

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY") DATED 29 AUGUST 2023 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice).

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("Bursa Securities") website at <https://www.bursamalaysia.com/> ("Website").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Mercury Securities Sdn Bhd ("**Mercury Securities**") or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. Bursa Securities, Mercury Securities and the Company have not authorised anyone and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any of the IPO Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves and to observe such restrictions.

Close of Application

Applications for the IPO Shares will be accepted from **10.00 a.m. on 29 August 2023** and will close at **5.00 p.m. on 12 September 2023**. Any change to the timetable will be advertised by EMCC in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus as provided by the Company to Bursa Securities are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

PROSPECTUS

THIS PROSPECTUS IS DATED 29 AUGUST 2023



EVERGREEN MAX CASH CAPITAL BERHAD

(Registration No. 202101028602 (1428902-D))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") OF 310,600,000 ORDINARY SHARES IN EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR "COMPANY") ("SHARES") COMPRISING:

- (I) PUBLIC ISSUE OF 267,600,000 NEW SHARES IN THE FOLLOWING MANNER:
- 55,700,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 27,900,000 NEW SHARES RESERVED FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO OUR SUCCESS;
 - 44,600,000 NEW SHARES BY WAY OF PLACEMENT TO SELECTED INVESTORS; AND
 - 139,400,000 NEW SHARES BY WAY OF PLACEMENT TO SELECTED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
- (II) OFFER FOR SALE OF 43,000,000 EXISTING SHARES BY WAY OF PLACEMENT TO SELECTED INVESTORS,

AT AN IPO PRICE OF RM0.24 PER SHARE PAYABLE IN FULL UPON APPLICATION ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") IN CONJUNCTION WITH OUR LISTING

PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT



MERCURY SECURITIES SDN BHD

(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE "RISK FACTORS" COMMENCING ON PAGE 204.

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SHARES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 PROSPECTUS.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR OUR IPO IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

EVERGREEN MAX CASH CAPITAL BERHAD



PROSPECTUS

Lot 11-10, Level 11, Wisma Trax
No.1 Jalan Lima Off, Jalan Chan Sow Lin
55200 Kuala Lumpur, Wilayah Persekutuan

Tel No. : +603 9224 6222

Website : <https://emc.capital/>

Email : investor_relations@emc.capital

Unless otherwise stated, all defined terms used in this Prospectus shall carry the same meaning as those defined under the 'Definitions' and 'Glossary of Technical Terms' sections, commencing on pages ix to xiv of this Prospectus.

RESPONSIBILITY STATEMENTS

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

Mercury Securities being our Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for the listing of and quotation for our Shares. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this 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 Prospectus.

This Prospectus, together with the Application Forms, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMA is responsible.

This Prospectus is prepared and published solely for our IPO. Our Shares are being offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Offeror, Principal Adviser, Underwriter and Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Offeror, Principal Adviser, Underwriter and Placement Agent or any of their respective directors or any other persons involved in our IPO.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

Our Company, Directors, Promoters, Offeror, Principal Adviser, Underwriter and Placement Agent have not authorised anyone and take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our IPO Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of our IPO Shares in certain jurisdictions may be restricted by law. Persons who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subjected to the laws of any countries or jurisdictions other than Malaysia, to consult your professional advisers as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept responsibility or liability in the event that any application made by you shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

Further, it shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptances as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements. This Prospectus may not be used for the purpose of and does not constitute an offer to sell or an invitation to buy our IPO Shares in any jurisdiction in any circumstances in which such an offer or invitation is not authorised or is unlawful. This Prospectus shall also not be used to make an offer of or invitation to buy our IPO Shares to any person to whom it is unlawful to do so. Our Company, Promoters, Offeror and Principal Adviser require you to inform yourselves of and to observe such restrictions.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered by Bursa Securities are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application is subject to the risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If you are in doubt as to the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Principal Adviser or Issuing House, a paper/printed copy of this Prospectus. In the event of any discrepancies arising between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which is identical to the copy of the Prospectus registered by Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (I) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided in the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (II) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites or for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (III) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (I) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software;
- (II) the Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of the Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (III) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault or faults with the web browsers or other relevant software, any fault or faults on you or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

The indicative timetable for our IPO is set out below:

Event	Date
Opening of Applications	10.00 a.m., 29 August 2023
Closing of Applications	5.00 p.m., 12 September 2023
Balloting of Applications	15 September 2023
Allotment of our IPO Shares to successful Applicants	22 September 2023
Listing	26 September 2023

If there is any change to the timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and announce it on Bursa Securities' website accordingly.

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PRESENTATION OF INFORMATION

All references to “**our Company**” and “**EMCC**” in this Prospectus are to Evergreen Max Cash Capital Berhad, while references to “**our Group**” are to our Company and our subsidiaries taken as a whole. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “**Management**” are to our Executive Directors and key management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the ‘Definitions’ and ‘Glossary of Technical Terms’ sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders, and vice versa. References to persons shall include companies and corporations.

In this Prospectus, references to “RM” and “sen” are to the lawful currency of Malaysia. Certain numbers presented in this Prospectus have been rounded off to the nearest million or thousand or 1 decimal place, where applicable and hence may not be exact. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any statute and legislation in this Prospectus shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

This Prospectus includes statistical data provided by us and various third parties and cites third party projections regarding growth and performance of the market and industries in which our Group operates or are exposed to. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from us.

In particular, certain information in this Prospectus is extracted or derived from the IMR Report. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and you should not rely on such information for the purpose of your decision whether or not to invest in our Shares.

Unless otherwise stated, the following foreign exchange rate as at the LPD is utilised throughout this Prospectus:

- USD1 = RM4.503

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which include all statements other than of historical facts including amongst others, those regarding of our financial position, business strategies, prospects, plans and objectives for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “project”, “forecast” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. As such, we cannot assure you that the forward-looking statements in this Prospectus will be realised.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 9 - Risk Factors and Section 12.2 - Management’s Discussion and Analysis of Financial Conditions and Results of Operations of this Prospectus.

These forward-looking statements are based on information available to us as at the LPD. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Rule 3.12D(1) of the Listing Requirements.

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DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the term is defined otherwise or the context otherwise requires:

Acquisitions	: Acquisitions by our Company of the entire equity interest in the following companies from Trax Capital, which were completed on 22 December 2021:
	(i) Ataptech;
	(ii) Cahaya Gold;
	(iii) CC Low;
	(iv) PG Adventure;
	(v) PG Angkasa;
	(vi) PG Brickfields;
	(vii) PG Delta;
	(viii) PG E Assets;
	(ix) PG Insan Tiara;
	(x) PG Kenanga;
	(xi) PG Maju;
	(xii) PG Nilai;
	(xiii) PG SP;
	(xiv) PG Sungai Way;
	(xv) PG Terus Wangsa; and
	(xvi) PG Total
Act	: Companies Act 2016
AMLA	: Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001
Applicant	: Applicant for our IPO Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application	: Application for our IPO Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form	: Printed application form for the application of our IPO Shares accompanying this Prospectus
ATM	: Automated teller machine
BNM	: Bank Negara Malaysia
Board	: Board of Directors of our Company
Bonus Issue	: Bonus issue of 317,738,437 new Shares on the basis of 3 new Shares for every 5 existing Shares held, which was completed on 15 June 2022
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CAGR	: Compound annual growth rate
CC Low	: CC Low Marketing Sdn Bhd (200601012569 (732319-P))
CCC	: Certificate of completion and compliance
CCM	: Companies Commission of Malaysia

DEFINITIONS *(cont'd)*

CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for the recording of deposits of securities and for dealings in such securities by the Depositor
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
COS	:	Cost of sales
Datin Laily	:	Datin Fadzlullaily binti Yakob
Datin Tea	:	Datin Tea Guat Ngo
Dato' Low	:	Dato' Low Kok Chuan
Directors	:	Members of our Board and within the meaning given in Section 2(1) of the CMSA
Disposals	:	Comprising the following: <ul style="list-style-type: none"> (i) disposal by our Company of 931,049 ordinary shares in CC Low, representing the entire equity interest in CC Low, to Dato' Low for a cash consideration of RM5.6 million; (ii) disposal by PG E Assets, a wholly-owned subsidiary of our Company, of a piece of freehold land held under Geran 57095, Lot 21076, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur (together with a 4-storey factory erected thereon) measuring approximately 1,243 square metres in area, to CC Low for a cash consideration of RM6.8 million; and (iii) assignment by Atapttech, a wholly-owned subsidiary of our Company, of its intellectual property rights in a motor insurance claims processing software that was used by CC Low, to CC Low for a cash consideration of RM97,500. <p>The Disposals were completed on 19 December 2022. Please refer to Section 5.4.4 of this Prospectus for details of the Disposals.</p>
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium, including but not limited to compact disc read only memory (CD-ROMs)
Electronic Application	Share	: Application for our IPO Shares through the Participating Financial Institutions' ATM
Eligible Persons	:	Eligible Directors and employees of our Group as well as persons who have contributed to our success, collectively
EMCC or Company	:	Evergreen Max Cash Capital Berhad (202101028602 (1428902-D))
EMCC Group or Group	:	Collectively, our Company and our subsidiaries
EMCC Shares or Shares	:	Ordinary share in our Company

DEFINITIONS *(cont'd)*

EPS	: Earnings per Share
Evergreen Credit Express	: Evergreen Credit Express Sdn Bhd (199501002557 (331751-K))
Evergreen Fintech	: Evergreen Fintech Sdn Bhd (201401029183 (1105269-D))
Evergreen Freelifa	: Evergreen Freelifa Sdn Bhd (201701019297 (1233462-V))
Evergreen Properties	: Evergreen Properties Sdn Bhd (2018010266854 (1288879-V))
FATF	: Financial Action Task Force
FPE	: Financial period ended 30 April
FYE	: Financial year ended/ending 31 December
GP	: Gross profit
ICPS	: Irredeemable convertible preference shares
IMR or PROVIDENCE	: Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A))
IMR Report	: Independent Market Research Report on the Pawnbroking Industry and the Gold Trading and Retail Industry in Malaysia prepared by PROVIDENCE
Insan Tiara	: Insan Tiara Sdn Bhd (200401008863 (647367-M))
Internet Participating Financial Institutions	: Participating financial institutions for the Internet Share Application, as listed in Section 16.6 of this Prospectus
Internet Share Application	: Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
IPO	: Collectively, our Public Issue and Offer for Sale
IPO Price	: RM0.24 per IPO Share
IPO Shares	: Issue Shares and Offer Shares, collectively
Issue Shares	: 267,600,000 new Shares to be issued pursuant to our Public Issue
Issuing House	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
IT	: Information technology
Kenneth Chai	: Kenneth Chai Chuan Teong, our Independent Non-Executive Director
KPKT	: Kementerian Perumahan dan Kerajaan Tempatan (Ministry of Housing and Local Government of Malaysia)
Listing	: Admission of our Company to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities

DEFINITIONS *(cont'd)*

LPD	:	31 July 2023, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Malaysian citizens and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia but excluding Directors of our Group, our substantial shareholders and persons connected with them
Market Day	:	Any day on which Bursa Securities is open for trading of securities
MCCG	:	Malaysian Code on Corporate Governance issued by the SC
Mercury Securities or Principal Adviser or Sponsor or Underwriter or Placement Agent	:	Mercury Securities Sdn Bhd (198401000672 (113193-W))
MITI	:	Ministry of Investment, Trade and Industry
MOHA	:	Ministry of Home Affairs of Malaysia
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale of 43,000,000 Offer Shares by Tirai Anggerik subject to the terms and conditions of this Prospectus
Offer Shares	:	43,000,000 existing Shares to be offered by Tirai Anggerik under the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Participating Financial Institutions	:	Participating financial institutions for the Electronic Share Applications as listed in Section 16.5 of this Prospectus
PAT	:	Profit after taxation
Pawnbrokers Act	:	Pawnbrokers Act 1972 and guidelines issued by KPKT
Pawnbrokers Regulations	:	Pawnbrokers (Control and Licensing) Regulations 2004
PBT	:	Profit before taxation
Pink Form Allocation	:	Allocation of 27,900,000 IPO Shares for subscription by the Eligible Persons
Promoters	:	Tirai Anggerik, Dato' Low, Datin Tea and Low Kai Loon, collectively
Prospectus	:	This Prospectus dated 29 August 2023 in relation to our IPO
Public Issue	:	Public issue of 267,600,000 Issue Shares at the IPO Price, subject to the terms and conditions of this Prospectus
QA	:	Quality assurance
QC	:	Quality control

DEFINITIONS *(cont'd)*

RCPS	: Redeemable convertible preference shares
Rules of Bursa Depository	: The rules of Bursa Depository as issued under the SICDA
SC	: Securities Commission Malaysia
SICDA	: Securities Industry (Central Depositories) Act 1991
Tirai Anggerik or Offeror or Specified Shareholder	: Tirai Anggerik Sdn Bhd (202001022032 (1378352-W))
Trax Capital	: Trax Capital Sdn Bhd (201701025799 (1239965-T)), the former holding company of our subsidiaries
Underwriting Agreement	: Underwriting agreement dated 1 August 2023 entered into between our Company and our Underwriter pursuant to our IPO
UNSCR	: United Nations Security Council Resolutions

Subsidiaries of our Company

Atapttech	: Atapttech Sdn Bhd (201801029544 (1291570-K))
Cahaya Gold	: Cahaya Gold & Jewellery Sdn Bhd (201801029106 (1291132-W))
PG Adventure	: Pajak Gadai Adventure Sdn Bhd (200901006636 (849599-U))
PG Angkasa	: Pajak Gadai Angkasa Sdn Bhd (200801016888 (818180-A))
PG Brickfields	: Pajak Gadai Brickfields Sdn Bhd (201101014599 (942739-A))
PG Delta	: Pajak Gadai Delta Sdn Bhd (197701002435 (33426-K))
PG E Assets	: Pajak Gadai E Assets Sdn Bhd (199601042998 (415351-P))
PG Global Wealth	: Pajak Gadai Global Wealth Sdn Bhd (201401034360 (1110458-M))
PG Insan Tiara	: Pajak Gadai Insan Tiara Sdn Bhd (201201008929 (982449-M))
PG Kenanga	: Pajak Gadai Kenanga Sdn Bhd (201601022662 (1193601-P))
PG Maju	: Pajak Gadai Maju Sdn Bhd (201601034254 (1205195-P))
PG Nilai	: Pajak Gadai Nilai Sdn Bhd (200901026038 (869140-W))
PG SP	: Pajak Gadai SP Sdn Bhd (201401032213 (1108297-V))
PG Sri Permaisuri	: Pajak Gadai Sri Permaisuri Sdn Bhd (201401023826 (1099912-D))
PG Sungai Way	: Pajak Gadai Sungai Way Sdn Bhd (201101040672 (968794-H))
PG Terus Wangsa	: Pajak Gadai Terus Wangsa Sdn Bhd (201001002968 (887549-M))
PG Total	: Pajak Gadai Total Sdn Bhd (200501009777 (686824-K))

DEFINITIONS (*cont'd*)

Currencies, units and others

%	:	Per centum
kg	:	Kilogram
m	:	Metres
RM and sen	:	Ringgit Malaysia and sen, respectively
sqf	:	Square feet
sqm	:	Square metre
USD	:	United States Dollar

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GLOSSARY OF TECHNICAL TERMS

This glossary contains explanation of certain terms used throughout this Prospectus in connection with our Group's businesses. The terminologies and their meanings may not correspond to the standard industry meanings or usage of these terms.

Bid price	: The price that we offer to pay to purchase our unredeemed pledged items at public auctions. In bidding for our unredeemed pledged items, we will bid at the reserve price or at a price equivalent to the total interest accrued over the defaulted pawn loan amount, whichever is higher
Cash capital	: Capital in cash for our Group's disbursement of pawn loans
Certified diamonds	: Polished diamonds that have undergone quality analysis and have been issued a laboratory report by the Gemological Institute of America (GIA)
End customers	: Individuals who purchase the products for own use or for gifting purposes
Foreign customers	: Pawnbroking customers who are non-Malaysian citizens
Gold trading company	: A company which purchases and sells gold products
Local customers	: Pawnbroking customers who are Malaysian citizens
Luxury products	: Branded watches and bags, and certified diamonds
Luxury product retailers	: Retail stores specialising in the sale of luxury products
Minted gold bars	: Refined gold bars that have intricate aesthetic designs with different weight and sizes, and marked with details such as the manufacturer's name, weight, purity and serial number
Pawn loans	: Short-term loans that are secured as they are backed by collaterals, and are governed by KPKT under the Pawnbrokers Act
Pawn processing system	: A system used by pawnbrokers to facilitate pawnbroking operations, including recording details and photos of pledged items, pawn ticket details, customers' personal details, pawn loans amount and interest
Pawn tickets	: Receipts issued to pawnbroking customers as proof of pawn transactions
Pawnbroker's licences	: Licences issued by KPKT authorising pawnshops to operate
Pledged items	: Collaterals for pawn loans which are valuable items such as gold jewellery, minted gold bars and luxury products
Pre-owned	: Products that have been owned by another party in the past
Precious stones	: Valuable gemstones such as emeralds, rubies and sapphires, excluding certified diamonds
Politically Exposed Persons	: Individuals with a high-profile political role

GLOSSARY OF TECHNICAL TERMS (*cont'd*)

Reserve price	: The minimum price to purchase unredeemed pledged items at public auctions. In accordance with Regulation 14(1)(g) of the Pawnbrokers Regulations, the reserve price for unredeemed pledged items shall be set at a premium of 10% over the defaulted pawn loan amount.
Scrap gold collectors	: Purchasers of unredeemed pledged gold items or pre-owned gold products, to be melted down and recycled
Strong room	: A secure room constructed within each pawnshop with features such as reinforced concrete walls, vault door and safe cabinet, which is used to store pledged items for safekeeping
Valuable items	: Gold jewelleryes, minted gold bars and luxury products

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality	Address
Dato' Mohd Azfar Bin Mohamed	Independent Non-Executive Chairman	Malaysian	18, Jalan Rata 8/1 F Seksyen 8 40000 Shah Alam Selangor
Dato' Low Kok Chuan	Non-Independent Executive Director/ Group Managing Director	Malaysian	11, Jalan Bukit Segar 8 Masera Bukit Segar 56100 Kuala Lumpur Wilayah Persekutuan
Datin Tea Guat Ngo	Non-Independent Executive Director	Malaysian	11, Jalan Bukit Segar 8 Masera Bukit Segar 56100 Kuala Lumpur Wilayah Persekutuan
Low Kai Loon	Non-Independent Executive Director	Malaysian	11, Jalan Bukit Segar 8 Masera Bukit Segar 56100 Kuala Lumpur Wilayah Persekutuan
Datin Fadzlullailly Binti Yakob	Non-Independent Non-Executive Director	Malaysian	6, Jalan Pinggiran Putra 4/8 Desa Pinggiran Putra 43000 Kajang Selangor
Chow Lai Mun	Independent Non-Executive Director	Malaysian	193A, Persiaran Perak 6 Taman Perak 31900 Kampar Perak
Hong Boon Toh	Independent Non-Executive Director	Malaysian	31, Jalan Sungai Ramal 32/54 Bukit Rimau 40460 Shah Alam Selangor
Kenneth Chai Chuan Teong	Independent Non-Executive Director	Malaysian	30, Lorong PJU 1/46C Aman Suria Damansara 47301 Petaling Jaya Selangor

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Chow Lai Mun	Chairman	Independent Non-Executive Director
Kenneth Chai Chuan Teong	Member	Independent Non-Executive Director
Hong Boon Toh	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Kenneth Chai Chuan Teong	Chairman	Independent Non-Executive Director
Datin Fadzlullailly Binti Yakob	Member	Non-independent Non-Executive Director
Chow Lai Mun	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(cont'd)*

COMPANY SECRETARIES	: Tiew Sze Hann Professional Qualification: Malaysian Institute of Chartered Secretaries and Administrators (" MAICSA ") (MAICSA Membership No. MAICSA 7058007/CCM Practising Certificate No. 201908000034) Yee Sek Ling (Licensed Secretary No. LS0010508) (CCM Practising Certificate No. 202008004358) 18-2, Jalan 2/114 Kuchai Business Centre Off Jalan Klang Lama 58200 Kuala Lumpur Wilayah Persekutuan Telephone No. : +603 7984 2018
REGISTERED OFFICE	: 18-2, Jalan 2/114 Kuchai Business Centre Off Jalan Klang Lama 58200 Kuala Lumpur Wilayah Persekutuan Telephone No. : +603 7984 2018
HEAD OFFICE	: Lot 11-10, Level 11, Wisma Trax No. 1, Jalan Lima Off, Jalan Chan Sow Lin 55200 Kuala Lumpur Wilayah Persekutuan Tel No. : +603 9224 6222 Website : https://emc.capital/ Email : investor_relations@emc.capital
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	: Mercury Securities Sdn Bhd (198401000672 (113193-W)) L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Wilayah Persekutuan Telephone No. : +603 6203 7227
AUDITORS AND REPORTING ACCOUNTANTS	: ChengCo PLT Firm No: 201806002622 (LLP0017004-LCA) & AF0886 8-2 & 10-2, Jalan 2/114 Kuchai Business Centre Jalan Klang Lama 58200 Kuala Lumpur Wilayah Persekutuan Partner-in-charge : Tan Wae Leng Approval No. : 02850/05/2024(J) Professional : Malaysian Institute of Accountants Qualification : (Membership No. 23474) Telephone No. : +603 7984 8988

1. CORPORATE DIRECTORY *(cont'd)*

SOLICITORS FOR OUR IPO : **Raja, Darryl & Loh**
Level 26, Menara Hong Leong
6, Jalan Damanela
Bukit Damansara
50490 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : +603 2632 9999

INDEPENDENT RESEARCHER **MARKET** : **Providence Strategic Partners Sdn Bhd**
(201701024744 (1238910-A))
67-1, Block D, The Suits, Jaya One
72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor

Person-in-charge : Melissa Lim Li Hua
Professional : Bachelor of Commerce (Double
Qualification major in Marketing and
Management) from Murdoch
University, Australia

Telephone No. : +603 7625 1769

SHARE REGISTRAR AND ISSUING HOUSE : **Tricor Investor & Issuing House Services Sdn Bhd**
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

Telephone No. : +603 2783 9299

LISTING SOUGHT : ACE Market of Bursa Securities

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2. APPROVALS AND CONDITIONS

2.1 Approvals from Relevant Authorities

2.1.1 Bursa Securities

Bursa Securities had, via its letter dated 8 June 2023 ("**Approval Letter**"), approved the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities. The approval from Bursa Securities is subject to the following conditions:

No	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholding of our Specified Shareholder to Bursa Depository: (i) Name of shareholder; (ii) Number of Shares; and (iii) Date of expiry of the moratorium for each block of Shares;	Complied
2.	Confirmation that approvals from other relevant authorities have been obtained for the implementation of our Listing proposal;	Complied
3.	Compliance with the Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of our Company on the first day of our Listing;	To be complied
6.	In relation to the public offering to be undertaken by our Company, to announce at least 2 Market Days prior to the Listing date, the result of our IPO including the following: (i) level of subscription of public balloting and placement; (ii) basis of allotment/allocation; (iii) a table showing the distribution for the placement tranche as per the format in Appendix I of the Approval Letter; and (iv) disclosure of placees who become substantial shareholders of our Company arising from our IPO, if any. Mercury Securities to ensure that the overall distribution of our Company's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied
7.	Our Company/Mercury Securities to furnish Bursa Securities with a written confirmation of our compliance with the terms and conditions of Bursa Securities' approval upon the admission of our Company to the Official List.	To be complied

2. APPROVALS AND CONDITIONS (cont'd)**2.1.2 SC**

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the SC's approval.

