

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

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

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

All inquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D)) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia (Tel No.: (03) 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 with Warrants 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 with Warrants. A copy of this Abridged Prospectus, together with the accompanying NPA and RSF (collectively, the “Documents”) has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 30 August 2022. Approval has been obtained from Bursa Securities vide its letter dated 14 July 2022 for the admission of the Warrants to the Official List of Bursa Securities as well as the listing and quotation of the Rights Shares, Warrants and new HYB Shares to be issued arising from the exercise of Warrants on the Main Market of Bursa Securities. Admission to the Official List of Bursa Securities and the listing and quotation of the new securities are not to be taken as an indication of the merits of the Rights Issue with Warrants. Admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of the new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

These Documents are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Monday, 3 October 2022. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares would result in a contravention of any laws of such countries or jurisdictions. Neither we, UOBKH nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of the entitlements to the Rights Shares made by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

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

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



HUA YANG BERHAD

(Registration No. 197801007059 (44094-M))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 88,000,000 NEW ORDINARY SHARES IN HUA YANG BERHAD (“HYB”) (“HYB SHARE(S)” OR “SHARE(S)”) (“RIGHTS SHARE(S)”) ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 4 EXISTING HYB SHARES HELD AS AT 5.00 P.M. ON MONDAY, 3 OCTOBER 2022 (“ENTITLEMENT DATE”), TOGETHER WITH UP TO 88,000,000 FREE DETACHABLE WARRANTS IN HYB (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED, AT AN ISSUE PRICE OF RM0.18 PER RIGHTS SHARE

Principal Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No.: 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Monday, 3 October 2022 at 5.00 p.m.
Last date and time for:-		
Sale of provisional allotment of rights	:	Tuesday, 11 October 2022 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Thursday, 13 October 2022 at 4.30 p.m.
Acceptance and payment	:	Wednesday, 19 October 2022 at 5.00 p.m.
Excess application and payment	:	Wednesday, 19 October 2022 at 5.00 p.m.

This Abridged Prospectus is dated 3 October 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.

RESPONSIBILITY STATEMENTS

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

UOBKH, BEING OUR PRINCIPAL ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS, 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 WITH WARRANTS.

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

OTHER STATEMENTS

INVESTORS SHOULD NOTE THAT THEY 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 THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

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

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

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

DEFINITIONS

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

- “Abridged Prospectus” : This abridged prospectus dated 3 October 2022
- “Act” : The Companies Act 2016 and all regulations made thereunder
- “Additional Undertaking” : The irrevocable undertaking provided by HHSB, vide its letter dated 30 June 2022, to subscribe for additional unsubscribed Rights Shares not taken up by the Entitled Shareholders and/or their renounee(s) under the Rights Issue with Warrants, subject always that the aggregate amount subscribed by HHSB under the Entitlement Undertaking and Additional Undertaking shall amount to at least RM7.0 million, in the manner as set out in **Section 4** of this Abridged Prospectus
- “ATM(s)” : Automated teller machine(s)
- “Authorised Nominee” : A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
- “Board” : The Board of Directors of HYB
- “Bursa Depository” : Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
- “Bursa Securities” : Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
- “CDS” : Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
- “CDS Account(s)” : Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of the Bursa Depository for the recording of deposits and dealing in securities by the depositor
- “Closing Date” : Wednesday, 19 October 2022 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and the application and payment for the Excess Rights Shares with Warrants
- “CMSA” : Capital Markets and Services Act 2007
- “Corporate Exercises” : Collectively, the Rights Issue with Warrants and the Exemption (as set out in **Section 3** of this Abridged Prospectus)
- “COVID-19” : Coronavirus disease 2019
- “Deed Poll” : The deed poll dated 19 September 2022 executed by HYB constituting the Warrants and governing the rights of Warrants holders
- “Director(s)” : The director(s) of HYB having the meaning given in section 2(1) of the Act and section 2(1) of the CMSA
- “Documents” : This Abridged Prospectus together with the NPA and RSF, collectively

DEFINITIONS (Cont'd)

“EGM”	: Extraordinary general meeting of our Company held at 4 th Floor, C-21 Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor on 30 August 2022
“Electronic Application”	: Electronic application for the subscription of Provisional Allotments and Excess Applications via ATMs and Participating Financial Institutions as set out in Section 11 of this Abridged Prospectus
“Entitled Shareholder(s)”	: The shareholder(s) of HYB whose name(s) appear in the Record of Depositors of our Company on the Entitlement Date
“Entitlement Date”	: Monday, 3 October 2022 on which the names of the Entitled Shareholders must appear in the Record of Depositors of HYB as at 5.00 p.m. in order to be entitled to the Rights Shares pursuant to the Rights Issue with Warrants
“Entitlement Undertakings(s)”	: The irrevocable and unconditional undertakings provided by the Undertaking Shareholders, vide their letters dated 30 June 2022, to subscribe in full for their respective entitlements under the Rights Issue with Warrants based on their shareholdings as at the Entitlement Date
“EPS”	: Earnings per share
“Excess Application(s)”	: Application(s) for Excess Rights Shares with Warrants as set out in Section 11.9 of this Abridged Prospectus
“Excess Rights Shares with Warrants”	: Rights Shares with Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) by the Closing Date
“Exemption”	: Exemption under subparagraph 4.08(1)(b) of the Rules to HHSB and the PACs from the obligation to undertake the Mandatory Offer for the remaining HYB Shares and Warrants not already held by them pursuant to the Rights Issue with Warrants
“Exercise Price”	: RM0.30, being the price at which 1 Warrant is exercisable into 1 new HYB Share, subject to the adjustments in accordance to provisions of the Deed Poll
“FPE”	: Financial period ended/ending
“FYE”	: Financial year ended/ending
“GDV”	: Gross domestic value
“HHSB”	: Heng Holdings Sdn Bhd (Registration No. 198001002852 (56636-T))
“HYB” or the “Company”	: Hua Yang Berhad (Registration No. 197801007059 (44094-M))
“HYB Group” or the “Group”	: Collectively, HYB and its subsidiaries
“HYB Share(s)” or “Share(s)”	: Ordinary share(s) in HYB
“LAT”	: Loss after tax

DEFINITIONS (Cont'd)

“LBT”	: Loss before tax
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, as amended and modified from time to time
“LPD”	: 5 September 2022, being the latest practicable date prior to the registration of this Abridged Prospectus
“Mandatory Offer”	: The obligation of HHSB and its PACs under subparagraph 4.01(a) of the Rules to undertake a mandatory take-over offer for the remaining HYB Shares and Warrants not already owned by them pursuant to the Rights Issue with Warrants
“Market Day(s)”	: Any day(s) between Monday to Friday (both days inclusive), excluding public holidays, and any day(s) on which Bursa Securities is open for trading of securities
“Maximum Scenario”	: Assuming all of the Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue with Warrants
“MCO(s)”	: Movement Control Order(s) pursuant to the Prevention and Control of Infectious Disease Act 1988 and the Police Act 1967
“Minimum Scenario”	: Assuming the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level (i.e. only the Undertaking Shareholders subscribe for the Rights Shares pursuant to the undertakings and none of the other Entitled Shareholders subscribe for their respective entitlements under the Rights Issue with Warrants) and assuming HHSB will be entitled for the Additional Undertaking
“Minimum Subscription Level”	: Minimum subscription level of 39,339,998 Rights Shares based on the issue price of RM0.18 per Rights Share and the aggregate amount subscribed under the Entitlement Undertakings and Additional Undertaking
“NA”	: Net assets attributable to the owners of HYB
“NPA”	: Notice of provisional allotment of Rights Shares with Warrants pursuant to the Rights Issue with Warrants
“NRP”	: National Recovery Plan
“NRS”	: Nominee Rights Subscription service offered by Bursa Depository at the request of our Company, to Authorised Nominees for electronic subscription of the Rights Issue with Warrants through Bursa Depository’s existing network facility with the Authorised Nominees
“Official List”	: A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities
“PAC(s)”	: The persons acting in concert with HHSB pursuant to sections 216(2) and 216(3) of the CMSA as at the LPD, namely Ho Wen Yan, Chew Po Sim, Ho Wen Fan, Ho Wen Han, Ho Min Yi, Chew Hoe Soon and Quah Peng Hwa
“Participating Financial Institution(s)”	: Participating financial institutions for Electronic Applications

DEFINITIONS (Cont'd)

“PAT”	: Profit after tax
“PBT”	: Profit before tax
“Provisional Allotments”	: Rights Shares with Warrants provisionally allotted to the Entitled Shareholders
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue with Warrants”	: The renounceable rights issue of up to 88,000,000 Rights Shares on the basis of 1 Rights Share for every 4 existing HYB Shares held, together with up to 88,000,000 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed by the Entitled Shareholders on the Entitlement Date
“Rights Share(s)”	: Up to 88,000,000 new HYB Share(s) to be issued pursuant to the Rights Issue with Warrants
“Rights Shares Entitlement File”	: An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee’s entitlement under the Rights Issue with Warrants as at the Entitlement Date
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RSF”	: Rights Subscription Form in relation to the Rights Issue with Warrants
“Rules”	: Rules on Take-overs, Mergers and Compulsory Acquisitions
“Rules of Bursa Depository”	: The rules of Bursa Depository as issued pursuant to the SICDA as amended from time to time
“SC”	: Securities Commission Malaysia
“SICDA”	: Securities Industry (Central Depositories) Act 1991
“TERP”	: Theoretical ex-rights price
“Undertaking Letter(s)”	: The irrevocable undertakings dated 30 June 2022 provided by HHSB and Ho Wen Yan in respect of the Entitlement Undertakings and Additional Undertaking
“Undertaking Shareholders”	: Collectively, HHSB and Ho Wen Yan
“UOBKH” or the “Principal Adviser”	: UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“VWAP”	: Volume-weighted average market price
“Warrant(s)”	: Up to 88,000,000 free detachable warrants in HYB to be issued pursuant to the Rights Issue with Warrants

DEFINITIONS (Cont'd)

All references to “our Company” and “HYB” in this Abridged Prospectus are made to Hua Yang Berhad (Registration No.: 197801007059 (44094-M)) and references to “our Group” or “HYB Group” are made to our Company and our subsidiary companies. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to “you” in this Abridged Prospectus are made to our Entitled Shareholders and/or, where the context otherwise requires, their renounee(s)/transferee(s) (if applicable).

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

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified. Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

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

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ADVISERS' DIRECTORY

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

Suite 19.03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur

Tel : (03) 2147 1888
Fax : (03) 2147 1950

**SOLICITORS FOR THE RIGHTS
ISSUE WITH WARRANTS** : Rosli Dahlan Saravana Partnership

Level 16, Menara 1 Dutamas
No. 1, Jalan Dutamas 1
Solaris Dutamas
50480 Kuala Lumpur

