you and/or your transferee(s) and/or your renounee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renounee(s) (if applicable) are advised to read this Abridged Prospectus, the 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 this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments 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**

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

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this Abridged Prospectus and the Rights Shares Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to **Sections 9.5.3 and 9.8.3** of this Abridged Prospectus for the procedures for acceptance as well as to apply for Rights Shares, if you choose to do so.

This Abridged Prospectus and the RSF are also available at the registered office of our Company, our Share Registrar or on Bursa Securities' website (<https://www.bursamalaysia.com>).

**9.2 NPA**

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments 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 transferee(s) and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

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

The last date and time for acceptance and payment for the Rights Shares and the Excess Rights Shares application is Wednesday, **11 January 2023**.

**9.4 Methods of acceptance and application**

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

<b>Method</b>	<b>Category of Entitled Shareholders</b>
RSF	All Entitled Shareholders
Electronic Application	All Entitled Shareholders
Bursa Anywhere	All Entitled Shareholders who have registered for Bursa Anywhere
NRS	Authorised Nominee who has subscribed for NRS

Notes:

(1) The following surcharge per Electronic Application via ATM will be charged by the Participating Financial Institution:

- Public Bank Berhad – RM4.00; and
- Affin Bank Berhad – RM4.00.

The following processing fee per Electronic Application via internet financial services website will be charged by the respective Participating Financial Institution:

- Public Bank Berhad (<http://www.pbebank.com>) – RM4.00; and
- Affin Bank Berhad (<https://www.affinbank.com.my>) – RM4.00.

(2) A processing fee of RM2.00 per Electronic Application via Bursa Anywhere will be charged.

## 9.5 Procedures for full acceptance and payment

### 9.5.1 By way of RSF

Acceptance and payment for the Provisional Allotment to you as an Entitled Shareholder and/or your transferees and/or your renounees / transferees (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not 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.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS, EXCESS RIGHTS SHARES APPLICATIONS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEES / TRANSFEREES (IF APPLICABLE) WISH TO SELL / TRANSFER ALL OR ANY PART OF YOUR / THEIR ENTITLEMENTS, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.**

**YOU AND/ OR YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.**

If you and/or your renounees and/or transferees (if applicable) wish to accept all or part of your entitlement to the Provisional Allotments, please complete Part I(A) and Part II of the RSF in accordance with the notes and instructions provided therein. 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:

**Boardroom Share Registrars Sdn Bhd**

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel No. : (03) 7890 4700 (Helpdesk)  
Fax No. : (03) 7890 4670

so as to arrive not later than **Wednesday, 11 January 2023 at 5.00 p.m.**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares subscribed by you and/or your renounees and/or transferees (if applicable) will be credited into the respective CDS Accounts where the Provisional Allotments are standing to the credit.

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

You and/or your renounees / transferees (if applicable) should take note that a trading board lot for the Rights Shares will comprise 100 Rights Shares. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share. Fractional entitlements arising from the Rights Issue will be disregarded and the aggregate of such fractions shall be dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

If acceptance and payment for the Rights Shares provisionally allotted to you and/or your renounees and/or transferees (if applicable) is not received by our Share Registrar by **Wednesday, 11 January 2023 at 5.00 p.m.**, being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by our Board at their discretion, you and/or your renounees and/or transferees (if applicable) will be deemed to have declined the Provisional Allotments made to you and/or your renounees and/or transferees (if applicable) and it will be cancelled. Such Rights Shares not taken up will be allotted to the applicants applying for Excess Rights Shares.

Our Board reserves the right not to accept or to accept in part only any application without providing any reasons. You and/or your renounees and/or transferees (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 (<https://www.bursamalaysia.com>), our Share Registrar at the address stated above or at our Company's registered office.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "INDUSTRONICS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR BY WEDNESDAY, 11 JANUARY 2023 AT 5.00 P.M..**

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

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AND/OR YOUR RENOUNCEES AND/OR TRANSFEREES (IF APPLICABLE) AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN 8 MARKET DAYS FROM THE CLOSING DATE.**

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES LODGED WITH THE 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 DESPATCHED TO YOU WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK.**

**ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES AND/OR TRANSFEREES (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATE WILL BE ISSUED.**

**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.**

#### **9.5.2 By way of electronic application**

Only Malaysian individuals who are Entitled Shareholders may apply for the Rights Shares by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs and internet financial services website of the Participating Financial Institutions before making an Electronic Application.

The procedures for Electronic Applications at the ATMs and internet financial services website of the Participating Financial Institutions are set out on the ATM screens and internet financial services website of the relevant participating Financial Institutions. For illustration purposes, the procedures for Electronic Applications are set out below. Please read carefully the terms of this Abridged Prospectus, the steps and the terms and conditions of the electronic Application set out in **Section 9.5.2(ii)** of this Abridged Prospectus before making an Electronic Application.

You must have an account with a Participating Financial Institution and an ATM card issued by a Participating Financial Institution or with access to internet financial services with Public Bank Berhad at <http://www.pbebank.com> or Affin Bank Berhad at <https://www.affinbank.com.my>.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

You shall apply for the Rights Issue via the ATM or internet financial services website of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application re as set out in **Section 9.5.2(ii)** of this Abridged Prospectus “**Terms and conditions of Electronic Applications**”.

Upon the completion of your Electronic Application transaction via ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. The Transaction Records only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar. The transaction Record is for your record and is not required to be submitted with your application.

For application via internet financial services website, a message from the Participating Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Rights Shares is being made. Subsequently, the Participating Financial Institutions shall confirm that the said application has been completed, via the confirmation screen in respect of your application (“**Confirmation Screen**”) on their website. You are advised to print out the Confirmation Screen for your reference and record.

**YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS CCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.**

**i. Participating Financial Institutions**

Electronic Applications may be made through an ATM or internet financial services websites of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad
- Affin Bank Berhad

**ii. Terms and conditions of Electronic Applications**

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

- (a) You are required to confirm the following statements and undertake that the following information given are true and correct:
- (aa) You have attained 18 years of age as at the Closing Date;
  - (bb) You have read the Abridged Prospectus and understood and agreed with the terms and conditions of the application; and
  - (cc) You give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application / refund, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application / refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Provisional Allotments as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.

- (c) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you take your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the ATM or screen of financial services websites of the Participating Financial Institutions through which the Electronic Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons)) of the number of Rights Shares applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

- (e) By making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Rights Shares allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application 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, our Share Registrar, the Participating Financial Institutions or Bursa Depository and you irrevocably agree that if:
  - (aa) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
  - (bb) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

- (i) By making and completing an Electronic Application, you agree that:
  - (aa) In consideration of our Company agreeing to allow and accept your application for the Rights Shares via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs and financial services websites, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
  - (bb) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or any cause beyond our Company's control;
  - (cc) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Rights Shares for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
  - (dd) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these terms/ instructions.
- (k) Notification on the outcome of your application for the Rights Shares will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
  - (aa) successful application – a notice of allotment will be despatched within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
  - (bb) unsuccessful / partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in **Section 9.5.2(ii)** of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

### **9.5.3 By way of Bursa Anywhere**

Only Entitled Shareholders who had registered for Bursa Anywhere and subscribed for eDividend service could apply for the Rights Shares by way of Bursa Anywhere mobile application.



Please read carefully and follow the terms of this Abridged Prospectus, the procedures, notices, terms and conditions for Bursa Anywhere application before making an application.

The procedures for submitting an application at Bursa Anywhere are set out on the Bursa Anywhere mobile application screens. Please read carefully the terms of this Abridged Prospectus, the steps and the terms and conditions as set out in **Section 9.5.3(ii)** of this Abridged Prospectus before making an application.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

Upon the completion of your application transaction via Bursa Anywhere, you will receive a receive a push notification from Bursa Anywhere and a message in your Bursa Anywhere account inbox on the request of your Rights Shares subscription. The notification message is only a record of the completed transaction at the Bursa Anywhere.

**(i) Procedures for submitting an application through Bursa Anywhere**

- (a) Launch the Bursa Anywhere application on your handphone and login using your username and password.
- (b) Upon a successful login, choose the “My Services” at the bottom of the screen and then select “eRights”.
- (c) Next, select “Submit Application”, and you will see a screen that informs you to agree with the “Terms & Conditions and Notices” that governs your Rights Shares application via Bursa Anywhere.
- (d) Click on the hyperlink of “Terms & Conditions and Notices”. You must read and understand the “Terms & Conditions and Notices” before you click “Agree” to proceed to the next page.
- (e) Click “Agree” to proceed to a landing page for you to select the Rights Shares that you would like to subscribe to.
- (f) Select the Rights Shares that you want to apply.
- (g) You may click on the hyperlink of the “Prospectus” to view the content of the related abridged prospectus.
- (h) You are also required to click on the hyperlink to the “Declaration”. Read and understand the clauses of the “Declarations”.
- (i) Upon the completion of the above, at the bottom of the Rights Issue detail page you are required to swipe the toggle to the right to indicate that you have read and understood the Abridged Prospectus as well as accepted and made the declarations stated in the “Declaration”.
- (j) Next, select the CDS account for your Rights Shares subscription and click “NEXT”.
- (k) You will come to a page for you to fill up for entitled and excess Rights Shares subscription. You have the options to select either “Entitled only”, “Excess only” and “Entitled & Excess” for your Rights Shares subscription.
- (l) Select the subscription type, enter the number of units that you would like to subscribe. Click “NEXT” once you complete the required information.
- (m) You will come to a “Preview” page, where it displays the following information of your subscription:

- units and Ringgit amount of your Rights Shares subscriptions
  - subscription fee (charged by Bursa Securities)
  - Tax, if applicable
  - Stamp duty, if applicable
- (n) Check the summary information on the “Preview” page. Click “CONFIRM” at the bottom of the same page, if the information is correct.
- (o) Next, you will receive a six-digit “SMS” transaction verification code (TAC) via your mobile phone (the mobile number that you registered with Bursa Anywhere).
- (p) You are required to key-in and submit the verification code.
- (q) Upon successful validation of the verification code, you will be led to the payment gateway for payment.
- (r) You are required to select the bank for your Rights Shares subscription payment. **(IMPORTANT NOTE: You are required to use the bank account that you have registered for Bursa Depository’s eDividend service. Your subscription will be rejected if another bank account is used for payment. You will be notified if your subscription is rejected. Your subscription monies will be refunded within 3 Market Days, to the subscription bank account that you have just subscribed.)**
- (s) You will be brought to your selected bank login page for payment.
- (t) Once payment is made successfully via your selected bank, you will be brought to the “Thank You” page, which displays your bank transaction details.
- (u) Click “DONE” at the bottom, you will be led back to the “My Service” landing page.
- (v) You will receive a push notification message in your Bursa Anywhere account inbox.
- (w) You can made multiple applications during the subscription period subject to the maximum quantity that you are entitled.
- (ii) Terms and conditions of applications via Bursa Anywhere**
- (a) The electronic copy of the Abridged Prospectus is available at the “Prospectus” landing page of “Corporate Announcement” at Bursa Securities’ website and can be accessed via the hyperlink in the Bursa Anywhere. You have read the Abridged Prospectus prior to making an investment decision and should make the investment decision based on the Abridged Prospectus rather than on advertising or promotional materials. The securities offered are offered by the issuer solely on the basis of the information contained in the Abridged Prospectus.
- (b) Our Company has appointed Bursa Depository to provide eRights services via the Bursa Anywhere. Bursa Depository is not responsible for, has not authorised and shall not be deemed to have authorised the contents of the electronic copy of the Abridged Prospectus and therefore, shall not have any liability in respect of the electronic copy of the Abridged Prospectus or the application submitted by way of Bursa Anywhere.
- (c) The physical printed copy of the Abridged Prospectus is available upon request from our Company at the location specified in the Abridged Prospectus during the offer period.