The SC had, via its letter dated 12 June 2023, approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our Listing, subject to the following conditions:

No	Details of conditions imposed	Status of compliance
1.	Our Company allocating shares equivalent to 12.5% of our enlarged number of issued Shares at the point of our Listing to Bumiputera investors to be approved by MITI.	To be complied
2.	Our Company to make available at least 50% of our Shares offered to the Malaysian Public investors via balloting to Bumiputera public investors at the point of our Listing.	To be complied

The effects of our Listing on the equity structure of our Company are as follows:

Category of shareholders	As at the LPD		After our Listing	
	No. of Shares	(i)%	No. of Shares	(ii)%
Bumiputera				
• Bumiputera investors approved by MITI	-	-	(iii)139,400,000	12.5
• Malaysian Public via balloting	-	-	(iii)27,250,000	2.5
• Others	(iv)800,000	0.1	(v)1,400,000	0.1
Total Bumiputera	800,000	0.1	168,050,000	15.1
Non-Bumiputera	846,502,499	99.9	946,852,499	84.9
Total Malaysian	847,302,499	100.0	1,114,902,499	100.0

Notes:

- (i) Based on our 847,302,499 issued Shares before our IPO.
- (ii) Based on our enlarged 1,114,902,499 issued Shares after our IPO.
- (iii) Assuming full subscription of our IPO Shares by Bumiputera investors approved by MITI and Bumiputera public investors via balloting.
- (iv) Being our Shares held by a third-party Bumiputera investor who is not a Bumiputera investor recognised or approved by MITI.
- (v) Assuming full subscription of 300,000 IPO Shares each by Dato' Mohd Azfar Bin Mohamed, our Independent Non-Executive Chairman, and Datin Laily, our Non-Independent Non-Executive Director, who are not Bumiputera investors recognised or approved by MITI.

2. APPROVALS AND CONDITIONS (cont'd)

2.1.3 MITI

MITI had, vide its letter dated 15 May 2023, stated that it has taken note of and has no objection to our Listing.

2.2 Moratorium on Our Shares

In compliance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of our Shares held by our Specified Shareholder, namely Tirai Anggerik, as follows:

- (i) the moratorium applies to our Specified Shareholder's entire shareholding for a period of 6 months from the date of our Listing ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, our Specified Shareholder's shareholding amounting to at least 45% of our enlarged issued share capital remain under moratorium for a further 6 months ("**Second 6-Month Moratorium**"); and
- (iii) thereafter, our Specified Shareholder may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of its Shares held under moratorium.

The moratorium will be imposed according to the following:

Specified shareholder	Year 1				Year 2		Year 3	
	First 6-Month Moratorium		Second 6-Month Moratorium		Moratorium		Moratorium	
	No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(i)%
Tirai Anggerik	619,778,946	55.6	501,706,125	45.0	334,470,750	30.0	167,235,375	15.0

Note:

- (i) Based on our enlarged 1,114,902,499 issued Shares after our IPO.

The moratorium has been fully accepted by our Specified Shareholder, who has provided a written undertaking that it will not sell, transfer or assign its shareholding under moratorium during the moratorium period. The moratorium restrictions are specifically endorsed on our share certificates representing the Shares under moratorium held by our Specified Shareholder to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

The shareholders of our Specified Shareholder, namely Dato' Low, Datin Tea, Low Kok Hu, Low Kai Loon and Low Kai Sein, have also undertaken not to sell, transfer or assign their shareholdings in Tirai Anggerik during the moratorium period.

3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 Principal Details of Our IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Malaysian Public (via balloting) ⁽²⁾	55,700,000	5.0	-	-	55,700,000	5.0
Eligible Persons	27,900,000	2.5	-	-	27,900,000	2.5
Placement to selected investors	44,600,000	4.0	43,000,000	3.9	87,600,000	7.9
Placement to selected investors approved by MITI	139,400,000	12.5	-	-	139,400,000	12.5
Total	267,600,000	24.0	43,000,000	3.9	310,600,000	27.9

Notes:

(1) Based on our enlarged 1,114,902,499 issued Shares after our IPO.

(2) At least 50% is to be set aside for Bumiputera investors.

IPO Price

RM0.24

Market capitalisation upon Listing

RM267,576,600

In compliance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of our Shares held by our specified shareholder namely Tirai Anggerik as follows:

	Year 1		Year 2		Year 3	
	First 6-Month Moratorium		Second 6-Month Moratorium		Moratorium	
Specified shareholder	No. of Shares	(i)%	No. of Shares	(i)%	No. of Shares	(i)%
Tirai Anggerik	619,778,946	55.6	501,706,125	45.0	334,470,750	30.0
					167,235,375	15.0

Note:

(i) Based on our enlarged 1,114,902,499 issued Shares after our IPO.

Our Specified Shareholder has provided a written undertaking that it will not sell, transfer or assign its shareholding under moratorium during the moratorium period. The shareholders of our Specified Shareholder have also undertaken not to sell, transfer or assign their shareholdings in Tirai Anggerik during the moratorium period.

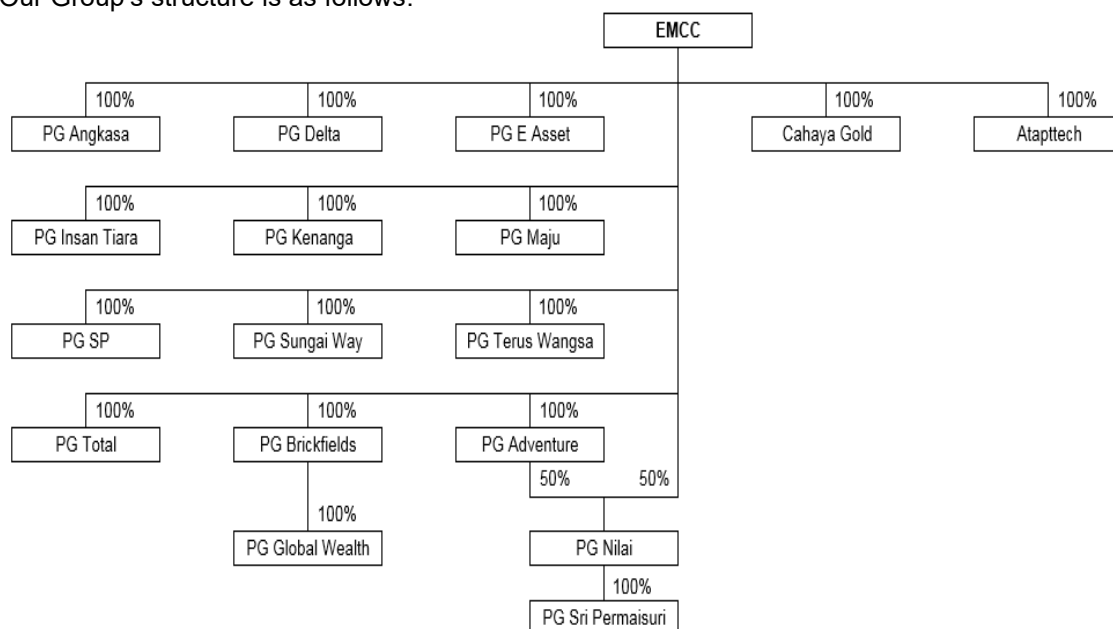
Further details of our IPO and the moratorium period imposed on our Specified Shareholder are set out in Sections 4.1 and 2.2 of this Prospectus.

3. PROSPECTUS SUMMARY (cont'd)

3.2 Group Structure and Business Model

Our Company was incorporated in Malaysia under the Act on 3 September 2021 as a private limited company under the name of Evergreen Max Cash Capital Sdn Bhd and was subsequently converted to a public limited company on 25 April 2022.

Our Group's structure is as follows:



We are principally involved in the following business segments:

	Pawnbroking Services	Gold and Luxury Products Retail and Trading	Pawnbroking Consultancy and IT Solutions
Products/ Services	Pawnbroking services	<ul style="list-style-type: none"> Sales of pre-owned gold and luxury products (including unredeemed pledged items from our pawnbroking segment) Sales of new gold products 	<ul style="list-style-type: none"> Pawnbroking consultancy services Pawn processing system
Revenue Model	<ul style="list-style-type: none"> Monthly interest based on pawn loan Administrative fee 	One-off sales	<ul style="list-style-type: none"> Monthly consultation fee Monthly IT solutions fee
Channels	"Pajaking" pawnshops	<ul style="list-style-type: none"> "Cahaya Gold" retail outlets Social media and e-commerce platforms Direct to gold trading companies, scrap gold collectors and luxury product retailers 	Direct to pawnbrokers
Customers	Individuals aged 18 and above	<ul style="list-style-type: none"> Gold trading companies Scrap gold collectors Luxury product retailers End customers 	Pawnbrokers

3. PROSPECTUS SUMMARY *(cont'd)*

Our principal market is Malaysia where we derived all our revenue during the financial years/period under review.

Pawnbroking is our Group's main business segment in terms of GP contribution, whereby GP generated from pawnbroking services contributed 91.3%, 72.3%, 63.5%, 87.6% and 83.0% of our GP for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Our business segments are complementary to one another in view of the following:

- (i) Our pawnbroking business would need to sell unredeemed pledged items as part of our cash recovery process. As such, we have established our gold and luxury products retail and trading business to complement our pawnbroking business. Please refer to Section 6.2 of this Prospectus for the revenue streams of our pawnbroking business and gold and luxury products retail and trading business; and
- (ii) Leveraging on our experience in providing pawnbroking services and our proprietary pawn processing system, we are able to generate an additional revenue stream by offering pawnbroking consultancy and IT solution services to third-party pawnbrokers.

Please refer to Sections 5 and 6 of this Prospectus for further details of our Group's structure and business segments respectively.

3.3 Competitive Strengths

(i) **We are able to serve the unbanked and underbanked population**

Our pawnbroking services fill the gap not served by financial institutions as our pawn loans offer an alternative for the unbanked and underbanked population by allowing them to convert their valuable personal items into cash in order to meet their funding needs. Through our pawnbroking services, our pawnbroking customers are able to receive funds within a relatively quick processing time, typically within an hour.

(ii) **We have a network of pawnshops which are strategically located and adhere to the regulations and guidelines issued by KPKT**

As at the LPD, we have a total of 22 "Pajaking" pawnshops which are strategically located in areas with high foot traffic and commercial activity. In addition, our pawnshops are concentrated in the Central region, namely Kuala Lumpur, Selangor and Negeri Sembilan, which is densely populated. By having pawnshops that are strategically located, our pawnshops have visibility and accessibility to a larger target reach. In addition, we have also obtained and/or renewed the respective pawnbroker's licences for all of our 22 "Pajaking" pawnshops, which is a testament that we are able to meet the requirements under the Pawnbrokers Act.

(iii) **We have experienced and committed Executive Directors and key management personnel**

Our key management team has an average of approximately 18 years of relevant experience in their respective fields. Their experience and leadership capabilities are expected to continue contributing positively to our future growth and prospects.

In addition, we also ensure that our pawnshops are staffed by operations personnel who are trustworthy, skilled and competent in providing pawnbroking services. To that end, new personnel at each pawnshop are trained by our Chief Operating Officer as well as other senior personnel in order to equip them with the necessary knowledge to verify the purity, density and weight of the pledged gold items. In addition, all operations personnel are also required to attend annual training in order to keep abreast of the latest developments in the pawnbroking industry as well as related regulatory requirements.

3. PROSPECTUS SUMMARY *(cont'd)*

(iv) **We leverage on our proprietary pawn processing system to enhance our operational efficiency and standardise our operating procedures**

We have developed our proprietary pawn processing system for the use of our “Pajaking” pawnshops. Our proprietary pawn processing system allows for recording of details and photos of pledged items, pawn tickets details, customers’ personal details, pawn loans amount and interests. The system also includes features which prevent transactions with blacklisted individuals under the sanction lists maintained by BNM, UNSCR, MOHA, FATF and/or have a history of pawning counterfeit or unlawful items.

By incorporating the proprietary system in our operations, we have been able to effectively and systematically serve our pawnbroking customers as well as manage our cash capital and the pledged items across all our pawnshops. In addition, the use of the proprietary system also allows us to rapidly expand our pawnbroking business without compromising our services.

Please refer to Section 6.2 of this Prospectus for further details of our competitive strengths.

3.4 Future Plans and Strategies

We intend to implement the following future plans and strategies to expand our businesses:

(i) **We intend to continue expanding our pawnbroking business**

We intend to open 5 new “Pajaking” pawnshops in Kuala Lumpur, Selangor and Pahang. Such expansion will enable us to capture a larger market share as well as increase our brand visibility.

To that end, we plan to utilise RM20.0 million of our Public Issue proceeds to fund the paid-up capital of our new pawnshop subsidiaries, which will then be utilised to fund the cash capital as well as renovation costs of our new pawnshops.

In the event we are unable to identify suitable locations to set up our new pawnshops, we would expand our pawnbroking business via selective acquisitions and/or investments in other pawnbrokers which are located in the areas where we intend to set up our new “Pajaking” pawnshops, i.e. Kuala Lumpur, Selangor and Pahang.

(ii) **We plan to increase the market visibility of our gold and luxury products retail and trading business**

We have been utilising social media and e-commerce platforms to conduct digital marketing and online sales of our gold products. Recognising the importance of digital marketing, we are increasing our efforts in online advertising and promotions to enhance our digital presence and increase the number of followers on our social media accounts and e-commerce platforms.

We expect sales of our gold products (both in-store and online) to grow with the above marketing efforts. As such, we have allocated RM3.5 million from our Public Issue proceeds to fund the purchase of inventories of gold products (especially unredeemed pledged gold items from our pawnbroking segment that are in good condition).

Please refer to Section 6.18 of this Prospectus for further details of our future plans and strategies.

3.5 Risk Factors

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations that may have a significant impact on our future financial performance including but not limited to the following:

3. PROSPECTUS SUMMARY (cont'd)

(i) Our pawnbroking business is subject to regulatory requirements

Our pawnbroking business is governed under the Pawnbrokers Act. As such, our pawnbroking business could be adversely affected in the event of changes in regulatory requirements which are unfavourable to our pawnbroking business, such as a downward revision to the maximum interest rate that a pawnbroker is allowed to charge under the Pawnbrokers Act.

Further, if there are changes in the Pawnbrokers Act which result in stricter operating standards and/or compliance requirements, our pawnbroking business may need to incur additional operating costs to put in place the necessary processes to comply with the new standards/requirements. In the event that such additional costs cannot be passed on to our pawnbroking customers, we will have to absorb the additional costs incurred, which in turn would adversely impact the profitability of our pawnbroking business.

(ii) Our pawnshops are required to maintain and renew their pawnbroker's licences

Each pawnshop is required to hold a valid pawnbroker's licence issued by KPKT in order to operate. As at the LPD, all of our 22 pawnshops have valid pawnbroker's licences, whereby each pawnbroker's licence is valid for 2 years and such licence must be renewed 60 days before its expiry. There is no assurance that we will be able to successfully renew all of our pawnbroker's licences prior to their expiry.

Our ability to maintain and renew our pawnbroker's licenses is subject to our continued compliance with the Pawnbrokers Act. In the event of non-compliance with the Pawnbrokers Act, the affected pawnshop's pawnbroker's licence may be suspended, revoked or unable to renew upon expiry. As a result, the affected pawnshop would not be able to process new pawn transactions until it obtains a valid pawnbroker's licence. In such circumstance, our pawnbroking business would be adversely affected as we would lose the revenue contribution from such affected pawnshop.

(iii) Our pawnbroking business requires cash capital to operate and grow

The growth of our pawnbroking business is dependent on, amongst others, our ability to secure additional funding to fund our cash capital needs. In the event we are unable to secure additional funding or if such additional funding is only available on terms that are less favourable than the terms of our current borrowings, our ability to grow our pawnbroking business will be impacted.

Whilst we have been able to maintain sufficient cash capital for our pawnbroking business during the financial years/period under review, there can be no assurance that our Group would be able to obtain sufficient funds on suitable terms to finance our pawnbroking business moving forward.

(iv) Our USD5.0 million unsecured borrowing requires us to achieve an audited PAT target for the FYE 2022 to FYE 2026

As set out in Section 12.4.3 of this Prospectus, included in our Group's borrowings is an unsecured borrowing of USD5.0 million (equivalent to RM22.5 million) which was obtained to fund the cash capital for our pawnbroking business. This unsecured borrowing requires us to achieve an audited PAT target of USD3.0 million (equivalent to RM13.5 million) for the FYE 2022 and USD3.5 million (equivalent to RM15.8 million) for the FYE 2023 to FYE 2026 respectively.

As our businesses and financial performance are subject to various risk factors, there is no assurance that we would be able to achieve the PAT targets for the respective financial years. If the said PAT targets are not achieved, the outstanding borrowing together with all accrued interests will immediately become due and payable.

3. PROSPECTUS SUMMARY (cont'd)

In such event, we would have to obtain new financing to refinance the said borrowing and/or progressively reduce the cash capital for our pawnbroking business to repay the borrowing. However, such resultant decrease in our cash capital, if any, may have an adverse impact on our pawnbroking business and financial performance.

(v) We are subject to volatility in the price of gold

As gold is a globally traded commodity, the price for gold can fluctuate widely and is affected by various market factors which are beyond our control. Whilst the market price for gold has generally been on an uptrend over the financial years/period under review, there is no assurance that this uptrend will continue in the future as the price for gold can fluctuate widely and is affected by various market factors which are beyond our control.

In the event of a sudden and significant downward movement in the market price of gold and we do not have any immediate need for cash, we may hold the unredeemed pledged gold items for a longer period of time (i.e. up to an additional month) as the market price of gold may stabilise during this period. Should we be required to sell these unredeemed pledged gold items for cash capital when there is a significant decline in the market price of gold, we would incur a loss upon the sales of these unredeemed pledged gold items. In addition, this would also result in the sales proceeds from these unredeemed pledged gold items being insufficient to recover the defaulted pawn loans, which in turn may adversely impact our cash recovery process.

(vi) Our pawnbroking business is exposed to unlawful and suspicious transactions

Pawnbrokers are required by law to undertake preventive measures to prevent their pawnshops from being used as conduits for money laundering and terrorism financing activities.

Whilst we have put in place the necessary measures to prevent such unlawful or suspicious pawn transactions, there is no assurance that the measures as detailed in Section 6.5(iii) of this Prospectus are sufficient to fully eliminate such unlawful and suspicious pawn transactions. If we are convicted, we may be subjected to fines and/or imprisonment, and the reputation of our "Pajaking" pawnshops may be adversely affected.

Further, we are also exposed to risk of losing the pledged items if such items are subsequently confiscated by the authorities. As a result, we may not be able to recover the pawn loans disbursed for such confiscated pledged items, which in turn would adversely affect the liquidity and profitability of our pawnbroking business.

(vii) We are dependent on our Executive Directors and key management personnel for the continuing success and growth of our businesses

Our business operations and growth are dependent on the experience, expertise, competency and continued efforts of our Executive Directors and key management personnel who play a pivotal role in our day-to-day operations as well as the development and implementation of our business strategies.

As with any business, the loss of any of our Executive Directors and/or key management personnel without suitable and timely replacement or our inability to attract and retain qualified personnel could adversely affect our businesses and financial performance.

3. PROSPECTUS SUMMARY *(cont'd)*

(viii) Our operations are dependent on trustworthy, skilled and reliable personnel

Our pawn loans are offered based on a certain loan-to-value ratio which require our operations assistants and branch supervisors/managers to assess the value and authenticity of the collaterals. As such, if our operations assistants and branch supervisors/managers are unable to accurately assess the value and/or authenticity of the collaterals, and our pawnbroking customers do not repay their pawn loans, we may not be able to fully recover the loan amount through sales of such collaterals as part of our cash recovery process. In such event, the financial performance of our pawnbroking business may be adversely affected.

In addition, we also rely on our operations branch supervisors/managers and/or Chief Operating Officer to assess the value and authenticity of pre-owned gold products purchased from third-party pawnshops, gold trading companies and walk-in individuals to our “Cahaya Gold” retail outlets. Failure to accurately assess the value and/or authenticity of such pre-owned gold products may adversely affect the business and financial performance of our gold and luxury products retail and trading business.

