

TECHNODEX BHD ("TDEX" OR THE "COMPANY")

PROPOSED PRIVATE PLACEMENT OF NOT MORE THAN 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN TDEX

1. INTRODUCTION

On behalf of the Board of Directors of TDEX ("Board"), M&A Securities Sdn Bhd ("M&A Securities") wishes to announce that the Company proposes to undertake a private placement of up to 76,708,700 new ordinary shares in TDEX ("TDEX Share(s)" or "Share(s)") ("Placement Shares"), representing not more than 10% of the total number of issued shares in TDEX ("Proposed Private Placement").

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") which was obtained from the shareholders of TDEX at its 15th Annual General Meeting ("AGM") held on 6 December 2019 ("General Mandate"). The General Mandate authorises the Board to allot and issue new shares in TDEX not exceeding 10% of the total number of issued shares in TDEX, which shall remain in force until TDEX's next AGM (unless revoked or varied by the Company at a general meeting prior to the next AGM) or expiry of the period within which the next AGM of the Company is required to be held, whichever is earlier.

Further details of the Proposed Private Placement are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

As at 24 September 2020, being the last practicable date prior to the date of this announcement ("LPD"), TDEX has an issued share capital of RM46,737,017 comprising 767,087,723 TDEX Shares ("Existing Issued Shares"). The Company does not have any outstanding convertible securities.

The Proposed Private Placement entails the issuance of up to 76,708,700 new TDEX Shares representing not more than 10% of the Company's total number of issued Shares after taking into consideration of the Existing Issued Shares.

The actual number of TDEX Shares to be issued pursuant to the Proposed Private Placement will be determined at a later date, after obtaining the relevant approvals. Subject to the prevailing market conditions and depending on investors' interest at the point of implementation, the Proposed Private Placement may be implemented in a single or multiple tranche(s) within 6 months from the date of approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Proposed Private Placement or any extended period as may be approved by Bursa Securities.

2.1 Basis of arriving at the issue price of the Placement Shares

The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately and fixed by the Board at a later date after obtaining the relevant approvals for the Proposed Private Placement. The Board will take into consideration amongst others, the prevailing market conditions and the provisions of Rule 6.05(a) of the ACE Market Listing Requirements of Bursa Securities ("Listing Requirements"), in determining the issue price of the Placement Shares at a discount of not more than 10% to the volume weighted average market price of TDEX Shares for the 5 market days ("5D-VWAMP") immediately preceding the price fixing dates.

For illustrative purposes in this announcement, we have assumed the Placement Shares are issued at an indicative issue price of RM0.1574 ("Indicative Issue Price") per Placement Share based on an approximate 9.95% discount to the 5D-VWAMP of TDEX Shares up to and including the LPD of RM0.1748 per Share.

The mechanism to determine the issue price of each tranche of the Placement Shares shall be determined separately in accordance with market-based principles.

2.2 Placement arrangement

The Placement Shares will be placed to independent investor(s) ("Placees") where the Placees shall also be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007.

In accordance with Rule 6.05(c) and Rule 6.07 of the Listing Requirements, the Placement Shares will not be placed to the following parties:

- (i) the director, major shareholder or chief executive of TDEX ("Interested Persons") or a holding company of TDEX;
- (ii) persons connected with the Interested Persons; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

2.3 Ranking of the Placement Shares

The Placement Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing TDEX Shares, save and except that the holders of the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date is prior to the date of allotment and issuance of the Placement Shares and the Placement Shares will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission and otherwise.

2.4 Listing of and quotation for the Placement Shares

TDEX will make an application to Bursa Securities for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities.