- (d) You may also obtain a physical printed copy of the Abridged prospectus from the participating organisation(s) set out in this Abridged.
- (e) Prospectus. Payment of subscription to the Rights Shares via Bursa Anywhere is required to be made from your eDividend bank account. Failing which, the request of the eRights application will be rejected.
- (f) By submitting an eRights application from Bursa Anywhere, you confirm that:
- You have read and understood the contents of the Abridged Prospectus;
  - You have read and agreed to be bound by these terms and conditions and notices for application of Rights Shares and the terms and conditions of the Bursa Anywhere;
  - You are eligible to apply for the Rights Shares in Malaysia or in jurisdictions where the Rights Shares are intended to be available;
  - You irrevocably consent to the receipt of any cash payment or refund in relation to the eRights application to be made via direct credit into the eDividend bank account; and
  - You agree to give irrevocable consent to Bursa Depository to disclose your information, including bank account information, which are necessary or expedient to the relevant entities involved in the application process and to the relevant entities involved in facilitating the payment of any cash payments or refunds via direct credit into e-Dividend bank account in relation to the application.
- (g) Applications shall close at the Closing Date or such extended time and date as may be determined and announced by our Board.
- (h) An application is deemed to be received by Bursa Anywhere only upon its completion, that is, when you have:
- successfully made full subscription payment via the payment gateway; and
  - received an email indicating that the application has been submitted to our Company and/or our Share Registrar.
- (i) You are advised to print out and retain a copy of the Transaction Records for record purposes. The Transaction Records are only a record of the completed transactions received at the Bursa Anywhere and not a record of the receipt of the application or any data relating to such an application by our Company or our Share Registrar. No application or monies can be accepted electronically in respect of the securities offered once the offer closes on the Closing Date.
- (j) Upon your receipt of the Transaction Record, cancellation of the application will not be allowed.
- (k) Bursa Depository shall not be liable for any applications made through any alternative methods of application.
- (l) If Bursa Depository has any reason to believe that the electronic copy of the Abridged Prospectus or processes for collection and handling of applications via the Bursa Anywhere have been tampered with, Bursa Depository may reject the application and Bursa Depository shall not be liable for such rejection.

- (m) No securities will be allotted or issued on the basis of the Abridged Prospectus after the Closing Date. Bursa Depository, Bursa Securities and Bursa Malaysia Berhad do not guarantee any allotment of securities as a result of the application via the Bursa Anywhere and are not responsible for any non- allotment of the Rights Shares or part thereof by our Company pursuant to the application via the Bursa Anywhere.
- (n) Any request for any refunds related to the allotment of the Rights Shares must be referred to our Company.
- (o) No refund of any subscription fee charged by Bursa Depository and applicable tax (if any), will be made to you if your subscription is rejected by our Share Registrar.
- (p) The electronic copy of the Abridged Prospectus made available on the Bursa Securities' website after the Closing Date as described in the terms and conditions is made available solely for informational and archiving purposes.
- (q) Risk of submitting the applications from Bursa Anywhere:
  - (aa) By submitting an application via Bursa Anywhere, you agree to assume the risks associated with conducting transactions online, including risks of electrical, electronic, technical and mobile-related faults and breakdowns, faults with mobile applications, problems occurring during data transmission, mobile security threats such as viruses, hackers and crackers, fires, acts of god and other events beyond the control of Bursa Depository, and/or our Company. You acknowledge that the aforementioned events may result in (i) interruption, transmission blackout or delayed transmission; and/or (ii) incorrect data transmission due to the public nature of the Internet and agrees to bear such risks.

The applicant agrees that neither Bursa Depository, Bursa Securities, Bursa Malaysia Berhad, the issuer nor our Share Registrar shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data, breakdown or failure in communication facilities or due to any cause beyond their control.
  - (bb) If, Bursa Depository, the issuer and/or our Share Registrar does not receive your application and/or the relevant payment, or in the event that any data relating to the application is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an application. In such an event, you shall have no claim whatsoever against Bursa Depository and/or Bursa Securities and/or Bursa Malaysia Berhad and/or our company and/or our Share Registrar, in relation to the purported application.
- (r) Instead of submitting an application via Bursa Anywhere, you may alternatively submit applications through the existing manual paper-based application method as well as other means of application specified in this Abridged Prospectus, such as via ATM or internet facilities of financial institutions offering such services within Malaysia and such other methods as may from time to time be permitted by the SC.
- (s) In the event a supplementary Abridged Prospectus is issued, you are entitled to revise or withdraw your application by contacting your Share Registrar directly. Bursa Depository or Bursa Anywhere will not be able to facilitate any revision or withdrawal of the application in such circumstances.

- (t) Bursa Depository is committed to protecting the security of the applicant's personal information. It uses a variety of security technologies and procedures, to help protect the confidentiality and security of an applicant's personal information provided through the Bursa Anywhere, from unauthorised access, use, or disclosure. In addition, Bursa Depository has put in place appropriate measures to minimise the risks of unauthorised access and to maintain the security of the information it collects through Bursa Anywhere.