(ix) We are exposed to physical security risks

Our pawnbroking as well as gold and luxury products retail and trading businesses involve the safekeeping of cash and valuable items. As such, we are exposed to physical security risks including burglary, theft, robbery or misappropriation of cash and valuable items.

Whilst we have put in place the necessary cash management policy as well as security measures at all of our “Pajaking” pawnshops and “Cahaya Gold” retail outlets to prevent such security risks, there can be no assurance that said measures are sufficient to prevent such security risks from taking place.

(x) Our pawn processing system is subject to security breaches and system disruptions or breakdowns

We utilise our proprietary pawn processing system to facilitate the operations of our pawnbroking business. As such, we are subject to risks relating to external security threats such as malware attacks, hacking, espionage and cyber threats as well as internal security breaches arising from unauthorised access to restricted information.

In the event we fail to protect our pawnbroking customers’ information from security threats, we may be subject to fines and/or imprisonments under the Personal Data Protection Act 2010 and the reputation of our “Pajaking” pawnshops maybe adversely affected. Further, there is also no assurance that our pawn processing system will be able to function consistently without any prolonged disruptions or breakdown. Any system disruption or breakdown would affect our pawnbroking business operations, and may thereby adversely impact our pawnbroking customers’ satisfaction and our “Pajaking” pawnshops’ reputation.

Please refer to Section 9 of this Prospectus for further details of the risks relating to our businesses and operations.

3.6 Interruptions to Businesses and Operations

Our businesses and financial performance were not materially adversely affected by the COVID-19 pandemic. In addition, we have not experienced any other interruptions in our businesses which had a significant adverse impact on our operations for the past 12 months prior to the LPD.

3. PROSPECTUS SUMMARY (cont'd)**3.7 Directors and Key Management Personnel**

Our Directors and key management personnel are as follows:

Name	Designation
Directors	
• Dato' Mohd Azfar bin Mohamed	Independent Non-Executive Chairman
• Dato' Low	Non-Independent Non-Executive/Group Managing Director
• Datin Tea	Non-Independent Executive Director
• Low Kai Loon	Non-Independent Executive Director
• Datin Laily	Non-Independent Non-Executive Director
• Chow Lai Mun	Independent Non-Executive Director
• Hong Boon Toh	Independent Non-Executive Director
• Kenneth Chai Chuan Teong	Independent Non-Executive Director
Key Management Personnel	
• Dato' Low	Group Managing Director
• Datin Tea	Executive Director
• Low Kai Loon	Executive Director
• Sing Suk Fuen	Chief Executive Officer
• Tan Chai Seong	Chief Operating Officer
• Hee Chee Keong	Chief Financial Officer

Please refer to Sections 8.2 and 8.3 of this Prospectus for the profiles of our Directors and key management personnel respectively.

3.8 Promoters and Substantial Shareholders

Our Promoters and substantial shareholders are as follows:

Name	Country of Incorporation/ Nationality	As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
		'000		'000		'000		'000	
<u>Promoter</u>									
Tirai Anggerik	Malaysia	662,779	78.2	-	-	619,779	55.6	-	-
Dato' Low	Malaysian	-	-	⁽³⁾ 662,779	78.2	-	-	⁽³⁾ 619,779	55.6
Datin Tea	Malaysian	-	-	⁽³⁾ 662,779	78.2	-	-	⁽³⁾ 619,779	55.6
Low Kai Loon	Malaysian	-	-	-	-	-	-	-	-
<u>Substantial shareholder</u>									
Low Kok Hu	Malaysian	-	-	⁽³⁾ 662,779	78.2	-	-	⁽³⁾ 619,779	55.6
Tee Kian Heng	Malaysian	18,790	2.2	⁽⁴⁾ 36,103	4.2	18,790	1.7	⁽⁴⁾ 36,103	3.3

Notes:

- (1) Based on our 847,302,499 issued Shares as at the LPD.
- (2) Based on our enlarged 1,114,902,499 issued Shares after our IPO.
- (3) Deemed interest by virtue of his/her shareholding in Tirai Anggerik pursuant to Section 8 of the Act.

3. PROSPECTUS SUMMARY (cont'd)

- (4) Deemed interest by virtue of his shareholding in Sasbara Sdn Bhd and the shareholdings of his son (Tee Kun Shen) and his son-in-law (Hong Huei Hou) in our Company pursuant to Section 8 of the Act.

Please refer to Section 8.1 of this Prospectus for further details of our Promoters and substantial shareholders.

3.9 Utilisation of Proceeds

The total gross proceeds from our Public Issue amounts to RM64.2 million based on the IPO Price. We expect the proceeds to be utilised in the following manner:

Purposes	RM'000	%	Estimated timeframe for utilisation from the Listing date
Expansion of pawnshops	20,000	31.1	Within 24 months
Cash capital for our pawnbroking business	30,000	46.7	Within 24 months
Repayment of bank borrowings	4,000	6.2	Within 1 month
Working capital	5,624	8.8	Within 12 months
Estimated Listing expenses	4,600	7.2	Within 1 month
Total	64,224	100.0	

We will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the Offer for Sale will raise gross proceeds of RM10.3 million, which will accrue entirely to the Offeror. All expenses relating to the Offer for Sale will also be borne by the Offeror.

Please refer to Section 4.5 of this Prospectus for further details of our utilisation of proceeds.

3.10 Financial Highlights

The table below sets out a summary of our statements of profit or loss and other comprehensive income, financial position and cash flows for the financial years/period under review:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Statements of profit or loss and other comprehensive income						
Revenue	14,802	24,426	60,903	67,173	20,359	35,956
GP	4,041	10,463	18,567	23,436	7,414	9,788
PBT	1,784	9,181	15,559	24,227	5,899	6,827
PAT	795	6,325	11,956	20,051	4,405	4,933
Statements of financial position						
Total assets	120,524	134,237	160,050	212,398	(i)	202,294
Total liabilities	52,811	57,829	51,986	84,283	(i)	69,246
Total equity	67,713	76,408	108,064	128,115	(i)	133,048

3. PROSPECTUS SUMMARY (cont'd)

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Statements of cash flows						
Net cash (used in)/from operating activities	(16,412)	(12,091)	(17,800)	(27,390)	6,363	12,158
Net cash (used in)/from investing activities	(490)	(36)	(525)	13,096	(112)	(97)
Net cash from/(used in) financing activities	15,615	10,915	18,173	32,147	6,522	(17,442)
Other selected financial information						
EBITDA	5,194	12,423	19,551	29,587	7,206	8,866
GP margin (%)	27.3	42.8	30.5	34.9	36.4	27.2
PBT margin (%)	12.0	37.6	25.5	36.1	29.0	19.0
PAT margin (%)	5.4	25.9	19.6	29.8	21.6	13.7
Current ratio (times)	3.1	6.1	7.0	7.2	(i)	15.5
Gearing ratio (times)	0.2	0.4	0.3	0.5	(i)	0.4

Note:

- (i) Not available as there is no comparative figure being prepared for the statements of financial position as at 30 April 2023.

Please refer to Section 12 of this Prospectus for further details of our Group's financial information.

3.11 Dividend Policy

It is our intention to declare and distribute a dividend of 20% of the PAT attributable to owners of our Company. Our ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business.

Investors should note that our intention to declare dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future.

We do not intend to declare or pay any dividend prior to our Listing.

4. PARTICULARS OF OUR IPO

4.1 Details of Our IPO

Our IPO in conjunction with our Listing on the ACE Market of Bursa Securities comprises the Public Issue and Offer for Sale as detailed below and shall be upon such terms and conditions as set out in this Prospectus.

4.1.1 Public Issue

Our Public Issue of 267,600,000 Issue Shares, representing 24.0% of our enlarged issued Shares at the IPO Price, will be allocated in the following manner:

(i) Malaysian Public

55,700,000 Issue Shares, representing 5.0% of our enlarged issued Shares, will be made available for application by the Malaysian Public via balloting, of which at least 50% is to be set aside for Bumiputera investors.

Any Issue Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

- (a) firstly, by the Eligible Persons (excluding our eligible Directors) under the Pink Form Allocation as described in Section 4.1.1(ii) of this Prospectus;
- (b) secondly, by selected investors as described in Section 4.1.1(iii) of this Prospectus; and
- (c) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

(ii) Eligible Persons

27,900,000 Issue Shares, representing 2.5% of our enlarged issued Shares, will be made available for application by the Eligible Persons.

We will allocate our Issue Shares to the Eligible Persons in the following manner:

Eligible Person	Note	No. of persons	Aggregate no. of Issue Shares allocated
Our eligible Directors	(a)	5	1,500,000
Our eligible employees	(b)	73	17,000,000
Persons who have contributed to our success	(c)	37	9,400,000
Total		115	27,900,000

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4. PARTICULARS OF OUR IPO (cont'd)

Notes:

- (a) The criteria of allocation to our eligible Directors is based on, amongst others, their respective roles, responsibilities and contributions to our Group. The number of Issue Shares to be allocated to our eligible Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Dato' Mohd Azfar Bin Mohamed	Independent Non-Executive Chairman	300,000
Datin Laily	Non-Independent Non-Executive Director	300,000
Chow Lai Mun	Independent Non-Executive Director	300,000
Hong Boon Toh	Independent Non-Executive Director	300,000
Kenneth Chai Chuan Teong	Independent Non-Executive Director	300,000
Total		1,500,000

- (b) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, amongst others, the following factors:

- (1) confirmed and employed on a full-time basis of at least 18 years of age;
- (2) length of service;
- (3) seniority, i.e. position/job grade and responsibility; and
- (4) past performance and contributions to our Group.

The number of Issue Shares to be allocated to our key management personnel is as follows:

Name	Designation	No. of Issue Shares allocated
Sing Suk Fuen	Chief Executive Officer	2,400,000
Tan Chai Seong	Chief Operating Officer	1,800,000
Hee Chee Keong	Chief Financial Officer	1,800,000
Total		6,000,000

- (c) Our Issue Shares to be allocated to the persons who have contributed to the success of our Group (as approved by our Board), comprise our customers, suppliers and business associates and shall be based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of their contributions to our Group.

4. PARTICULARS OF OUR IPO (cont'd)

Any Issue Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription as follows:

- (a) firstly, by other Eligible Persons (excluding our eligible Directors);
- (b) secondly, by the Malaysian Public and selected investors as described in Sections 4.1.1(i) and 4.1.1(iii) of this Prospectus respectively; and
- (c) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

Save for the allocation made available for application by the Eligible Persons as disclosed above, as at the LPD, our Company is not aware as to whether any of our substantial shareholders, Directors or key management personnel have the intention to apply for our Issue Shares.

(iii) Placement to selected investors

44,600,000 Issue Shares, representing 4.0% of our enlarged issued Shares, will be made available for application by selected investors who fall under Schedules 6 and/or 7 of the CMSA ("**Placement Tranche**").

In the event of under-subscription of the Placement Tranche by the selected investors and subject to the corresponding over-subscription by the Malaysian Public, the remaining portion will be clawed-back and placed to the Malaysian Public as described in Section 4.1.1(i) of this Prospectus.

(iv) Placement to selected Bumiputera investors approved by MITI

139,400,000 Issue Shares, representing 12.5% of our enlarged issued Shares, will be made available for application by selected Bumiputera investors approved by MITI ("**MITI Tranche**").

In the event of under-subscription of the MITI Tranche by the selected Bumiputera investors and subject to a corresponding over-subscription by selected investors or over-subscription by the Malaysian Public, the remaining portion will be clawed-back and be placed to the investors as follows:

- (a) firstly, the identified Malaysian institutional investors which are part of the selected investors under Section 4.1.1(iii) of this Prospectus;
- (b) secondly, the Bumiputera public investors under Section 4.1.1(i) of this Prospectus;
- (c) thirdly, the other Malaysian Public under Section 4.1.1(i) of this Prospectus; and
- (d) lastly, the other selected investors under Section 4.1.1(iii) of this Prospectus.

The basis of allocation for our Issue Shares shall take into account our Board's intention to distribute our Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Board.

The 184,000,000 Issue Shares made available for application by way of placement to selected investors and selected Bumiputera investors approved by MITI are not underwritten. Irrevocable undertakings will be obtained from the selected investors and selected Bumiputera investors approved by MITI to subscribe for our Issue Shares made available under the Placement Tranche and MITI Tranche respectively.

4. PARTICULARS OF OUR IPO *(cont'd)*

There is no minimum subscription in terms of the amount of proceeds to be raised from our IPO. However, in order to comply with the public spread requirements of the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by the public shareholders. Under the Listing Requirements, we are required to have at least 25% of the total number of our Shares in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares at the point of our Listing. If the said requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9.3.5 of this Prospectus for further details in the event our Listing is delayed or aborted.

There is no over-allotment or “greenshoe” option that will result in an increase in the number of our Issue Shares.

As at the LPD, to the extent known to our Company, there is no person who intend to subscribe for more than 5% of our Issue Shares.

The salient terms of the Underwriting Agreement are set out in Section 4.7 of this Prospectus.

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4. PARTICULARS OF OUR IPO (cont'd)

4.1.2 Offer for Sale

The Offeror is offering 43,000,000 Offer Shares, representing 3.9% of our enlarged issued Shares, at the IPO Price by way of placement to selected investors. The details of the Offeror and the Offer Shares are set out below:

Name	Address	Nature of relationship	As at the LPD		Offer for Sale			After Our IPO	
			No. of Shares	(i)%	No. of Shares	(i)%	(ii)%	No. of Shares	(ii)%
Tirai Anggerik	18-2, Jalan 2/114 Kuchai Business Centre Off Jalan Klang Lama 58200 Kuala Lumpur	Promoter and substantial shareholder	662,778,946	78.2	43,000,000	5.1	3.9	619,778,946	55.6

Notes:

- (i) Based on our 847,302,499 issued Shares as at the LPD.
- (ii) Based on our enlarged 1,114,902,499 issued Shares after our IPO.

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4. PARTICULARS OF OUR IPO (cont'd)**4.2 Basis of Arriving at the IPO Price**

Our Directors and Mercury Securities, as our Principal Adviser, Underwriter, Sponsor and Placement Agent, had determined and agreed upon the IPO Price after taking into consideration the following factors:

(i) Financial and operating history

Our Group's EPS of 1.80 sen for the FYE 2022, computed based on our audited PAT for the FYE 2022 of RM20.0 million and our enlarged 1,114,902,499 issued Shares after our IPO, which translates to a price-to-earnings multiple of 13.3 times.

Please refer to Sections 6 and 12 of this Prospectus for details of our operating and financial history respectively.

(ii) Pro forma NA

Our pro forma NA per Share as at 30 April 2023 of RM0.17 based on our enlarged 1,114,902,499 issued Shares upon Listing and after utilisation of our Public Issue proceeds.

(iii) Competitive strengths

Our competitive strengths as detailed in Section 6.2 of this Prospectus.

(iv) Future plans and strategies as well as industry overview

Our future plans and strategies as well as the industry overview as detailed in Sections 6.18 and 7 of this Prospectus.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 9 of this Prospectus before deciding to invest in our Shares.

4.3 Share Capital

Upon completion of our IPO, our Company's issued share capital will be as follows:

	No. of Shares	RM
Issued share capital as at the LPD	847,302,499	90,025,891
To be issued pursuant to our Public Issue	267,600,000	⁽ⁱ⁾ 62,212,280
Enlarged issued share capital upon Listing	1,114,902,499	152,238,171
IPO Price		0.24
Market capitalisation upon Listing		267,576,600

Note:

- (i) After deducting the estimated Listing expenses directly attributable to the issuance of our Issue Shares of approximately RM2.0 million.

As at the date of this Prospectus, we have only 1 class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing issued Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Issue Shares.

4. PARTICULARS OF OUR IPO (cont'd)

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount of Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution and provisions of the Act.

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by attorney or by other duly authorised representative. Every shareholder present in person or by proxy or by attorney or by other duly authorised representative shall have 1 vote for each Share held.

4.4 Dilution

Dilution is the amount by which the IPO Price to be paid by investors for our IPO Shares exceeds our pro forma NA per Share after our IPO and is illustrated as follows:

	Formula	RM
IPO Price	(A)	0.24
NA per Share as at 30 April 2023	(B)	⁽ⁱ⁾ 0.16
Pro forma NA per Share after our Public Issue and utilisation of proceeds raised therefrom	(C)	⁽ⁱⁱ⁾ 0.17
Increase in NA per Share to our existing shareholders	(C) – (B)	0.01
Dilution in NA per Share to our new investors	(C) – (A)	0.07
Dilution in NA per Share to our new investors as a percentage of the IPO Price	$\{(C) - (A)\} / (A)$	29.2%

Notes:

- (i) Based on our NA of RM133.0 million divided by our 847,302,499 issued Shares before our IPO.
- (ii) Based on our pro forma NA of RM193.7 million divided by our enlarged 1,114,902,499 issued Shares after our IPO.

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4. PARTICULARS OF OUR IPO (cont'd)**Acquisition of Shares by our Promoters, substantial shareholders, Directors and key management personnel and/or persons connected with them**

Save as disclosed below, none of our Promoters, substantial shareholders, Directors, key management personnel and/or persons connected with them had acquired any securities in our Company, neither have they entered into any transaction which grants them the right to acquire any of our Shares since our incorporation up to the date of this Prospectus:

Name	Date of investment	No. of Shares acquired (after adjusting for the Bonus Issue)	Total consideration RM	Average cost per Share RM
<u>Promoter and substantial shareholder</u>				
Tirai Anggerik ⁽ⁱⁱⁱ⁾	21 Oct 2021	⁽ⁱ⁾ 81,089,562	8,615,766	0.11
	31 Dec 2021	⁽ⁱⁱ⁾ 372,454,714	43,819,469	0.12
	9 Mar 2022	⁽ⁱⁱ⁾ 132,662,190	14,095,358	0.11
	7 Apr 2022	⁽ⁱⁱ⁾ 67,932,480	7,217,826	0.11
	4 Aug 2022	⁽ⁱⁱ⁾ 8,640,000	1,516,320	0.18
		<u>662,778,946</u>	<u>75,264,739</u>	0.11
<u>Substantial shareholder</u>				
Tee Kian Heng	21 Oct 2021	⁽ⁱ⁾ 18,789,744	1,292	0.11
<u>Key management personnel</u>				
Tan Chai Seong	21 Oct 2021	⁽ⁱ⁾ 2,441,024	168	0.11
<u>Persons connected to substantial shareholder</u>				
Sasbara Sdn Bhd ^(iv)	21 Oct 2021	⁽ⁱ⁾ 16,000,000	1,700	0.11
Tee Kun Shen	21 Oct 2021	⁽ⁱ⁾ 13,948,720	1,482	0.11
Hong Huei Hou	21 Oct 2021	⁽ⁱ⁾ 6,153,848	654	0.11

Notes:

- (i) Shares issued pursuant to the Acquisitions.
- (ii) Pursuant to the shareholding consolidation as set out in Section 5.4.2 of this Prospectus.
- (iii) The shareholders of Tirai Anggerik are Dato' Low, Datin Tea, Low Kok Hu, Low Kai Loon and Low Kai Sein. Please refer to Section 8.1.2(i) of this Prospectus for its profile.
- (iv) The shareholders of Sasbara Sdn Bhd are Tee Kian Heng and his spouse (Lai Hong Choo).

4. PARTICULARS OF OUR IPO (cont'd)**4.5 Utilisation of Proceeds**

The total gross proceeds from our Public Issue amounts to RM64.2 million based on the IPO Price. We expect the proceeds to be utilised in the following manner:

Purpose	Note	RM'000	%	Estimated timeframe for utilisation from the Listing date
Expansion of pawnshops	(i)	20,000	31.1	Within 24 months
Cash capital for our pawnbroking business	(ii)	30,000	46.7	Within 24 months
Repayment of bank borrowings	(iii)	4,000	6.2	Within 1 month
Working capital	(iv)	5,624	8.8	Within 12 months
Estimated Listing expenses	(v)	4,600	7.2	Within 1 month
Total		64,224	100.0	

The abovementioned utilisation is based on estimated costs as at the LPD. Hence, if the allocated proceeds are insufficient to fund the final amount, our Group will fund the shortfall from our internally generated funds and/or bank borrowings. Similarly, any surplus from the allocated proceeds will be used for working capital purposes. Pending the utilisation of the proceeds raised from our Public Issue, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

Notes:

(i) Expansion of pawnshops

As at the LPD, we have established a network of 22 "Pajaking" pawnshops in Peninsular Malaysia, of which 19 pawnshops are located in Kuala Lumpur and Selangor, 2 pawnshops in Negeri Sembilan, and 1 pawnshop in Pahang.

As part of our expansion plans, we intend to grow our pawnbroking business through the opening of 5 new "Pajaking" pawnshops in Kuala Lumpur, Selangor and Pahang. Under paragraph 4.2 of the 'Garis Panduan Urusan Pelesenan Pemegang Pajak Gadaai' issued by KPKT, a minimum paid-up capital of RM4.0 million is required to obtain a pawnbroker's licence for each new pawnshop.

As such, we plan to utilise RM20.0 million of our Public Issue proceeds to fund the share capital of our new pawnshop subsidiaries. In turn, we intend for each of our new pawnshop subsidiaries to utilise RM0.3 million of their respective RM4.0 million capital injection to defray the renovation costs of their respective pawnshops, whilst the remaining RM3.7 million will be utilised to fund the cash capital of their respective pawnshops. The renovation costs of RM0.3 million for each new "Pajaking" pawnshop were estimated based on quotations received from contractors and suppliers, which include the required fixtures, fittings and equipment for the operation of the new pawnshop.

As at the LPD, we are in the process of identifying suitable locations within highly populated commercial areas. Once identified, we expect to take approximately 4 to 5 months to obtain the pawnbroker's licences and to renovate the new pawnshops prior to commencement of operations of the new pawnshops.

In the event we are unable to identify suitable locations to set up our new pawnshops, we would expand our pawnbroking business via selective acquisitions and/or investments in other pawnbrokers which are located in the areas where we intend to set up our new "Pajaking" pawnshops, i.e. Kuala Lumpur, Selangor and Pahang.