2.5 Utilisation of proceeds

The gross proceeds to be raised from the Proposed Private Placement of approximately RM12.07 million are expected to be utilised by TDEX and its subsidiaries ("Group") in the following manner:

Utilisation of proceeds	Notes	Amount RM'000	Expected timeframe for utilisation of proceeds (from listing date)
Information technology ("IT") contracts and orders	(i)	11,774	Within 18 months
Estimated expenses for the Proposed Private Placement	(ii)	300	Within 1 month
Total estimated proceeds			12,074

Notes:

- (i) *The Group intends to utilise the proceeds of approximately RM11.77 million earmarked for existing and new IT contracts and orders to fund amongst others, the performance bonds required for existing and new IT contracts and orders, purchase of inventories, insurance, mobilisation cost and staff cost for the implementation of the existing and new IT contracts and orders as well as expenses to be incurred to tender for future IT contracts and orders.*

The Group to generate revenue mainly from:

- (a) *Securing IT contracts from government agencies and the private sector for the provision of computer hardware leasing service, development of software application and supply of computer hardware such as laptops, monitors, central processing units, printers, projectors, closed-circuit television (CCTV), firewall and computer networking devices as well as provision of fixed schedule maintenance services ("IT Contracts"); and*
- (b) *securing IT orders from resellers for the supply of computer and point of sales hardware as well as related accessories and peripherals such as barcode scanners, printers, cash drawers, receipt printers, touchable screens, service calling buttons and keyboards ("IT Orders").*

As at the LPD, the Group has tendered for 14 new IT Contracts totalling approximately RM111.16 million. Of the 14 tendered IT Contracts, the Group has been ranked as one of the top 5 tenderers for 4 of the tendered IT Contracts with an aggregate contract value of approximately RM58.4 million.

In addition, the Group has also secured 2 new IT Orders to supply computer and point of sales hardware valued at approximately RM19.9 million.

The detailed breakdown of the abovementioned utilisation of proceeds cannot be determined at this juncture as the actual utilisation is subject to the respective contract awarders' requirements, value and financing obtained for each contract/order as well as the number of tenders to be participated by the Group.

- (ii) *The estimated expenses of RM300,000 consist of fees payable to/for the relevant authority, advisers and placement fees. Any variation in the actual amount of expenses will be adjusted to/from the amount allocated for the IT contracts/orders.*

The actual proceeds to be raised from the Proposed Private Placement are dependent on the actual number of Placement Shares to be issued and the issue price of the Placement Shares. Any excess or shortfall of the actual proceeds raised will be adjusted to/from the amount earmarked for the IT contracts and orders.

Pending the full utilisation of the proceeds raised from the Proposed Private Placement, the Company intends to place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institutions or in short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional funding for the IT contracts and orders.

3. RATIONALE

The Proposed Private Placement will enable the Group to raise additional funds for the purpose as set out in Section 2.5 of this announcement which is expected to contribute positively to the Group's earnings potential in the future.

After due consideration of the various options available, the Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for the Group due to the following reasons:

- (i) the Proposed Private Placement will enable the Group to raise funds expeditiously and in a more cost-effective manner as opposed to other fund-raising options;

- (ii) the Proposed Private Placement is expected to strengthen the shareholders and capital base of the Group;
- (iii) the Proposed Private Placement will serve as additional source of funding for the Group without incurring interest expenses as compared to borrowings; and
- (iv) the Proposed Private Placement will improve the liquidity and financial flexibility of the Group by strengthening its financial position.

Details of equity fundraising exercises undertaken in the past 12 months

Save as disclosed below, there is no other fund-raising exercise undertaken by TDEX during the past 12 months immediately preceding the date of this announcement.

On 4 October 2019, TDEX announced that the Company proposes to undertake a placement of up to 177,126,300 Shares ("**Previous Placement Shares**"), representing up to 30% of the total number of issued shares of TDEX at that point in time ("**Previous Private Placement**"). On 30 October 2019, Bursa Securities has vide its letter, approved the listing of and quotation for the Previous Placement Shares.

On 23 March 2020, the Company placed out the first tranche of the Previous Placement Shares comprises 89,666,600 Shares at an issue price of RM0.03 per Share.

On 20 May 2020, the Company placed out the second tranche of the Previous Placement Shares comprises 87,000,000 Shares at an issue price of RM0.0366 per Share.