#### 9.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to the shareholders who are Authorised Nominees. Only the Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and user guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

##### Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and the Rights Shares Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's user guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the Abridged Prospectus and the Rights Shares Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.
- (f) To apply for the Rights Shares, you will be required to submit your subscription information via Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's user guide for NRS.
- (g) Once completed, you will need to submit the Rights Shares Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the Closing Date.
- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
  - (aa) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
  - (bb) Consent to the disclosure of your information to facilitate electronic refunds where applicable.

- (i) With regards to payment for the Rights Shares which you have applied for, you must transfer the amount payable directly to our Company's bank account, the details of which are as follows:-

<b>NAME OF ACCOUNT</b>	<b>INDUSTRONICS RIGHTS ISSUE ACCOUNT</b>
<b>NAME OF BANK</b>	<b>MALAYAN BANKING BERHAD</b>
<b>BANK ACCOUNT NO.</b>	<b>514012464892</b>

- (j) Upon completion of the transfer / payment, you may receive a transaction slip from the transacting financial institution confirming the details of your transfer / payment. The transaction slip is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The transaction slip is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Rights Shares electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
- (aa) successful application – an electronic notification will be sent to you within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
- (bb) unsuccessful / partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made.

Kindly take note of the terms and conditions as stated in this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the Rights Shares allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Rights Shares submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

**(i) Terms and conditions for applications via NRS**

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's user guide for NRS as well as the terms and conditions appearing herein:

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares that may be allotted to you.
- (c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Shares allotted to you into the respective CDS Account(s) as indicated in the Rights Shares Subscription File.
- (d) You acknowledge that your application via NRS 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, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if: -
  - (aa) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
  - (bb) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares applied for or for any compensation, loss or damage relating to the application for the Rights Shares.
- (e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:
  - i. In consideration of our Company agreeing to allow and accept your application for Rights Shares via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
  - ii. Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our Company's control;

- iii. Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares; and
- iv. You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

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

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

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

#### **9.7 Procedures for sale or transfer of Provisional Allotments**

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with 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 ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.**

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares applied for to the Share Registrar. Please refer to **Section 9.5** of this Abridged Prospectus for the procedures for acceptance and payment.



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

## **9.8 Procedures for the Excess Rights Shares Application**

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

You and/or your renounee(s) and/ or transferee(s) (if applicable) may apply for the Excess Rights Shares in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares applied for) to our Share Registrar **not later than Wednesday, 11 January 2023 at 5.00 p.m.**, being the last date and time for application and payment for the Excess Rights Shares.

**PAYMENT FOR THE EXCESS RIGHTS SHARES APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 9.5 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S) / CASHIER'S ORDER(S) / MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "INDUSTRONICS EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS RIGHTS SHARES APPLICATION AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS. THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES APPLIED FOR ANY EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS RIGHTS SHARES APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. HOWEVER, IF YOUR EXCESS RIGHTS SHARES APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.**

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

**WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.**

### 9.8.2 By way of Electronic Application

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

The Electronic Application for Excess Rights Shares will be made on, subject to, the same terms and conditions as set out in **Section 9.5.2** of this Abridged Prospectus.

### 9.8.3 By way of Bursa Anywhere

You and/or your renounee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares via Bursa Anywhere in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in **Section 9.5.3** of this Abridged Prospectus.

The application for Excess Rights Shares via Bursa Anywhere will be made on, subject to, the same terms and conditions as set out in **Section 9.5.3** of this Abridged Prospectus.

### 9.8.4 By way of NRS

You and/or your renounee(s) and/or transferee(s) (if applicable) may apply for the Excess Rights Shares via NRS in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in **Section 9.5.4** of this Abridged Prospectus save and except for the amount payable to be directed to **“INDUSTRONICS EXCESS RIGHTS ISSUE ACCOUNT” (BANK ACCOUNT NO. 514012464907 with Malayan Banking Berhad)** for the Excess Rights Shares applied and also that you should complete the details for the Excess Rights Shares application at the designated fields for excess applications in the Rights Shares Subscription File.

The application for Excess Rights Shares via NRS will be made on, subject to, the same terms and conditions as set out in **Section 9.5.4** of this Abridged Prospectus.

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

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights Shares, taking into consideration their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights Shares, taking into consideration the quantum of their respective Excess Rights Shares applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the transferee(s) and/or renounee(s) who have applied for Excess Rights Shares, taking into consideration the quantum of their respective Excess Rights Shares applications

The Excess Rights Shares will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares will be allocated by performing the same sequence of allocation i.e., items (ii), (iii) and (iv) again in succession until all Excess Rights Shares are allotted.

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

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

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

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

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ONLINE PAYMENT/ 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.**

#### **9.9 Procedures to be followed by transferees and/or renounees**

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

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

**TRANSFEREES AND/OR RENOUNCEES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

### **9.10 CDS Account**

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

Your subscription for the Rights Shares shall signify your consent to receive such Rights Shares as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares allotted shall be credited directly into the CDS Accounts of successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

### **9.11 Notice of allotment**

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

Upon allotment of the Rights Shares in respect of your acceptance and/or your renounee and/or transferee acceptance (if applicable) and Excess Rights Shares application (if any), the Rights Shares shall be credited directly into the respective CDS Account where the Provisional Allotments were credited. No physical certificates will be issued in respect of the Rights Shares. However, a notice of allotment will be despatched to you and/or your renounee and/or transferee (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 Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be by issuance of cheque 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 Rights Shares, cannot be withdrawn subsequently.