4. PARTICULARS OF OUR IPO (cont'd)

If required, in compliance with the Listing Requirements, we shall make the necessary announcements and/or seek the necessary approvals for such business opportunities.

(ii) Cash capital for our pawnbroking business

We have earmarked RM30.0 million of our Public Issue proceeds to be allocated as cash capital for our existing 22 “Pajaking” pawnshops in the following proportion, which was determined based on the historical growth of each pawnshop:

No.	Company	Location	RM'000
1.	PG Insan Tiara	Sungai Besi, Kuala Lumpur	500
2.	PG Adventure	Taman Maluri, Kuala Lumpur	1,500
3.	PG Angkasa	Chow Kit, Kuala Lumpur	1,500
4.	PG Kenanga	Pudu, Kuala Lumpur	1,000
5.	PG E Assets	Setapak, Kuala Lumpur	1,500
6.	PG Global Wealth	Pudu, Kuala Lumpur	1,000
7.	PG Brickfields	Brickfields, Kuala Lumpur	1,000
8.	PG Sri Permaisuri	Bandar Sri Permaisuri, Kuala Lumpur	1,500
9.	PG Terus Wangsa	Pandan Indah, Kuala Lumpur	1,500
10.	PG E Assets	Ampang, Selangor	2,500
11.	PG Total	Seri Kembangan, Selangor	1,500
12.	PG Delta	Mahkota Cheras, Selangor	1,500
13.	PG Maju	Taman Putra, Selangor	1,500
14.	PG SP	Shah Alam, Selangor	1,500
15.	PG Delta	Kajang, Selangor	1,500
16.	PG Total	Petaling Jaya, Selangor	1,500
17.	PG Adventure	Puchong, Selangor	1,500
18.	PG Maju	Shah Alam, Selangor	1,500
19.	PG Sungai Way	Sungai Way, Selangor	1,000
20.	PG E Assets	Senawang, Negeri Sembilan	1,500
21.	PG Nilai	Nilai, Negeri Sembilan	1,500
22.	PG Terus Wangsa	Triang, Pahang	500
			30,000

This RM30.0 million allocation for cash capital will be utilised to finance the disbursement of pawn loans for the above pawnshops as their business grows. Any cash capital allocated for the respective pawnshops which are not utilised will be channelled to other pawnshops which require additional cash capital. In addition, part of the RM30.0 million will be used to maintain a minimum amount of cash at each of our “Pajaking” pawnshops to ensure that we always have sufficient cash capital. Generally, we maintain a minimum of RM30,000 cash capital at each of our “Pajaking” pawnshop. For information, in addition to these minimum cash capital, we also maintain a minimum of RM1.0 million cash for our Group’s operating expenses.

4. PARTICULARS OF OUR IPO (cont'd)**(iii) Repayment of bank borrowings**

Our following banking facilities are secured by legal charge over assets owned by our Promoters and/or related parties:

Name of financial institution/Type of facility	Purpose	Interest rate per annum	Maturity date	Facility amount RM'000	Outstanding amount as at the LPD RM'000
CIMB Bank Berhad / Term loan	Working capital	6.4%	Aug 2040	1,120	1,057
CIMB Bank Berhad / Term loan	Working capital	6.4%	Jun 2040	1,292	1,235
Alliance Bank Malaysia Berhad / Term loan	Working capital	5.0%	Mar 2042	1,952	1,892
Total				4,364	4,184

As such, we intend to utilise RM4.0 million from our Public Issue proceeds as well as our internally-generated funds to fully repay these bank borrowings after our IPO in order for such legal charge to be discharged.

Further, the full repayment of these bank borrowings will also result in annual interest savings to our Group of approximately RM0.2 million per annum, computed based on the prevailing interest rates of the relevant banking facilities. The actual interest savings may vary depending on the then applicable interest rates and the actual repayment amount of the respective banking facilities. However, we expect to incur early settlement fees of approximately RM0.2 million as a result of full repayment of these bank borrowings.

The proposed repayment of these bank borrowings coupled with the increase in total equity from our Public Issue will also provide our Group with better borrowing capabilities to increase our cash capital for disbursement of pawn loans to our pawnbroking customers in the future. The proposed repayment of bank borrowings will reduce our gearing of 0.4 times as at 30 April 2023 to 0.2 times upon completion of our Listing and utilisation of our Public Issue proceeds.

(iv) Working capital

We plan to utilise RM5.6 million of our Public Issue proceeds to finance our gold and luxury products retail and trading business as well as our Group's day-to-day operating expenses. The breakdown of the allocation is as follows:

	RM'000
Purchases of inventories (gold products) for our "Cahaya Gold" retail outlets	3,500
General and administration expenses	2,124
Total	5,624

We intend to maintain our marketing efforts to grow our gold and luxury products retail and trading business. As such, we have allocated RM3.5 million of our Public Issue proceeds to purchase inventories of gold products to cater for the anticipated increase in sales volume.

We have also allocated RM2.1 million of our Public Issue proceeds for our Group's operational expenses such as staff costs, utility charges and rental expenses.

4. PARTICULARS OF OUR IPO (cont'd)**(v) Estimated listing expenses**

We intend to allocate RM4.6 million of the gross proceeds from our Public Issue for our Listing expenses as follows:

Details	RM'000
Professional fees	2,205
Estimated underwriting, placement and brokerage fees	2,043
Fees to authorities	85
Printing, advertising and other miscellaneous expenses	267
Total	4,600

We will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the Offer for Sale will raise gross proceeds of RM10.3 million, which will accrue entirely to the Offeror. All expenses relating to the Offer for Sale will also be borne by the Offeror.

4.6 Underwriting Commission, Brokerage and Placement Fees**4.6.1 Underwriting commission**

Our Underwriter has agreed to underwrite 83,600,000 Issue Shares which are available for application by the Malaysian Public and under the Pink Form Allocation. We are obliged to pay our Underwriter an underwriting commission at the rate of 3.0% of the total value of the underwritten Shares based on the IPO Price.

4.6.2 Brokerage fee

We will pay brokerage fee at the rate of 1.0% of the IPO Price in respect of successful Applications bearing the stamp of Mercury Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or our Issuing House.

4.6.3 Placement fee

Our Placement Agent has agreed to place out 227,000,000 IPO Shares as set out in Sections 4.1.1(iii), 4.1.1(iv) and 4.1.2 of this Prospectus at the rate of up to 3.0% of the value of our IPO Shares to be placed out to selected investors as well as selected Bumiputera investors approved by MITI at the IPO Price.

The placement fee to be incurred on the sale of 43,000,000 IPO Shares will be fully borne by the Offeror.

4. PARTICULARS OF OUR IPO *(cont'd)*

4.7 Salient Terms of the Underwriting Agreement

On 1 August 2023, we have entered into the Underwriting Agreement with our Underwriter to underwrite 83,600,000 Issue Shares, upon the terms and subject to the conditions as set out in the Underwriting Agreement. The salient terms of the Underwriting Agreement are as follows:

- (i) unless waived by our Underwriter at its discretion (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of our Underwriter under the Underwriting Agreement shall be conditional upon the fulfillment and/or satisfaction of the following key conditions precedent:
 - (a) our Underwriter receiving certificates in a form consistent with the Underwriting Agreement from us, which shall be signed by our Director or by an authorised signatory of our Company (on behalf of our Board);
 - (b) the issuance of this Prospectus not later than 2 months after the Underwriting Agreement or such later date as our Underwriter and us may from time to time agree in writing;
 - (c) approvals from relevant authorities for our Listing as set out in Section 2.1 of this Prospectus remaining valid, unwithdrawn, unrevoked, unsuspended or unchanged and all the conditions imposed therein which have to be complied by us prior to our Listing, have been complied by us;
 - (d) all other necessary approvals and consents required in relation to our IPO and our Listing having been obtained and are in full force and effect as at our Listing and that all conditions of the approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;
 - (e) the issue and subscription of our Issue Shares in accordance with the provisions of the Underwriting Agreement is not being prohibited by the relevant laws and regulations (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia;
 - (f) this Prospectus having been registered with Bursa Securities and lodged with the Registrar of Companies together with all the required documents in accordance with the relevant laws and regulations, and as at the closing date, there has been no registration with Bursa Securities or lodgement with the Registrar of Companies of any changes to this Prospectus without our Underwriter's prior written approval;
 - (g) the delivery to our Underwriter prior to the date of registration of this Prospectus with Bursa Securities, 3 certified true extracts of all the resolutions of our Board for the following: (1) approving our IPO and our Listing and the transactions contemplated by each of the same; (2) approving and authorising the execution of the Underwriting Agreement and authorising such person as our Board may resolve to execute the Underwriting Agreement; (3) approving the issue and allotment of our Issue Shares under our IPO and the transfer of the Offer Shares under the Offer for Sale; (4) approving and authorising the issuance of this Prospectus; and (5) confirming that our Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in this Prospectus; and
 - (h) all the resolutions referred to in this Section 4.7(i)(g) remaining in full force and effect as at the closing date and none having been rescinded, revoked or varied.
- (ii) notwithstanding anything contained in the Underwriting Agreement, our Underwriter may in its discretion and without liability on its part, by giving notice in writing to us at any time before the closing date of our IPO, terminate, cancel and withdraw their commitment to underwrite our Issue Shares with immediate effect if:

4. PARTICULARS OF OUR IPO *(cont'd)*

- (a) any approvals required in relation to our IPO or our Listing is revoked, suspended, withdrawn or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is reasonably likely to have a material adverse effect; or
- (b) there is any material breach by us of any of the representations, warranties, covenants or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given by our Underwriter by the closing date of our IPO or the date of our Listing; or
- (c) there is a material failure on our part to perform any of our obligations contained in the Underwriting Agreement including but not limited to the conditions precedent as set out in the Underwriting Agreement; or
- (d) there is withholding of information of a material nature on our part from our Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the financial condition, business or operations of our Group, the success of our IPO or our Listing, or the distribution or sale of our IPO Shares; or
- (e) there shall have occurred, or happened any material adverse change in the business or financial condition or operations of our Company or our Group from that set out in this Prospectus which is material in the context of the offering of our IPO Shares, our IPO and/or our Listing or any occurrence of any event rendering untrue or incorrect or misleading or not complied with to an extent which is material as aforesaid, any of the representations, warranties, covenants and undertakings contained in the Underwriting Agreement hereof as though given or made on such dates up to and including the date of our Listing; or
- (f) our Listing does not take place within 3 months from the date of the Underwriting Agreement or such other extended date as may be agreed by our Underwriter; or
- (g) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading in securities is imposed for 3 consecutive Market Days or more on or from the date of the Underwriting Agreement up to and including the date of our Listing; or
- (h) the closing date of our IPO is not the day and time adopted in this Prospectus or such other extended date as may be agreed in writing by our Underwriter (subject to prior consultation and/or agreement with Bursa Securities); or
- (i) any commencement of legal proceedings or action against any member of our Group or any of our Directors or our major shareholders or the Offeror which in the opinion of our Underwriter, would have or is reasonably likely to have a material adverse effect or make it impracticable to market our IPO or to enforce contracts to allot and/or transfer our IPO Shares; or
- (j) any material statements contained in this Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect; or
- (k) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the ACE Market of Bursa Securities due to exceptional financial circumstances which, in the opinion of our Underwriter, would have or can reasonably be expected to have, a material adverse effect on the financial condition, business or operations of our Group, the success of our IPO, or the distribution or sale of our IPO Shares; or

4. PARTICULARS OF OUR IPO (cont'd)

- (l) our Company and any of our subsidiaries and/or any of our major shareholders becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or make a general assignment for the benefits of its creditors; or
- (m) there is any government requisition or occurrence of any other nature which materially and adversely affects or will materially and adversely affects the business or financial condition or operations of our Group; or
- (n) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (1) on or after the date of the Underwriting Agreement; and
 - (2) prior to the close of the offering of our Public Issue,

lower than 90% of the level of the Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days or any other adverse change in the market conditions which our Underwriter deems to be sufficiently material and adverse to render it to be a terminating event; or
- (o) if Bursa Securities, SC or any other relevant authorities issues an order pursuant to any laws such as to make it impracticable to market our IPO Shares or to allot and/or transfer our IPO Shares; or
- (p) our IPO is stopped or delayed by our Company, Bursa Securitax, SC or any relevant authorities for any reason whatsoever (unless such delay has been approved by our Underwriter); or
- (q) there shall have occurred, or happened any of the following circumstances:
 - (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (bb) any new laws or change in laws in any jurisdiction or the occurrence of any *force majeure* event or any event or series of events which could not have been avoided or prevented by reasonable foresight, planning and implementation (including without limitation, pandemics/epidemics, government control movement order, natural disasters, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, riot, uprising against constituted authority, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power, sabotage, acts of war or accidents),

which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or financial condition or the operations of our Group as a whole or the success of our IPO or our Listing or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

5. INFORMATION ON OUR GROUP

5.1 Our Background

Our Company was incorporated in Malaysia under the Act on 3 September 2021 as a private limited company under the name of Evergreen Max Cash Capital Sdn Bhd and was subsequently converted to a public limited company on 25 April 2022.

Our Company is an investment holding company. Through our pawnbroking subsidiaries, our Group is principally involved in the provision of pawnbroking services, i.e. provision of short-term secured pawn loans to individuals aged 18 and above who seek pawn loans.

In addition, our Group is also involved in the business of retail and trading of gold and luxury products as well as provision of pawnbroking consultancy services and IT solutions to third-party pawnbrokers. Please refer to Section 6 of this Prospectus for further details of our Group's businesses.

The history of our Group can be traced back to 2012 when Dato' Low and Datin Tea, our Promoters, substantial shareholders and Directors incorporated PG Insan Tiara, to venture into the pawnbroking business. Under the leadership of Dato' Low, our pawnbroking business has grown significantly over the past 10 years. As at the LPD, we have a network of 22 "Pajaking" pawnshops in Peninsular Malaysia, whereby we have 19 "Pajaking" pawnshops in Kuala Lumpur and Selangor, 2 "Pajaking" pawnshops in Negeri Sembilan and 1 "Pajaking" pawnshop in Pahang.

In 2017, Dato' Low and Datin Tea co-founded Trax Capital, the former holding company of our subsidiaries, to consolidate our pawnbroking business in a single group. Leveraging on our experience in pawnbroking services, in 2018, Dato' Low, through Trax Capital, incorporated Cahaya Gold to venture into the business of retail and trading of gold and luxury products to complement our pawnbroking business.

Between April 2018 to June 2021, Trax Capital issued the following securities to raise total gross proceeds of RM116.7 million as cash capital for the expansion of our pawnbroking business:

- (i) 68.2 million ordinary shares at an issue price of RM1.00 each;
- (ii) 19.0 million ordinary shares at an issue price of RM1.30 each;
- (iii) 18.7 million ordinary shares at an issue price of RM0.26 each. The lower issue price was due to Trax Capital's share split exercise on 15 June 2021, which entails the subdivision of every 1 existing ordinary share into 5 ordinary shares;
- (iv) 2.0 million RCPS at an issue price of RM1.00 each; and
- (v) 17.0 million ICPS at an issue price of RM1.00 each;

For information purposes, the issue price of the respective securities were arrived at on a negotiated basis between Trax Capital and the respective securities holders after taking into account, amongst others, the NA of the Trax Capital group of companies.

In March 2019, all the 2.0 million RCPS were redeemed by Trax Capital at the redemption price of RM1.00. In December 2020, 8.0 million ICPS were converted into 7.7 million ordinary shares in Trax Capital at the conversion price of RM1.04, whilst the remaining 9.0 million ICPS were converted into 6.9 million ordinary shares in Trax Capital at the conversion price of RM1.30.

The above fundraising exercises had resulted in most of the other minority shareholders as detailed in Section 5.4.1 of this Prospectus to be shareholders of Trax Capital.

5. INFORMATION ON OUR GROUP *(cont'd)*

In January 2020, through Cahaya Gold, we began offering pawnbroking consultancy services to third party pawnbrokers whom we have identified to be not in direct competition with our “Pajaking” pawnshops in order to generate an additional revenue stream to our Group.

In March 2020, Trax Capital acquired Atapttech, an IT solution provider, in order to own a proprietary pawn processing system to standardise the operating procedures as well as to enhance the operational efficiency of our pawnbroking subsidiaries. In the same year, Trax Capital ventured into the business of providing IT solutions to third-party pawnbrokers.

Our Group was formed upon the completion of the Acquisitions on 22 December 2021. Please refer to Section 5.4.1 of this Prospectus for further details of the Acquisitions.

Subsequent to the Acquisitions, in 2022, Dato' Low, Datin Tea, Low Kai Loon and Low Kai Sein (son of Dato' Low and Datin Tea, and brother of Low Kai Loon) had consolidated their entire shareholdings in our Company under Tirai Anggerik by transferring their entire shareholdings in our Company to Tirai Anggerik. Please refer to Section 5.4.2 of this Prospectus for further details of the said shareholding consolidation.

5.2 Key Achievements and Milestones

The table below sets out the key achievements and milestones in the history and development of our Group's business operations:

Year	Event
2012	<ul style="list-style-type: none"> We opened our first pawnshop in Sungai Besi, Kuala Lumpur and another new pawnshop in Triang, Pahang
2015	<ul style="list-style-type: none"> We opened 3 new pawnshops in the following locations: <ul style="list-style-type: none"> Ampang, Selangor Seri Kembangan, Selangor Taman Maluri, Kuala Lumpur.
2017	<ul style="list-style-type: none"> We opened 4 new pawnshops in the following locations: <ul style="list-style-type: none"> Chow Kit, Kuala Lumpur Mahkota Cheras, Selangor Shah Alam, Selangor Taman Putra, Selangor
2018	<ul style="list-style-type: none"> We opened 7 new pawnshops in the following locations: <ul style="list-style-type: none"> Jalan Tun Tan Cheng Lock, Kuala Lumpur Kajang, Selangor Petaling Jaya, Selangor Puchong, Selangor Pudu, Kuala Lumpur Senawang, Negeri Sembilan Setapak, Kuala Lumpur As our network of pawnshops grew, we began to operate our pawnbroking business under the trade name “Pajaking” in order to strengthen our market presence as a pawnbroker

5. INFORMATION ON OUR GROUP (cont'd)

Year	Event
2019	<ul style="list-style-type: none"> We opened 6 new pawnshops in the following locations: <ul style="list-style-type: none"> Brickfields, Kuala Lumpur Nilai, Negeri Sembilan Pandan Indah, Kuala Lumpur Shah Alam, Selangor Bandar Sri Permaisuri, Kuala Lumpur Sungai Way, Selangor We opened our first “Cahaya Gold” retail outlet in Ampang, Kuala Lumpur
2020	<ul style="list-style-type: none"> We opened a new “Cahaya Gold” retail outlet in Jalan Genting Kelang, Kuala Lumpur We began offering pawnbroking consultancy services to third-party pawnbrokers
2021	<ul style="list-style-type: none"> We opened a new “Cahaya Gold” retail outlet in Wisma Trax, Kuala Lumpur We began offering IT solutions to third-party pawnbrokers

5.3 Share Capital

As at the LPD, our issued share capital is RM90,025,891 comprising 847,302,499 Shares. The movements in our issued share capital since the date of our incorporation are set out below:

Date of allotment	No. of shares allotted	Consideration/ Nature of transaction	Cumulative issued share capital	
			No. of Shares	RM
3 Sep 2021	1	Cash/Subscriber's share	1	1
21 Oct 2021	529,564,061	Otherwise than cash/ Allotment of shares pursuant to the Acquisitions	529,564,062	90,025,891
15 Jun 2022	317,738,437	Otherwise than cash/ Allotment of shares pursuant to the Bonus Issue	847,302,499	90,025,891

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the above allotments.

Upon the completion of our IPO, our enlarged issued share capital will increase to RM152,238,171 comprising 1,114,902,499 Shares.

5. INFORMATION ON OUR GROUP *(cont'd)*

5.4 Pre-IPO Re-organisation

Prior to our Listing, we have undertaken a pre-IPO reorganisation comprising the following:

5.4.1 Acquisitions

On 1 October 2021, we had entered into a share purchase agreement with Trax Capital to acquire the entire issued share capital of the following companies from Trax Capital for a total purchase consideration of RM90.0 million ("**Purchase Consideration**"):

- (i) Atapttech;
- (ii) Cahaya Gold;
- (iii) CC Low;
- (iv) PG Adventure⁽¹⁾;
- (v) PG Angkasa;
- (vi) PG Brickfields⁽²⁾;
- (vii) PG Delta;
- (viii) PG E Assets;
- (ix) PG Insan Tiara;
- (x) PG Kenanga;
- (xi) PG Maju;
- (xii) PG Nilai⁽¹⁾;
- (xiii) PG SP;
- (xiv) PG Sungai Way;
- (xv) PG Terus Wangsa; and
- (xvi) PG Total.

Notes:

- (1) PG Adventure holds 50% equity interest in PG Nilai whilst the remaining equity interest in PG Nilai is held by Trax Capital, and PG Nilai in turn holds 100% equity interest in PG Sri Permaisuri.
- (2) PG Brickfields holds 100% equity interest in PG Global Wealth.

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5. INFORMATION ON OUR GROUP (cont'd)

The Purchase Consideration was arrived at after taking into consideration the following:

- (i) NA of the target companies as at 30 June 2021, being the latest audited financial position of the respective companies prior to the Acquisitions, as follows:

Companies	Issued share capital	NA as at 30 Jun 2021
	RM	RM
Atapttech	400,000	870,185
Cahaya Gold	100,000	2,176,598
CC Low	905,000	2,632,644
PG Adventure	8,000,000	8,422,551
PG Angkasa	4,000,000	4,159,555
PG Brickfields	8,000,000	7,687,525
PG Delta	12,000,000	12,252,782
PG E Assets	12,350,900	9,849,685
PG Insan Tiara	2,000,000	2,327,173
PG Kenanga	4,000,000	3,988,655
PG Maju	8,000,000	8,136,041
PG Nilai	4,000,000	3,416,071
PG SP	4,000,000	4,190,307
PG Sungai Way	4,000,000	3,929,714
PG Terus Wangsa	8,000,002	8,155,402
PG Total	12,225,000	12,753,256
Total		94,948,144

- (ii) 529,564,061 consideration Shares to be issued, which was based on the total number of ordinary shares in issue in Trax Capital of 529,564,061 shares in order for the then shareholders of Trax Capital to receive 1 consideration Share for every 1 Trax Capital share held; and
- (iii) issue price per consideration Share of RM0.17, which was determined based on the total NA of the target companies and the number of consideration Shares to be issued, which translates into a NA per consideration Share of RM0.1793, and rounded down to the nearest 2 decimals.