The Previous Private Placement was completed on 22 May 2020 following the listing of and quotation for a total of 176,666,600 Shares on the ACE Market of Bursa Securities.

The status of the utilisation of proceeds from the Previous Private Placement as at LPD is as follows:

Purpose	Proposed utilisation RM'000	Proceed Raised RM'000	Actual utilisation RM'000	Unutilised proceed RM'000	Estimated timeframe for utilisation of proceeds⁽¹⁾	
IT contracts and/or orders	5,200	4,175	4,175	0	Within months	18
Business expansion	1,500	1,500	-	⁽³⁾ 1,500	Within months	18
Estimated expenses in relation to the Previous Private Placement	400	200	200	⁽²⁾ -	Within 1 month	
	7,100	5,875	4,375	1,500		

Notes:

- (1) *From date of listing of the Previous Placement Shares.*
- (2) *Only RM200,000 had been utilised for the expenses in relation to the Previous Private Placement.*

(3) *The business expansion to the South East Asia region has been delayed as a result of sanctions of travelling abroad due to various travel restrictions in response to the Coronavirus Disease 2019 ("Covid-19") pandemic. Therefore, the unutilised proceed is expected to be fully utilised when the travel restrictions are lifted.*

4. OUTLOOK AND PROSPECTS

4.1 Malaysian economy

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in 2Q 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; 3Q 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (1Q 2020: -2.0%).

Weak growth was recorded across most economic sectors amid the imposition of the Movement Control Order ("MCO"), followed by the Conditional and Recovery MCO, during 2Q 2020.

The services sector contracted by 16.2% (1Q 2020: 3.1%). The sector was affected by the implementation of a nationwide restrictive MCO, with only essential services such as food-related retail, utilities, banking, transportation as well as information and communication entities allowed to operate with very limited capacity. The subsequent transition to Conditional MCO (CMCO) in May and Recovery MCO (RMCO) in June provided some relief to businesses in the sector. The lockdown had substantially affected consumer spending and tourism activity, as shown by the significant declines in the wholesale and retail trade, as well as food and beverages and accommodation sub-sectors. The transport and storage sub-sector was impacted by a sudden stop in tourist arrivals due to travel restrictions imposed domestically as well as the international border closures. Growth in the finance and insurance sub-sector was weighed down by lower net interest income, and lower fee-based income amid subdued capital market activity. Meanwhile, growth in the information and communication sub-sector was relatively sustained by the continued high demand for data communication services especially during this period of remote working arrangements.

Domestic demand declined by 18.7% in 2Q 2020 (1Q 2020: 3.7%), due mainly to weaker private sector expenditure. Spending by the private sector was impacted by lower income, movement restrictions and subdued consumer and business sentiments. While net exports continued to decline, the contribution of the external sector to the economy improved due mainly to the larger contraction in imports vis-à-vis the previous quarter.

Private consumption growth declined by 18.5% in 2Q 2020 (1Q 2020: 6.7%). Household spending was particularly impacted by the strict movement restrictions in the early part of the quarter and income losses amid weak economic conditions. As movement restrictions were gradually relaxed towards the end of the quarter, retail and financing data indicated some improvement in spending, albeit remaining subdued. During this challenging period, stimulus measures such as the disbursement of Bantuan Prihatin Nasional cash transfers, EPF i-Lestari withdrawals and the implementation of the loan moratorium helped to cushion consumption spending. Public consumption continued to expand, albeit at a more moderate pace of 2.3% (1Q 2020: 5.0%). Growth was supported by continued increase in emoluments amid lower spending on supplies and services.

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

4.2 Overview and outlook of the Information and Communications Technology ("ICT") industry in Asia Pacific and Malaysia

ICT solutions comprise hardware, software and services that enable receipt, storage, management and transmission of digital data. ICT hardware comprises physical equipment (such as servers) as well as peripheral devices (such as computers and power and cooling solutions). Meanwhile, ICT software includes system software (which allows for the management of hardware) and application software (which facilitates tasks such as creating documents, managing databases and sending emails). ICT services refer to services provided to support, maintain and manage hardware and software on behalf of enterprises, and this includes managed ICT services. Managed ICT services allow enterprises and governments to access IT hardware, software and services on a utility consumption model through the Internet.