Tel : (03) 6209 5400
Fax : (03) 6209 5411

SHARE REGISTRAR : Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya

Tel : (03) 7890 4700
Fax : (03) 7890 4670

STOCK EXCHANGE : Main Market of Bursa Securities

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

Key Information	Summary																																																																														
Basis and number of Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants	<p>Basis</p> <p>(i) 1 Rights Share for every 4 existing HYB Shares held by the Entitled Shareholders on the Entitlement Date</p> <p>(ii) 1 free detachable Warrant for every 1 Rights Share subscribed</p> <p>Number of Rights Shares and Warrants to be issued:-</p> <table border="1"> <thead> <tr> <th></th> <th>Minimum Scenario</th> <th>Maximum Scenario</th> </tr> </thead> <tbody> <tr> <td>Rights Shares*</td> <td>39,339,998</td> <td>88,000,000</td> </tr> <tr> <td>Proceeds raised from the Rights Shares</td> <td>RM7,081,200</td> <td>RM15,840,000</td> </tr> <tr> <td>Free detachable Warrants*</td> <td>39,339,998</td> <td>88,000,000</td> </tr> </tbody> </table> <p><i>*The actual number of Rights Shares and Warrants to be issued will depend on the actual number of Rights Shares subscribed by the Entitled Shareholders.</i></p> <p>Any unsubscribed Rights Shares will be made available for subscription by other Entitled Shareholders and/or their renounee(s)/transferee(s) via Excess Application. It is our Board's intention to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner.</p> <p>Further details are set out in Sections 2.1 and 11.9 of this Abridged Prospectus.</p>		Minimum Scenario	Maximum Scenario	Rights Shares*	39,339,998	88,000,000	Proceeds raised from the Rights Shares	RM7,081,200	RM15,840,000	Free detachable Warrants*	39,339,998	88,000,000																																																																		
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Free detachable Warrants*	39,339,998	88,000,000																																																																													
Issue price of the Rights Shares and Exercise Price of the Warrants	<p>Issue price of the Rights Shares: RM0.18</p> <p>Exercise Price of the Warrants: RM0.30</p> <p>Further details are set out in Sections 2.2 and 2.3 of this Abridged Prospectus.</p>																																																																														
Minimum Subscription Level and undertakings	<p>The Rights Issue with Warrants will be undertaken on the Minimum Subscription Level comprising 39,339,998 Rights Shares, based on the undertakings dated 30 June 2022 procured from the Undertaking Shareholders in the manner set out below, whereby:-</p> <p>(i) the Undertaking Shareholders have irrevocably undertaken to subscribe for their respective entitlements under the Rights Issue with Warrants, amounting to an aggregate of 28,473,433 Rights Shares; and</p> <p>(ii) HHSB has undertaken to subscribe for additional unsubscribed Rights Shares not taken up by our other Entitled Shareholders, if any, via excess rights application, subject always that the aggregate amount subscribed under the HHSB Entitlement Undertaking and Additional Undertaking shall amount to at least RM7.0 million. HHSB may also elect to subscribe for more than RM7.0 million of the Rights Shares via excess rights application.</p> <p>For avoidance of doubt, the Undertaking Shareholders will still subscribe for their respective Entitlement Undertakings and Additional Undertaking irrespective of the Minimum Subscription Level being fully met through the subscription of Rights Shares by other Entitled Shareholders. The excess Rights Shares to be allotted to HHSB under its Additional Undertaking will be in the same priority as the other Entitled Shareholders and/or their renounee(s)/transferee(s), in the manner as set out in Section 11.9.1 of this Abridged Prospectus.</p> <table border="1"> <thead> <tr> <th rowspan="2">Undertaking Shareholders</th> <th rowspan="2">No. of HYB Shares held as at LPD</th> <th rowspan="2">Entitlement Undertakings</th> <th rowspan="2">Additional Undertaking</th> <th colspan="4">Total Undertakings</th> </tr> <tr> <th colspan="2">Minimum Scenario</th> <th colspan="2">Maximum Scenario</th> </tr> <tr> <th></th> <th></th> <th></th> <th></th> <th>No. of Rights Shares</th> <th>(RM)</th> <th>No. of Rights Shares</th> <th>(RM)</th> </tr> </thead> <tbody> <tr> <td>HHSB*</td> <td>112,089,294</td> <td>28,022,323 Rights Shares</td> <td>10,866,565 Rights Shares</td> <td>38,888,888</td> <td>7,000,000</td> <td>28,022,323</td> <td>5,044,018</td> </tr> <tr> <td>Ho Wen Yan</td> <td>1,804,440</td> <td>451,110 Rights Shares</td> <td>-</td> <td>451,110</td> <td>81,200</td> <td>451,110</td> <td>81,200</td> </tr> <tr> <td>Total</td> <td></td> <td>39,339,998 Rights Shares</td> <td>10,866,565 Rights Shares</td> <td>39,339,998</td> <td>7,081,200</td> <td>28,473,433</td> <td>5,125,218</td> </tr> </tbody> </table> <p>Note:-</p> <p>* The shareholders of HHSB are set out as follows:-</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Direct</th> <th colspan="2">Indirect</th> </tr> <tr> <th>No. of shares</th> <th>(%)</th> <th>No. of shares</th> <th>(%)</th> </tr> </thead> <tbody> <tr> <td>Chew Po Sim</td> <td>500,000</td> <td>20.0</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ho Wen Yan</td> <td>500,000</td> <td>20.0</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ho Wen Han</td> <td>500,000</td> <td>20.0</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ho Min Yi</td> <td>500,000</td> <td>20.0</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ho Wen Fan</td> <td>500,000</td> <td>20.0</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Further details are set out in Section 4 of this Abridged Prospectus.</p>	Undertaking Shareholders	No. of HYB Shares held as at LPD	Entitlement Undertakings	Additional Undertaking	Total Undertakings				Minimum Scenario		Maximum Scenario						No. of Rights Shares	(RM)	No. of Rights Shares	(RM)	HHSB*	112,089,294	28,022,323 Rights Shares	10,866,565 Rights Shares	38,888,888	7,000,000	28,022,323	5,044,018	Ho Wen Yan	1,804,440	451,110 Rights Shares	-	451,110	81,200	451,110	81,200	Total		39,339,998 Rights Shares	10,866,565 Rights Shares	39,339,998	7,081,200	28,473,433	5,125,218		Direct		Indirect		No. of shares	(%)	No. of shares	(%)	Chew Po Sim	500,000	20.0	-	-	Ho Wen Yan	500,000	20.0	-	-	Ho Wen Han	500,000	20.0	-	-	Ho Min Yi	500,000	20.0	-	-	Ho Wen Fan	500,000	20.0	-	-
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Key Information	Summary																																								
Rationale	<p>(i) To strengthen the financial position and capital base of our Company, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility;</p> <p>(ii) To enable the issuance of new HYB Shares without diluting our shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants; and</p> <p>(iii) To provide our Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares.</p> <p>Further details are set out in Section 6 of this Abridged Prospectus.</p>																																								
Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Allotments and Excess Applications must be made by way of the RSF enclosed together with this Abridged Prospectus or by way of Electronic Application in accordance with the terms and conditions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and Excess Applications is on Wednesday, 19 October 2022 at 5.00 p.m., being the Closing Date.</p> <p>Further details are set out in Section 11 of this Abridged Prospectus.</p>																																								
Utilisation of proceeds	<p>The proceeds to be raised from the Rights Issue with Warrants will be utilised in the following manner:-</p> <table border="1"> <thead> <tr> <th rowspan="2">Details of utilisation</th> <th rowspan="2">Timeframe for utilisation upon completion of the Rights Issue with Warrants</th> <th colspan="2">Minimum Scenario</th> <th colspan="2">Maximum Scenario</th> </tr> <tr> <th>(RM'000)</th> <th>(%)</th> <th>(RM'000)</th> <th>(%)</th> </tr> </thead> <tbody> <tr> <td>(i) Repayment of bank borrowings</td> <td>Within 12 months</td> <td>2,000</td> <td>28.2</td> <td>4,000</td> <td>25.3</td> </tr> <tr> <td>(ii) Acquisition of new landbank, joint venture and investments</td> <td>Within 6 months</td> <td>1,350</td> <td>19.1</td> <td>1,350</td> <td>8.5</td> </tr> <tr> <td>(iii) Working capital</td> <td>Within 12 months</td> <td>3,276</td> <td>46.3</td> <td>10,035</td> <td>63.3</td> </tr> <tr> <td>(iv) Estimated expenses in relation to the Corporate Exercises</td> <td>Within 1 month</td> <td>455</td> <td>6.4</td> <td>455</td> <td>2.9</td> </tr> <tr> <td>Total</td> <td></td> <td>7,081</td> <td>100.0</td> <td>15,840</td> <td>100.0</td> </tr> </tbody> </table> <p>Further details are set out in Section 5 of this Abridged Prospectus.</p>	Details of utilisation	Timeframe for utilisation upon completion of the Rights Issue with Warrants	Minimum Scenario		Maximum Scenario		(RM'000)	(%)	(RM'000)	(%)	(i) Repayment of bank borrowings	Within 12 months	2,000	28.2	4,000	25.3	(ii) Acquisition of new landbank, joint venture and investments	Within 6 months	1,350	19.1	1,350	8.5	(iii) Working capital	Within 12 months	3,276	46.3	10,035	63.3	(iv) Estimated expenses in relation to the Corporate Exercises	Within 1 month	455	6.4	455	2.9	Total		7,081	100.0	15,840	100.0
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Risk factors	<p>You should carefully consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-</p> <p>(a) The performance of our property development business is highly dependent on the timely completion of our property development projects. Any prolonged delay in completion or non-completion of the property development projects within the timeframe agreed with customers may expose our Group to additional cost and potential claims which may impact our Group's financial performance;</p> <p>(b) Our sale and purchase agreements with customers generally stipulate the statutory defect liability period for properties delivered of 24 months from the date of delivery of vacant possession of the completed properties. Hence, our Group is liable for any repairs or rectification of any faults or defects which may surface or be identified during the defect liability period;</p> <p>(c) Our property development business is highly dependent on the support of third-party contractors/subcontractors. As such, the performance and profitability of our projects are dependent on the quality, pricing, performance and reliability of the appointed contractors to carry out our projects within prescribed timeframes;</p> <p>(d) Our developments require substantial capital investment and, as such, may cause us to generate negative operating cash flow when the cash outlay for construction expenditure and land acquisition during a particular period exceeds our cash inflow from property sales over the same period; and</p> <p>(e) Our Group's cash flows and profitability are dependent on our ability to accurately estimate the costs associated with our property development projects and manage them throughout the duration of our projects.</p> <p>Further details are set out in Section 7 of this Abridged Prospectus.</p>																																								



Your dreams, made affordable®

HUA YANG BERHAD

(Registration No. 197801007059 (44094-M))
(Incorporated in Malaysia)

Registered office

C-21, Jalan Medan Selayang 1
Medan Selayang
68100 Batu Caves
Selangor Darul Ehsan

3 October 2022

Board of Directors

Tan Sri Dato' Seri Dr. Ting Chew Peh (*Chairman/Independent Non-Executive Director*)
Ho Wen Yan (*Executive Director/Chief Executive Officer*)
Dato' Tan Bing Hua (*Senior Independent Non-Executive Director*)
Chew Po Sim (*Non-Independent Non-Executive Director*)
Chew Hoe Soon (*Non-Independent Non-Executive Director*)
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud (*Independent Non-Executive Director*)
Ho Wen Fan (*Alternate Director to Chew Po Sim*)

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 88,000,000 RIGHTS SHARES ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 4 EXISTING HYB SHARES HELD AS AT 5.00 P.M. ON MONDAY, 3 OCTOBER 2022, TOGETHER WITH UP TO 88,000,000 FREE DETACHABLE WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED, AT AN ISSUE PRICE OF RM0.18 PER RIGHTS SHARE

1. INTRODUCTION

On 10 June 2022, UOBKH had, on behalf of our Board, announced that we proposed to undertake the Rights Issue with Warrants. On even date, UOBKH had, on behalf of our Board, announced that our Company proposed to undertake the Exemption under subparagraph 4.08(1)(b) of the Rules to HHSB and the PACs from the obligation to undertake the Mandatory Offer for the remaining HYB Shares and Warrants not already owned by them pursuant to the Rights Issue with Warrants.

Subsequently, on 14 July 2022, UOBKH, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 14 July 2022, resolved to approved the following:-

- (i) admission to the Official List of Bursa Securities and the listing of up to 88,000,000 Warrants to be issued pursuant to the Rights Issue with Warrants;
- (ii) listing and quotation of up to 88,000,000 new Rights Shares to be issued pursuant to the Rights Issue with Warrants; and
- (iii) listing and quotation of up to 88,000,000 new HYB Shares to be issued pursuant to the exercise of Warrants,

subject to the following conditions:-

	Condition(s)	Status of compliance
(i)	HYB and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	To be complied
(ii)	HYB and UOBKH to inform Bursa Securities upon the completion of the Rights Issue with Warrants;	To be complied
(iii)	UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed;	To be complied
(iv)	HYB 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; and	To be complied
(v)	payment of outstanding processing fee for the Warrants to be issued, if applicable. In this respect, the Company is required to furnish Bursa Securities a cheque drawn to the order of Bursa Malaysia Securities Berhad for the outstanding listing fee together with a copy of the details of the computation of the amount of fees payable.	To be complied

On 30 August 2022, our shareholders approved the Rights Issue with Warrants and Exemption at our EGM.

On 6 September 2022, UOBKH had, on behalf of our Board, announced that the SC had vide its letter dated 5 September 2022, resolved to approve the Exemption.

On 19 September 2022, UOBKH had, on behalf of our Board, announced the following:-

- (i) our Board had resolved to fix the issue price of the Rights Shares at RM0.18 per Rights Share;
- (ii) our Board had resolved to fix the Exercise Price of the Warrants at RM0.30 per Warrant. Accordingly, the Board had on even date executed the Deed Poll constituting the Warrants; and
- (iii) the Entitlement Date for the Rights Issue with Warrants is fixed on Monday, 3 October 2022. In addition, the other relevant dates pertaining to the Rights Issue with Warrants were also announced.

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

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

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

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

The Rights Issue with Warrants entails an issuance of up to 88,000,000 Rights Shares on the basis of 1 Rights Share for every 4 existing HYB Shares held, together with up to 88,000,000 free detachable Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed by our Entitled Shareholders on the Entitlement Date.

As at the LPD, our Company has an issued share capital of RM352,000,000 comprising 352,000,000 HYB Shares. As such, up to 88,000,000 Rights Shares together with up to 88,000,000 Warrants will be issued pursuant to the Rights Issue with Warrants.

The Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, based on the quantum of undertakings procured from the Undertaking Shareholders, as set out in **Section 4** of this Abridged Prospectus, whereby HHSB and Ho Wen Yan will subscribe for their respective entitlements under the Rights Issue with Warrants, and HHSB will subscribe for Excess Rights Shares with Warrants pursuant to its Additional Undertaking. For the avoidance of doubt, Ho Wen Yan does not intend to subscribe for the Excess Rights Shares with Warrants.

Assuming all Entitled Shareholders and/or their renounee(s)/transferee(s) subscribe in full for their respective entitlements under the Rights Issue with Warrants, up to 88,000,000 Rights Shares together with up to 88,000,000 Warrants may be issued, raising proceeds of up to RM15.84 million to be utilised in the manner set out in **Section 5** of this Abridged Prospectus.

Notwithstanding the above, the actual number of Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will depend on the actual number of Rights Shares subscribed by the Entitled Shareholders.

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

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

The Rights Issue with Warrants is renouneable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares together with the Warrants in full or in part. For avoidance of doubt, the Rights Shares and the Warrants are not separately renouneable. Only the Entitled Shareholders who successfully subscribe for the Rights Shares will be entitled to the Warrants. As such, the Entitled Shareholders who renounce their Rights Shares entitlements shall be deemed to have renounced all the accompanying entitlements to the Warrants to be issued together with the Rights Shares. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion to their acceptance of their Rights Shares entitlements.

The remaining Rights Shares which are unsubscribed, not taken up, not validly taken up shall be made available for excess applications by the other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). It is the intention of the Board to allocate the Excess Rights Shares with Warrants in a fair and equitable manner and on a basis as set out in **Section 11.9.1** of this Abridged Prospectus.

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus the NPA notifying you of the crediting of such number of Provisional Allotments 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. You may also subscribe for such Provisional Allotments via Electronic Application in accordance with the instructions set out in **Section 11** of this Abridged Prospectus.

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

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

The issue price of RM0.18 per Rights Share was determined and fixed by our Board after taking into consideration the following:-

- (i) the level of fund raising required by our Group as set out in **Section 5** of this Abridged Prospectus;
- (ii) the prevailing market conditions and market prices of HYB Shares; and
- (iii) the TERP of HYB Shares, which was determined based on the 5-day VWAP of HYB Shares immediately preceding the price-fixing date.

The issue price of RM0.18 per Rights Share represents a discount of RM0.003 or approximately 1.64% to the TERP of HYB Shares of RM0.1830, calculated based on the 5-day VWAP of HYB Shares up to and including 15 September 2022 of RM0.1837, being the Market Day immediately prior to the price-fixing date.

2.3 Basis and justification for the Exercise Price of the Warrants

The Exercise Price of RM0.30 per Warrant was determined and fixed by our Board after taking into consideration the following:-

- (i) the Warrants will be issued at no cost to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who successfully subscribe for the Rights Shares, and are exercisable into new HYB Shares over a 5-year tenure;
- (ii) the future prospects of our Group as set out in **Section 8.4** of this Abridged Prospectus;
- (iii) the TERP of HYB Shares which was determined based on the 5-day VWAP of HYB Shares immediately preceding the price-fixing date; and
- (iv) the prevailing market conditions and the historical trading prices of HYB Shares.

The Exercise Price of RM0.30 per Warrant represents a premium of RM0.117 or approximately 63.93% to the TERP of HYB Shares of RM0.1830, calculated based on the 5-day VWAP of HYB Shares up to and including 15 September 2022 of RM0.1837, being the Market Day immediately prior to the price-fixing date.

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

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

The new HYB Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing HYB Shares, save and except that the new HYB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new HYB Shares.

2.5 Salient terms of the Warrants

The salient terms of the Warrants are as follows:-

Issue size	Up to 88,000,000 new Warrants arising in connection with the Rights Issue with Warrants. The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded on Bursa Securities.
Form	The Warrants will be issued in registered form and constituted by the Deed Poll.
Tenure of Warrants	5 years from the date of issuance of the Warrants.
Exercise Rights	The Warrants entitle the registered holders, at any time during the Exercise Period, to subscribe for new HYB Shares on the basis of 1 new HYB Share for 1 Warrant at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	The Warrants may be exercised at any time within a period of 5 years, which shall commence from and including the date of issuance of the Warrants and ending on the Expiry Date. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Mode of exercise	The registered holder of the Warrant is required to lodge a subscription form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' cheque or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia or by way of internet bank transfer or via online payment gateway for the electronic subscription form lodged in accordance with the Deed Poll.
Exercise Price	RM0.30 per Warrant, subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.
Expiry Date	A date being 5 years from and including the date of issuance of the Warrants, and if such a day is not a Market Day, on the immediate preceding Market Day.
Participating rights of the holders of Warrants in any distribution and/or offer of further securities	The Warrant holders are not entitled to vote in any general meeting of the Company and/or to participate in any distribution other than on winding-up, compromise or arrangement of the Company and/or offer of further securities in the Company unless and until the holder of Warrants becomes a shareholder of the Company by exercising his/her Warrants into new HYB Shares or unless otherwise resolved by the Company in a general meeting.