For clarification purposes, the difference between the total NA of the target companies of RM94.9 million and the Purchase Consideration of RM90.0 million was due to the rounding down of the issue price of the consideration Shares as mentioned above.

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5. INFORMATION ON OUR GROUP (cont'd)

The Purchase Consideration was satisfied via the issuance of 529,564,061 new Shares at an issue price of RM0.17 per Share, which were transferred to the shareholders of Trax Capital in proportion to their respective shareholdings in Trax Capital as set out below:

Name	Shareholding in Trax Capital		Purchase Consideration RM	No. of Shares issued
	No. of shares held	%		
Our Promoter and/or substantial shareholder				
• Tirai Anggerik	50,680,976	9.6	8,615,766	50,680,976
• Dato' Low	86,913,545	16.4	14,775,303	86,913,545
• Datin Tea	57,674,610	10.9	9,804,684	57,674,610
• Low Kai Loon	18,259,965	3.4	3,104,194	18,259,965
• Tee Kian Heng	11,743,590	2.2	1,996,410	11,743,590
Our Director and/or key management personnel				
• Datin Laily	15,256,410	2.9	2,593,590	15,256,410
• Tan Chai Seong	1,525,640	0.3	259,359	1,525,640
Person connected to our substantial shareholder and/or Director				
• Insan Tiara	67,779,520	12.8	11,522,518	67,779,520
• Tea Kain Chuan	42,457,800	8.0	7,217,826	42,457,800
• Evergreen Credit Express ⁽¹⁾	33,475,620	6.3	5,690,855	33,475,620
• Low Kai Sein	16,768,980	3.2	2,850,727	16,768,980
• Sasbara Sdn Bhd	10,000,000	1.9	1,700,000	10,000,000
• Tee Kun Shen	8,717,950	1.6	1,482,052	8,717,950
• Hong Huei Hou	3,846,155	0.7	653,846	3,846,155
Other minority shareholders				
• Dato' Yeong Kok Wah	19,047,619	3.6	3,238,095	19,047,619
• Ooi Hui Chin	9,145,000	1.7	1,554,650	9,145,000
• Ong Hung Heng	9,131,295	1.7	1,552,320	9,131,295
• Ang Kok Seong	6,000,000	1.1	1,020,000	6,000,000
• Ng Meng Chuan	5,100,000	1.0	867,000	5,100,000
• Teh Aik Hua	4,040,000	0.8	686,800	4,040,000
• Envision Productions (M) Sdn. Bhd.	4,000,000	0.8	680,000	4,000,000
• Jendela Pujian Sdn. Bhd.	3,999,999	0.8	680,000	3,999,999
• Hoon Tai Woei	3,850,000	0.7	654,500	3,850,000
• Sin Soon Lee Realty Company (M) Sendirian Berhad	3,850,000	0.7	654,500	3,850,000
• Kam Kim Chuan	2,500,000	0.5	425,000	2,500,000

5. INFORMATION ON OUR GROUP (cont'd)

Name	Shareholding in Trax Capital		Purchase Consideration	No. of Shares issued
	No. of shares held	%		
			RM	
• Ng Kien Lim	2,400,000	0.5	408,000	2,400,000
• Ng Zhi Feng	2,200,000	0.4	374,000	2,200,000
• Jerry Ong Teck Choon	2,000,000	0.4	340,000	2,000,000
• Ng Kim Sai	2,000,000	0.4	340,000	2,000,000
• Ng Shou Pei	2,000,000	0.4	340,000	2,000,000
• Liew Pok Boon	1,923,080	0.4	326,924	1,923,080
• Chia Yuet Yoong	1,750,000	0.3	297,500	1,750,000
• Ng Kim Sian	1,750,000	0.3	297,500	1,750,000
• Goh Hui Chen	1,550,000	0.3	263,500	1,550,000
• Ding Poh Cheng	1,500,000	0.3	255,000	1,500,000
• Liew Yau Seng	1,500,000	0.3	255,000	1,500,000
• Ong Beng Chong	1,500,000	0.3	255,000	1,500,000
• Ong Beng Hooi	1,500,000	0.3	255,000	1,500,000
• Low Wan Seng	1,250,000	0.2	212,500	1,250,000
• Hong Qi Yu	1,192,307	0.2	202,692	1,192,307
• Chua Hooi Ee	1,000,000	0.2	170,000	1,000,000
• Goh Jooi Hong	1,000,000	0.2	170,000	1,000,000
• Loh Lin Hiong @ Law Lian Hiong	1,000,000	0.2	170,000	1,000,000
• Law Teck Juan	880,000	0.2	149,600	880,000
• Wong Chien Fong	769,000	0.1	130,730	769,000
• Chan Kheng Hoe	750,000	0.1	127,500	750,000
• Loh Kim Poh	750,000	0.1	127,500	750,000
• Tham Choon Sarn	750,000	0.1	127,500	750,000
• Syed Azniputra Bin Syed Abdullah	500,000	0.1	85,000	500,000
• Tang Lai Cheong	385,000	0.1	65,450	385,000
Total	529,564,061	100.0	90,025,891	529,564,061

Note:

- (1) Dato' Low and Datin Tea were shareholders and/or director of Evergreen Credit Express and had ceased their involvement in the company in March 2022.

The Acquisitions were completed on 22 December 2021.

In accordance with the terms of the share purchase agreement, upon completion of the Acquisitions, all net amounts owing by the target companies to Trax Capital as at the date of the share purchase agreement totalling RM16.4 million were capitalised via the total issuance of 16,405,153 new ordinary shares at an issue price of RM1.00 per share by the respective companies.

5. INFORMATION ON OUR GROUP (cont'd)

The capitalised shares were allotted to the shareholders of the respective companies on 23 December 2021, namely our Company, PG Adventure, PG Brickfields and PG Nilai. Upon completion of the said capitalisation exercise, all net amounts owing by the target companies to Trax Capital were fully settled.

For information purposes, the net amounts owing to Trax Capital by the target companies which were fully settled pursuant to the said capitalisation exercise together with the number of shares issued by the respective target companies as well as the recipient of the shares are as follows:

	Net amounts owing to Trax Capital	⁽ⁱ⁾No. of shares issued by the respective target companies	Recipient of the shares
	RM		
PG Insan Tiara	242,314	242,314	EMCC
PG SP	877,933	877,933	EMCC
PG Brickfields	4,237,796	4,237,796	EMCC
PG Global Wealth	182,161	182,161	PG Brickfields
PG E Assets	359,609	359,609	EMCC
PG Adventure	14,037	14,037	EMCC
PG Nilai	5,300,156	5,300,156	EMCC and PG Adventure ⁽ⁱⁱ⁾
PG Sri Permaisuri	1,045,984	1,045,984	PG Nilai
PG Kenanga	348,100	348,100	EMCC
Cahaya Gold	3,771,014	3,771,014	EMCC
CC Low	26,049	26,049	EMCC
Total	16,405,153	16,405,153	

Notes:

- (i) The shares were issued at an issue price of RM1.00 each.
- (ii) Upon completion of the Acquisitions, our Company holds 50% equity interest in PG Nilai whilst the remaining 50% equity interest in PG Nilai was held through PG Adventure, a wholly-owned subsidiary of our Company. Accordingly, pursuant to the capitalisation exercise, 2,650,078 shares were issued by PG Nilai to our Company whilst the remaining 2,650,078 shares were issued to PG Adventure.

Such amounts were net advances from Trax Capital to the respective companies to fund their working capital requirements and were repayable on demand.

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5. INFORMATION ON OUR GROUP (cont'd)**5.4.2 Shareholding consolidation**

Subsequent to the Acquisitions, the following shareholders have consolidated their entire shareholdings in our Company under Tirai Anggerik by transferring their shareholdings in our Company to Tirai Anggerik:

Shareholder	No. of Shares	Total consideration	Price per Share
		RM	RM
Dato' Low	⁽ⁱ⁾ 86,413,546	14,690,303	0.17
Datin Tea	57,674,610	9,804,684	0.17
Low Kai Loon	18,259,965	3,104,194	0.17
Low Kai Sein	16,768,980	2,850,727	0.17
Total	179,117,101	30,449,908	

Note:

- (i) The movement in Shares held by Dato' Low since our incorporation and prior to the shareholding consolidation and Bonus Issue is as follows:

	No. of Shares
Transfer of subscriber's share in our Company to Dato' Low on 1 October 2021	1
Allotment of Shares pursuant to the Acquisitions	86,913,545
Disposal of Shares on 31 December 2021	(500,000)
Total	86,413,546

The price per Share was based on the issue price per Share of RM0.17 pursuant to the Acquisitions.

In addition, the following shareholders have also transferred their Shares in our Company to Tirai Anggerik:

Shareholder	No. of Shares	Total consideration	Price per Share
		RM	RM
Datin Laily	⁽ⁱ⁾ 15,256,410	3,850,000	0.25
Insan Tiara	⁽ⁱ⁾ 67,779,520	13,759,243	0.20
Tea Kain Chuan	⁽ⁱ⁾ 42,457,800	7,217,826	0.17
Evergreen Credit Express	⁽ⁱ⁾ 33,475,620	6,360,368	0.19
Dato' Yeong Kok Wah	⁽ⁱ⁾ 19,047,619	3,238,095	0.17
Hoon Tai Woei	⁽ⁱⁱ⁾ 6,160,000	1,081,080	0.18
Goh Hui Chen	⁽ⁱⁱ⁾ 2,480,000	435,240	0.18
Ong Hung Heng	⁽ⁱⁱⁱ⁾ 871,795	216,000	0.25
Ooi Hui Chin	⁽ⁱⁱⁱ⁾ 150,000	41,214	0.27
Total	187,678,764	36,199,066	

5. INFORMATION ON OUR GROUP (cont'd)

Notes:

- (i) The shareholder has transferred his/her/its entire shareholding in our Company to Tirai Anggerik prior to the Bonus Issue.
- (ii) The shareholder has transferred his/her entire shareholding in our Company to Tirai Anggerik after the Bonus Issue.
- (iii) The shareholder has only transferred part of his/her shareholding in our Company to Tirai Anggerik.

The price per Share were arrived at on a negotiated basis between Tirai Anggerik and the respective shareholders.

The shareholding consolidation was completed on 4 August 2022.

5.4.3 Bonus Issue

On 15 June 2022, our Company had completed a Bonus Issue of 317,738,437 new Shares ("**Bonus Shares**") on the basis of 3 Bonus Shares for every 5 existing Shares held. Our issued share capital before and after the Bonus Issue is as follows:

	No. of Shares	Amount
		RM
Issued share capital after the Acquisitions	529,564,062	90,025,891
New Shares issued pursuant to the Bonus Issue	317,738,437	(i)-
Issued share capital after the Bonus Issue	847,302,499	90,025,891

Note:

- (i) The Bonus Shares were issued as fully paid at no consideration and without capitalisation of our Company's reserves.

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5. INFORMATION ON OUR GROUP *(cont'd)*

5.4.4 Disposals

On 15 September 2022, we had entered into a share purchase agreement with Dato' Low for the disposal of 931,049 ordinary shares in CC Low ("**Share Purchase Agreement**"), representing the entire equity interest in CC Low, for a cash consideration of RM5.6 million after taking into consideration the estimated market value of 100% equity interest in CC Low of RM5.6 million as ascribed by an independent business valuer using the discounted cash flow valuation method. The said disposal was undertaken to divest a non-complementary business.

In conjunction with the above, we had also entered into the following agreements which are inter-conditional upon each other and the Share Purchase Agreement:

- (i) sale and purchase agreement dated 15 August 2022 between PG E Assets and CC Low for the disposal of an investment property to CC Low for a cash consideration of RM6.8 million after taking into consideration the market value of the investment property of RM6.8 million as ascribed by an independent property valuer; and
- (ii) assignment agreement dated 15 September 2022 between Atapttech and CC Low for the assignment of Atapttech's intellectual property rights in the motor insurance claims processing software used by CC Low to CC Low for a cash consideration of RM97,500 based on the said software's cost of RM97,500 as at 31 December 2021.

The total Disposals consideration of RM12.5 million was utilised to set-off against the amount owing by our Group to CC Low, which amounted to RM11.7 million as at 1 December 2022. The remaining cash consideration of RM0.8 million was channelled towards funding the cash capital of our pawnbroking business.

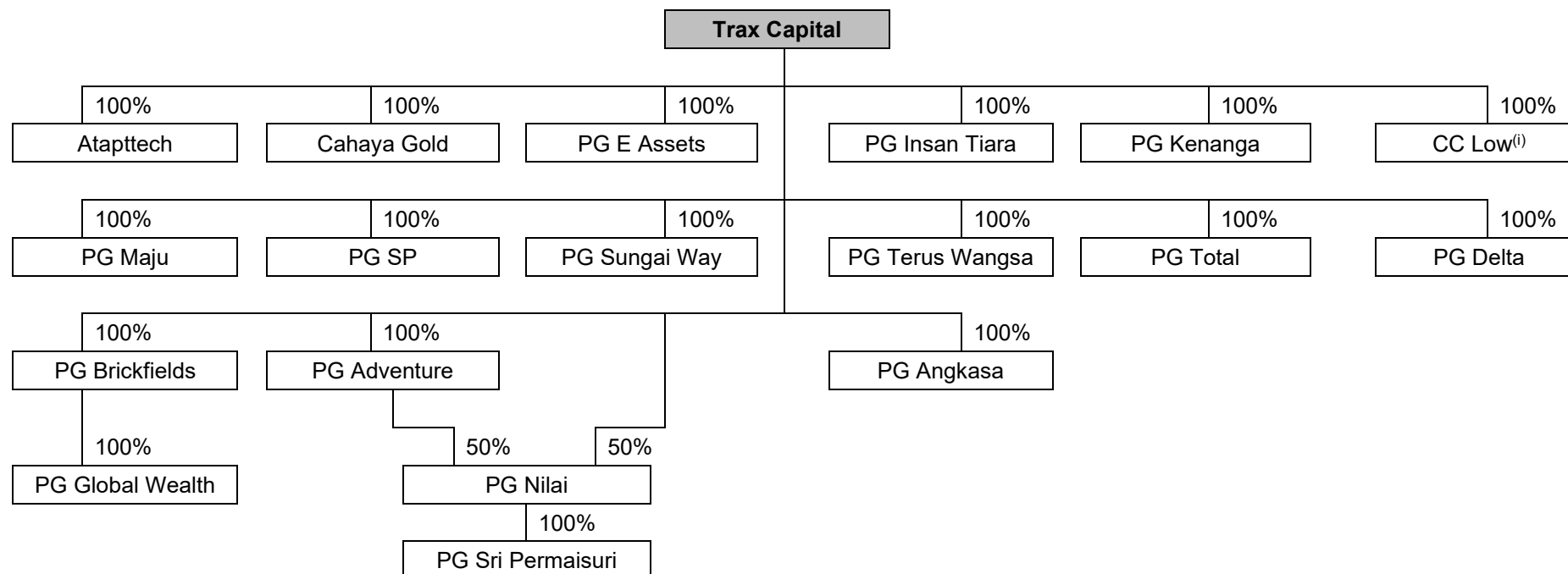
The Disposals were completed on 19 December 2022.

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5. INFORMATION ON OUR GROUP *(cont'd)*

5.5 Group Structure

Prior to the Acquisitions, Trax Capital was the holding company of our subsidiaries and CC Low as follows:

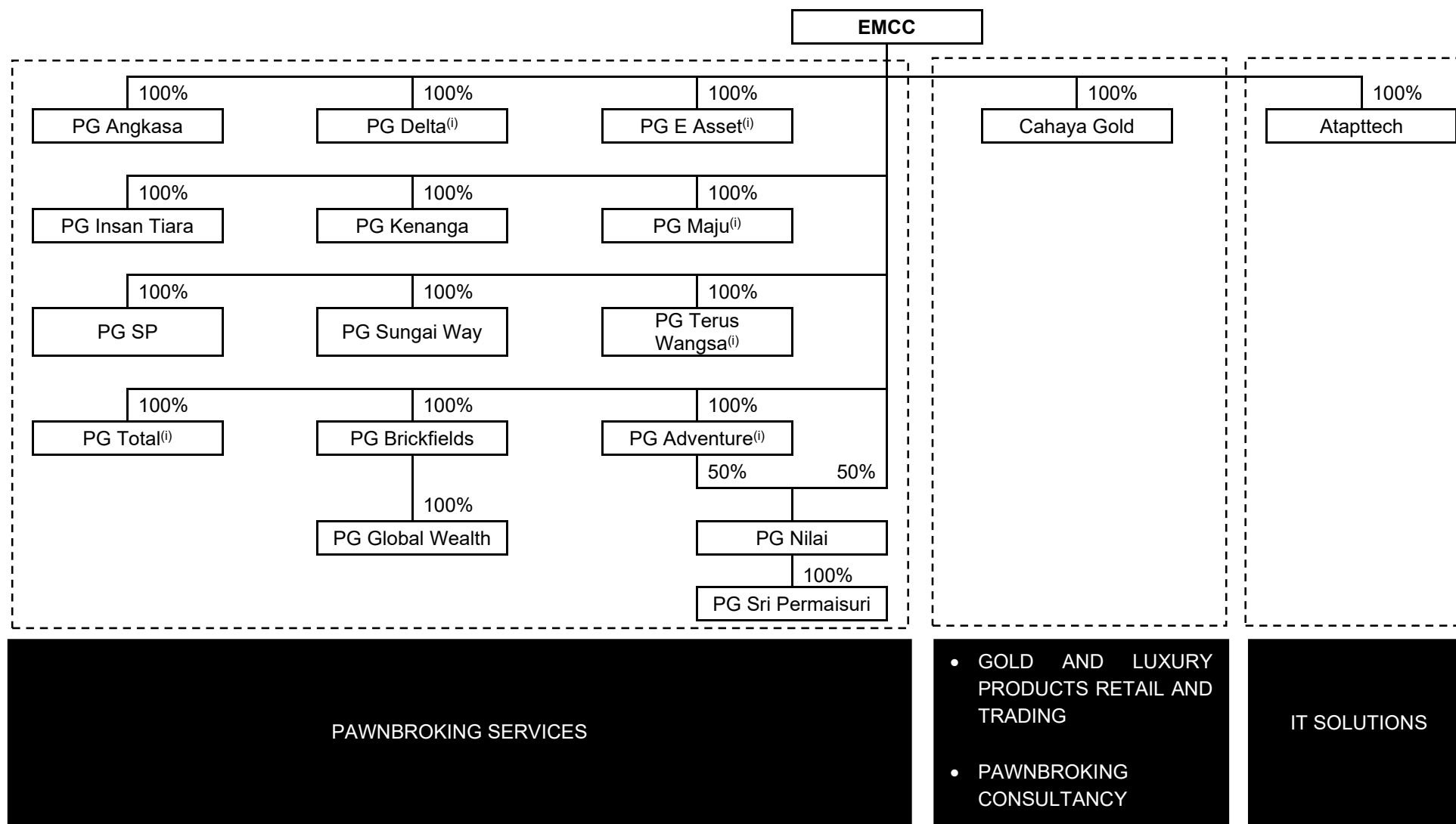


Note:

- (i) Our Company had on 19 December 2022 disposed CC Low pursuant to the Disposals.

5. INFORMATION ON OUR GROUP (cont'd)

Our Group was formed upon completion of the Acquisitions on 22 December 2021. As at the date of this Prospectus, our Group's structure and business segments are as follows:



5. INFORMATION ON OUR GROUP (cont'd)

Note:

- (i) These subsidiaries have owned and operated more than 1 “Pajaking” pawnshops since before 9 August 2019 when KPKT issued the ‘Garis Panduan Urusan Pelesenan Pajak Gadai’ to govern, amongst others, applications for pawnbroker’s licences that are made from 9 August 2019 onwards. Please refer to the table in Section 6.1(i) of this Prospectus for the list of our “Pajaking” pawnshops.

Pursuant to the said guidelines, each applicant company may only hold 1 pawnbroker’s licence for 1 pawnshop. Notwithstanding the foregoing, the guidelines are not retrospective in its application and KPKT has not made it mandatory for all our current pawnbroking subsidiaries which have obtained their pawnbroker’s licences prior to 9 August 2019 from having to comply with the said guidelines.