The enterprise ICT market in Asia Pacific can be measured by the expenditure spent on ICT by enterprises and Government associations in the region. The ICT market in Asia Pacific grew from USD667.0 billion (RM2.6 trillion) in 2015 to an estimated USD808.0 billion (RM3.3 trillion) in 2019 at a compound annual growth rate ("CAGR") of 4.9%. ICT expenditure in Asia Pacific is largely contributed by the ICT services segment. ICT services is estimated to have contributed 47.7% of Asia Pacific's overall ICT expenditure in 2018. This was followed by ICT hardware and ICT software, which contributed 35.8% and 16.5% of Asia Pacific's overall ICT expenditure, respectively.

Moving forward, Providence Strategic Partners Sdn Bhd ("PROVIDENCE") forecasts that the ICT market in Asia Pacific will grow at a CAGR of 3.7% between 2020 and 2022, from an estimated USD837.9 billion (RM3.5 trillion) in 2020 to USD901.0 billion (RM3.7 trillion) in 2022.

In Malaysia, the ICT solution trading industry size, in terms of sales of ICT solutions, grew from RM27.9 billion in 2016 to RM34.7 billion in 2019, registering a CAGR of 7.5% during the period. Moving forward, PROVIDENCE forecasts the ICT solution trading industry in Malaysia to grow at a CAGR of 7.0% between 2020 and 2022, from an estimated RM37.2 billion in 2020 to RM42.6 billion in 2022.

The growth in the ICT market in Asia Pacific, including Malaysia, is expected to be driven by the following factors:

(i) The digitalisation of the economy will drive the need for ICT solutions

The digitalisation of the economy is known as the "Digital Economy", which refers to the increasing adoption and utilisation of ICT solutions in carrying out day-to-day operational tasks across various economic sectors in order to improve efficiency and facilitate globalisation. The pervasive impact of the Digital Economy can be observed throughout various economic sectors including the banking sector (where cash based transactions have shifted to online based transactions), manufacturing sector (where manual operations can now be automated or remotely controlled) and retail sector (where stores are no longer limited to physical outlets but also e-commerce platforms).

The Covid-19 pandemic has also played a part in driving the Digital Economy. In order to curb the spread of Covid-19, national lockdown measures were imposed globally, including countries in Asia Pacific, and this forced corporations and organisations to adapt to work-from-home arrangements. Thus, ICT solutions such as file sharing, messaging platforms, video conferencing and project management tools became a necessity in facilitating collaboration.

The Digital Economy is expected to expand in the country and as such, ICT solutions will become increasingly essential in carrying out daily operational tasks.

(ii) Emergence of managed ICT services, which will increase demand from small medium enterprises ("SMEs")

Managed ICT services allow ICT hardware, software and services to be procured on a pay-per-use basis. This allows businesses to enjoy benefits such as lower initial investment, as well as access to advanced technology and experienced technical personnel on a pay-per-use basis. These benefits are attractive to SMEs as it increases the affordability of ICT hardware. As affordability increases, this would give rise to greater demand from SMEs.

(iii) Regional initiatives in the ICT sector to drive and support the industry

The International Telecommunication Union (ITU) Asia-Pacific Regional Development Forum on "Information Communication Technologies for Sustainable Development Goals", which was held in May 2018, provides an opportunity for governments and regulators in the Asia Pacific region to assess and discuss strategies to determine the initiatives taken between 2018 and 2021. As a result of the forum, initiatives were introduced with the aim to enhance the regional connectivity in the Asia Pacific region through the development of ICT infrastructure. In addition, the initiatives also aimed at developing talent to ensure the region has adequate skills to meet the global ICT industry requirements.