Adjustments in the Exercise Price and/or number of Warrants	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of unexercised Warrants in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company or the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants, by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then every holder of Warrants shall be entitled upon and subject to the provisions of the Deed Poll at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or 6 weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his/her Warrants to the Company, elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/her Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he/she had on such date been the holder of the new Shares to which he/she would have been entitled to pursuant to such exercise.
Ranking of the new HYB Shares to be issued pursuant to the exercise of Warrants	The new HYB Shares to be issued arising from the exercise of the Warrants, shall upon allotment and issue, rank equally in all respects with the existing HYB Shares, save and except that the new HYB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of such new HYB Shares.
Board lot	For the purpose of trading in Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new HYB Shares at any time during the Exercise Period, or in such denomination as determined by Bursa Securities.
Listing status	<p>The Warrants and new HYB Shares to be issued from the exercise of the Warrants will be listed on the Main Market of Bursa Securities.</p> <p>Bursa Securities had, vide its letter dated 14 July 2022, approved the admission of the Warrants to the Official List of Bursa Securities as well as the listing of and quotation for the Warrants and new HYB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.</p>
Modifications	<p>The Company may, from time to time, subject to the terms and conditions of the Deed Poll, without the consent or sanction of the warrant holders, modify, amend or add to the Deed Poll if such modification, amendment or addition made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia.</p> <p>Save for the above, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the holders of Warrants sanctioned by special resolution and may be effected only by the Deed Poll, executed by the Company and expressed to be supplemental thereto and subject to the approval of the relevant authorities, if necessary.</p>
Governing law	Laws of Malaysia.

3. DETAILS OF OTHER CORPORATE EXERCISES

Save for the Rights Issue with Warrants and the Exemption set out below, there are no other corporate exercises announced by our Company but pending completion as at the LPD:-

Details on the Exemption

On 10 June 2022, UOBKH, on behalf of our Board, announced that the Company proposed to undertake the Exemption under subparagraph 4.08(1)(b) of the Rules to HHSB and the PACs from the obligation to undertake the Mandatory Offer for the remaining HYB Shares and Warrants not already owned by them pursuant to the Rights Issue with Warrants.

Under the Minimum Subscription Level, the shareholdings of the HHSB and the PACs in HYB are expected to increase from 32.58% to 39.36% of the enlarged issued share capital of HYB under the Minimum Scenario, triggering the obligation to undertake a Mandatory Offer pursuant to subparagraph 4.01(a) of the Rules and section 218(2) of the CMSA.

As it is not the intention of HHSB and the PACs to undertake the Mandatory Offer or to privatise HYB via the Rights Issue with Warrants, an exemption from the obligation for HHSB and the PACs under subparagraph 4.08(1)(b) of the Rules was sought from and approved by the non-interested shareholders of HYB, by way of poll, at the EGM held on 30 August 2022. Further, the SC had, vide its letter dated 5 September 2022 approved the Exemption.

4. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKINGS

The Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, which will be based on the undertakings procured from the following Undertaking Shareholders:-

- (i) the Entitlement Undertakings from the Undertaking Shareholders vide their Undertaking Letters dated 30 June 2022, where they have irrevocably undertaken to subscribe for their respective entitlements under the Rights Issue with Warrants, amounting to an aggregate of 28,473,433 Rights Shares:-

Undertaking Shareholders	No. of HYB Shares held as at LPD	Entitlement Undertakings
HHSB	112,089,294	28,022,323 Rights Shares ("HHSB Entitlement Undertaking")
Ho Wen Yan	1,804,440	451,110 Rights Shares
Total		28,473,433 Rights Shares

- (ii) the Additional Undertaking from HHSB vide its Undertaking Letter dated 30 June 2022, where HHSB has undertaken to subscribe for additional unsubscribed Rights Shares not taken up by our other Entitled Shareholders, if any, via excess rights application, subject always that the aggregate amount subscribed under the HHSB Entitlement Undertaking and Additional Undertaking shall amount to at least RM7.0 million.

The Additional Undertaking will only crystallise in the event there are Rights Shares not taken up by the Entitled Shareholders and/or their renounee(s).

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Based on the issue price of RM0.18 per Rights Share, the details of the Entitlement Undertaking and Additional Undertaking under the Minimum Scenario and Maximum Scenario are set out below:-

Minimum Scenario													
Undertaking Shareholders	Existing direct shareholdings in HYB as at the LPD		Entitlement Undertakings		Additional Undertaking		Total Entitlement Undertakings and Additional Undertaking (i.e Minimum Subscription Level)			Free Warrants pursuant to Entitlement Undertakings and Additional Undertaking		Pro forma shareholdings in HYB after the Rights Issue with Warrants	
	No. of Shares	(⁽¹⁾)(%)	No. of Shares	(⁽²⁾)(%)	No. of Shares	(⁽²⁾)(%)	No. of Shares	(⁽²⁾)(%)	(⁽³⁾)(RM)	No. of Warrants	No. of Warrants	No. of Shares	(⁽⁴⁾)(%)
HHSB	112,089,294	31.84	28,022,323	71.23	(⁽³⁾)10,866,565	27.62	38,888,888	98.85	7,000,000	38,888,888	150,978,182	38.58	
Ho Wen Yan	1,804,440	0.51	451,110	1.15	-	-	451,110	1.15	81,200	451,110	2,255,550	0.58	
Total	113,893,734	32.35	28,473,433	72.38	10,866,565	27.62	39,339,998	100.00	7,081,200	39,339,998	153,233,732	39.16	

Notes:-

- (1) Based on the existing issued share capital comprising 352,000,000 Shares.
- (2) Based on up to 39,339,998 Rights Shares to be issued under the Minimum Scenario pursuant to the Rights Issue with Warrants.
- (3) The Additional Undertaking is computed based on the assumption that the aggregate amount subscribed under the HHSB Entitlement Undertaking and Additional Undertaking shall amount to at least RM7.0 million, based on the issue price of RM0.18 per Rights Share.
- (4) Based on the enlarged issued share capital comprising 391,339,998 Shares after the Rights Issue with Warrants.

Maximum Scenario													
Undertaking Shareholders	Existing direct shareholdings in HYB as at the LPD		Entitlement Undertakings		Additional Undertaking		Total Entitlement Undertakings			Free Warrants pursuant to Entitlement Undertakings		Pro forma shareholdings in HYB after the Rights Issue with Warrants	
	No. of Shares	(⁽¹⁾)(%)	No. of Shares	(⁽²⁾)(%)	No. of Shares	(%)	No. of Shares	(⁽²⁾)(%)	(RM)	No. of Warrants	No. of Warrants	No. of Shares	(⁽⁴⁾)(%)
HHSB	112,089,294	31.84	28,022,323	31.84	(⁽³⁾ -	-	28,022,323	31.84	5,044,018	28,022,323	140,111,617	31.84	
Ho Wen Yan	1,804,440	0.51	451,110	0.51	-	-	451,110	0.51	81,200	451,110	2,255,550	0.51	
Total	113,893,734	32.35	28,473,433	32.35	-	-	28,473,433	32.35	5,125,218	28,473,433	142,367,167	32.35	

Notes:-

- (1) *Based on the existing issued share capital comprising 352,000,000 Shares.*
- (2) *Based on up to 88,000,000 Rights Shares to be issued under the Maximum Scenario pursuant to the Rights Issue with Warrants.*
- (3) *The Additional Undertaking will not crystallise under the Maximum Scenario based on the assumption that all Entitled Shareholders subscribe for their respective entitlements pursuant to the Rights Issue with Warrants.*
- (4) *Based on the enlarged issued share capital comprising 440,000,000 Shares after the Rights Issue with Warrants.*

Pursuant to the Undertakings, the Undertaking Shareholders have:-

- (i) irrevocably and unconditionally undertaken to subscribe in full for their entitlements and Additional Undertaking under the Rights Issue with Warrants calculated based on their shareholdings as at the date of the respective Undertakings;
- (ii) confirmed that they will not acquire, dispose or transfer any HYB Shares prior to the completion of the Rights Issue with Warrants; and
- (iii) confirmed that they have sufficient financial resources and have obtained all approvals and authorisations necessary to pay for and to take up their respective entitlements and Additional Undertaking at any issue price that may be determined by the Company.

The Undertakings provided by the Undertaking Shareholders reflect their commitment and confidence in growing our Group's business and driving the financial performance of our Group further.

UOBKH has verified that the Undertaking Shareholders have sufficient financial resources to take up the number of Rights Shares as specified in their undertakings.

As the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, we have not procured any underwriting arrangements for the remaining open portion of 48,660,002 Rights Shares (representing 55.30% of the total Rights Shares under the Maximum Scenario) not subscribed for by the other Entitled Shareholders and/or their renouncee(s)/transferee(s) pursuant to the Rights Issue with Warrants.

Further, HHSB and the PACs had obtained the approval from the SC on 5 September 2022 for the grant of an exemption to undertake the Mandatory Offer under subparagraph 4.08(1)(b) of the Rules, further details of which are set out in **Section 3** of this Abridged Prospectus. The Exemption has also been approved by the non-interested shareholders of HYB at the EGM held on 30 August 2022.

Pursuant to paragraph 8.02(1) of the Listing Requirements, we must ensure that at least 25% of the total listed HYB Shares (excluding treasury shares, if any) are in the hands of a minimum number of 1,000 public shareholders holding not less than 100 HYB Shares each. As at 30 August 2022, the public shareholding spread of HYB is at 67.02% comprising 6,189 shareholders. The proforma public shareholding spread of HYB after the Rights Issue with Warrants will be 60.28% comprising 6,189 shareholders under the Minimum Scenario in compliance with the public spread requirements under paragraph 8.02(1) of the Listing Requirements, as set out below:-

		As at the LPD		After the Rights Issue with Warrants	
		No. of Shares	(%)	No. of Shares	(%)
Issued share capital	(A)	352,000,000	100.00	391,339,998	100.00
<u>Substantial shareholders of HYB</u>					
HHSB		112,089,294	31.84	150,978,182	38.58
Ho Wen Yan		1,804,440	0.51	2,255,550	0.58
	(B)	113,893,734	32.35	153,233,732	39.16
<u>Directors of HYB with direct shareholdings in HYB</u>					
Tan Sri Dato' Seri Dr. Ting Chew Peh		391,110	0.11	391,110	0.10
Dato' Tan Bing Hua		70,221	0.02	70,221	0.02
Chew Hoe Soon		393,554	0.11	393,554	0.10
	(C)	854,885	0.24	854,885	0.22
Associates of Directors or substantial shareholders of HYB	(D)	1,346,194	0.39	1,346,194	0.34
Less: Non-public shareholdings (B)+(C)+(D)	(E)	116,094,813	32.98	155,434,811	39.72
Public shareholdings (A) – (E)		235,905,187	67.02	235,905,187	60.28

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.18 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants will be utilised in the following manner:-

Details of utilisation*	Timeframe for utilisation upon completion of the Rights Issue with Warrants	Minimum Scenario		Maximum Scenario	
		(RM'000)	(%)	(RM'000)	(%)
Repayment of bank borrowings ⁽¹⁾	Within 12 months	2,000	28.2	4,000	25.3
Acquisition of new landbank, joint venture and investments ⁽²⁾	Within 6 months	1,350	19.1	1,350	8.5
Working capital ⁽³⁾	Within 12 months	3,276	46.3	10,035	63.3
Estimated expenses in relation to the Corporate Exercises ⁽⁴⁾	Within 1 month	455	6.4	455	2.9
Total		7,081	100.0	15,840	100.0

Notes:-

* It is our intention to utilise the proceeds raised from the Rights Issue with Warrants in the following order of priority:-

- firstly, to defray the estimated expenses in relation to the Corporate Exercises;
- secondly, for the repayment of bank borrowings;
- thirdly, to be allocated for working capital of our Group; and
- lastly, for acquisition of new landbank, joint venture and investments.

(1) Repayment of bank borrowings

As at the LPD, the total borrowings of HYB Group (comprising of term loans, building loans, revolving loans, sukuk, bank overdrafts and cash line facility) stood at approximately RM251.25 million, out of which approximately RM189.51 million are long term borrowings and RM61.74 million are short term borrowings. We have resolved to utilise the proceeds raised from the Rights Issue with Warrants for the repayment of bank borrowings, as compared to other sources of funds, to enable us to conserve our existing cash flow towards our working capital requirements.

The Company has earmarked up to RM4.00 million of the proceeds for the partial repayment of its existing bank facilities, in the manner set out as follows:-

Facility	Bank	Amount outstanding as at the LPD (RM'000)	Proposed repayment		Interest rate (% per annum)	Purpose of borrowing
			Minimum Scenario (RM'000)	Maximum Scenario (RM'000)		
Revolving credit	OCBC Bank (Malaysia) Berhad	6,000	2,000	4,000	Cost of funds [^] ("COF") +1.5%	Working capital
		<p><u>Maturity</u> The facility's maturity date will rollover on a monthly basis, and the facility is subject to review by the bank on an annual basis.</p>			<p>Note:- [^] COF represents the bank's cost of funds</p>	

For illustrative purposes, the repayment of the facilities set out in the table above is expected to result in interest savings of approximately RM0.15 million per annum. However, the actual interest savings may vary depending on the applicable interest rates. Further, the repayment of bank borrowings is also expected to improve HYB's gearing levels, from 0.57 times as at 30 June 2022 to 0.56 times (based on the Minimum Scenario) and 0.54 times (based on the Maximum Scenario), as set out in **Section 9.4** of this Abridged Prospectus.

In the event the amount required for the abovementioned repayment of bank borrowings is higher than budgeted, any deficit will be funded through the Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be channelled towards general working capital requirements of our Group.

(2) Acquisition of new landbank, joint venture and investments

HYB intends to expand its landbank at strategic areas that are located in key urban hotspots, such as the Klang Valley, Johor and Perak to spearhead the Group's continued growth. As at the LPD, the Group's existing landbank comprises approximately 390 acres covering Perak, Johor, Klang Valley, Negeri Sembilan and Mainland Penang), details of which are set out in **Section 5, Appendix I** of this Abridged Prospectus.

As part of the Group's growth plans, HYB has allocated up to RM1.35 million of the proceeds towards acquisition of new landbank for future property development activities. The proceeds may be channelled towards payment of upfront deposits for the acquisition of land, pre-development feasibility expenses and cost, as well as payments to the relevant authorities in relation of the property development activities with any balance/shortfall financed through the Group's internally generated funds and/or bank borrowings. The tentative timeline in respect of the acquisition of landbank is set out as follows:-

Up to 2 months	<ul style="list-style-type: none"> - Identification of the parcel of land - Engagement of advisers (such a solicitors, third-party valuers and consultants) to conduct the necessary due diligence, valuation and pre-development feasibility studies on the parcel of land - Negotiations on the purchase consideration and terms and conditions of purchase with the vendor
Up to 2 months	<ul style="list-style-type: none"> - Completion of due diligence and pre-development feasibility studies - Finalisation of the terms and execution of the sale and purchase agreement with the vendor - Payment of the upfront deposit for the acquisition

Up to 2 months	<ul style="list-style-type: none"> - Funding obtained from financial institutions (if required) for the balance consideration required to complete the acquisition - Fulfilment of conditions precedent to the sale and purchase agreement, and payment of the balance purchase consideration - Transfer of ownership of the land to the HYB Group - Completion of the land acquisition
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In the event the Group is unable to identify suitable landbank in the abovementioned strategic areas, the Group will source for suitable potential investments via joint ventures, collaborative arrangements, business agreements and/or acquisitions of businesses or investments in the property development segment, subject to the Group obtaining the necessary approvals (i.e. shareholders' approval and/or other regulatory approval) for the potential investments as required under the Listing Requirements. The proceeds of up to RM1.35 million will alternatively be allocated towards financing any such viable investments within 6 months from the completion of the Rights Issue with Warrants. Such utilisation of proceeds may allow the Group to capitalise on investment opportunities which may generate positive returns to the Group in the future. The tentative timeline in respect of the potential investments is set out as follows:-

1 to 2 months	- Identification of the investments and/or potential joint venture or collaborative business arrangements
1 to 2 months	<ul style="list-style-type: none"> - Negotiations and finalisation of the terms and conditions with the vendor/potential joint venture or collaborative business partners - HYB to conduct due diligence and feasibility studies on the investment
1 to 2 months	<ul style="list-style-type: none"> - Completion of due diligence and feasibility studies - Finalisation of the terms and execution of the necessary investment or business agreements - HYB to channel the proceeds towards its investment

As at the LPD, the Group has not yet identified any suitable potential investments. The Company will make the necessary announcements in accordance to the Listing Requirements, as and when the Group has entered into any agreement in relation to the acquisition of new landbank and/or joint ventures, collaborative arrangements, business agreements and/or acquisitions of businesses or investments as set out above. In the event such transactions require shareholders' approval and/or other regulatory approval, the Company will obtain the necessary approval(s) to implement the said transactions.