5.6 Details of Our Subsidiaries

The details of our subsidiaries are set out below:

Name/ Registration no.	Date/ Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM		
Atapttech (201801029544 (1291570-K))	17 Aug 2018/ Malaysia	Malaysia	400,000	100%	Provision of IT solutions
<u>Directors</u>					
<ul style="list-style-type: none"> Datin Laily Low Kai Loon (Alternate Director) 					
Cahaya Gold (201801029106 (1291132-W))	15 Aug 2018/ Malaysia	Malaysia	3,871,014	100%	Retail and trading of gold and other products, and provision of pawnbroking consultancy services
<u>Director</u>					
<ul style="list-style-type: none"> Dato’ Low 					
PG Adventure (200901006636 (849599-U))	12 Mar 2009/ Malaysia	Malaysia	8,014,037	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Tan Beng Yen Datin Lavinia Tan Poh Choo Low Kai Loon (Alternate Director) 					

5. INFORMATION ON OUR GROUP (cont'd)

Name/ Registration no.	Date/ Place of incorporation	Principal place of business	Issued share capital RM	Effective equity interest	Principal activities
PG Angkasa (200801016888 (818180-A))	20 May 2008/ Malaysia	Malaysia	4,000,000	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Low Kok Hu Low Kai Loon (Alternate Director) 					
PG Brickfields (201101014599 (942739-A))	29 Apr 2011/ Malaysia	Malaysia	12,237,796	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Tan Chai Seong Low Kai Loon (Alternate Director) 					
PG Delta (197701002435 (33426-K))	21 Jun 1977/ Malaysia	Malaysia	12,000,000	100%	Pawnbroking and related businesses
<u>Director</u>					
<ul style="list-style-type: none"> Tea Kain Chuan 					
PG E Assets (199601042998 (415351-P))	30 Dec 1996/ Malaysia	Malaysia	12,710,509	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Low Kok Hu Low Kai Sein Low Kai Loon (Alternate Director) 					
PG Insan Tiara (201201008929 (982449-M))	14 Mar 2012/ Malaysia	Malaysia	⁽ⁱ⁾ 2,242,314	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Datin Tea Low Kai Loon (Alternate Director) 					

5. INFORMATION ON OUR GROUP *(cont'd)*

Name/ Registration no.	Date/ Place of incorporation	Principal place of business	Issued share capital RM	Effective equity interest	Principal activities
PG Kenanga (201601022662 (1193601-P))	1 Jul 2016/ Malaysia	Malaysia	4,348,100	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Datin Lavinia Tan Poh Choo Low Kai Loon (Alternate Director) 					
PG Maju (201601034254 (1205195-P))	14 Oct 2016/ Malaysia	Malaysia	8,000,000	100%	Pawnbroking and related businesses
<u>Director</u>					
<ul style="list-style-type: none"> Low Kok Poh Low Kai Loon Low Kai Loon (Alternate Director) 					
PG SP (201401032213 (1108297-V))	9 Sep 2014/ Malaysia	Malaysia	4,877,933	100%	Pawnbroking and related businesses
<u>Director</u>					
<ul style="list-style-type: none"> Low Kok Poh Low Kok Hu Low Kai Loon (Alternate Director) 					
PG Sungai Way (201101040672 (968794-H))	20 Nov 2011/ Malaysia	Malaysia	4,000,000	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Low Kai Sein Low Kai Loon (Alternate Director) 					

5. INFORMATION ON OUR GROUP (cont'd)

Name/ Registration no.	Date/ Place of incorporation	Principal place of business	Issued share capital RM	Effective equity interest	Principal activities
PG Terus Wangsa (201001002968 (887549-M))	25 Jan 2010/ Malaysia	Malaysia	8,000,002	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Datin Tea Low Kai Loon (Alternate Director) 					
PG Total (200501009777 (686824- K))	1 Apr 2005/ Malaysia	Malaysia	12,225,000	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Tan Chai Seong Low Kai Loon (Alternate Director) 					
<u>Held through PG Brickfields</u>					
PG Global Wealth (201401034360 (1110458 – M))	24 Sep 2014/ Malaysia	Malaysia	4,182,161	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Low Kok Poh Tan Chai Seong Low Kai Loon (Alternate Director) 					
<u>Held through PG Adventure and our Company</u>					
PG Nilai (200901026038 (869140 - W))	19 Aug 2009/ Malaysia	Malaysia	13,300,156	100%	Pawnbroking and related businesses
<u>Directors</u>					
<ul style="list-style-type: none"> Low Kai Sein Low Kai Loon (Alternate Director) 					

5. INFORMATION ON OUR GROUP (cont'd)

Name/ Registration no.	Date/ Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM		

Held through PG Nilai

PG Sri Permaisuri (201401023826 (1099912 - D))	2 Jul 2014/ Malaysia	Malaysia	5,045,984	100%	Pawnbroking and related businesses
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Directors

- Datin Tea
- Low Kai Loon
(Alternate
Director)

Note:

- (i) PG Insan Tiara was incorporated in 2012 and has been operating its “Pajaking” pawnshop since before 9 August 2019 when KPKT issued the ‘Garis Panduan Urusan Pelesenan Pemegang Pajak Gadai’ to govern, amongst others, applications for pawnbroker’s licences that are made from 9 August 2019 onwards.

Pursuant to the said guidelines, applicant companies must have a minimum paid-up capital of RM4 million. Notwithstanding the foregoing, the guidelines are not retrospective in its application and KPKT has not made it mandatory for PG Insan Tiara to comply with the said guidelines.

Save as disclosed below, there has been no changes in the issued share capital of our subsidiaries for the financial years/period under review and up to the LPD:

Date of allotment	No. of shares allotted	Consideration/ Nature of transaction	Cumulative issued share capital	
			No. of shares	RM
<u>Ataptech</u>				
7 Jan 2019	199,999	Cash/Allotment of shares	200,000	200,000
10 Apr 2019	200,000	Cash/Allotment of shares	400,000	400,000
<u>Cahaya Gold</u>				
27 Aug 2020	99,900	Cash/Allotment of shares	100,000	100,000
23 Dec 2021	3,771,014	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	3,871,014	3,871,014
<u>PG Adventure</u>				
23 Dec 2021	14,037	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	8,014,037	8,014,037
<u>PG Brickfields</u>				
2 Dec 2020	4,000,000	Otherwise than cash/ Allotment of shares ⁽ⁱⁱ⁾	8,000,000	8,000,000
23 Dec 2021	4,237,796	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	12,237,796	12,237,796
<u>PG E Assets</u>				
1 Aug 2020	118,900	Cash/Allotment of shares	12,350,900	12,350,900

5. INFORMATION ON OUR GROUP (cont'd)

Date of allotment	No. of shares allotted	Consideration/ Nature of transaction	Cumulative issued share capital	
			No. of shares	RM
23 Dec 2021	359,609	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	12,710,509	12,710,509
<u>PG Insan Tiara</u>				
23 Dec 2021	242,314	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	2,242,314	2,242,314
<u>PG Kenanga</u>				
23 Dec 2021	348,100	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	4,348,100	4,348,100
<u>PG SP</u>				
23 Dec 2021	877,933	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	4,877,933	4,877,933
<u>PG Total</u>				
1 Apr 2019	350,000	Cash/Allotment of shares	8,350,000	8,350,000
1 May 2019	750,000	Cash/Allotment of shares	9,100,000	9,100,000
1 Jun 2019	210,000	Cash/Allotment of shares	9,310,000	9,310,000
1 Jul 2019	915,000	Cash/Allotment of shares	10,225,000	10,225,000
1 Aug 2019	210,000	Cash/Allotment of shares	10,435,000	10,435,000
1 Sep 2019	50,000	Cash/Allotment of shares	10,485,000	10,485,000
1 Oct 2019	160,000	Cash/Allotment of shares	10,645,000	10,645,000
1 Nov 2019	150,000	Cash/Allotment of shares	10,795,000	10,795,000
1 Dec 2019	260,000	Cash/Allotment of shares	11,055,000	11,055,000
1 Jan 2020	110,000	Cash/Allotment of shares	11,165,000	11,165,000
1 Feb 2020	300,000	Cash/Allotment of shares	11,465,000	11,465,000
1 Jun 2020	410,000	Cash/Allotment of shares	11,875,000	11,875,000
1 Jul 2020	350,000	Cash/Allotment of shares	12,225,000	12,225,000
<u>PG Global Wealth</u>				
23 Dec 2021	182,161	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	4,182,161	4,182,161
<u>PG Nilai</u>				
2 Dec 2020	4,000,000	Otherwise than cash/ Allotment of shares ⁽ⁱⁱ⁾	8,000,000	8,000,000
23 Dec 2021	5,300,156	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	13,300,156	13,300,156
<u>PG Sri Permaisuri</u>				
23 Dec 2021	1,045,984	Otherwise than cash/ Allotment of shares ⁽ⁱ⁾	5,045,984	5,045,984

Notes:

- (i) The issuance of shares was in respect of capitalisation of the net amounts owing to Trax Capital as at 1 October 2021 pursuant to the Acquisitions.
- (ii) The issuance of shares was in respect of capitalisation of the net amounts owing to Trax Capital as at 2 December 2020.

5. INFORMATION ON OUR GROUP *(cont'd)*

None of the shares were issued at a discount, on special terms or based on instalment payment terms.

As at the LPD, each of our subsidiary does not have any outstanding warrants, options, convertible securities and uncalled capital.

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6. BUSINESS OVERVIEW

6.1 Principal Business Activities

We are principally involved in the provision of pawnbroking services.

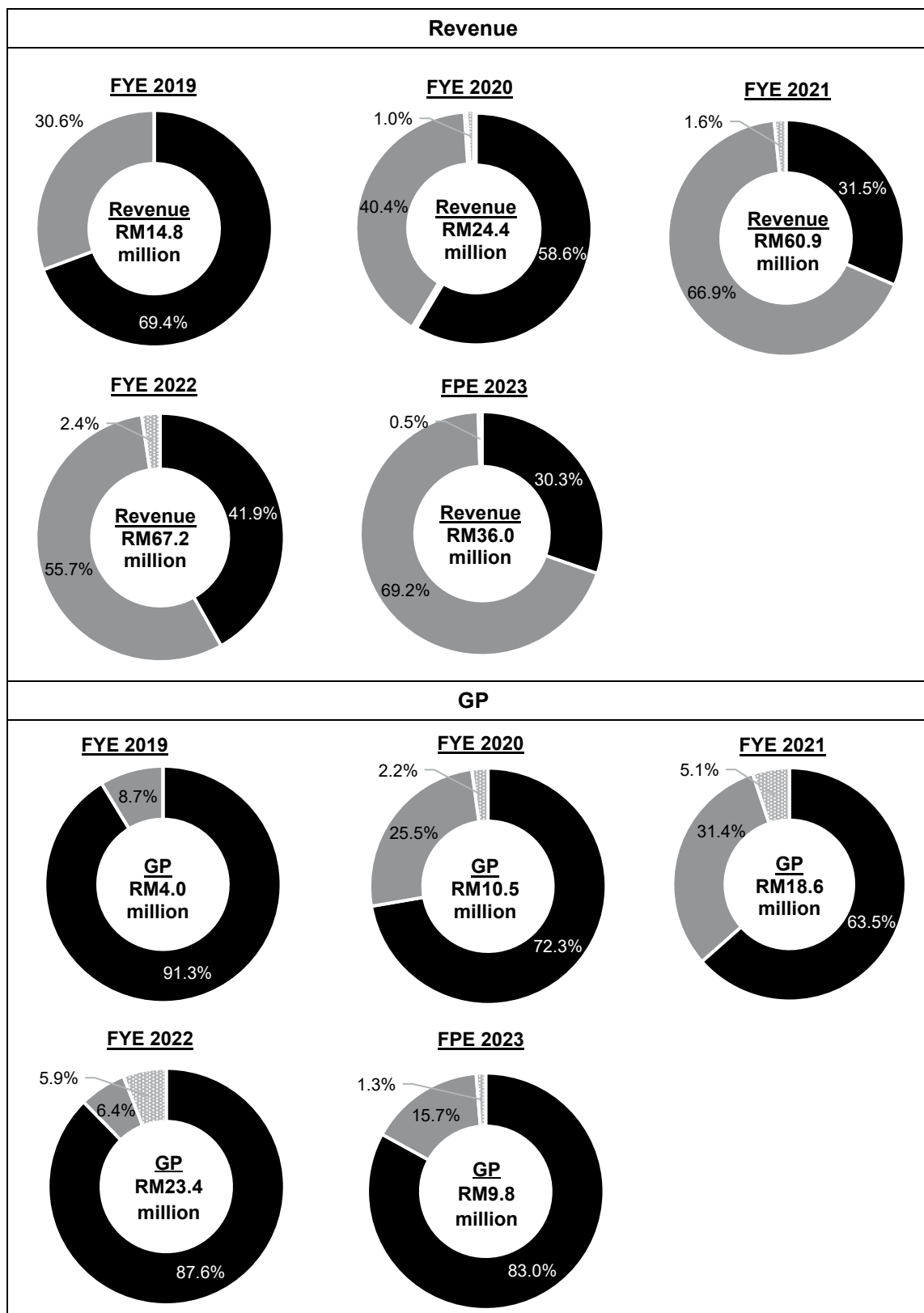
In addition, we are also involved in the business of retail and trading of gold and luxury products as well as provision of pawnbroking consultancy services and IT solutions to third-party pawnbrokers.

Our Group's businesses are as illustrated below:

Business Segment			
	PAWNBROKING SERVICES	GOLD AND LUXURY PRODUCTS RETAIL AND TRADING	PAWNBROKING CONSULTANCY AND IT SOLUTIONS
Products/ Services	Pawnbroking services	<ul style="list-style-type: none"> Sales of pre-owned gold and luxury products (including unredeemed pledged items from our pawnbroking segment) Sales of new gold products 	<ul style="list-style-type: none"> Consultancy services on: <ul style="list-style-type: none"> ➢ setting-up of pawnshops ➢ business models ➢ training of staff ➢ operations support Pawn processing system
Revenue Model	<ul style="list-style-type: none"> Monthly interest based on pawn loan Administrative fee 	One-off sales	<ul style="list-style-type: none"> Monthly consultation fee Monthly IT solution fee based on number of pawn transactions processed under our pawn processing system
Channels	"Pajaking" pawnshops	<ul style="list-style-type: none"> "Cahaya Gold" retail outlets Social media and e-commerce platforms Direct to gold trading companies, scrap gold collectors and luxury product retailers 	Direct to pawnbrokers
Customers	Individuals aged 18 and above	<ul style="list-style-type: none"> Gold trading companies Scrap gold collectors Luxury product retailers End customers 	Pawnbrokers




6. BUSINESS OVERVIEW (cont'd)

Our revenue is derived in Malaysia. The breakdown of our revenue and GP by business activities for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023 are as follows:



6. BUSINESS OVERVIEW (cont'd)

Legend:

-  Pawnbroking
-  Gold and luxury products retail and trading
-  Pawnbroking consultancy and IT solutions

Pawnbroking is our Group's main business segment in terms of GP contribution, whereby GP generated from pawnbroking services contributed 91.3%, 72.3%, 63.5%, 87.6% and 83.0% of our GP for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. The revenue and GP growth from this segment largely depends on our ability to maintain sufficient cash capital for the disbursement of pawn loans to our pawnbroking customers and the market demand for pawn loans as well as the maximum interest rate governed under the Pawnbrokers Act.

Gold and luxury products retail and trading business is our Group's second main business segment, whereby GP generated from this segment contributed 8.7%, 25.5%, 31.4%, 6.4% and 15.7% of our GP for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. The revenue from this segment is largely dependent on, amongst others, the volume of unredeemed pledged items from our pawnbroking business procured by Cahaya Gold, our wholly-owned subsidiary which is principally involved in the gold and luxury products retail and trading business, for onward sales to third-party customers as well as the number of "Cahaya Gold" retail outlets. Notwithstanding, we are focused on continuing to grow our pawnbroking business via the opening of new "Pajaking" pawnshops and/or acquisition of other pawnshops as detailed in Section 6.18 of this Prospectus.

Our business segments are complementary to one another in view of the following:

- (i) our pawnbroking business would need to sell unredeemed pledged items as part of our cash recovery process. As such, we have established our gold and luxury products retail and trading business to complement our pawnbroking business. Please refer to Section 6.1 of this Prospectus for the revenue streams of our pawnbroking business and gold and luxury product retail and trading business; and
- (ii) leveraging on our experience in providing pawnbroking services and our proprietary pawn processing system, we are able to generate an additional revenue stream by offering pawnbroking consultancy and IT solution services to third-party pawnbrokers.

Our principal business segments are as elaborated below:

(i) Pawnbroking services

Pawnbroking services refer to the provision of pawn loans which are short-term loans that are secured as they are backed by collaterals, and are governed by KPKT under the Pawnbrokers Act. As our pawnshops are licensed by KPKT, we adhere to the regulations under the Pawnbrokers Act, which include the maximum interest rate and administrative fees chargeable to our pawnbroking customers as well as the administrative procedures in relation to unredeemed pledged items.

According to the Pawnbrokers Act, a pawnbroker may offer:

- (a) a maximum pawn loan amount of RM10,000 for each pawn ticket issued, and each pawn loan offered can comprise of one or more pledged items (Section 3 of the Pawnbrokers Act);
- (b) a maximum monthly interest rate of 2% on the pawn loan amount over a maximum pawn loan period of 6 months (Sections 17 and 18 of the Pawnbrokers Act and Regulation 17 of the Pawnbrokers Regulations); and

6. BUSINESS OVERVIEW (cont'd)

- (c) a maximum one-off administrative fee of RM0.50 for each pawn ticket issued (Regulation 17 of the Pawnbrokers Regulations).

We provide pawnbroking services through our network of 22 “Pajaking” pawnshops on a daily basis from 9:00 a.m. to 6:00 p.m. in compliance with the permitted operating hours as per Section 16(1)(a) of the Pawnbrokers Act. We currently have 19 pawnshops located in the Klang Valley, while the other 3 pawnshops are located in Negeri Sembilan and Pahang.

Our pawnbroking customers comprise individuals aged 18 and above (Section 16(1)(b) of the Pawnbrokers Act) who seek pawn loans. These individuals may be part of the unbanked or underbanked population, i.e. population that are unserved or underserved by financial institutions. In addition, in accordance with Section 16(1)(ba) of the Pawnbrokers Act, we only provide pawnbroking services to individuals who do not appear to be intoxicated or of unsound mind. Further, in accordance with Section 16(1)(d) of the Pawnbrokers Act, we are prohibited from accepting pledged items if we have justifiable grounds to believe that the items were obtained without the permission of their rightful owners.

We offer pawn loans with loan period of up to 6 months to our pawnbroking customers who pledge their valuable personal items as collaterals. The items we accept as collaterals are valuable items such as gold jewellery, minted gold bars and luxury products.

Pawn loans are calculated as a percentage of the value of the items pledged. The percentage of pawn loan amount offered as compared to the value of the different types of pledged items are as illustrated below:

Type of pledged item	Percentage of pawn loan amount over value of pledged item
Gold products ⁽¹⁾	85% - 95%
Luxury products ⁽²⁾	
• Branded watches	50% - 60%
• Branded bags	30% - 40%
• Certified diamonds	20% - 25%

Notes:

- (1) The value of pledged gold products is calculated based on the prevailing gold price and weight of the gold.
- (2) The pawn loans disbursed for luxury products is less than 3% of our total pawn loans disbursed each year/period during the financial years/period under review.

Our monthly interest rate ranges between 1.5% to 2.0% of the pawn loan amount. The interest rate charged by each of our pawnshop is a fixed interest rate that we pre-determine after taking into consideration, amongst others, the competition within the area where our pawnshop is located. In addition to interest income, we also derive administrative fee of RM0.50 for each pawn ticket issued in accordance with Regulation 17 of the Pawnbrokers Regulations.

Upon expiry of the loan period, our pawnbroking customers may choose to redeem their pledged items (in accordance with Section 18 of the Pawnbrokers Acts), or renew their pawn loans. Customers who opt to renew their pawn loans are required to re-pawn their pledged items to obtain new pawn tickets with a new loan period. Prior to such renewal, our pawnbroking customers are required to fully pay the outstanding interest on their existing pawn loans. Upon full payment of the outstanding interest, we will re-assess the value of the pledged items when they are being re-pawned.

6. BUSINESS OVERVIEW *(cont'd)*

In the event there is a decline in the value of the pledged items which results in a lower pawn loan amount being offered, our pawnbroking customers are required to pay for the difference in cash and/or pledge more items failing which the pledged items will not be entitled for re-pawn.

In accordance with Section 25(1) of the Pawnbrokers Act, a notice will be sent to the customers via registered post on or before the 15th day of the following month after the pawn loan is due in order to notify them that their unredeemed pledged items will be auctioned. In the event our pawnbroking customers do not redeem their pledged items or renew their pawn loans or pay the interests charged when due, the pawn loans will be categorised as defaulted pawn loans. As part of our cash recovery process, we will acquire and sell the unredeemed pledged items (including unredeemed pledged luxury products) in accordance with the Pawnbrokers Act as follows:

- (i) under Section 23(1)(b) of the Pawnbrokers Act, unredeemed pledged items of defaulted pawn loans amount above RM200 will be sent for public auction if the pledged items are not redeemed or the pawn loans are not renewed before the public auction is held. Public auctions are normally conducted at the beginning of every following month after the said reminder notice is issued to the customers.

Under Section 23(2) of the Pawnbrokers Act, a pawnbroker may bid for and purchase their unredeemed pledged items at the public auctions. As such, our pawnbroking subsidiaries will participate in the public auctions to bid for and purchase their unredeemed pledged items for defaulted pawn loans amount above RM200.

In accordance with Regulation 14(1)(g) of the Pawnbrokers Regulations, the reserve price for our unredeemed pledged items shall be set at a premium of 10% over the defaulted pawn loan amount. In bidding for these unredeemed pledged items, we will bid at the reserve price or at a price equivalent to the total interest accrued over the defaulted pawn loan amount, whichever is higher. If our pawnbroking subsidiaries are successful in bidding for these unredeemed pledged items, they will then be sold to Cahaya Gold for onward sale to third-party customers; and

- (ii) under Section 23(1)(a) of the Pawnbrokers Act, unredeemed pledged items of defaulted pawn loans amount RM200 and below shall become the property of the pawnbrokers if the said unredeemed pledged items are not redeemed before the expiration of 6 months from the date of pawning. As such, in accordance with Section 23(1)(b) of the Pawnbrokers Act, our pawnbroking subsidiaries will acquire such unredeemed pledged items by taking possession of the items after the pawn loans are due. The unredeemed pledged items will then be sold to Cahaya Gold for onward sale to third-party customers.

These unredeemed pledged items will be sold to Cahaya Gold at the following prices:

- (i) for unredeemed pledged items of defaulted pawn loans amount above RM200, at the successful bid price plus a mark-up of up to 2% per month to the defaulted pawn loan amount calculated from the month after the expiry of the defaulted pawn loan; and
- (ii) for unredeemed pledged items of defaulted pawn loans amount RM200 and below, at the defaulted pawn loan amount plus interests accrued up to the expiry of the pawn loan and a mark-up of up to 2% per month to the defaulted pawn loan amount calculated from the month after the expiry of the defaulted pawn loan.