### **9.12 Foreign-Addressed Shareholders**

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the Rights Shares may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from our Share Registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Our Share Registrar will be entitled to request evidence from the Foreign-Addressed Shareholders as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

Our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) may only accept or renounce all or any part of his/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, and our Company, our Board and officers, TA Securities and/or the advisers named herein (“**Parties**”) would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

Our Company reserves the right, in its absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Rights Shares available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renouncee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renouncee(s) is or might be subject to;

- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is or might be subject to in connection with the acceptance or renunciation;
- (iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) is/are aware that the Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renouncee's decision to subscribe for or purchase the Rights Shares; and
- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renouncee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

**NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD AWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.**

## **10. TERMS AND CONDITIONS**

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

## **11. FURTHER INFORMATION**

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

Yours faithfully,  
For and on behalf of our Board  
**INDUSTRONICS BERHAD**



**DATUK CHU BOON TIONG**  
Executive Director

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

As at the LPD, the issued share capital of our Company is RM22,988,454.94 comprising of 437,530,274 Shares (no treasury shares).

**2. BOARD OF DIRECTORS**

The details of our Board as at the LPD are set out in the table below:

<b>Name</b>	<b>Age</b>	<b>Designation</b>	<b>Address</b>	<b>Nationality</b>
Datuk Chu Boon Tiong	51	Executive Director	C-04-01, Verde Ara Damansara PJU 1A/20 Ara Damansara 47301 Petaling Jaya Selangor	Malaysian
Liu Wing Yee Amy	35	Executive Director	House F, 148 Tung Tsz Road Taipo Hong Kong	Hong Kong
Chow Yun Cheung	43	Non-Independent Non-Executive Director	Flat E, 9/F, Island Lodge 180 Java Road North Point Hong Kong	Hong Kong
Chui Ee Mien	43	Independent Non- Executive Director	A-2-2, Laman Scenaria Jalan 6/38A, Taman Sri Sinar 51200 Kuala Lumpur Wilayah Persekutuan	Malaysian
Sandra Chan Wan Shan	49	Independent Non- Executive Director	2F, No. 23 Cheung Fat Street Cheung Sha Wan Kowloon Hong Kong	Hong Kong

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

**3. DIRECTORS' SHAREHOLDINGS**

Save for those disclosed below, none of the other Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue on the shareholdings of our Director based on the Record of Depositors as at LPD are as follows:

**Minimum Scenario**

	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Chu Boon Tiong	13,685,080	3.13	-	-	51,185,080	8.71	-	-

	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Chu Boon Tiong	79,310,080	11.33	-	-

**Maximum Scenario**

	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Chu Boon Tiong	13,685,080	3.13	-	-	41,055,240	3.13	-	-

	(II) After (I) and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Chu Boon Tiong	61,582,860	3.13	-	-



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

**4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

The proforma effects of the Rights Issue on the substantial shareholders' shareholdings in our Company based on the Record of Depositors as at the LPD are as follows:

**Minimum Scenario**

Name	As at the LPD			(I) After the Rights Issue		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Bluemount <sup>(1)</sup>	87,286,100	19.95	-	-	87,286,100	14.86
Luk Tung Lam <sup>(1)</sup>	29,167,200	6.67	-	-	141,667,200	24.11
Datuk Chu Boon Tiong	13,685,080	3.13	-	-	51,185,080	8.71

  

Name	(II) After (I) and assuming full exercise of the Warrants		
	Direct		Indirect
	No. of Shares	%	No. of Shares
Bluemount <sup>(1)</sup>	87,286,100	12.47	-
Luk Tung Lam <sup>(1)</sup>	226,042,200	32.29	-
Datuk Chu Boon Tiong	79,310,080	11.33	-

Note:

(1) The shares are held in the nominee account namely, Maybank Securities Nominees (Asing) Sdn Bhd Maybank Securities Pte Ltd.

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

**Maximum Scenario**

Name	As at the LPD			(I) After the Rights Issue		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Bluemount <sup>(1)</sup>	87,286,100	19.95	-	261,858,300	19.95	-
Luk Tung Lam <sup>(1)</sup>	29,167,200	6.67	-	87,501,600	6.67	-
Datuk Chu Boon Tiong	13,685,080	3.13	-	41,055,240	3.13	-

Name	(II) After (I) and assuming full exercise of the Warrants		
	Direct		Indirect
	No. of Shares	%	No. of Shares
Bluemount <sup>(1)</sup>	392,787,450	19.95	-
Luk Tung Lam <sup>(1)</sup>	131,252,400	6.67	-
Datuk Chu Boon Tiong	61,582,860	3.13	-

Note:

(1) The shares are held in the nominee account namely, Maybank Securities Nominees (Asing) Sdn Bhd Maybank Securities Pte Ltd.

**INFORMATION ON OUR GROUP (CONT'D)****5. HISTORICAL FINANCIAL INFORMATION**

The following tables set out our Group's key financial information based on our consolidated statements of comprehensive income, statements of financial positions and statements of cash flows for the financial years/period under review:

**Historical financial performance**

	Audited			Unaudited	
	FYE 30 December 2019 (RM'000)	FYE 30 December 2020 (RM'000)	FYE 30 December 2021 (RM'000)	9M-FPE 30 September 2021 (RM'000)	9M-FPE 30 September 2022 (RM'000)
Revenue	15,412	17,431	40,368	31,484	23,538
Cost of sales	(6,276)	(15,029)	(36,157)	(26,696)	(19,711)
Gross Profit	9,136	2,402	4,211	4,788	3,827
Other income	2	7,365	1,987	356	731
Administrative expenses	(10,646)	(7,464)	(5,786)	-	-
Other expenses	(652)	(2,715)	(3,871)	(6,138)	(8,129)
Share of results of associate company	-	-	(734)	(771)	202
Finance costs	(59)	(25)	(578)	(26)	(2,019)
<b>LBT</b>	<b>(2,219)</b>	<b>(437)</b>	<b>(4,771)</b>	<b>(1,791)</b>	<b>(5,388)</b>
Income tax expense	-	-	-	-	-
<b>LAT</b>	<b>(2,219)</b>	<b>(437)</b>	<b>(4,771)</b>	<b>(1,791)</b>	<b>(5,388)</b>
LAT attributable to:					
Owners of our Company	(2,228)	(428)	(4,755)	(1,781)	(5,387)
Non-controlling interests	9	(9)	(16)	(10)	(1)
<b>LAT</b>	<b>(2,219)</b>	<b>(437)</b>	<b>(4,771)</b>	<b>(1,791)</b>	<b>(5,388)</b>
Weighted average number of Shares in issue ('000)	118,954	133,403	269,934	260,461	420,426
No. of Shares in issue ('000)	133,403	133,403	394,781	375,028	437,530
Basic LPS* (sen)	(1.87)	(0.33)	(1.77)	(0.69)	(1.28)
Gross Profit margin (%)	59.28	13.78	10.43	15.21	16.26
LBT margin (%)	(14.40)	(2.51)	(11.82)	(5.69)	(22.89)
LAT margin (%)	(14.40)	(2.51)	(11.82)	(5.69)	(22.89)

Note:

\* Based on the weighted average number of Shares in issue.

**INFORMATION ON OUR GROUP (CONT'D)****Historical financial position**

	Audited			Unaudited
	FYE 31 December 2019 (RM'000)	FYE 31 December 2020 (RM'000)	FYE 31 December 2021 (RM'000)	9M-FPE 30 September 2022 (RM'000)
Total non-current assets	11,292	10,004	10,450	12,729
Total current assets	14,249	6,512	44,667	53,895
<b>Total assets</b>	<b>25,541</b>	<b>16,516</b>	<b>55,117</b>	<b>66,624</b>
Share capital	7,241	7,241	20,142	22,988
Reserves	7,601	2,615	(2,278)	(2,993)
<b>Shareholders' funds / NA attributable to the owners of our Company</b>	<b>14,842</b>	<b>9,856</b>	<b>17,864</b>	<b>19,995</b>
Non-controlling interests	60	51	35	34
<b>Total equity</b>	<b>14,902</b>	<b>9,907</b>	<b>17,899</b>	<b>20,029</b>
Total non-current liabilities	516	667	1,758	1,687
Total current liabilities	10,123	5,942	35,460	44,908
<b>Total liabilities</b>	<b>10,639</b>	<b>6,609</b>	<b>37,218</b>	<b>46,595</b>
<b>Total equity and liabilities</b>	<b>25,541</b>	<b>16,516</b>	<b>55,117</b>	<b>66,624</b>
NA per Share (sen)	11.13	7.39	4.53	4.57

**Historical cash flows**

	Audited			Unaudited
	FYE 31 December 2019 (RM'000)	FYE 31 December 2020 (RM'000)	FYE 31 December 2021 (RM'000)	9M-FPE 30 September 2022 (RM'000)
Net cash (used in)/generated from operating activities	(2,467)	2,833	(28,365)	(11,488)
Net cash (used in)/generated from investing activities	(63)	(52)	(3,117)	(3,528)
Net cash generated from/(used in) financing activities	2,791	(314)	44,209	2,967
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>261</b>	<b>2,467</b>	<b>12,727</b>	<b>(12,049)</b>
Effect of exchange translation differences on cash and cash equivalents	38	(4,468)	(223)	4,275
Cash and cash equivalents at beginning of financial years	2,035	2,334	333	13,000
<b>Cash and cash equivalents at the end of financial years/period</b>	<b>2,334</b>	<b>333</b>	<b>12,837</b>	<b>5,226</b>

(Source: Annual reports of our Company for the financial years under review.)

**INFORMATION ON OUR GROUP (CONT'D)****Overview of the financial performance****(i) 9M-FPE 30 September 2022 vs 9M-FPE 30 September 2021**

Our Group recorded a lower revenue of RM23.54 million in 9M-FPE 30 September 2022 (9M-FPE 30 September 2021: RM31.48 million), representing a decrease of RM7.94 million or 25.22%. The decrease in revenue for the 9M-FPE 30 September 2022 was mainly contributed by the decrease in revenue from the trading and services operations to RM18.50 million in 9M-FPE 30 September 2022 (9M-FPE 30 September 2021: RM28.69 million), representing a decrease of RM10.19 million or 35.52%, as one of the Hong Kong subsidiary (i.e., All Best Group Limited) has become the associate company in August 2021 and therefore our Group is unable to consolidate its revenue.

Our Group recorded a higher LAT of RM5.39 million in 9M-FPE 30 September 2022 (9M-FPE 30 September 2021: RM1.79 million), representing an increase of RM3.60 million or 201.12%. The LAT recorded in 9M-FPE 30 September 2022 was mainly due to higher operating expenses in 9M-FPE 30 September 2022 of RM8.13 million (9M-FPE 30 September 2021: RM6.14 million) as well as higher financing costs incurred amounting to RM2.02 million in 9M-FPE 30 September 2022 (9M-FPE 30 September 2021: RM0.03 million). However, the loss was partially offset by the increase in other income to RM0.73 million in 9M-FPE 30 September 2022 (9M-FPE 30 September 2021: RM0.36 million) arising from unrealised gain on foreign exchange and interest received.