Further, the Government of Malaysia has also announced several initiatives in an effort to cushion the headwinds arising from the Covid-19 pandemic, including providing grants and loans to eligible enterprises under the SME Digitalisation Matching Grant totalling RM100 million, SME Technology Transformation Fund totalling RM500 million and Smart Automation Grant totalling RM100 million (capped at up to RM1 million per company). The Government of Malaysia also announced tax reliefs and exemptions to sustain work-from-home policies. These initiatives by the Government of Malaysia are expected to drive businesses to adopt digitalisation, resulting in increased demand for ICT solutions.

(Source: PROVIDENCE)

4.3 Prospects of the Group

The Board of TDEX is of the view that the Company will continue to enjoy favourable prospects on the back of its historical track record in providing ICT solutions in Asia Pacific and the growing ICT industry in Malaysia and Asia Pacific.

The recent Covid-19 pandemic had led to the implementation of national lockdown policies in many countries, including Malaysia. In Malaysia, the MCO, which was implemented in March, entailed the closure of all Government and private premises except those involved in essential services (water, electricity, energy, telecommunications, postal, transportation, irrigation, oil, gas, fuel, lubricants, broadcasting, finance, banking, health, pharmacy, fire, prison, port, airport, safety, defence, cleaning, retail and food supply). The subsequent transition to Conditional MCO in May and Recovery MCO in June provided some relief to corporations as they were allowed to operate, though at a limited capacity.

The Covid-19 pandemic played a part in driving the Digital Economy. Many corporations have implemented work-from-home policies during the Conditional MCO and Recovery MCO periods, which gave rise to the use of digital tools to enable file sharing, virtual video and audio teleconferencing as well as project management tools.

TDEX Group benefitted from the shift towards the Digital Economy and is expected to continue benefiting as ICT solutions become increasingly essential in carrying out daily operational tasks. Thus, the Board of TDEX is positive that the Group will be able to leverage on the positive outlook of the ICT industry in Asia Pacific and Malaysia (as detailed in Section 4.2 of this announcement) to secure more IT contracts and orders, and strengthen its presence in its existing markets. This will, in turn, enable TDEX Group to enhance its financial performance and shareholders' value.

(Source: Management of TDEX)

5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

5.1 Share capital

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are set out below:

	No. of Shares	RM
Issued share capital as at LPD	767,087,723	46,737,017
To be issued pursuant to the Proposed Private Placement	76,708,700	(1)12,073,949
Enlarged share capital	843,796,423	58,810,966

Note:

(1) Based on the indicative issue price of RM0.1574 per Placement Share.

5.2 Net assets ("NA") and gearing

The pro forma effects of the Proposed Private Placement on the NA and gearing of the Company is set out below:

	Audited as at 30 June 2019	After adjustment for subsequent events	After the Proposed Private Placement
	RM'000	RM'000	RM'000
Share capital	40,863	46,737	(2)58,811
Capital reduction reserves	1,339	1,339	1,339
Accumulated losses	(7,789)	(7,789)	(3)(8,089)
NA attributable to Shareholders of TDEX	34,413	40,287	52,061
Non-controlling interest	(595)	(595)	(595)
Total equity	33,818	39,692	51,466
No. of Shares ('000)	590,421	(1)767,088	(2)843,796
NA per share attributable to Shareholders of TDEX (RM) ⁽⁴⁾	0.06	0.05	0.06
Borrowings	5,065	5,065	5,065
Gearing (times) ⁽⁵⁾	0.15	0.13	0.10

Notes:

- (1) After adjusting for issuance of 89,666,600 Shares and 87,000,000 Shares at the issue price of RM0.0300 and RM0.0366, respectively, pursuant to the Previous Private Placement.
- (2) Based on issuance of 76,708,700 Placement Shares at the Indicative Issue Price of RM0.1574 per Placement Share pursuant to the Proposed Private Placement.
- (3) After setting off the estimated expenses for the Proposed Private Placement of RM300,000.
- (4) Computed by taking the total NA attributable to the Shareholders of TDEX divided by the number of Shares in issuance.
- (5) Computed by taking the total borrowings divided by the total NA attributable to the Shareholders of TDEX.