6. BUSINESS OVERVIEW (cont'd)

The said mark-up is to account for the interest for the period between the month following the expiry of the pawn loan and when the unredeemed pledged items are auctioned or taken possession by our pawnbroking subsidiaries.

Cahaya Gold will then sell these unredeemed pledged items to the end customers or to gold trading companies or scrap gold collectors as further detailed in Section 6.1(ii) of this Prospectus.

Please refer to Section 6.3.1(viii) of this Prospectus for further details relating to the process flow for sales of unredeemed pledged items.

The location of our network of 22 “Pajaking” pawnshops are as follows:

No.	Company	Address	Opening date	Licence expiration date
<u>Kuala Lumpur</u>				
1.	PG Insan Tiara	No. 42A Wisma Kobesi, Jalan Gangsa Off Jalan Suasas 6, Sungai Besi, 57000 Kuala Lumpur, Wilayah Persekutuan	Mar 2012	Mar 2024
2.	PG Adventure ⁽ⁱ⁾	No. 242, Jalan Mahkota, Taman Maluri, 55100 Kuala Lumpur, Wilayah Persekutuan	Dec 2015	Nov 2023
3.	PG Angkasa	No. 424-TB1, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Wilayah Persekutuan	Oct 2017	Oct 2023
4.	PG Kenanga	No. 2 (Lot 1) Ground Floor, Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan	Feb 2018	Jan 2024
5.	PG E Assets ⁽ⁱⁱ⁾	No. 271-G, Jalan Genting Kelang, Setapak, 53300 Kuala Lumpur, Wilayah Persekutuan	Jun 2018	Jun 2024
6.	PG Global Wealth	No. 25 (Ground Floor), Jalan Tun Tan Cheng Lock, 50000 Kuala Lumpur, Wilayah Persekutuan	Jul 2018	Jun 2024
7.	PG Brickfields	No. 86, Ground Floor, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan	Jan 2019	Dec 2024
8.	PG Sri Permaisuri	No. 51, Ground Floor, Jalan Sri Permaisuri 8, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Wilayah Persekutuan	Jan 2019	Dec 2024

6. BUSINESS OVERVIEW (cont'd)

No.	Company	Address	Opening date	Licence expiration date
9.	PG Terus Wangsa ^(v)	No. 32, Ground Floor, Jalan Pandan Indah 1/23A, Pandan Indah, 55100 Kuala Lumpur, Wilayah Persekutuan	Jul 2019	Jul 2025
Selangor				
10.	PG E Assets ⁽ⁱⁱ⁾	Lot 8660, Ground Floor-G1, Wisma Saudagar, Kampung Melayu, 68000 Ampang, Selangor	Feb 2015	Feb 2025
11.	PG Total ^(vi)	No. 37, Jalan DD 3A/1, Taman Dato Demang, Bandar Putra Permai, 43300 Seri Kembangan, Selangor	Jul 2015	Jul 2025
12.	PG Delta ⁽ⁱⁱⁱ⁾	No. 33 (Ground Floor), Jalan Mahkota Residence 1, Bandar Mahkota Cheras, 43200 Cheras, Selangor	Apr 2017	Apr 2025
13.	PG Maju ^(iv)	No. 27, Jalan Bunga Tanjung 6A, Taman Putra, 68000 Ampang, Selangor	Sep 2017	Aug 2025
14.	PG SP	No. 21, Jalan Pelabur B, 23/B, Seksyen 23, 40300 Shah Alam, Selangor	Sep 2017	Aug 2025
15.	PG Delta ⁽ⁱⁱⁱ⁾	No. 55 (Ground Floor), Jalan Besar, 43000 Kajang, Selangor	Jun 2018	Jun 2024
16.	PG Total ^(vi)	No. 108 (Ground Floor), Jalan 1/14, Off Jalan Othman, 46000 Petaling Jaya, Selangor	Aug 2018	Jul 2024
17.	PG Adventure ⁽ⁱ⁾	No. 7, Ground Floor, Jalan Prima Utama 1A, Taman Puchong Prima, 47150 Puchong, Selangor	Dec 2018	Dec 2024
18.	PG Maju ^(iv)	No. 4 (Ground Floor), Jalan Tengku Ampuan Zabedah D9/D, Seksyen 9, 40100 Shah Alam, Selangor	Jan 2019	Dec 2024
19.	PG Sungai Way	No. 589, Jalan 14, Seri Setia, 47300 Petaling Jaya, Selangor	Jun 2019	May 2025

6. BUSINESS OVERVIEW (cont'd)

No.	Company	Address	Opening date	Licence expiration date
<u>Negeri Sembilan</u>				
20.	PG E Assets	No. 152, Jalan Taman Komersil Senawang 1, Taman Komersil Senawang, 70450 Seremban, Negeri Sembilan	Feb 2018	Jan 2024
21.	PG Nilai	No. 8, Ground Floor, Jalan Terminal 1, 71800 Nilai, Negeri Sembilan	Jan 2019	Dec 2024
<u>Pahang</u>				
22.	PG Terus Wangsa ^(v)	No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang	Nov 2012	Nov 2024

Notes:

- (i) PG Adventure owns and operates 2 “Pajaking” pawnshops located at Taman Maluri, Kuala Lumpur and Puchong, Selangor.
- (ii) PG E Asset owns and operates 3 “Pajaking” pawnshops located at Setapak, Kuala Lumpur; Ampang, Selangor and Senawang, Negeri Sembilan.
- (iii) PG Delta owns and operates 2 “Pajaking” pawnshops located at Cheras, Selangor and Kajang, Selangor.
- (iv) PG Maju owns and operates 2 “Pajaking” pawnshops located at Taman Putra, Selangor and Shah Alam, Selangor.
- (v) PG Terus Wangsa owns and operates 2 “Pajaking” pawnshops located at Pandan Indah, Kuala Lumpur and Triang, Pahang.
- (vi) PG Total owns and operates 2 “Pajaking” pawnshops located at Seri Kembangan, Selangor and Petaling Jaya, Selangor.

For complaints regarding our Group’s pawnbroking services, our pawnbroking customers may contact us at +6012 955 5076 or +6017 664 9990 or lodge complaints with KPKT at <https://aduan.kpkt.gov.my/aduan>.

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6. BUSINESS OVERVIEW (cont'd)

The following table sets out the key data for our pawnbroking business for the financial years/period under review:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
Total pawn loans disbursed (RM'000)	132,793	179,517	242,400	351,208	125,631
Total no. of pawn transactions	106,464	121,306	155,201	207,359	69,463
Average pawn loan value (RM) ⁽¹⁾	1,247	1,480	1,562	1,694	1,809
Average pawn loan period (month) ⁽²⁾	4.4	4.7	4.7	4.5	4.9
Default rate (%) ⁽³⁾	9.1	7.6	8.8	11.7	⁽⁴⁾
No. of pawnshops	22	22	22	22	22

Notes:

- (1) Average pawn loan value is computed based on total pawn loans disbursed over total no. of pawn transactions.
- (2) Average pawn loan period is computed based on pawn loan receivables over total pawn loans disbursed multiplied by the number of months during the financial years/period under review.
- (3) Default rate is computed based on total defaulted pawn loans over total pawn loans disbursed. Defaulted pawn loans refer to pawn loans which are not redeemed or renewed.
- (4) Not available as the loan period for some of the pawn loans have not expired.

The following table sets out the performance of our pawnbroking business for the financial years/period under review by region in Malaysia:

		FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
Kuala Lumpur	Total pawn loans disbursed (RM'000)	49,464	72,116	100,947	142,853	43,767
	CAGR (FYE 2019 to FYE 2022)			42.4%		
	Total no. of pawn transactions	46,032	54,103	70,905	94,525	27,742
	CAGR (FYE 2019 to FYE 2022)			27.1%		
	Pawn receivables (RM'000)	22,787	31,790	45,486	63,381	57,358
	No. of pawnshops	9	9	9	9	9

6. BUSINESS OVERVIEW (cont'd)

		FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
Selangor	Total pawn loans disbursed (RM'000)	70,051	89,371	106,820	163,427	64,937
	CAGR (FYE 2019 to FYE 2022)			32.6%		
	Total no. of pawn transactions	49,564	53,628	60,942	84,372	31,293
	CAGR (FYE 2019 to FYE 2022)			19.4%		
	Pawn receivables (RM'000)	32,907	41,814	49,373	81,338	81,245
	No. of pawnshops	10	10	10	10	10
Others ⁽¹⁾	Total pawn loans disbursed (RM'000)	13,278	18,030	34,633	44,928	16,927
	CAGR (FYE 2019 to FYE 2022)			50.1%		
	Total no. of pawn transactions	10,868	13,575	23,354	28,462	10,428
	CAGR (FYE 2019 to FYE 2022)			37.8%		
	Pawn receivables (RM'000)	6,528	9,984	18,056	20,480	20,967
	No. of pawnshops	3	3	3	3	3

Note:

(1) Comprise of our pawnshops located in Negeri Sembilan and Pahang.

During the financial years/period under review and up to the LPD, our cash capital has been generated from internally generated funds, borrowings from financial institutions, and shareholders' and related parties' capital injections and/or advances. As at the LPD, our borrowings' interest rates ranged from 2.8% to 7.4% per annum.

(ii) Retail and trading of gold and luxury products

In addition to provision of pawnbroking services, we are also involved in the business of retail and trading of gold and luxury products, whereby Cahaya Gold sells pre-owned gold and luxury products (including unredeemed pledged items obtained from our pawnbroking segment) as well as new gold products procured from gold trading companies.

We retail and trade gold and luxury products through the following avenues:

- "Cahaya Gold" retail outlets located at Jalan Chan Sow Lin, Jalan Genting Kelang and Ampang in Kuala Lumpur;
- Cahaya Gold's website (<https://cahayagold.com/>) as well as social media and e-commerce platforms such as Facebook Live sessions, Telegram, WhatsApp, Instagram, Tik Tok and Shopee; and
- direct to gold trading companies, scrap gold collectors and luxury product retailers.

6. BUSINESS OVERVIEW (cont'd)

Our retail and trading of gold and luxury products business involves the sales of the following type of products:

(a) Pre-owned gold and luxury products

We obtain pre-owned gold and luxury products via the following means:

- **Unredeemed pledged items from our pawnbroking segment**

During the course of operating our pawnbroking business, there are customers who do not redeem their pledged items or renew their pawn loans or pay for the interests charged when due. Such pawn loans are categorised as defaulted pawn loans. As set out in Section 6.1(i) of this Prospectus, these unredeemed pledged items will be procured by our pawnbroking subsidiaries, which will then be sold to Cahaya Gold for its onward sale as part of the cash recovery process for our pawnbroking segment.

Cahaya Gold will then complete the cash recovery process by selling the unredeemed pledged items (that are not in good condition) to gold trading companies, scrap gold collectors and luxury products retailers as follows:

- (aa) unredeemed pledged gold items that are not in good condition will be sold by Cahaya Gold to gold trading companies and scrap gold collectors within the same month the said items were acquired from public auctions or taken possession by our pawnbroking subsidiaries; and
- (bb) unredeemed pledged luxury products will be sold by Cahaya Gold to luxury product retailers regardless of whether they are in good condition or otherwise, within the same month the said items were acquired from public auctions or taken possession by our pawnbroking subsidiaries.

Unredeemed pledged gold items that are in good condition will be retained and sold through our “Cahaya Gold” retail outlets, as well as through Cahaya Gold’s website and via social media and e-commerce platforms. Generally, we are able to sell these unredeemed pledged gold items within 2 months the said items were acquired from public auctions or taken possession by our pawnbroking subsidiaries.

- **Pre-owned gold products from third-party pawnshops, gold trading companies and walk-in individuals**

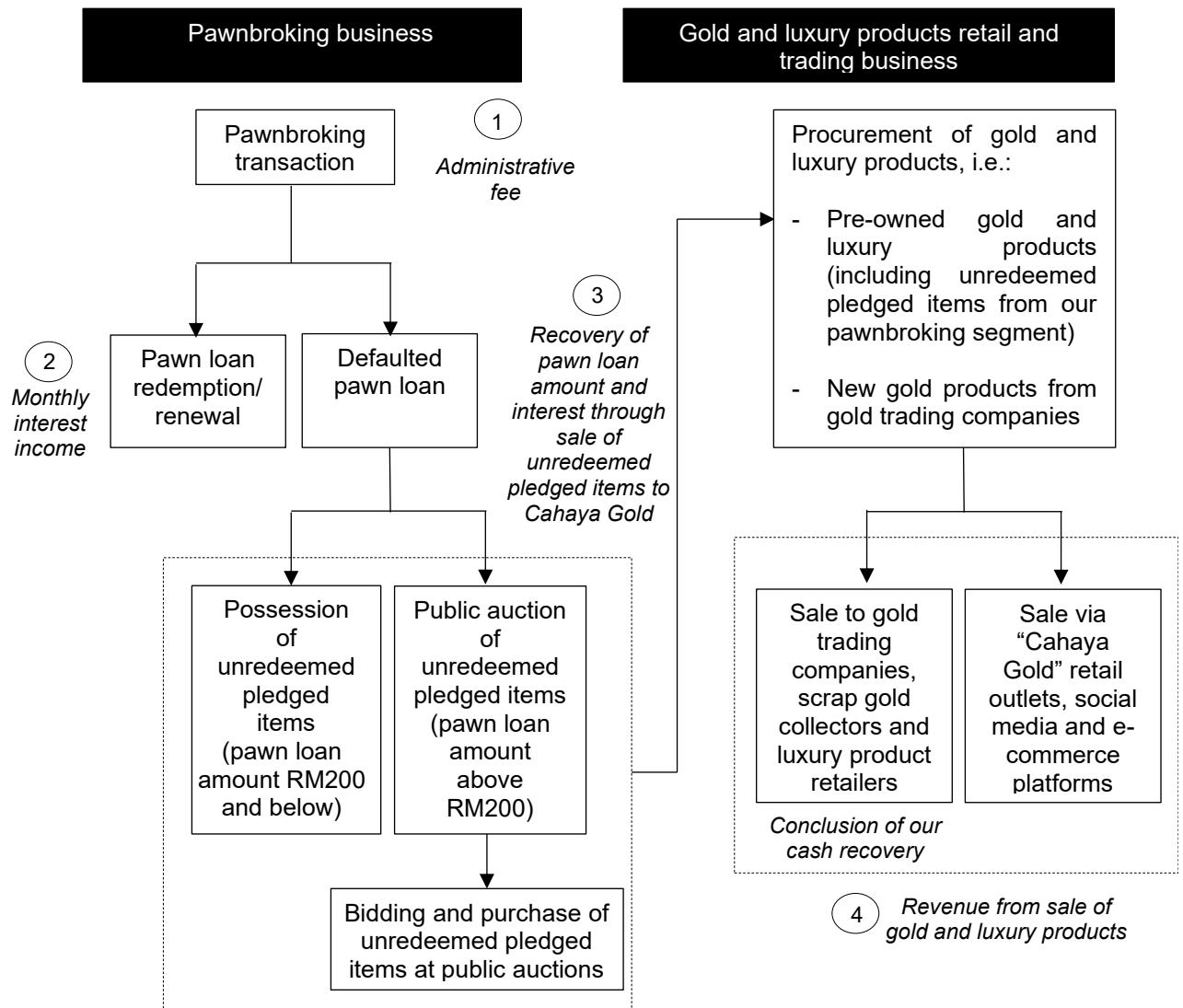
We also purchased pre-owned gold products from third-party pawnshops (which are already in their possession), gold trading companies as well as walk-in individuals who directly sell their pre-owned gold products to our “Cahaya Gold” retail outlets.

Pre-owned gold products that are in good condition will be sold at our “Cahaya Gold” retail outlets, as well as through Cahaya Gold’s website and via social media and e-commerce platforms. Meanwhile, pre-owned gold products that are not in good condition will be sold by Cahaya Gold to gold trading companies and scrap gold collectors.

6. BUSINESS OVERVIEW (cont'd)**(b) New gold products**

New gold products refer to new gold jewellery and minted gold bars that Cahaya Gold purchased from gold trading companies. These new gold products are sold at our “Cahaya Gold” retail outlets, as well as through Cahaya Gold’s website and via social media and e-commerce platforms. In addition, Cahaya Gold also sell customised new gold products such as minted gold bars and gold coins to gold trading companies upon their request for such customised new gold products.

In summary, the revenue streams of our pawnbroking business and gold and luxury product retail and trading business are as depicted below:



6. BUSINESS OVERVIEW (cont'd)

(iii) Pawnbroking consultancy and IT solution services

Leveraging on our experience in pawnbroking, we provide the following services to third-party pawnbrokers in order to generate an additional revenue stream to our Group:

(a) Consultation services:

We provide general consultation services to third-party pawnbrokers whom we have identified to be not in direct competition with our "Pajaking" pawnshops. The consultations provided are mainly in relation to the general operating procedures to be followed by a pawnbroker, which includes the necessary regulatory requirements to be complied by a pawnbroker. Set out below is a summary of our consultation services:

(aa) Setting-up of pawnshop

We advise the pawnbrokers in terms of the necessary security measures to be put in place such as specifications of the strong room as well as the necessary monitoring system and the pawnshop's layout for smooth business conduct. In addition, we also advise these pawnbrokers in terms of the necessary machine and equipment to be used to verify the authenticity, purity and weight of pledged gold products.

(bb) Business model

The pawnbrokers will also seek our advice in determining the appropriate interest rates (or safekeeping fees for Islamic pawnbroking), percentage of loan amount, and other related charges. As we understand the pawnbroking industry, we are able to provide the pawnbrokers with information on the suitable range of interest rates and fees to be charged. These include information on the interest rates levied by other pawnbrokers located within the vicinity of the pawnshops of these pawnbrokers.

(cc) Training of staff

We provide training to the pawnbrokers' staff in order to guide them on the necessary operating procedures to follow in verifying the purity, density and weight of pledged gold products. We also provide training to their staff in terms of appropriate business conduct and ethics, including compliance with the AMLA.

(dd) Operations support services

Apart from the above, we also advise the pawnbrokers on their marketing activities as well as appropriate standard operating procedures for the operation of their pawnshops.

We charge a monthly consultation fee to these pawnbrokers for the above services rendered. The monthly fee charged is based on a percentage of the pawnshop's earnings subject to a pre-agreed minimum fee during the consultation period. We are presently contracted to provide pawnbroking consultancy services to 3 Islamic pawnshops owned by a co-operative society on an annual basis, subject to automatic renewal.

6. BUSINESS OVERVIEW (cont'd)

(b) IT solutions

We have a proprietary pawn processing system for the use of our “Pajaking” pawnshops. This system allows for recording of details and photos of pledged items, pawn tickets details, customers’ personal details, pawn loans amount and interests.

In addition, the system also includes features which prevent transactions with blacklisted individuals under the sanction lists maintained by BNM, UNSCR, MOHA and FATF and/or individuals who have a history of pawning counterfeit or unlawful items. Further, the system will also notify users when dealing with Politically Exposed Persons and related individuals, so that enhanced customer due diligence is performed for such transactions.

In addition to using the pawn processing system for our “Pajaking” pawnshops, we also provide the system to third-party pawnbrokers. We charge the third-party pawnbrokers a monthly IT solution fee at a pre-agreed rate for each pawn transaction processed under the system. We are presently contracted to provide such IT solutions to 1 third-party pawnbroker on an annual basis, subject to automatic renewal.

6.2 Competitive Strengths

Our key competitive strengths which have enabled us to compete effectively in the industries that we are operating in are as follows:

(i) We are able to serve the unbanked and underbanked population

The unbanked population, who do not have personal bank accounts, will face difficulties in securing financing from financial institutions. Further, the underbanked population, who do not meet financial institutions’ credit requirements, such as income requirements and credit score ratings, will have limited access to credit facilities. As such, the unbanked and underbanked population rely on cash or other alternative financial services for financing and funding.

Our pawnbroking services fill the gap not served by financial institutions as our pawn loans offer an alternative for the unbanked and underbanked population by allowing them to convert their valuable personal items into cash in order to meet their funding needs. Through our pawnbroking services, our pawnbroking customers are able to receive funds within a relatively quick processing time, typically within an hour.

(ii) We have a network of pawnshops which are strategically located and adhere to the regulations and guidelines issued by KPKT

As at the LPD, we have a total of 22 “Pajaking” pawnshops which are strategically located in areas with high foot traffic and commercial activity. In addition, our pawnshops are concentrated in the Central region, namely Kuala Lumpur, Selangor and Negeri Sembilan, which are densely populated. By having pawnshops that are strategically located, our pawnshops have visibility and accessibility to a larger target reach.

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6. BUSINESS OVERVIEW (cont'd)

Further, in accordance with Sections 7, 10 and 10B of the Pawnbrokers Act, all pawnshops in Malaysia must be operated by sole proprietors or companies that hold licences issued by KPKT which are valid for 2 years, and are required to apply for renewal of such licences at least 60 days before their expiry. In order to obtain and/or renew this licence, the pawnbroker must adhere to the following key regulations under the Pawnbrokers Act:

- As stipulated under Regulation 8 of the Pawnbrokers Regulations, a pawnshop's signboards need to state:
 - Company registration number, pawnbroker's licence number and validity period;
 - Name, address and phone number of the pawnshop;
 - Advertisement permit number and validity period; and
 - Interest rate being offered;
- Maximum monthly interest rate of 2.0% on the pawn loan (Regulation 17 of the Pawnbrokers Regulations), and maximum pawn loan provided under each pawn ticket of RM10,000 with loan duration of up to 6 months (Sections 3 and 18 of the Pawnbrokers Act);
- Submit a transaction statement to KPKT detailing all pawn transactions carried out in the year, no later than the 1 February of the following year (Regulation 22 of the Pawnbrokers Regulations); and
- Pawnbrokers are required by law to undertake preventive measures to prevent their pawnshops from being used as conduits for money laundering and terrorism financing activities. Pawnbrokers are obligated to conduct customer due diligence, keep proper records of their customers and transactions, and report suspicious transactions under the AMLA, which provides for the offence of money laundering and terrorism financing and the measures to be undertaken for the prevention of money laundering and terrorism financing offence.