In the event the amount required for the abovementioned acquisition of landbank, joint venture and investments is higher than budgeted, any deficit will be funded through our Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be channelled towards general working capital requirements of our Group.

(3) Working capital

The Company intends to utilise up to RM10.04 million of the proceeds to support the Group's working capital requirements. The proceeds are expected to be channelled towards payment to suppliers, securing building materials, general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and other overhead expenditures. The breakdown of such proceeds has not been determined at this juncture, and will be dependent on the operating and funding requirements at the time of utilisation.

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

	Estimated allocation of proceeds (%)
<i>Payment to suppliers and securing building materials – comprising payment to the existing contractors of the Group's ongoing property development projects, as well as for the purchase of building materials such as steel and concrete used in the construction of the Group's property development projects</i>	80.0
<i>General administrative and daily operational expenses</i>	20.0

In the event the amount required for our working capital is higher than budgeted, any deficit will be funded through our Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be channelled towards general working capital requirements of our Group.

(4) Estimated expenses in relation to the Corporate Exercises

The proceeds earmarked for estimated expenses in relation to the Corporate Exercises will be utilised as set out below:-

	(RM'000)
<i>Professional fees (i.e. principal adviser, solicitors, and other professional advisers appointed for the Rights Issue with Warrants)</i>	350
<i>Regulatory fees (i.e. fees payable to Bursa Securities, the SC and the Registrar of Companies)</i>	85
<i>Other incidental expenses in relation to the Corporate Exercises (e.g. printing and advertising costs, EGM costs and other ancillary expenses)</i>	20
Total	455

In the event our estimated expenses is higher than budgeted, any deficit will be funded through the portion of the proceeds allocated for working capital or through our Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be channelled towards general working capital requirements of our Group.

Pending the utilisation of proceeds from the Rights Issue with Warrants for the above purposes, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments. Any interest income earned from such deposits or instruments will be used as working capital of HYB Group.

The gross proceeds to be raised from the exercise of the Warrants is dependent on the total number of Warrants exercised during the tenure of the Warrants. As such, the exact amount to be raised from the exercise of the Warrants is not determinable at this juncture. For illustrative purposes, the gross proceeds to be raised upon the full exercise of the Warrants based on the Exercise Price of RM0.30 per Warrant is set out below:-

	Minimum Scenario	Maximum Scenario
No. of Warrants	39,339,998	88,000,000
Total gross proceeds raised assuming all outstanding Warrants are exercised (RM)	11,801,999	26,400,000

Such gross proceeds to be raised from the exercise of Warrants will be utilised as additional working capital to finance our Group's day to day operations. The proceeds may be channelled towards, amongst others, payment to suppliers, general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and other overhead expenditures, within an estimated period of 12 months from the date the gross proceeds are received.

Pursuant to Paragraph 8.22 of the Listing Requirements, we will seek shareholders' approval in the event of a material change (i.e. 25% or more of the total proceeds raised) to the utilisation of proceeds raised from the Rights Issue with Warrants.

6. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

Our Board is of the view that the Rights Issue with Warrants is the most appropriate avenue to raise the necessary funding for the Group as set out in **Section 5** of this Abridged Prospectus after taking into consideration the following:-

- (i) the Rights Issue with Warrants will strengthen the financial position and capital base of our Company, by reducing our gearing level and increasing our NA thereby providing greater financial flexibility, as illustrated in **Section 9.4** of this Abridged Prospectus;

- (ii) the Rights Issue with Warrants will enable the issuance of new HYB Shares without diluting our shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants; and
- (iii) the Rights Issue with Warrants will provide our Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares.

The Warrants have been attached to the Rights Shares to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants. Our Company would also be able to raise additional proceeds as and when the Warrants are exercised, which will be channelled towards our Group's working capital requirements.

7. RISK FACTORS

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

7.1 Risks relating to our Group

7.1.1 Delay or non-completion of property development projects

The performance of our property development business is dependent on the timely completion of our property development projects. However, delays in completion could result from delays in obtaining the necessary approvals, shortage of construction materials, site accidents, unfavourable change in regulatory environment and framework, and unsatisfactory performance of contractors appointed to complete the projects. In addition, delays in the completion of our projects could also arise from environmental factors such as natural disasters, and/or sudden crises such as the outbreak of the COVID-19 pandemic, further details of which are set out in **Section 7.1.8** of this Abridged Prospectus.

Any prolonged delay in completion or non-completion of our property development projects within the timeframe agreed with customers may expose our Group to additional cost and potential claims which may impact our Group's financial performance. Such delays may also affect our Group's reputation and ability to attract future buyers. As at the LPD, save for the delays attributed to construction work stoppages during the MCO and NRP periods due to the COVID-19 pandemic, we have not faced any other incidences of delay in the progress of any of our projects which had a material adverse impact on our Group's financial performance. Our Group did not incur any additional costs or potential claims from our customers associated with the construction work stoppages during the COVID-19 pandemic. As at the LPD, our Group is not subject to any COVID-19 restrictions.

7.1.2 Defect liability provided to our customers

Our sale and purchase agreements with customers generally stipulate the statutory defect liability period for properties delivered of 24 months from the date of delivery of vacant possession of the completed properties. Hence, our Group is liable for any repairs or rectification of any faults or defects which may surface or be identified during the defect liability period.

There is no assurance that we will be able to satisfy all requests to rectify defects raised by purchasers during the defect liability period. We are also reliant to a significant extent on the quality of the work carried out by the third-party contractors engaged by us and we may in some instances incur significant costs in rectifying any defects raised by purchasers. Any failure on our part to expeditiously complete rectification works to the satisfaction of our purchasers may also affect our reputation. In addition, repair, reconstruction or rectification works for which we are liable during the defect liability period may therefore potentially have a material adverse effect on our Group's financial performance. As at the LPD, we have not faced any past experience in relation to defect liability claim and any failure to repair, reconstruct or provide rectification works which had a material adverse impact on our Group's financial performance.

7.1.3 Dependency on third-party contractors/subcontractors

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

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

Our contractors and subcontractors may also be subject to shortages in supply of labour, which may impact their ability to complete our projects in a timely manner.

Hence, our financial performance may be adversely affected if our appointed contractors fail to provide the agreed contracted services in a timely, reliable and satisfactory manner. Although we may claim compensation from our appointed contractors for any non-performance or unsatisfactory performance, we may be required to compensate our customers in advance prior to the receipt of the compensation from the contractors. We may also suffer losses which may adversely affect our financial performance in the event that we are unable to recover the compensation amount from our appointed contractors, whether in full or in part.

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

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7.1.4 Our business is capital intensive and is dependent on our ability to secure adequate financing

Our developments require substantial capital investment and, as such, may cause us to generate negative operating cash flow when the cash outlay for construction expenditure and land acquisition during a particular period exceeds our cash inflow from property sales over the same period. The availability of adequate financing, such as internally generated funds, as well as external borrowings such as bank overdrafts, term loans and bridging loans, is crucial to our ability to complete our property development projects and acquire land for our operations. If we are unable to secure adequate credit facilities at competitive rates for the abovementioned requirements, our cash flows, operations, growth and expansion plans will be adversely affected.

There is also a risk of tightening of loan facilities due to deteriorating market conditions arising from economic, financial or political factors as well as dampened consumer sentiment, which may result in more cautious lending from financial institutions. This may affect our Group's ability to secure credit facilities at attractive rates that are sufficient to fund the Group's project development projects. As at the LPD, the Group had unutilised credit facilities amounting to RM102.83 million, comprising term loans, bridging loans and bank overdrafts. As at the LPD, the Group has not faced any inability in securing credit facilities which have materially impacted our financial performance and/or business operations.

7.1.5 Risk of cost overruns

Our Group conducts internal cost and budgeting estimates which includes contract cost, capital expenditure forecast and overheads based on the indicative pricing provided by our suppliers and subcontractors. Further, our Group's cash flows and profitability are dependent on our ability to accurately estimate the costs associated with our property development projects and manage them throughout the duration of our projects. The actual costs incurred by our Group may be higher than our budgeting estimates due to unforeseen circumstances such as the quality and timely completion of construction works, conditions at work sites differing materially which were not factored into the costing, higher costs of construction materials and labour, as well as the delay in availability of financing.

These variations in costs may cause actual gross profit for our development projects to be lower than the original estimates, thus resulting in lower margins generated. In such instances, our financial performance may be adversely affected. As at the LPD, the Group has not faced instances of variations in costs for our projects which have materially impacted our financial performance.

7.1.6 Supply and costs of raw materials

Our Group is dependent on a continuous supply of construction materials used in its property development projects, comprising amongst others, steel, piling materials, ready mixed concrete, precast products, electrical cables and fittings. There is no assurance that we are able to obtain sufficient quantities of construction materials for our projects at competitive prices. Further, in the event of any sudden and/or unexpected shortage of supply in these materials may lead to delays in construction works, thus adversely impacting our operations.

The market prices and availability of the abovementioned raw materials are also subject to price fluctuations in response to changes in market supply and demand conditions, which are beyond our control and may result in increased costs that may adversely impact our financial performance and profitability. As at the LPD, while the Group had faced instances of sudden and/or unexpected shortage of supply or fluctuations in the costs of raw materials, the Group had implemented of prudent purchasing and monitoring of pricing trends for its raw materials. As such, the shortage of supply or fluctuations in costs did not have a material impact our Group's financial performance.

7.1.7 Risk of impairment of our assets

Our Group is subject to the risk of impairment of our assets in the course of our operations. Impairment loss is required to be recorded in our Group's accounts when the carrying value of our assets exceeds its net realisable value/fair value. The difference between the carrying amount and net realisable amount/fair value is recognised as an impairment loss in our statement of comprehensive income.

In particular, our Group recorded an impairment loss of RM74.7 million on our investment holding in Magna Prima Berhad during the FYE 31 March 2020, as its recoverable amount, estimated using fair value less cost to sell, was lower than its carrying amount. Our Group has since reclassified its interest in Magna Prima Berhad to other investment in quoted shares, in view that it does not have significant influence over the control of the company. Further details of the Group's investment in Magna Prima Berhad is set out in **Section 4.1, Appendix I** of this Abridged Prospectus.

7.1.8 Outbreak and spread of the COVID-19 pandemic

Following the outbreak of the COVID-19 pandemic in 2020, our Group had faced disruptions to our operations, whereby construction activities at all our project sites were temporarily suspended as our contractors were not allowed to operate during the imposition of the MCO and NRP periods. Our operations at our offices and sales galleries were also suspended during the MCO and NRP periods.

Subsequently, our Group as well as our contractors had obtained approval from the Ministry of International Trade and Industry, Malaysia ("**MITI**"), enabling us to resume our operations at our offices and sales galleries at limited workforce capacity in accordance with the SOPs set by the MITI, as well as resume construction activities at our project sites.

These interruptions have resulted in delays in construction progress for our ongoing property development projects, thus leading to delays in our progress billings. As a result, our Group had recorded a 42.9% decrease in revenue to RM159.6 million during the FYE 31 March 2021 (FYE 31 March 2020: RM279.6 million). Further, the rise in COVID-19 cases which in turn led to softening demand in the property market had also resulted in a 24.7% decrease in revenue to RM120.2 million in the FYE 31 March 2022 (FYE 31 March 2021: RM159.6 million), as detailed in the commentary on financial performance set out in **Section 4.1, Appendix I** of this Abridged Prospectus.

Our Group has undertaken various initiatives which include strict implementation of the standard operating procedures ("**SOPs**") imposed by the relevant authorities such as work from home or rotational work basis, as well as regular testing, sanitisation and disinfection measures. Our Group also continues to maintain strict enforcement of its SOPs in its offices and construction sites to ensure the safety and wellbeing of its employees, customers, supply chain and the local communities.

7.2 Risks relating to the property development industry

7.2.1 Dependence on the performance of the property market

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

Any adverse development affecting the property market may adversely impact the performance of our business, which in turn may adversely affect our financial performance.

In particular, during the FYEs 31 March 2021 and 2022, our business was affected by the continuing impacts of the COVID-19 pandemic to the property market. Whilst the property market has seen a slight improvement in the year 2021, the property market performance has yet to surpass pre-pandemic levels recorded prior to 2020. Please refer to **Section 8.3** of this Abridged Prospectus for further details on the industry outlook of the property development industry in Malaysia.

7.2.2 Property overhang and/or unsold property

Our Group's properties are susceptible to the risk of not achieving full take-up rate or that it may take a longer time to achieve full take-up rate leading to a longer payback period. Property overhang is commonly caused by oversupply of properties leading to low take-up rate of newly launched properties. Other factors contributing to property overhang may include economic downturn, tightening of credit and unfavourable market conditions.

A prolonged property overhang situation or an increase in the number of unsold properties in the property market may also be due to other factors such as weak response to property launches, location of the properties and changes in consumer preferences.

According to the Property Market Report First Half 2022 issued by the Valuation and Property Services Department, a total of 34,092 overhang units worth RM21.73 billion was recorded in the first half of 2022 ("**H1 2022**"), down by 7.5% and 4.6% in volume and value respectively against the second half of 2021 ("**H2 2021**"). Most of the overhang is in Johor with 6,040 units worth RM4.73 billion. Likewise, the unsold under construction residential units saw a decrease of 11.1% to 62,404 units in H1 2022 compared to H2 2021 (70,231 units).

On the same note, serviced apartment sub-sector recorded 22,674 overhang units with a value of RM19.32 billion in H1 2022, indicating a decrease of 6.7% and 5.6% in volume and value respectively against H2 2021. Johor recorded the highest overhang in the country with 68.0% (15,423 units), followed by WP Kuala Lumpur and Selangor, with 18.9% (4,279 units) and 9.9% (2,248 units) share respectively.

There can be no assurance that our Group's projects will achieve a favourable take-up rate or that our Group's property launches will not be affected by property overhang. Presently, the Group's ongoing projects have a take-up rate ranging from 78% to 96%. As at the LPD, our Group has been able to mitigate instances of property overhang through strategic planning of launches for our projects. As such, such instances of property overhang have not materially impacted our financial performance or business operations.