Our Group's cash and cash equivalents decreased by RM9.63 million (or 64.80%) to RM5.23 million as at 9M-FPE 30 September 2022 (9M-FPE 30 September 2021: RM14.86 million) mainly due to:

- (a) higher net cash used in operating activities of RM11.49 million (9M-FPE 30 September 2021: RM6.96 million) as a result of higher interest paid of RM2.02 million (9M-FPE 30 September 2021: RM0.02 million) alongside increased amounts of cash used in operations amounting to RM9.96 million (9M-FPE 30 September 2021: RM6.99 million); and
- (b) lower net cash generated from financing activities of RM2.97 million (9M-FPE 30 September 2021: RM23.59 million) due to:
  - (i) proceeds raised from the issuance of 266,625,000 new RCPS at an issue price of RM0.04 per RCPS amounting to RM10.67 million at 9M-FPE 30 September 2021; and
  - (ii) proceeds raised from the drawdown from short term loans by RM12.92 million at 9M-FPE 30 September 2021.

However, the above was partially mitigated by:

- (i) proceeds raised from the private placement of approximately RM1.85 million at 9M-FPE 30 September 2022; and
- (ii) proceeds raised from the drawdown from hire purchases by RM1.23 million at 9M-FPE 30 September 2022.

**INFORMATION ON OUR GROUP (CONT'D)****(ii) FYE 31 December 2021 vs FYE 31 December 2020**

Our Group recorded a higher revenue of RM40.37 million in FYE 31 December 2021 (FYE 31 December 2020: RM17.43 million), representing an increase of RM22.94 million or 131.61%. The increase in revenue for the FYE 31 December 2021 was mainly due to increase in revenue from trading of watches and provision of cloud service and income from design and renovation of RM35.90 million in FYE 31 December 2021 (FYE 31 December 2020: RM9.20 million) as a result of the economic recovery from the COVID-19 pandemic during the year. However, this was partially offset by the decrease in revenue from the electronics and system integration operations in FYE 31 December 2021 of RM3.00 million (FYE 31 December 2020: RM7.02 million) mainly due to fewer projects secured as a result of various lockdowns implemented by the Government of Malaysia to curb the spread of COVID-19 pandemic.

Our Group recorded a higher LAT of RM4.76 million in FYE 31 December 2021 (FYE 31 December 2020: LAT of RM0.43 million), representing an increase of RM4.33 million or 1,006.98%. The higher LAT recorded in FYE 31 December 2021 was mainly due to a lower other operating income of RM1.99 million in FYE 31 December 2021 (FYE 31 December 2020: RM 7.36 million) mainly due to the absence of the one-off gain on disposal of our Group's subsidiaries of RM6.34 million as set out in Note (iv)(a) below. However, the lower other operating income was partially offset by the lower administrative expenses of RM5.79 million in FYE 31 December 2021 (FYE 31 December 2020: RM 7.46 million) as a result of the reduced employee headcount upon the disposal of our Group's subsidiaries as mentioned above.

Our Group's cash and cash equivalents increased by RM12.51 million (or 3,790.91%) to RM12.84 million as at 31 December 2021 (31 December 2020: RM0.33 million) mainly due to:

- (a) higher net cash generated from financing activities of RM44.21 million (31 December 2020: net cash used in financing activities of RM0.31 million) due to reasons such as:
  - (i) increase in borrowings from third parties amounting to RM30.48 million at 31 December 2021 (31 December 2020: nil);
  - (ii) proceeds raised from the issuance of preference shares amounting to RM10.67 million; and
  - (iii) proceeds raised from the issuance of Shares amounting to RM3.25 million.

However, the above was partially mitigated by:

- (i) repayment of lease liabilities amounting to RM0.14 million.

**(iii) FYE 31 December 2020 vs FYE 31 December 2019**

Our Group recorded a higher revenue of RM17.43 million in FYE 31 December 2020 (FYE 31 December 2019: RM15.41 million), representing an increase of RM2.02 million or 13.11%. The increase in revenue for the FYE 31 December 2020 was mainly due to the higher revenue from trading of watches and provision of cloud service and trading of tea leaves of RM9.20 million in FYE 31 December 2020 (FYE 31 December 2019: RM4.81 million) due to the contribution from a newly acquired subsidiary (i.e., All Best Group Limited) in September 2020. All Best Group Limited is involved in the e-commerce business in South East Asia.

Our Group recorded a lower LAT of RM0.43 million in FYE 31 December 2020 (FYE 31 December 2019: LAT of RM2.23 million), representing a decrease of RM1.80 million or 80.72%. The lower LAT recorded in FYE 31 December 2020 was mainly due to:

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

- (a) gain on disposal of our Group's subsidiaries (i.e., Industronics (HK) Limited, Industronics Technologies Limited and Great Voyage Berhad) for RM6.34 million, recognised as other income in FYE 31 December 2020 (FYE 31 December 2019: Nil);
- (b) gain on fair value adjustment of other investment of RM0.43 million recognised as other income due to the increase in market value of the quoted shares in Malaysia during the FYE 31 December 2020 (FYE 31 December 2019: Nil);
- (c) lower administrative expenses of RM6.99 million in FYE 31 December 2020 (FYE 31 December 2019: RM9.98 million) due to reclassification of amortisation cost to other operating expenses and lower level of operations due to various lockdowns implemented by the Government of Malaysia to curb the spread of COVID-19 pandemic;

However, the above was partially offset by:

- (a) lower gross profit of RM2.40 million in FYE 31 December 2020 (FYE 31 December 2019: RM9.14 million) due to higher cost of sales relating to trading of watches and provision of cloud service; and
- (b) higher other operating expenses of RM2.65 million in FYE 31 December 2020 (FYE 31 December 2019: RM0.65 million) due to the reclassification of amortisation cost to other operating expenses amounting to RM2.11 million in FYE 31 December 2020.