5.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the shareholdings of the substantial shareholders of TDEX are set out in the table below:

Substantial shareholders	As at 23 September 2020				After the Proposed Private Placement			
	Direct	Indirect	Direct	Indirect				
	No. of Shares	⁽¹⁾ %	No. of Shares	%	No. of Shares	⁽²⁾ %	No. of Shares	%
Peh Lian Hwa	108,741,700	14.18	-	-	108,741,700	12.89	-	-
Yeo Ann Seck	72,926,600	9.51	-	-	72,926,600	8.64	-	-
Tew Ah Keng	39,420,800	5.14	-	-	39,420,800	4.67	-	-
Placees (collectively)	-	-	-	-	76,708,700	9.09	-	-

Notes:

- (1) Based on the existing share capital of 767,087,723 Shares as at the LPD.
- (2) Based on the enlarged share capital of 843,796,423 Shares after the Proposed Private Placement.

5.4 Earnings and earnings per Share ("EPS")

The Proposed Private Placement is not expected to have any immediate material effect on the consolidated earnings of TDEX for the FYE 30 June 2021, save for the dilution in EPS as a result of the increase in the number of Shares arising from the Proposed Private Placement.

For illustration purposes, based on the FYE 30 June 2019 audited consolidated financial statements of TDEX, the pro forma effects of the Proposed Private Placement on the loss after taxation ("LAT") and loss per Share ("LPS") are as follows:-

	Audited as at 30 June 2019	After adjustment for subsequent events	After the Proposed Private Placement	
			RM'000	RM'000
LAT attributable to:				
Shareholders of TDEX		(11,779)	(11,779)	⁽³⁾ (12,079)
Non-controlling interest		(858)	(858)	(858)
		(12,637)	(12,637)	(12,937)
No. of Shares ('000)		590,421	⁽¹⁾ 767,088	⁽²⁾ 843,796
LPS attributable to Shareholders of TDEX (sen)		2.00	1.54	1.43

Notes:

- (1) After adjusting for issuance of 89,666,600 Shares and 87,000,000 Shares at the issue price of RM0.0300 and RM0.0366, respectively, pursuant to the Previous Private Placement.
- (2) After adjusting for issuance of 76,708,700 Placement Shares pursuant to the Proposed Private Placement.
- (3) After adjusting for the estimated expenses for the Proposed Private Placement of RM300,000.

5.5 Convertible Securities

As at the LPD, the Company does not have any convertible securities in issue.

5.6 Dividends

The Proposed Private Placement will not have any effect on the dividend policy of the Company, if any. Future dividends to be declared by the Company will be dependent on, among others the future financial performance as well as cash position of the Group, after taking into consideration the working capital requirements and capital expenditures needed for future growth and business expansion.

6. APPROVALS REQUIRED

The Proposed Private Placement is subject to the approvals being obtained from the following:

- (i) Bursa Securities, for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities; and
- (ii) Any other relevant persons or authorities, if required.

The General Mandate is valid until the conclusion of the next AGM unless revoked or varied by the Company at a general meeting or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier. Therefore, the Proposed Private Placement does not require another specific approval from the shareholders of TDEX.

The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by TDEX.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of TDEX and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

8. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Private Placement (including, but not limited to the proposed utilisation of proceeds, rationale and the effects as set out in Section 2.5, 3, and 5 of this announcement, respectively), is of the opinion that the Proposed Private Placement is in the best interest of the Group and its shareholders.

9. ADVISER AND PLACEMENT AGENT

M&A Securities has been appointed as the Adviser and Placement Agent to the Company for the Proposed Private Placement.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the application to Bursa Securities in relation to the Proposed Private Placement is expected to be made within 2 months from the date of this announcement.

Subject to the relevant approvals being obtained and barring any unforeseen circumstances, the Proposed Private Placement is expected to be completed by the fourth quarter of 2020.

This announcement is dated 28 September 2020.