7.2.3 Availability of landbank for our property development business

Our property development business relies on our ability to identify and acquire suitable and sizeable landbank at strategic locations with development potential to deliver growth and profitability. However, we face competition from other industry players in identifying and acquiring strategically located landbank at commercially viable prices. The competition among industry players has, to a certain extent, resulted in scarcity of sizeable and strategically located landbank. This may lead to higher land acquisition cost, which will potentially affect our profitability and prospects. As at the LPD, the Group's existing landbank comprises approximately 390 acres covering Perak, Johor, Klang Valley, Negeri Sembilan and Mainland Penang. Further, the Group has allocated up to RM1.35 million of the proceeds raised from the Rights Issue with Warrants towards the acquisition of new landbank for future property development activities, as detailed in **Section 5** of this Abridged Prospectus.

There can be no assurance that we will be able to identify new landbank on commercially viable prices and on suitable terms to increase our landbank for our property development operations. As at the LPD, the Group has not faced instances of unavailability of landbank which have materially impacted our financial performance or business operations.

7.2.4 Exposure to competition risk

There is intense competition among property developers to amongst others, identify and purchase strategically located and reasonable priced landbank, engaging reliable contractors and purchasing sufficient and reasonably priced building materials. The success of a property development project is based on a number of factors, which include location, pricing, accessibility, infrastructure and amenities, quality of development and the reliability and reputation of the property developer.

Competition among developers may also intensify in terms of location, price and rebates, facilities, surrounding amenities and connectivity. As such, failure by our Group to price our property launches competitively and offer properties which meets the requirements and expectations of prospective customers may have a bearing on our ability to sell such properties.

7.3 Risks relating to the Rights Issue with Warrants

7.3.1 Investment risk

The market price of our Shares as traded on Bursa Securities is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, the outlook of the industry which we operate in as well as our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares upon or subsequent to the listing and quotation of the Rights Shares on the Main Market of Bursa Securities.

Shareholders should also consider carefully that each Warrant derives its value from giving its holder the right to subscribe for new HYB Shares at a predetermined Exercise Price over the exercise period. The Warrants have a finite lifespan during which tenure the holders can exercise the subscription rights comprised in the Warrant. If the sum of the price of the Warrants as quoted on Bursa Securities and the exercise price of the Warrants is higher than the market price of HYB Shares, the Warrants are deemed to be “out-of-the-money”. The value of the Warrants is directly related to the market price of HYB Shares. The higher the quantum by which the market price of HYB Shares exceeds the exercise price of the Warrants, the higher the value of the Warrants will be.

Our shareholders are reminded, however, that other factors may also affect the market price of the Warrants or the market price of our Shares. Other than the fundamentals of our Group, the future price performance of the Warrants will also depend on various external factors as mentioned above. As the Warrants are a new type of securities issued by our Company, there can also be no assurance that an active market for the Warrants will develop upon their listing on Bursa Securities or if developed, that it will sustain.

Accordingly, there can be no assurance that the market price of the Rights Shares and the Warrants will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares and the Warrants.

7.3.2 Delay in or abortion of the Rights Issue with Warrants

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

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and Warrants. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue with Warrants. In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10.0% per annum or at such other rate as may be prescribed by the SC in accordance with section 243(2) of the CMSA.

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

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

- (a) the SC issues a stop order under section 245(1) of the CMSA, all applications shall be deemed to be withdrawn and cancelled and we shall repay all monies paid in respect of the applications for our Rights Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to section 245(7)(a) of the CMSA; or
- (b) the Rights Issue with Warrants is terminated other than pursuant to a stop order by the SC under section 245(1) of the CMSA, investors will not receive any Rights Shares, and all monies paid in respect of all applications for our Rights Shares will be refunded free of interest.

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

- (a) the SC issues a stop order under section 245(1) of the CMSA, any issue of our 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 of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to section 245(7)(b) of the CMSA; or
- (b) our Rights Issue with Warrants is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders may only be achieved by way of a cancellation of our 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:-
 - (aa) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or
 - (bb) a solvency statement from the directors.

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

7.3.3 Potential dilution of existing shareholders' shareholdings

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

8. INDUSTRY OUTLOOK AND PROSPECTS

Our Group is principally involved in the two following business segments:-

- i. Property development segment - business of constructing and developing residential and commercial properties; and
- ii. Concession assets segment - business of collection of rental over the concession periods from assets held under “build, operate and transfer” agreements.

8.1 Overview and outlook of the Malaysian economy

The Malaysian economy was also on the path of recovery in 2021. However, as local COVID-19 cases began to surge in May 2021, the Government had to re-introduce strict nationwide containment measures under the first phase of the National Recovery Plan (NRP) in June 2021. This affected the recovery momentum. Nonetheless, the swift progress of the National COVID-19 Immunisation Programme enabled economic sectors to gradually reopen in the third quarter of the year. Strong exports and continued policy aid for households and businesses also lent support to domestic growth. Overall, the Malaysian economy saw a moderate recovery, with gross domestic product growing by 3.1% in 2021 (2020: -5.6%).

Headline inflation averaged higher at 2.5% (2020:-1.2%). The higher cost due to rising global oil prices and supply chain disruptions led to some upward price pressures for certain categories of consumer goods and services. Nevertheless, underlying inflation remained subdued for the year amid a gradual recovery in demand and weak labour market conditions.

After reducing the Overnight Policy Rate (OPR) by a total of 125 basis points to a historic low of 1.75%, the Monetary Policy Committee (MPC) kept the OPR unchanged in 2021. The committee assessed that in the environment of subdued inflation and limited risks of financial imbalances, the low interest rate environment was needed to continue to provide support to the domestic economic recovery that still faced downside risks mainly due to pandemic uncertainties. In addition, fiscal and financial measures helped ease the burden of households and businesses and thus, supported the economic recovery

(Source: Annual Report 2021, Bank Negara Malaysia)

The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While growth was lifted 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. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (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.

(Source: Bank Negara Malaysia Quarterly Bulletin – Second Quarter 2022)

8.2 Overview and outlook of the construction industry

The construction sector declined by 5.2% (2020: -19.4%), as the industry faced limitations on operating capacity and the stop-start nature of construction works, due to the movement restrictions. Special trade was the sole subsector with positive growth, supported by end-works from selected commercial and civil engineering projects, as well as implementation of small-scale projects. Meanwhile, construction activities in the residential and non-residential subsectors remained subdued following extended periods of lockdown and reduced operating capacity.

Growth in the construction sector is expected to rebound in 2022 following the reopening of the economy. Ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the 2022 Budget measures will support growth in the civil engineering and special trade subsectors. Meanwhile, the residential subsector will benefit from new housing projects and launches, in tandem with the expected recovery in demand as income and employment prospects improve. Growth in the non-residential subsector is expected to be lifted by both existing and new commercial and industrial projects.

(Source: Outlook and Policy in 2022, Economic & Monetary Review, Bank Negara Malaysia)

8.3 Overview and outlook of the property industry

The property market performance showed a slight improvement in 2021 but has yet to surpass the pre-pandemic level recorded prior to 2020. More than 300,000 transactions worth nearly RM145 billion were recorded, indicating an increase of 1.5% in volume and 21.7% in value compared to last year.

In the H1 2022, more than 188,000 transactions were recorded worth RM84.40 billion, showing an increase of more than 30% in volume and value compared to the same period last year, as all property sectors recorded year-on-year growth.

Residential property

There were 198,812 transactions worth RM76.90 billion recorded in 2021, increased by 3.9% in volume and 16.7% in value as compared with 2020. The improvement was supported by the uptrend recorded in WP Kuala Lumpur (4.9%), Selangor (10.7%), Pulau Pinang (16.3%) and Perak (3.2%). Conversely, Johor recorded a decline in market activity by 2.4%.

Selangor contributed the highest volume and value to the national market share, with 24.5% in volume (48,755 transactions) and 34.4% in value (RM26.49 billion). WP Kuala Lumpur recorded 11,129 transactions but ranked the second highest in value at RM9.69 billion, contributing 12.6% market share. Demand continued to focus on terraced houses, formed around 43.0% of the total residential transactions, followed by vacant plots and high-rise units, each with nearly 15% market share. The affordable price range of RM300,000 and below accounted for 55.9% of the total, followed by RM300,001 to RM500,000 (24.6%), RM501,000 – RM1,000,000 (14.8%) and more than RM1,000,000 (4.8%).

In the H1 2022, residential property sector recorded 116,178 transactions worth RM45.62 billion in the review period, increased by 26.3% in volume and 32.2% in value year-on-year. The four major states namely Pulau Pinang, WP Kuala Lumpur, Johor and Selangor formed about 47% of the total national residential volume.

Commercial property

The commercial sub-sector saw a better performance in 2021. There were 22,428 transactions worth RM27.94 billion recorded in 2021, increased by 10.7% in volume and 43.1% in value as compared with 2020. The improved market was contributed by the increased activity recorded in most states and the major transactions involving shopping complex and purpose-built office recorded in the review period.

Selangor contributed the highest volume to the national market share, with 26.8% (6,021 transactions), followed by WP Kuala Lumpur with 14.5% (3,251 transactions). In terms of value, WP Kuala Lumpur led the market with 32.0% (RM8.95 billion), followed by Selangor with 25.3% (RM7.06 billion).

In the H1 2022, commercial property segment recorded 15,169 transactions worth RM14.02 billion recorded, up by 45.4% in volume and 28.3% in value compared to the same period last year. Selangor contributed the highest volume and value to the national market share, with 26.5% in volume (4,025 transactions) and 33.5% in value (RM4.70 billion).

2022 Outlook

The property market performance recorded a rebound in the first half of 2022, a reflective of normalizing economic activity as the country moved towards endemicity. With the positive projection on economic growth by Bank Negara Malaysia, expected between 5.3% to 6.3% in 2022, supported by the implementation of various government initiatives and assistance, the property market performance is expected to be on track.

(Source: Property Market Report 2021 and Property Market Report First Half 2022, Valuation & Property Services Department, Ministry of Finance Malaysia)

8.4 Future prospects of our Group

The Group's performance had been impacted by setbacks in the industry as a whole, with multiple MCOs causing construction delays which widely affected the Group's product launches, buyers' confidence in purchasing homes and financial performance. As the country transitions to the endemic stage of the COVID-19 pandemic, the Group will continue maintaining stringent processes for efficient planning and monitoring of construction progress on ongoing development projects, and adopting prudent financial policies in order to maintain a healthy balance sheet with manageable gearing and cash flows. The summary of the Group's financial performance for the past 3 FYEs 31 March 2020, 2021 and 2022, as well as for the 3-month FPE 30 June 2022 is set out as follows:-

	Audited			Unaudited
	FYE 31 March			FPE 30 June
	2020	2021	2022	2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	279,614	⁽²⁾ 159,560	⁽³⁾ 120,188	23,419
Gross profit	73,404	23,026	49,230	6,617
PBT/(LBT)	⁽¹⁾ (64,275)	(49,177)	7,710	1,360
PAT/(LAT) attributable to owners of the Company	⁽¹⁾ (73,133)	(52,400)	1,526	227

Notes:-

- (1) Our Group recorded LBT of RM64.3 million and LAT attributable to owners of the Company of RM73.1 million in the FYE 31 March 2020, attributed to an impairment loss of RM74.7 million on our investment holding in associate, Magna Prima Berhad.

- (2) Our Group recorded a 42.9% decrease in revenue to RM159.6 million in the FYE 31 March 2021 (FYE 31 March 2020: RM279.6 million) primarily attributed to construction work stoppages during the MCO period.
- (3) Our Group recorded a 24.7% decrease in revenue to RM120.2 million in the FYE 31 March 2022 (FYE 31 March 2021: RM159.6 million) primarily attributed to the reinstatement of stringent movement restrictions amid an alarming rise in COVID-19 infections rates, which in turn led to softening demand in the property market.

Further details of our financial information is set out in **Section 4, Appendix I** of this Abridged Prospectus.

Whilst the Group has seen an improvement in the 2022 business environment thus far, management views the future prospects of HYB Group to be challenging, affected by the high raw material costs, which have increased between 10% to 30% with steel being the most volatile, labour constraints caused by the pandemic overhang as well as the rising interest rate environment. Notwithstanding this, the property development market has seen a pick-up in volume of residential transactions since the last quarter of 2021, due to the HOC (Home Ownership Campaign) 2020-2021, which has continued on to the first quarter of 2022.

Management's near-term strategy will be to focus on the development of new affordable housing, particularly for mid-market homes, catering to the needs of all Malaysians and meeting current and future housing demand. The Group's key developments for the year include, amongst others, the township development in ELEMENCE at Taman Denai Alam, Johor, integrated university township in Bandar U, Seri Iskandar, Perak, as well as serviced apartments comprising residential and commercial units in Aston Acacia, Bukit Mertajam, with a total estimated GDV of approximately RM2.10 billion realised over the tenure of the projects.

Details on the ongoing phases for the abovementioned developments are set out below:-

Project name and type	Description	Commencement date / Expected completion date	% of completion as at the LPD*	Estimated GDV (RM'mil)
ELEMENCE, Taman Denai Alam, Johor	Township development on 73.2-acre freehold land, comprising:-			
	- Phase 1P2 – 46 units of residential	December 2019/ November 2022	82%	32.86
	- Phase 2 – 52 units of residential	June 2022/ May 2024	18%	24.33
	- Phase 5P1 – 18 units of commercial	November 2019/ October 2022	87%	17.31
Bandar U, Seri Iskandar, Perak	Integrated 777-acre university township comprising:-			
	- Sakura P3 – 82 units of residential	January 2021/ December 2022	73%	17.65
	- Sakura P4 – 82 units of residential	December 2020/ November 2022	79%	21.00
	- Sakura P5 – 82 units of residential	March 2021/ February 2023	52%	17.86

Project name and type	Description	Commencement date / Expected completion date	% of completion as at the LPD*	Estimated GDV (RM'mil)
	- Centaurea P1 – 92 units of residential	November 2021/ October 2023	13%	23.00
	- Centaurea P2 – 84 units of residential	April 2022/ March 2024	9%	21.00
Aston Acacia, Bukit Mertajam, Mainland Penang	Modern tropical architecture development comprising:- - P1 – 311 units of residential / 38 units of commercial	December 2020/ May 2024	22%	157.50

Note:-

* At this juncture, our Group is on track to meet the expected completion dates of the abovementioned on-going property development projects.

We will also continue generating rental income from build, operate and transfer commercial properties owned under our concession assets segment over the remaining concession period of 6 to 19 years. For the recent FYE 31 March 2022, our concession assets generated RM1.90 million in revenue, representing approximately 1.58% of our total revenue for the year. Upon expiry of the concession period, the commercial properties will be transferred back to the local authorities, unless extensions are granted.

Overall, management is cautiously optimistic regarding the property market's prospects and anticipates property sales growth will accelerate as the economy grows, coupled with incentives and packages offered by developers in the market to entice homebuyers during soft market conditions. Nonetheless, management remains mindful of the inherent risks of the property development industry, such as the performance of the property market and property overhang and/or unsold property as detailed in **Sections 7.2.1** and **7.2.2** of this Abridged Prospectus. Management will also continue to focus on strengthening its balance sheet, while simultaneously exploring expansion opportunities. In this regard, the Rights Issue with Warrants is also expected to contribute positively to the Group's financial position, enabling the Group to channel the proceeds towards working capital to ensure funding is ready to be deployed in an efficient manner to smoothen the progress on the ongoing property development projects. In particular, up to RM10.0 million of the proceeds are expected to be channelled towards our Group's working capital requirements, comprising payment to suppliers and securing building materials required for abovementioned ongoing property development projects, as well as general administrative and daily operational expenses.