Our Group's cash and cash equivalents decreased by RM2.00 million (or 85.84%) to RM0.33 million as at 31 December 2020 (31 December 2019: RM2.33 million) mainly due to reasons including:

- (a) decrease of foreign exchange translation differences on our Group's cash and cash equivalents of RM4.47 million in FYE 31 December 2020 (FYE 31 December 2019: RM0.04 million) due to the reclassification of foreign exchange reserves worth RM4.35 million; and
- (b) net cash used in financing activities of RM0.31 million in FYE 31 December 2020 (31 December 2019: net cash generated from financing activities RM2.79 million) due to:
  - (i) one-off proceeds raised from the issuance of share capital amounting to RM2.81 million in FYE 31 December 2019; and
  - (ii) increased repayment of financial lease liabilities amounting to RM0.13 million in FYE 31 December 2020 (FYE 31 December 2019: RM0.02 million).

However, the above was partially mitigated by higher net cash generated from operating activities of RM2.83 million in FYE 31 December 2020 (FYE 31 December 2019: net cash used in operating activities of RM2.47 million) due to lower operating costs and the reduction of administrative expenses to RM6.99 million in FYE 31 December 2020 (FYE 31 December 2019: RM9.98 million).

**6. OPTION TO SUBSCRIBE FOR SHARES**

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

**INFORMATION ON OUR GROUP (CONT'D)****7. HISTORICAL SHARE PRICES**

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

	<b>Highest (RM)</b>	<b>Lowest (RM)</b>
<b>2021</b>		
December	0.155	0.100
<b>2022</b>		
January	0.135	0.105
February	0.120	0.095
March	0.100	0.085
April	0.130	0.095
May	0.110	0.090
June	0.095	0.080
July	0.100	0.060
August	0.110	0.080
September	0.090	0.070
October	0.090	0.070
November	0.110	0.070
Last transacted market price of our Shares on 7 July 2022 (being the last trading date prior to the Announcement)	RM0.080	
Last transacted market price of our Shares on the LPD	RM0.085	
Last transacted market price for our Shares on 21 December 2022 (being the Market Day prior to the ex-date for the Rights Issue)	RM0.100	

(Source: Bloomberg)

**8. MATERIAL CONTRACT**

As at the LPD, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the past 2 years immediately preceding the date of this Abridged Prospectus save for the following:

- (i) Loan Agreement dated 15 July 2021 entered between Industronics, Zhou Qilin and Lissington Limited for a loan of HKD24,000,000.00 granted to Industronics with a repayment period of 12 months at an interest rate of 7% per annum. Zhou Qilin and Lissington Limited had on 18 November 2021 entered into an agreement for the assignment of loan with Luk Tung Lam to assign the loan of HKD24,000,000.00 to Luk Tung Lam. Subsequently, Industronics and Luk Tung Lam had via a letter of extension dated 5 July 2022 mutually agreed to further extend the repayment period for another 12 months until 4 August 2023;
- (ii) Agreement of increase of share capital of All Best Group Limited (“All Best”) dated 20 August 2021 entered between Industronics and Bluemount whereby Bluemount agrees to subscribe 51% of the enlarged issued share capital of All Best for HKD2,550,000 within 3 months from the date of the agreement. The transaction has been completed on 27 August 2021;
- (iii) Loan Agreement dated 1 October 2021 entered between Industronics and Luk Tung Lam for a loan of HKD40,000,000.00 granted to Industronics with a repayment period of 12 months at an interest rate of 7% per annum. Industronics and Luk Tung Lam had via a letter of extension dated 30 September 2022 mutually agreed to further extend the repayment period for another 12 months until 30 November 2023;



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

- (iv) Loan Agreement dated 1 November 2021 entered between Industronics and Luk Tung Lam for a loan of HKD40,000,000.00 granted to Industronics with a repayment period of 12 months at an interest rate of 7% per annum. Industronics did not utilise any of the loan given pursuant to the agreement and the agreement had lapsed on 31 October 2022;
- (v) Loan Agreement dated 20 December 2021 entered between Industronics and Zhou Qilin for a loan of HKD10,000,000.00 granted to Industronics with a repayment period of 12 months at an interest rate of 7% per annum. Industronics and Zhou Qi Lin had via a letter of extension dated 7 December 2022 mutually agreed to further extend the repayment period for another 12 months until 22 December 2023;
- (vi) Loan agreement dated 8 February 2022 entered between Industronics and Lissington Limited for a loan of HKD12,850,000.00 granted to Industronics with a repayment period of 12 months at an interest rate of 7% per annum;
- (vii) the Letter of Set-off dated 8 July 2022 between our Company and Luk Tung Lam pursuant to the Set-off Arrangement; and
- (viii) Letter of Agreement dated 3 November 2022 entered between Industronics and Ng L'yp-Hau whereby Industronics desires to appoint Ng L'yp-Hau to acquire 50% of the total shares of 5T3M Sdn Bhd on its behalf at a total consideration of RM1,000,000.00 ("**5T3M Acquisition**"). The 5T3M Acquisition is expected to be completed by the first quarter of 2023.

**9. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, there are no material litigation, claims and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Board is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group.

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**ADDITIONAL INFORMATION**

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**1. CONSENTS**

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

**2. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our Company's Registered Office at No. 9A, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Wilayah Persekutuan during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of at least 6 months from the date of this Abridged Prospectus:

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

**3. RESPONSIBILITY STATEMENT**

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

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

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