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9. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

The pro forma effects of the Rights Issue with Warrants on the Group's issued share capital, NA, gearing, earnings and EPS are as follows:-

9.1 Issued share capital

The effects of the Rights Issue with Warrants are set out to the following scenarios:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	(RM)	No. of Shares	(RM)
Issued share capital as at the LPD	352,000,000	352,000,000	352,000,000	352,000,000
Rights Shares to be issued pursuant to the Rights Issue with Warrants	39,339,998	⁽¹⁾ 7,081,200	88,000,000	⁽¹⁾ 15,840,000
	391,339,998	359,081,200	440,000,000	367,840,000
Shares to be issued arising from the full exercise of Warrants	39,339,998	⁽²⁾ 11,801,999	88,000,000	⁽²⁾ 26,400,000
Enlarged issued share capital	430,679,996	370,883,199	528,000,000	394,240,000

Notes:-

(1) Computed based on the issue price of RM0.18 per Rights Share.

(2) Computed based on the Exercise Price of RM0.30 per Warrant.

9.2 Earnings and EPS

The Rights Issue with Warrants, which is expected to be completed in the fourth quarter of 2022, is not expected to have any material effect on the earnings and EPS of the Group for the FYE 31 March 2023. However, there will be a dilution in the EPS of the Group for the FYE 31 March 2023 due to the increase in the number of HYB Shares in issue arising from the Rights Issue with Warrants.

9.3 Convertible securities

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

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9.4 NA per Share and gearing

Based on the latest unaudited consolidated financial statements of HYB Group for the 3-month FPE 30 June 2022 and on the assumption that the Rights Issue with Warrants had been effected on that date, the pro forma effects of the Rights Issue with Warrants on the consolidated NA per Share and gearing of HYB Group are set out below:-

Minimum Scenario	Unaudited as at 30 June 2022 (RM'000)	Pro forma I After the Rights Issue with Warrants (RM'000)	Pro forma II After pro forma I and full exercise of Warrants (RM'000)
Share capital	352,000	(1)357,901	(5)370,883
Warrants reserve	-	(2)1,180	-
Foreign exchange reserve	(5,345)	(5,345)	(5,345)
Fair value reserve	(3,087)	(3,087)	(3,087)
Retained earnings	93,718	(3)93,263	93,263
Shareholders' equity/NA	437,286	443,912	455,714
Perpetual sukuk	4,336	4,336	4,336
Non-controlling interests	22,305	22,305	22,305
Total equity	463,927	470,553	482,355
No. of shares in issue ('000)	352,000	391,340	430,680
NA per share (RM)	1.24	1.13	1.06
Total borrowings (RM'000)	249,747	(4)247,747	247,747
Gearing ratio (times)	0.57	0.56	0.54

Notes:-

- (1) Computed based on the issuance of 39,339,998 Rights Shares at an issue price of RM0.18 per Rights Share and adjusting for the apportionment of the allocated fair value for 39,339,998 Warrants at RM0.03 per Warrant based on the Trinomial Option Pricing Model as extracted from Bloomberg.
- (2) The Warrants are assumed to have a theoretical fair value of RM0.03 each derived from the Trinomial Option Pricing Model as extracted from Bloomberg.
- (3) After deducting estimated expenses of approximately RM0.46 million in relation to the Corporate Exercises.
- (4) After adjusting for the utilisation of proceeds pursuant to the Rights Issue with Warrants for the partial repayment of bank borrowings amounting to RM2.00 million.
- (5) Computed based on the Exercise Price of RM0.30 per Warrant and accounting for the reversal of warrants reserve account.

Maximum Scenario	Unaudited as at 30 June 2022 (RM'000)	Pro forma I After the Rights Issue with Warrants (RM'000)	Pro forma II After pro forma I and full exercise of Warrants (RM'000)
Share capital	352,000	(1)365,200	(5)394,240
Warrants reserve	-	(2)2,640	-
Foreign exchange reserve	(5,345)	(5,345)	(5,345)
Fair value reserve	(3,087)	(3,087)	(3,087)
Retained earnings	93,718	(3)93,263	93,263
Shareholders' equity/NA	437,286	452,671	479,071
Perpetual sukuk	4,336	4,336	4,336
Non-controlling interests	22,305	22,305	22,305
Total equity	463,927	479,312	505,712
No. of shares in issue ('000)	352,000	440,000	528,000
NA per share (RM)	1.24	1.03	0.91
Total borrowings (RM'000)	249,747	(4)245,747	245,747
Gearing ratio (times)	0.57	0.54	0.51

Notes:-

- (1) Computed based on the issuance of 88,000,000 Rights Shares at an issue price of RM0.18 per Rights Share, and adjusting for the apportionment of the allocated fair value for 88,000,000 Warrants at RM0.03 per Warrant based on the Trinomial Option Pricing Model as extracted from Bloomberg.
- (2) The Warrants are assumed to have a theoretical fair value of RM0.03 each derived from the Trinomial Option Pricing Model as extracted from Bloomberg.
- (3) After deducting estimated expenses of approximately RM0.46 million in relation to the Corporate Exercises.
- (4) After adjusting for the utilisation of proceeds pursuant to the Rights Issue with Warrants for the partial repayment of bank borrowings amounting to RM4.00 million.
- (5) Computed based on the Exercise Price of RM0.30 per Warrant and accounting for the reversal of warrants reserve account.

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

10.1 Working capital

Our Group's working capital is funded through cash generated from operating activities, banking facilities, as well as our Group's existing cash and cash equivalents.

As at the LPD, our Group has cash and cash equivalents of RM16.41 million (inclusive of deposits placed with licensed banks amounting to RM8.22 million).

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

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

10.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM251.25 million. All our borrowings are interest-bearing and denominated in RM, further details of which are set out as follows:-

	Purpose of facility	Interest rate (%)	(RM'000)
<u>Long term borrowings</u>			
Secured			
- Bridging loan	Project financing	4.49	5,718
- Sukuk Murabahah	Acquisition of lands	4.74	12,696
- Term loans	Acquisition of lands	4.32 – 6.45	135,700
- Revolving loans	Working capital	4.10 - 5.99	25,400
- Islamic cash line facility	Working capital	7.01	10,000
			189,514
<u>Short term borrowings</u>			
Secured			
- Bridging loan	Project financing	4.49	1,042
- Sukuk Murabahah	Acquisition of lands	4.74	4,494
- Term loans	Acquisition of lands	4.32 – 6.45	9,193
- Revolving loans	Working capital	4.10 – 5.99	12,055
- Islamic cash line facility	Working capital	7.01	3,675
- Bank overdrafts	Working capital	5.90 – 6.45	31,281
			61,740
Total			251,254

There has not been any default on payment of either interest and/or principal sums on any borrowings throughout the FYE 31 March 2022 and subsequent financial period up to the LPD.

10.3 Contingent liabilities

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

	(RM'000)
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries in the Group's ordinary course of business	161,121

10.4 Material commitments

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

	(RM'000)
Approved and contracted for:-	
- Commitments to purchase land held for property development	4,055

The abovementioned material commitments are expected to be funded through the Group's internally generated funds.

10.5 Material transactions

Save for the Rights Issue with Warrants, our Board confirms that there are no other material transactions which may have a material effect on our Group's operations, financial position and results since the last unaudited consolidated financial statements of our Group for the 3-month FPE 30 June 2022.

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11. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS

11.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants 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 11.5.3** and **11.9.3** 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 on Bursa Securities' website (<https://www.bursamalaysia.com>).

11.2 NPA

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

11.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments and Excess Applications is at **5.00 p.m. on Wednesday, 19 October 2022**.

We shall make an announcement on the outcome of the Rights Issue with Warrants after the Closing Date.

11.4 Methods of acceptance and application

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

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
Electronic Application ^{*1}	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Note:-

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

11.5 Procedure for full acceptance and payment

11.5.1 By way of RSF

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. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND EXCESS RIGHTS SHARES WITH WARRANTS, AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

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

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

Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel : (03) 7890 4700
Fax : (03) 7890 4670

so as to arrive **not later than the Closing Date**, being the last date and time for acceptance and payment for the Provisional Allotments.

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

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account belonging. Separate RSF(s) must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account(s). If successful, the Rights Shares subscribed for and free detachable Warrants will be credited into your CDS Account(s) as stated in the completed RSF(s).

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

The minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. However, you and/or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions arising from the Rights Issue with Warrants, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Allotments allotted to you and/or your renounee(s)/transferee(s) (if applicable) is not received by our Share Registrar by **the Closing Date**, being the last date and time for acceptance of and payment for the Provisional Allotments, you and/or your renounee(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled.

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

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

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S)/CASHIER'S ORDER(S)/MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "HYB 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 BY THE CLOSING DATE.

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

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

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

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

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

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

11.5.2 By way of Electronic Application

Only individuals who are Entitled Shareholders may apply for the Rights Issue with Warrants 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 ("**Steps**"). 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 Electronic Applications set out in **Section 11.5.2(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 <https://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 with Warrants 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 are as set out in **Section 11.5.2(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 Record is 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 Provisional Allotments 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 ACCOUNT 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:-
- (i) you have attained 18 years of age as at the Closing Date;
 - (ii) you have read the Abridged Prospectus and understood and agreed with the terms and conditions of the application; and

- (iii) 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 make 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 Provisional Allotments 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 Provisional Allotments applied for shall signify, and shall be treated as, your acceptance of the number of Provisional Allotments 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 Provisional Allotments 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:-

- (i) our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
- (ii) the 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 Provisional Allotments applied for or for any compensation, loss or damage relating to the application for the Provisional Allotments.

- (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:-
 - (i) in consideration of our Company agreeing to allow and accept your application for the Provisional Allotments 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;
 - (ii) 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 control;
 - (iii) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Provisional Allotments 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 Provisional Allotments; and

- (iv) 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 with Warrants 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:-
 - (i) 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
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in **Section 11.5.2(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.

11.5.3 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our 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.

i. Steps for applications via NRS

- (a) If you are an Entitled Shareholder 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 with Warrants.
- (f) To apply for the Provisional Allotments, 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 last day and time for acceptance and payment.
- (h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:-
 - (i) 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
 - (ii) consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Provisional Allotments which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:-

Bank : **MALAYAN BANKING BERHAD**
Account Name : **HYB RIGHTS ISSUE ACCOUNT**
Bank Account No : **514012461146**

- (j) Upon completion of the transfer/payment, you may receive a transaction slip ("**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 Provisional Allotments electronically within the timelines as stated below. No physical notice of allotment will be mailed to you:-
- (i) 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
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.
- The refund will be credited directly into your bank account(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 and Warrants 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 Provisional Allotments submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

ii. 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 Provisional Allotments 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 Provisional Allotments 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, request and authorise our Company to credit the Provisional Allotments 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 -
 - (i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
 - (ii) 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 Provisional Allotments applied for or for any compensation, loss or damage relating to the application for the Provisional Allotments.

- (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 with Warrants 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 control;
 - (iii) notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Provisional Allotments issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Allotments; 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.

11.6 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Allotments provided always that the minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. Fractions of a Rights Share, if any, shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 11.5.1** of this Abridged Prospectus.

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

The portion of the Provisional Allotments that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Allotments.

11.7 Procedure for sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I and II of the RSF. Please refer to **Sections 11.5** and **11.6** of this Abridged Prospectus for the procedure for acceptance and payment.

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

Purchaser(s) or transferee(s) of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our registered office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at <https://www.bursamalaysia.com>.

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

Renounee(s)/transferee(s) (if applicable) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers or our Share Registrar, or at our registered office or from Bursa Securities' website at <https://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Sections 11.5** and **11.6** of this Abridged Prospectus also applies to renounee(s)/transferee(s) (if applicable) who wish to accept the Provisional Allotments.

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

11.9 Procedure for application of Excess Rights Shares with Warrants

11.9.1 By way of RSF

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

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 11.5 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/CASHIER'S ORDER(S)/MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "HYB 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 BY THE CLOSING DATE.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR. ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

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

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

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

Any remaining Excess Rights Shares with Warrants thereafter which the Company is unable to allocate to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) will then be allocated to our major shareholders at the discretion of our Board.

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

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. HOWEVER, IF YOUR EXCESS 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 OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.9.2 By way of Electronic Application

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants 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 with Warrants by following the same steps as set out in **Section 11.5.2** of this Abridged Prospectus.

The Electronic Application for Excess Rights Shares with Warrants will be made on and subject to the same terms and conditions appearing in **Section 11.5.2** of this Abridged Prospectus.

Any Rights Shares which are not taken up or not validly taken up by you and/or your renounee(s)/transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in **Section 11.9.1** above.

11.9.3 By way of NRS

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement via NRS in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the same steps as set out in **Section 11.5.3** of this Abridged Prospectus save and except for the amount payable to be directed to “**HYB EXCESS RIGHTS ISSUE ACCOUNT**” (**BANK ACCOUNT NO. 514012461153 WITH MALAYAN BANKING BERHAD**) for the excess Rights Shares with Warrants applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File.

The NRS for Excess Rights Shares with Warrants will be made on and subject to the same terms and conditions appearing in **Section 11.5.3** of this Abridged Prospectus.

Any Provisional Allotments which are not taken up or not validly taken up by you and/or your renounee(s)/transferee(s) (if applicable) shall be made available for Excess Rights Shares with Warrants. It is the intention of the Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the priority and basis as detailed in **Section 11.9.1** above.

11.10 Form of issuance

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

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificates or Warrant certificates shall be issued to you under the Rights Issue and Warrants. Instead, the Rights Shares and Warrants will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post to the address 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.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, 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 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.

Where the Rights Shares with Warrants are provisionally allotted to the Entitled Shareholders in respect of their existing HYB Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Allotments shall mean that they consent to receive such Provisional Allotments as prescribed or deposited securities which will be credited directly into their CDS Account.

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

The Excess Rights Shares and Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in **Section 11.9** of this Abridged Prospectus.

11.11 Laws of foreign jurisdiction

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

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

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

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

By signing the RSF, the Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) UOBKH, our Share Registrar, our Company, our Directors and officers and other professional advisers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or renouncee(s)/transferee(s) (if applicable) are or may be subject to;

- (ii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotments;
- (iii) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and
- (vi) the Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

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

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

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

12. TERMS AND CONDITIONS

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

13. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
HUA YANG BERHAD



TAN SRI DATO' SERI DR. TING CHEW PEH
Chairman/Independent Non-Executive Director

INFORMATION ON OUR COMPANY

1. BOARD OF DIRECTORS

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

Name / Designation	Age	Address	Nationality
Tan Sri Dato' Seri Dr. Ting Chew Peh (Chairman/Independent Non-Executive Director)	79	No.1, Jalan SS2/13, 47300 Petaling Jaya, Selangor	Malaysian
Ho Wen Yan (Chief Executive Officer/Executive Director)	48	5, Lorong Taman Pantai Lima, Bukit Pantai, 59100 Kuala Lumpur, Wilayah Persekutuan	Malaysian
Chew Po Sim (Non-Independent Non-Executive Director)	79	5, Lorong Taman Pantai Lima, Bukit Pantai, 59100 Kuala Lumpur, Wilayah Persekutuan	Malaysian
Chew Hoe Soon (Non-Independent Non-Executive Director)	71	45, Jalan SS 24/12, Taman Megah, 47301 Petaling Jaya, Selangor	Malaysian
Dato' Tan Bing Hua (Senior Independent Non-Executive Director)	78	B27-01, Suasana Sentral Loft, Jalan Stesen Sentral 5, 50470 Kuala Lumpur	Malaysian
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud (Independent Non-Executive Director)	56	No. 1, Lorong Duta 4, Off Lorong Duta 2, Taman Duta, 50480 Kuala Lumpur	Malaysian
Ho Wen Fan (Alternate Director to Chew Po Sim)	44	5, Lorong Taman Pantai Lima, Bukit Pantai, 59100 Kuala Lumpur, Wilayah Persekutuan	Singaporean

2. SHARE CAPITAL

As at the LPD, HYB has an issued share capital of RM352,000,000 comprising of 352,000,000 HYB Shares.

Upon completion of the Rights Issue with Warrants and assuming full exercise of the Warrants, HYB's pro forma enlarged issued share capital will increase to the following:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	(RM)	No. of Shares	(RM)
Share capital as the LPD	352,000,000	352,000,000	352,000,000	352,000,000
To be issued pursuant to the Rights Issue with Warrants	39,339,998	(1)7,081,200	88,000,000	(1)15,840,000
Subtotal	391,339,998	359,081,200	440,000,000	367,840,000
Assuming full exercise of Warrants	39,339,998	(2)11,801,999	88,000,000	(2)26,400,000
Enlarged share capital	430,679,996	370,883,199	528,000,000	394,240,000

Notes:-

(1) Computed based on the issue price of RM0.18 per Rights Share.

(2) Computed based on the Exercise Price of RM0.30 per Warrant.

INFORMATION ON OUR COMPANY (Cont'd)**3. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of HYB Shares as traded on Bursa Securities for the past 12 months from September 2021 to August 2022 and up to the LPD are set out below:-

	High (RM)	Low (RM)
2021		
September	0.310	0.265
October	0.310	0.265
November	0.290	0.250
December	0.265	0.250
2022		
January	0.265	0.245
February	0.260	0.245
March	0.255	0.225
April	0.265	0.240
May	0.265	0.240
June	0.260	0.195
July	0.210	0.190
August	0.210	0.190
Last transacted market price of HYB Shares as at 9 June 2022 (being the latest trading day prior to the announcement on the Corporate Exercises)		0.255
Last transacted market price of HYB Shares as at the LPD		0.190
Last transacted market price on 29 September 2022, being the last Market Day immediately preceding the ex-date for the Rights Issue with Warrants		0.170

(Source: Bloomberg)

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INFORMATION ON OUR COMPANY (Cont'd)
4. HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of our Group's key financial information based on the audited financial statements for the past 3 FYEs 31 March 2020, 2021 and 2022, as well as the 3-month FPE 30 June 2022:-

4.1 Historical financial performance

	Audited			Unaudited
	FYE 31 March			FPE 30 June
	2020	2021	2022	2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	279,614	159,560	120,188	23,419
Cost of sales	(206,210)	(136,534)	(70,958)	(16,802)
Gross profit	73,404	23,026	49,230	6,617
Other income	1,952	2,070	1,666	2,165
Administrative expenses	(27,559)	(34,562)	(20,785)	(4,278)
Selling and marketing expenses	(12,569)	(9,938)	(8,431)	(778)
Net reversal/(loss) on impairment of:				
- financial instruments	3	(12)	(1,943)	-
- intangible assets	-	(31)	2,014	-
- investment in an associate	(74,707)	28,809	1,468	-
Results from operating activities	(39,476)	9,362	23,219	3,727
Finance costs	(14,616)	(11,843)	(9,254)	(2,367)
Share of loss of equity-accounted associate, net of tax	(10,183)	(46,696)	(6,255)	-
PBT/(LBT)	(64,275)	(49,177)	7,710	1,360
Tax expense	(8,939)	(3,305)	(6,276)	(1,150)
PAT/(LAT)	(73,214)	(52,482)	1,433	210
Other comprehensive (loss)/income, net of tax				
Share of other comprehensive (loss)/gain of equity – accounted associate	(1,023)	3,997	(1,386)	-
Net changes in fair value of equity investment designated at fair value through other comprehensive income	-	-	(9,775)	6,688
Total comprehensive profit/(loss)	(74,237)	(48,485)	(9,727)	6,898
Profit/(loss) attributable to:				
Owners of the Company	(73,133)	(52,400)	1,526	227
Non-controlling interests	(81)	(82)	(93)	(18)
Profit/(loss) for the year	(73,214)	(52,482)	1,433	210

INFORMATION ON OUR COMPANY (Cont'd)

	Audited			Unaudited
	FYE 31 March			FPE 30 June
	2020	2021	2022	2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Total comprehensive (loss)/profit attributable to:-				
- Owners of the Company	(74,156)	(48,403)	(9,634)	6,916
- Non-controlling interests	(81)	(82)	(93)	(18)
Total comprehensive profit/(loss) for the year/period	(74,237)	(48,485)	(9,727)	6,897
Basic and diluted (loss)/earnings per share (sen)	(20.78)	(14.89)	0.43	0.06

Commentary on financial performance:-**(i) Audited FYE 31 March 2020 ("FYE 2020")**

For the FYE 2020, our Group recorded a revenue of RM279.6 million which represents an increase of approximately RM7.1 million or 2.6% as compared to the revenue in the preceding FYE 31 March 2019 ("**FYE 2019**") of RM272.5 million. This increase was mainly contributed by the steady construction progress of on-going projects, and sale of completed properties. Key projects that contributed to FYE 2020 revenue include Astetica Residences in Selangor and Meritus Residensi in Mainland Penang. Contributions from these key projects accounted for approximately 67% of our total Group revenue.

Despite the increase in revenue, our Group recorded a LBT of RM64.3 million in the FYE 2020, compared to the LBT of RM13.8 million recorded in the preceding FYE 2019. Further, our Group recorded a LAT attributable to owners of the Company of RM73.1 million in the FYE 2020, compared to LAT attributable to owners of the Company of RM22.2 million recorded in the preceding FYE 2019. The decline in earnings was due to an impairment loss of RM74.7 million on our investment holding in associate, Magna Prima Berhad ("**MPB**"), due to a change in the method used to estimate the fair value of MPB from a net asset value to the quoted price of MPB published on the Main Market of Bursa Securities. The change in the fair value estimate was deemed necessary taking into account the appointment of Receiver and Manager over the properties and assets of MPB's subsidiary, Magna Ecocity Sdn Bhd.

Excluding the provision of impairment loss and the share of loss at the associate level, HYB would have recorded an adjusted operating profit of RM35.2 million, while adjusted PBT would have improved to RM20.6 million in the FYE 2020.

For further details on our financial and business operational review, please refer to the management discussion and analysis as set out in pages 25 to 36 of our Annual Report 2020.

INFORMATION ON OUR COMPANY (Cont'd)

(ii) Audited FYE 31 March 2021 ("FYE 2021")

For the FYE 2021, our Group recorded a revenue of RM159.6 million which represents a decrease of approximately RM120.0 million or 42.9% as compared to the revenue in the preceding FYE 2020 of RM279.6 million. This decrease in revenue was primarily attributable to construction work stoppages during the MCO period. Nonetheless, construction activities stabilized and work was able to continue at a steady pace towards the end of the year. Our revenue was primarily generated from our key projects namely Astetica Residence in Seri Kembangan, Selangor and Sakura phases at Bandar U, Perak, which accounted for approximately 62% of our total Group revenue.

Our administrative expenses increased by 25.4% to RM34.6 million in the FYE 2021 as compared to the preceding FYE 2020 of RM27.6 million. The increase in administrative expenses was primarily due to provision of one-off litigation expenses during the year in respect of the ongoing litigation involving Kajang Heights Development Sdn Bhd, as set out in **Section 10, Appendix I** of this Abridged Prospectus.

Our Group recorded a LBT of RM49.2 million in the FYE 2021, compared to the LBT of RM64.3 million recorded in the preceding FYE 2020. Further, our Group recorded a LAT attributable to owners of the Company of RM52.4 million in the FYE 2021, compared to the LAT attributable to owners of the Company of RM73.1 million recorded in the preceding in the FYE 2020. The decline in earnings was primarily due to the recognition of the share of loss of RM46.7 million from our associate, MPB, as at the FYE 2021.

For further details on our financial and business operational review, please refer to the management discussion and analysis as set out in pages 25 to 35 of our Annual Report 2021.

(iii) Audited FYE 31 March 2022 ("FYE 2022")

For the FYE 2022, our Group recorded a revenue of RM120.2 million which represents a decrease of approximately RM39.4 million or 24.7% as compared to the revenue in the preceding FYE 2021 of RM159.6 million. This decrease in revenue was primarily attributed to the reinstatement of stringent movement restrictions amid an alarming rise in COVID-19 infections rates, which in turn led to softening demand the property market.

Our administrative expenses decreased by 39.9% to RM20.8 million in the FYE 2022 as compared to the preceding FYE 2021 of RM34.6 million. The decrease in administrative expenses was primarily due to better cost management on expenses during the FYE 2022 as well as the provision of one-off litigation expenses incurred during the previous FYE 2021.

Despite the decrease in revenue, our Group recorded a PBT of RM7.7 million in the FYE 2022, compared to a LBT of RM49.2 million recorded in the preceding FYE 2021. Further, our Group recorded a PAT attributable to owners of the Company of RM1.5 million in the FYE 2022, compared to a LAT attributable to owners of the Company of RM52.4 million recorded in the preceding FYE 2021. The improvement to the Group's earnings was primarily attributed to a pickup in construction activity following the relaxation of economic restrictions, and the reclassification of MPB from an associate to a simple investment.

For further details on our financial and business operational review, please refer to the management discussion and analysis as set out in pages 25 to 32 our Annual Report 2022.

INFORMATION ON OUR COMPANY (Cont'd)**(iv) Unaudited FPE 30 June 2022 ("FPE 2022")**

For the FPE 2022, our Group recorded a revenue of RM23.4 million which represents a decrease of approximately RM9.7 million or 29.3% as compared to the preceding FPE 30 June 2021 ("FPE 2021") of RM33.1 million. This decrease in revenue primarily attributed to the lower sales achieved for our projects in Bandar U, Perak and Astetica Residence in Seri Kembangan.

Our Group recorded other income of RM2.2 million in the FPE 2022 as compared to RM0.3 million recorded in the preceding FPE 2021, attributed to the reversal of provision for doubtful debts during the financial period.

In line with the decrease in revenue, our Group recorded lower PAT attributable to owners of the Company of RM0.2 million in the FPE 2022 as compared to PAT attributable to owners of the Company of RM0.9 million in the preceding FPE 2021.

4.2 Historical financial position

	Audited			Unaudited
	31 March 2020	31 March 2021	31 March 2022	30 June 2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Non-current assets	586,929	⁽¹⁾ 712,117	⁽²⁾ 684,464	691,170
Current assets	482,398	⁽¹⁾ 260,620	⁽²⁾ 199,468	200,417
Total assets	1,069,327	972,737	883,932	891,587
Share capital	352,000	352,000	352,000	352,000
Retained earnings	144,365	91,965	93,491	93,718
Fair value reserves	-	-	(9,774)	(3,087)
Translation reserves	(7,956)	(3,959)	(5,345)	(5,345)
Shareholders' equity/NA	488,409	440,006	430,372	437,286
Perpetual sukuk	-	-	4,259	4,336
Non-controlling interest	22,497	22,415	22,322	22,305
Total equity	510,906	462,421	456,953	463,927
Non-current liabilities	236,112	⁽¹⁾ 294,855	⁽²⁾ 264,472	260,123
Current liabilities	322,309	⁽¹⁾ 215,461	⁽²⁾ 162,507	167,537
Total liabilities	558,421	510,316	426,979	427,660
Total equity and liabilities	1,069,327	972,737	883,932	891,587

Notes:-

(1) **For the FYE 2021:** Our Group recorded an increase in non-current assets of approximately RM125.19 million or 21.3% to RM712.12 million as compared to RM586.93 million in the FYE 2020. This increase was mainly due to the increase in inventories, attributable to the acquisition of land held for future development during the financial year.

Our Group recorded a decrease in current assets of approximately RM221.78 million or 46.0% to RM260.62 million as compared to RM482.40 million in the FYE 2020. The decrease was mainly due to the decrease in inventories, attributable to the completion of sales of developed properties during the financial year.

INFORMATION ON OUR COMPANY (Cont'd)

Further, our Group recorded an increase in non-current liabilities of approximately RM58.74 million or 24.9% to RM294.86 million as compared to RM236.11 million in the FYE 2020. This increase was mainly due to the increase in term loans and revolving loans during the financial year.

Our Group recorded a decrease in current liabilities of approximately RM106.85 million or 33.2% to RM215.46 million as compared to RM322.31 million in the FYE 2020. The decrease was mainly due to the repayment of term loans and revolving loans during the financial year.

- (2) **For the FYE 2022:** Our Group recorded a decrease in non-current assets of approximately RM27.65 million or 3.9% to RM684.46 million as compared to RM712.12 million in the FYE 2021. The decrease was mainly due to a reclassification of MPB from an investment in associate to other investment, which resulted in the Group recognising an impairment loss of RM15.95 million as the recoverable amount of the Group's investment.

Our Group recorded a decrease in current assets of approximately RM61.15 million or 23.5% to RM199.47 million as compared to RM260.62 million in the FYE 2021. The decrease was mainly attributable to the reduction in cash and cash balances of approximately RM51.05 million or 83.9% to RM9.82 million as compared to RM60.87 million in FYE 2021 arising from timely payments made to our creditors and reduction in accruals of project related costs.

Our Group recorded a decrease in non-current liabilities of approximately RM30.38 million or 10.3% to RM264.47 million as compared to RM294.85 million in the FYE 2021. The decrease was mainly due to the repayment of trade and other payables and borrowings during the financial year.

Further, our Group recorded a decrease in current liabilities of approximately RM52.95 million or 24.6% to RM162.51 million as compared to RM215.46 million in the FYE 2021. The decrease was mainly due to the repayment of trade and other payables and borrowings during the financial year.

4.3 Historical cash flow

	Audited			Unaudited
	FYE 31 March			FPE 30 June
	2020	2021	2022	2022
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net cash (used in)/from operating activities	124,169	76,593	(2,669)	4,645
Net cash used in investing activities	(2,434)	(490)	(26)	(6)
Net cash used in financing activities	(115,115)	(45,177)	(50,753)	(9,531)
Net increase/(decrease) in cash and cash equivalents	6,620	30,926	(53,448)	(4,892)
Cash and cash equivalents at beginning of financial year/period	607	7,227	38,153	(16,187)
Cash and cash equivalents at the end of financial year/period	7,227	38,153	(15,295)	(21,079)

INFORMATION ON OUR COMPANY (Cont'd)**5. DETAILS OF OUR LANDBANK**

The details of our Group's landbank as at the LPD is set out as follows:-

Description and existing use	Location	Tenure	Land area (acres)	Remaining land for development (acres)	Year of commencement of development
Development land approved for mixed development	Geran 231624 Lot 5024 Mukim Senai, Daerah Kulajaya and Geran 95306 Lot 2742 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	134.47	17.46	2011
Development land approved for mixed development	H.S.(D) 45670 PTB 10964, H.S.(D) 79521 PTB 10965, H.S.(D) 496784 PTB 13738, H.S.(D) 124896 PTB 13739, H.S.(D) 116405 PTB 13721, H.S.(D) 116406 PTB 13722, Geran 24543 Lot 9917 Bandar and Daerah of Johor Bahru	Freehold	1.08	1.08	2012
Development land approved for mixed development	Lot 6022-6029, H.S.(D) 279-286, Mukim Plentong, Daerah Johor Bahru, Johor	Freehold	73.16	57.23	2017
Homestead agriculture lot and development land approved for residential development	Lot No. 8892, 8909, 8912-8922, 9594, 9694, 9697-9710 Mukim Seremban, Daerah Seremban, Negeri Sembilan Darul Khusus	Freehold	17.65	17.65	N/A
Development land approved for mixed development	PN 321352 PT 83316, PN 321353 PT 83317, PN 321354 PT 83318, PN 321355 PT 83319, PN 95921 Lot 110502, PN 95922 Lot 110503, PN 95923 Lot 110506 Mukim Petaling, Dearah Petaling, Selangor Darul Ehsan	Leasehold (Expiring Dec 2110)	26.81	26.81	N/A
Development land approved for mixed development	H.S.(D)131583 PT 68248, H.S.(D)131584 PT 68249, H.S.(D)131585 PT 68250, H.S.(D)154349 PT 74041, Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan	Freehold	19.76	19.76	N/A
Development land approved for mixed development	Lot 12670 (PT 1347) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring April 2103)	739	214.48	2001
Development land approved for commercial development	Lot 11329 (PT 2062- PT 2409, PT 2699-PT 2713 & PT 2715) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring 7 April 2102)	38	2	2001

INFORMATION ON OUR COMPANY (Cont'd)

Description and existing use	Location	Tenure	Land area (acres)	Remaining land for development (acres)	Year of commencement of development
Development land approved for commercial development	54 lots of commercial title, Lot 105147 – 105200 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Leasehold (Expiring 23 December 2080)	2	2	N/A
Development land approved for commercial development	Geran 173564, 173583, 173584 & PN 73938 (Lot 397470, 397469, 8670 & 102133) Mukim Hulu Kinta, Perak Darul Ridzuan	Freehold except Lot 102133 (Expiring 23 December 2105)	7.21	7.21	N/A
Development land approved for commercial development	52 lots of commercial title, Lot 105837 – 105888 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Leasehold (Expiring 23 December 2080)	2	2	N/A
Development land approved for residential development	Lot 320213 & 320214 (Geran 72080 & 72079), Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	3.7	2.39	2012
Development land approved for mixed development	H.S.(D) 204382 PT 245009 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	3.8	3.8	N/A
Development land approved for mixed development	Geran 171330, Lot 10263, Seksyen 4 Bandar Bukit Mertajam, Pulau Pinang	Freehold	4.90	2.45	2020
Development land approved for mixed development	Lot 20328 & 20329, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold	9.50	9.50	N/A
Development land approved for mixed development	Lot 10414-10416, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold	6.78	2.46	2016
Agriculture land	Geran Mukim 1173, Lot 4439, Mukim Dengkil, Tempat Sungai Merab, Daerah Sepang, Selangor Darul Ehsan	Freehold	5.14	5.14	N/A
			1,094.96	393.42	

Note:-

N/A Not applicable.

INFORMATION ON OUR COMPANY (Cont'd)

6. DIRECTORS' SHAREHOLDINGS

The pro forma effects of the Rights Issue with Warrants on the shareholdings of our Directors in our Company as at the LPD are as follows:-

Minimum Scenario	Shareholdings as at the LPD				Pro forma I				Pro forma II			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(4)(%)	No. of Shares	(4)(%)	No. of Shares	(5)(%)	No. of Shares	(5)(%)	No. of Shares	(6)(%)	No. of Shares	(6)(%)
Tan Sri Dato' Seri Dr. Ting Chew Peh	391,110	0.11	(3)336,274	0.10	391,110	0.10	(3)336,274	0.09	391,110	0.09	(3)336,274	0.08
Ho Wen Yan	1,804,440	0.51	(1)112,089,294	31.84	2,255,550	0.58	(1)150,978,182	38.58	2,706,660	0.63	(1)189,867,070	44.09
Dato' Tan Bing Hua	70,221	0.02	(3)200,000	0.06	70,221	0.02	(3)200,000	0.05	70,221	0.02	(3)200,000	0.05
Chew Po Sim	-	-	(1)112,089,294	31.84	-	-	(1)150,978,182	38.58	-	-	(1)189,867,070	44.09
Chew Hoe Soon	393,554	0.11	(2)809,920	0.23	393,554	0.10	(2)809,920	0.21	393,554	0.09	(2)809,920	0.19
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	-	-	-	-	-	-	-	-	-	-	-	-
Ho Wen Fan	-	-	(1)112,089,294	31.84	-	-	(1)150,978,182	38.58	-	-	(1)189,867,070	44.09

Notes:-

- (1) Deemed interested by virtue of his/her shareholdings in HHSB pursuant to section 8 of the Act.
- (2) Deemed interest by virtue of the shareholdings of his spouse and children pursuant to section 59 of the Act.
- (3) Deemed interest by virtue of the shareholdings of his spouse pursuant to section 59 of the Act.
- (4) Based on the existing issued share capital comprising 352,000,000 Shares.
- (5) Based on the enlarged issued share capital comprising 391,339,998 Shares after the Rights Issue with Warrants.
- (6) Based on the enlarged issued share capital comprising 430,679,996 Shares assuming the full exercise of Warrants.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario	Shareholdings as at the LPD				Pro forma I				Pro forma II			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(4)(%)	No. of Shares	(4)(%)	No. of Shares	(5)(%)	No. of Shares	(5)(%)	No. of Shares	(6)(%)	No. of Shares	(6)(%)
Tan Sri Dato' Seri Dr. Ting Chew Peh	391,110	0.11	(3)336,274	0.10	488,887	0.11	(3)420,342	0.10	586,664	0.11	(3)504,410	0.10
Ho Wen Yan	1,804,440	0.51	(1)112,089,294	31.84	2,255,550	0.51	(1)140,111,617	31.84	2,706,660	0.51	(1)168,133,940	31.84
Dato' Tan Bing Hua	70,221	0.02	(3)200,000	0.06	87,776	0.02	(3)250,000	0.06	105,331	0.02	(3)300,000	0.06
Chew Po Sim	-	-	(1)112,089,294	31.84	-	-	(1)140,111,617	31.84	-	-	(1)168,133,940	31.84
Chew Hoe Soon	393,554	0.11	(2)809,920	0.23	491,942	0.11	(2)1,012,400	0.23	590,330	0.11	(2)1,214,880	0.23
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud	-	-	-	-	-	-	-	-	-	-	-	-
Ho Wen Fan	-	-	(1)112,089,294	31.84	-	-	(1)140,111,617	31.84	-	-	(1)168,133,940	31.84

Notes:-

- (1) Deemed interested by virtue of his/her shareholdings in HHSB pursuant to section 8 of the Act.
- (2) Deemed interest by virtue of the shareholdings of his spouse and children pursuant to section 59 of the Act.
- (3) Deemed interest by virtue of the shareholdings of his spouse pursuant to section 59 of the Act.
- (4) Based on the existing issued share capital comprising 352,000,000 Shares.
- (5) Based on the enlarged issued share capital comprising 440,000,000 Shares after the Rights Issue with Warrants.
- (6) Based on the enlarged issued share capital comprising 528,000,000 Shares assuming the full exercise of Warrants.

INFORMATION ON OUR COMPANY (Cont'd)

7. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The pro forma effects of the Rights Issue with Warrants on the substantial shareholders' shareholdings as at the LPD are as follows:-

Minimum Scenario	Shareholdings as at the LPD				Pro forma I After the Rights Issue with Warrants				Pro forma II After pro forma I and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(2)(%)	No. of Shares	(2)(%)	No. of Shares	(3)(%)	No. of Shares	(3)(%)	No. of Shares	(4)(%)	No. of Shares	(4)(%)
HHSB	112,089,294	31.84	-	-	150,978,182	38.58	-	-	189,867,070	44.09	-	-
Chew Po Sim	-	-	(1)12,089,294	31.84	-	-	(1)150,978,182	38.58	-	-	(1)189,867,070	44.09
Ho Min Yi	-	-	(1)12,089,294	31.84	-	-	(1)150,978,182	38.58	-	-	(1)189,867,070	44.09
Ho Wen Yan	1,804,440	0.51	(1)12,089,294	31.84	2,255,550	0.58	(1)150,978,182	38.58	2,706,660	0.63	(1)189,867,070	44.09
Ho Wen Han	-	-	(1)12,089,294	31.84	-	-	(1)150,978,182	38.58	-	-	(1)189,867,070	44.09
Ho Wen Fan	-	-	(1)12,089,294	31.84	-	-	(1)150,978,182	38.58	-	-	(1)189,867,070	44.09

Notes:-

- (1) Deemed interest by virtue of his/her shareholdings in HHSB pursuant to section 8 of the Act.
- (2) Based on the existing issued share capital comprising 352,000,000 Shares.
- (3) Based on the enlarged issued share capital comprising 391,339,998 Shares after the Rights Issue with Warrants.
- (4) Based on the enlarged issued share capital comprising 430,679,996 Shares assuming the full exercise of Warrants.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario	Shareholdings as at the LPD				Pro forma I				Pro forma II				
	Direct		Indirect		Direct		Indirect		Direct		Indirect		
	No. of Shares	(2)(%)	No. of Shares	(2)(%)	No. of Shares	(3)(%)	No. of Shares	(3)(%)	No. of Shares	(4)(%)	No. of Shares	(4)(%)	
Substantial shareholders													
HHSB	112,089,294	31.84	-	-	140,111,617	31.84	-	-	168,133,940	31.84	-	-	-
Chew Po Sim	-	-	(1)112,089,294	31.84	-	-	(1)140,111,617	31.84	-	-	(1)168,133,940	31.84	31.84
Ho Min Yi	-	-	(1)112,089,294	31.84	-	-	(1)140,111,617	31.84	-	-	(1)168,133,940	31.84	31.84
Ho Wen Yan	1,804,440	0.51	(1)112,089,294	31.84	2,255,550	0.51	(1)140,111,617	31.84	2,706,660	0.51	(1)168,133,940	31.84	31.84
Ho Wen Han	-	-	(1)112,089,294	31.84	-	-	(1)140,111,617	31.84	-	-	(1)168,133,940	31.84	31.84
Ho Wen Fan	-	-	(1)112,089,294	31.84	-	-	(1)140,111,617	31.84	-	-	(1)168,133,940	31.84	31.84

Notes:-

- (1) Deemed interest by virtue of his/her shareholdings in HHSB pursuant to section 8 of the Act.
- (2) Based on the existing issued share capital comprising 352,000,000 Shares.
- (3) Based on the enlarged issued share capital comprising 440,000,000 Shares after the Rights Issue with Warrants.
- (4) Based on the enlarged issued share capital comprising 528,000,000 Shares assuming the full exercise of Warrants.

INFORMATION ON OUR COMPANY (Cont'd)**8. OPTION TO SUBSCRIBE FOR HYB SHARES**

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

9. MATERIAL CONTRACTS

There are no material contracts (not being contracts in the ordinary course of business) which have been entered into by our Group during the past 2 years preceding the date of this Abridged Prospectus.

10. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, HYB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against HYB Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of HYB Group:-

Writ of Summons and Statement of Claim ("Claim") served on 6 April 2021

Shah Alam High Court Suit No. : BA-22NCVC-128-03/2021

Plaintiff(s) : (i) Apple Rainbow Sdn Bhd
(ii) E-Hong Holdings Sdn Bhd
(iii) Wong Yoon Tzy
(iv) Bio-Energy Technology Sdn Bhd

Defendant : HYB

On 27 December 2017, HYB had entered into an agreement with Wong Ko Seen @ Wong Kow, Wong Yoon Tsy, Bio-Energy Technology Sdn Bhd, Ria Ketara Development Sdn Bhd, Apple Rainbow Sdn Bhd and E-Hong Holdings Sdn Bhd (the "**Vendors**") to acquire 3,000,000 ordinary shares being 100% of the entire paid-up share capital of Kajang Heights Development Sdn Bhd ("**KHDSB**") for a total cash consideration of RM70,000,000. The Company had given an undertaking to bear the Real Property Gain Tax ("**RPGT**") liabilities, if any that may be imposed on the Plaintiffs. On 11 September 2020, the Plaintiffs received an Assessment Notice from the Inland Revenue Board on the outstanding RPGT of RM11,042,724 inclusive of penalty in respect of the Plaintiffs' disposal of their shares in KHDSB to HYB.

On 6 April 2021, HYB received a Claim served by the solicitors for the Plaintiffs seeking for the following reliefs:-

- (i) special damages amounting to RM11,042,724;
- (ii) general damages to be quantified by the Court;
- (iii) interest of 5% per year on the said sum of RM11,042,724 to be calculated from the date of filing of the Claim until the date of full settlement;
- (iv) cost; and
- (v) exemplary damages to be assessed by the Court.

INFORMATION ON OUR COMPANY (Cont'd)

Upon receiving the Claim, the Company had appointed Shearn Delamore & Co. (“SD”) to defend the Company. Pursuant to SD’s legal advice that it was a misrepresentation by the Plaintiffs, the Company had decided to contest the Claim. The Company had submitted its Defence and Counterclaim on 4 May 2021 and the Plaintiffs filed their Reply and Defence to Counterclaim on 31 May 2021.

During the latest case management held on 8 November 2021, the trial dates have been fixed for 7 November 2022 to 10 November 2022 and the parties are currently awaiting trial. Further, the Company has recognised the provision of one-off litigation expenses and the contingent liabilities in respect of the ongoing litigation during the FYE 2021. In the event the Defendant loses the claim, the maximum exposure to the Company is the payment of legal fees for its solicitors and/or legal fees incurred by the counter-party, judgement sum of RM11,042,724 together with penalties (that may be imposed by the Inland Revenue Board), other cost and interest, as well as any other damages as may be granted by the Court in favour of the Plaintiffs.

As the Company has recognised the provision of one-off litigation expenses and the contingent liabilities in respect of the ongoing litigation during the FYE 2021, the Board is of the view that the outcome of this Claim is not expected to have a material financial or operational impact on the Group for the FYE 31 March 2023.

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ADDITIONAL INFORMATION

1. CONSENTS

The written consents of the Principal Adviser, Solicitors for the Rights Issue with Warrants, Share Registrar and Bloomberg Finance Singapore L.P. for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan, during normal business hours between Mondays and Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the undertakings provided by the Undertaking Shareholders as referred to in **Section 4** of this Abridged Prospectus;
- (ii) the letters of consent referred to in **Section 1** of this **Appendix II**;
- (iii) the Deed Poll; and
- (iv) the relevant cause papers for the material litigation referred to in **Section 10** of **Appendix I**.

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