As at the LPD, we have obtained and renewed the respective pawnbroker's licences for all of our 22 "Pajaking" pawnshops, which is a testament that we are able to meet the requirements under the Pawnbrokers Act.

(iii) We have experienced and committed Executive Directors and key management personnel

Our success is driven by a team of experienced and committed Executive Directors and key management personnel led by our Group Managing Director, Dato' Low, who has approximately 11 years of experience in the pawnbroking industry. He is supported by our Executive Directors and a dedicated key management team consisting of the following personnel:

Executive Director and key management personnel	Designation	Years of relevant experience
Datin Tea	Executive Director	11
Low Kai Loon	Executive Director	7
Sing Suk Fuen	Chief Executive Officer	15
Tan Chai Seong	Chief Operating Officer	34
Hee Chee Keong	Chief Financial Officer	30

6. BUSINESS OVERVIEW (cont'd)

Collectively, our management has an average of approximately 18 years of relevant experience in their respective fields. Their experience and leadership capabilities are expected to continue contributing positively to our future growth and prospects. Please refer to Sections 8.1.2 and 8.3.2 of this Prospectus for the profiles of our Executive Directors and key management personnel respectively.

In addition, we also ensure that our pawnshops are staffed by operations personnel who are trustworthy, skilled and competent in providing pawnbroking services. To that end, new personnel at each pawnshop are trained by our Chief Operating Officer as well as other senior personnel in order to equip them with the necessary knowledge to verify the purity, density and weight of pledged gold items. In addition, all operations personnel are also required to attend annual training in order to keep abreast of the latest developments in the pawnbroking industry as well as related regulatory requirements.

(iv) **We leverage on our proprietary pawn processing system to enhance our operational efficiency and standardise our operating procedures**

We have a proprietary pawn processing system for the use of our “Pajaking” pawnshops.

Our proprietary pawn processing system allows for recording of details and photos of pledged items, pawn tickets details, customers’ personal details, pawn loans amount and interests. The system also includes features which prevent transactions with blacklisted individuals under the sanction lists maintained by BNM, UNSCR, MOHA, FATF and/or have a history of pawning counterfeit or unlawful items. The system will also notify the users when dealing with Politically Exposed Persons and related individuals, so that enhanced customer due diligence is performed for such transactions.

The system automates our recordkeeping of pawn transactions and pledged items, which saves us the time taken as compared to manually recording these information as well as allows us to minimise human errors and optimise our operations process.

We believe that by incorporating the proprietary system in our operations process, we have been able to effectively and systematically serve our pawnbroking customers as well as manage our cash capital and the pledged items across all our pawnshops. In addition, the use of the proprietary system also allows us to rapidly expand our pawnbroking business without compromising our services.

Further, our proprietary pawn processing system also contains a database of our pawnbroking customers which holds information such as transaction history, risk profile and demographic. The database enables us to analyse market trends and thereby, allows us to make strategic business decisions from time to time. For information, the server and backup of our pawn processing system is kept separately in 2 third-party data centres.

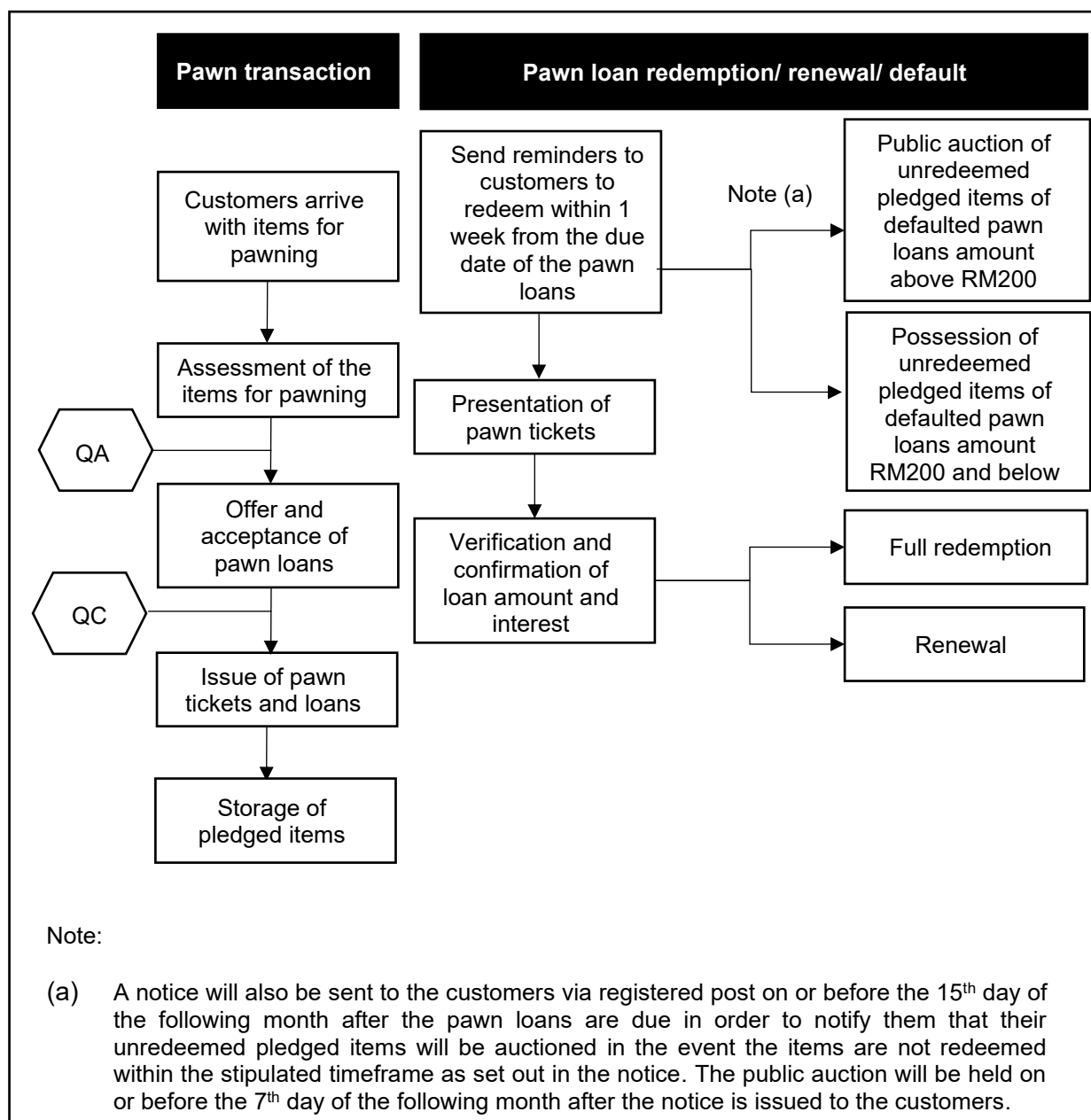
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6. BUSINESS OVERVIEW (cont'd)

6.3 Process Flows

6.3.1 Pawnbroking services

Our pawnbroking service process flow is as follows:



(i) Customers arrive with items for pawning

Potential customers present their valuable personal items for pawning, together with their identification documents for verification and recording purposes. The customers are then informed about the terms and conditions of our pawnbroking services before we proceed to verify their identification documents.

Upon their agreement with our terms and conditions, our operations assistants will verify and/or record the customers' identity by using fingerprint scanners on MyKad readers for local customers or taking fingerprints and passport details of foreign customers.

6. BUSINESS OVERVIEW (cont'd)

We will cross-check the customers' name with the sanction lists maintained by BNM, UNSCR, MOHA, FATF and/or list of individuals who have a history of pawning counterfeit or unlawful items. We will also perform enhanced customer due diligence for pawn loans of RM3,000 and above or aggregate pawn loan transactions performed in the same day amounting to RM3,000 and above or for transactions that we deemed suspicious. The enhanced customer due diligence processes involve the gathering of additional information, risk profiling and requiring individuals that are high-risk or Politically Exposed Persons (including individuals related to Politically Exposed Persons) to declare where they have obtained the pledged items and/or source of wealth, as further elaborated in Section 6.5(iii) of this Prospectus.

Only customers whom we have identified to not be in the abovementioned sanction lists and have passed our know-your-customer process as set out in Section 6.5(iii) of this Prospectus (including customers whom we have performed enhanced customer due diligence) will be accepted.

(ii) Assessment of the items for pawning

Our operations assistants will assess the items for pawning as follows:

- (aa) For gold products, an appraisal would be carried out by our operations assistants or branch supervisors/managers to verify their purity, density and weight. For gold products with precious stones, our branch supervisors/managers will estimate the weight of the precious stones in order to determine the net weight of the gold as the value of the said gold products will be based on the net weight of the gold. The estimated net weight of the gold as well as the market prices of gold will be used to determine the value of the gold products. The market price of gold are determined based on the prevailing spot gold price, which is regularly updated in our pawnbroking processing system and communicated to the operations personnel at all our pawnshops.

For gold products that have certified diamond(s), the value of such gold products will be based on the estimated net weight of the gold plus the indicative value of the certified diamond(s) which will be assessed separately according to the procedures as set out in Section 6.4 of this Prospectus; and

- (bb) For luxury products such as branded watches and bags, as well as certified diamonds, our branch supervisor/manager will determine their authenticity and only luxury products that have been verified to be authentic will be accepted. Thereafter, our branch manager together with our Chief Operating Officer will confirm the indicative value with luxury product retailers who would be keen to purchase the products should they be unredeemed in the future.

(iii) Offer and acceptance of pawn loans

Upon completing the assessment procedure, we will then calculate the pawn loan amount to be offered to the customers as a percentage of the value of the items to be pledged as illustrated below:

Type of pledged item	Percentage of pawn loan amount over value of pledged item
Gold products	85% - 95%
Luxury products	
• Branded watches	50% - 60%
• Branded bags	30% - 40%
• Certified diamonds	20% - 25%

6. BUSINESS OVERVIEW *(cont'd)*

(iv) Issue of pawn tickets and loans

If the customers agree with the pawn loans amount, pictures of the pledged items and details of the pawn tickets (including customers' personal details; serial number of the pawn tickets; value and description of the pledged items; pawn loans amount, interest and expiry date) will be entered into our pawn processing system (Section 14 of the Pawnbrokers Act as well as Regulations 11 and 12 of the Pawnbrokers Regulations). The customers will also check, verify and sign the pawn tickets.

Before disbursing the pawn loans, we will carry out a final check of the details of the pawn tickets as well as explain the details to the customers. Our branch supervisors, branch managers and/or Chief Operating Officer will also check the weight of the gold products and/or confirm the indicative value of the gold or luxury products. We will then disburse the pawn loans to the customers either in cash or via bank transfer, and the pawn tickets will be provided to the customers.

(v) Storage of pledged items

Thereafter, we will seal the pledged items together with the counterfoil of the pawn tickets into individual plastic bags. These bags are then stored in a safe cabinet in the strong room at the respective pawnshops (Section 16(2) of the Pawnbrokers Act), sorted according to the serial number of the pawn tickets for easy retrieval.

(vi) Pawn loan redemption

We will carry out the following processes for pawn loan redemption:

(aa) Send reminders to customers to redeem

Customers will be given reminders to redeem their pledged items through a text message within 1 week from the due date of the pawn loans.

(bb) Presentation of pawn tickets

In order to redeem their pledged items, the customers are required to present their pawn tickets (Section 18 of the Pawnbrokers Act) and identification documents at the respective pawnshops.

If the customers lose their pawn tickets, then in accordance with Section 21 of the Pawnbrokers Act, they may request a copy of the pawn ticket by presenting their identification documents. We also require, as an additional and voluntary precautionary measure, the customer to provide a declaration letter which has been affirmed by a Commissioner for Oaths for our verification. We will only reprint the pawn ticket once we have verified the customer's identity.

However, in accordance with Section 21 of the Pawnbrokers Act, during a period of 7 days from the date of re-issuance of such pawn tickets, we are not allowed to return the pledged items to any persons presenting the pawn tickets, unless ordered by a magistrate.

(cc) Verification and confirmation of loan amount and interest

Upon verification of the customers' identities, the operations assistants will verify the outstanding pawn loan amount and interest which are generated from our pawn processing system.

6. BUSINESS OVERVIEW (cont'd)

(dd) Full redemption

Once the outstanding pawn loan amount and interest are paid in full via cash or bank transfers, the pledged items will be retrieved from our strong room. We will then update our pawn processing system and our operations assistants will retain the pawn tickets that have been presented by the customers. The pledged items will then be returned to the customers together with the payment receipt.

(vii) Pawn loan renewal

Apart from full redemption, the customers may choose to renew the pawn loans with a new validity period of up to 6 months by re-pawning the pledged items. Prior to such renewal, the customers are required to fully pay the outstanding interest on the existing pawn loans.

We will re-assess the value of the pledged items when they are being re-pawned. In the event there is a decline in the value of the pledged items which results in a lower pawn loan amount being offered, the customers are required to pay for the difference in cash and/or pledge more items failing which the pledged items will not be entitled for re-pawn.

If the pledged items are entitled for re-pawn, a new pawn ticket will be issued whilst the old pawn ticket will be collected from the customer and kept at the respective pawnshop for record purposes. The counterfoil of the new pawn tickets will be sealed together with the pledged items and stored in the safe cabinet in the strong room at the respective pawnshops.

As long as the customers fully pay the outstanding interest and renew the pawn loans within the loan period, there is no limit to the number of renewals of the pawn loans.

(viii) Pawn loan default

In accordance with Section 23(1) of the Pawnbrokers Act, for defaulted pawn loans:

- (aa) with loan amount above RM200, the unredeemed pledged items shall be disposed by sale through public auctions conducted by licensed auctioneers. Under Section 23(2) of the Pawnbrokers Act, a pawnbroker may bid for and purchase their unredeemed item pledged at a public auction. As such, for defaulted pawn loans amount above RM200, our pawnbroking subsidiaries will participate in the public auctions to bid for and purchase their unredeemed pledged items; and
- (bb) with loan amount RM200 and below, the unredeemed pledged items shall become the property of the pawnbroker.

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6. BUSINESS OVERVIEW *(cont'd)*

Thus, if our customers do not redeem or renew their pawn loans, we will perform the following:

(aa) Sales of unredeemed pledged items via public auctions for defaulted pawn loans amount above RM200

If the customers do not renew or redeem their pledged items when the pawn loans are due, a reminder will be sent to the customers via text message within 1 week after the pawn loans are due. We will subsequently send a notice to the customers via registered post on or before the 15th day of the subsequent month the pawn loans are due (Regulation 14(1)(d) of the Pawnbrokers Regulations) in order to notify them that the unredeemed pledged items will be auctioned in the event the items are not redeemed within the stipulated timeframe as set out in the notice. Simultaneously, a list of pledged items that are unredeemed will be compiled and sent to KPKT on a monthly basis to inform KPKT to arrange for the auction of the said items. The final list of unredeemed pledged items will be submitted to a licensed auctioneer that is registered with KPKT 1 day prior to the public auction.

These public auctions are normally conducted at the beginning of every month by the licensed auctioneers. The licensed auctioneers will advertise the public auctions at least 10 days before the auction date in a local newspaper. Any persons registered with the licensed auctioneers, including us, may bid for the unredeemed pledged items at the public auctions. After the public auctions, we will send a list of the unredeemed pledged items sold during the public auctions in the preceding month as required under Section 23(3) of the Pawnbrokers Act. We are also required to maintain a record book for the purpose of recording all sales of unredeemed pledged items in accordance with Regulation 13 of the Pawnbrokers Regulations.

The public auctions for unredeemed pledged items will be held on or before the 7th day of the following month after the notices are issued to the customers. Our pawnbroking subsidiaries will participate in the public auctions in order to bid for and purchase their unredeemed pledged items. In bidding for these unredeemed pledged items, we will bid at the reserve price or at a price equivalent to the total interest accrued over the defaulted pawn loan amount, whichever is higher.

If our pawnbroking subsidiaries are successful in bidding and purchasing these items from the public auctions, they will then be sold to Cahaya Gold at the successful bid price plus a mark-up of up to 2% per month of the pawn loan amount (calculated from the month after the expiry of the defaulted pawn loan) to account for the interest for the period between the month following the expiry of the pawn loan period and when the unredeemed pledged items are auctioned, which is typically 1 month.

Under Section 25 of the Pawnbrokers Act, if an unredeemed pledged item with pawn loan amount above RM200 is sold for an amount more than the value of the pawn loan amount and the interest due, we must inform our pawnbroking customer, as prescribed under Regulation 15 and Schedule M of the Pawnbrokers Regulations, of the said surplus within 7 days after the public auction via registered post. Our pawnbroking customer has up to 4 months from the date the notice is served to claim the surplus. If the surplus remains unclaimed after the stipulated time, it will be remitted to the Accountant General's Department of Malaysia within 14 days in accordance with Section 26 of the Pawnbrokers Act.

6. BUSINESS OVERVIEW *(cont'd)*

(bb) Sales of unredeemed pledged items for defaulted pawn loans amount RM200 and below

If the customers do not renew or redeem their pledged items when the pawn loans are due, our pawnbroking subsidiaries will take possession of the unredeemed pledged items, which will then be sold to Cahaya Gold at a price based on the pawn loan amount together with the outstanding interests permitted under Regulation 17 of the Pawnbrokers Regulations plus a mark-up of up to 2% per month of the pawn loan amount to account for the interest for the period between the month following the date of default and when we take possession of such unredeemed pledged items.

It is our duty to ensure the safekeeping of our pawnbroking customers' pledged items and to insure the pledged items against loss or damage. In the event any of our pawnbroking customers' pledged items are lost, damaged or destroyed, in accordance with Section 22(3) of the Pawnbrokers Act, our pawnbroking subsidiaries will compensate 25% of the pawn loan amount to the affected pawnbroking customers and the affected pawnbroking customers will not be required to repay the outstanding pawn loan amounts and the interests will be waived.

6.3.2 Retail and trading of gold and luxury products

Our subsidiary, Cahaya Gold, procures pre-owned gold and luxury products, which includes unredeemed pledged items from our pawnbroking subsidiaries as well as pre-owned gold products procured from third-party pawnshops, gold trading companies and walk-in individuals to our "Cahaya Gold" retail outlets, for onward sales to third party customers. In addition, Cahaya Gold also procures new gold products from gold trading companies for onward sales to third party customers.

(i) Retail sales of gold products

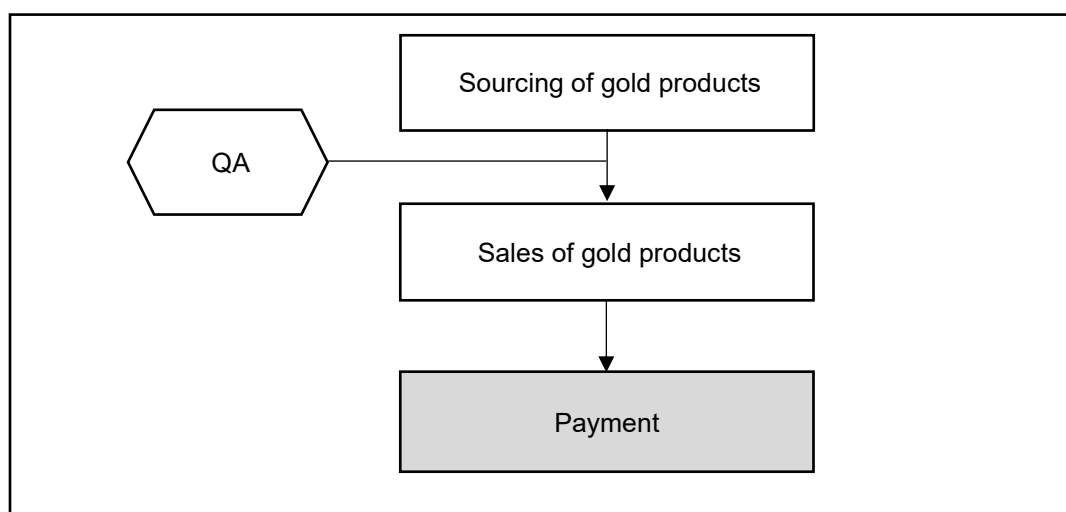
We sell pre-owned gold products that are in good condition as well as new gold products to end customers at our "Cahaya Gold" retail outlets, as well as through gold trading companies and scrap gold collectors. Pre-owned gold products are sold at a mark-up over the prevailing market price of gold whilst new gold products are sold at a mark-up over the prevailing market price of gold plus labour charges.

In addition, we also sell customised new gold products such as minted gold bars and gold coins to gold trading companies upon their request for such customised new gold products. These minted gold bars and gold coins are sold at a mark-up over the prevailing market prices of gold.

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6. BUSINESS OVERVIEW (cont'd)

The operational process flow for our retail sales of pre-owned and new gold products are as follows:



(a) Sourcing of gold products

We procure new gold products from gold trading companies. Meanwhile, pre-owned gold products are mainly procured by Cahaya Gold from our pawnbroking subsidiaries, of which unredeemed pledged gold items of defaulted pawn loans amount above RM200 are obtained by our pawnbroking subsidiaries from public auctions while unredeemed pledged gold items of defaulted pawn loans amount RM200 and below are taken possession of by our pawnbroking subsidiaries. In addition, we also procure pre-owned gold products from third-party pawnshops and walk-in individuals to our “Cahaya Gold” retail outlets.

For clarification purposes, pre-owned gold products procured from third-party pawnshops are in respect of pre-owned gold products that are already in their possession. It is our practice to procure such pre-owned gold products from the third-party pawnshops instead of directly from public auctions as we can inspect and assess the quality of such pre-owned gold products prior to purchasing from the third-party pawnshops, which we are unable to do so at public auctions.

(b) Sales of gold products

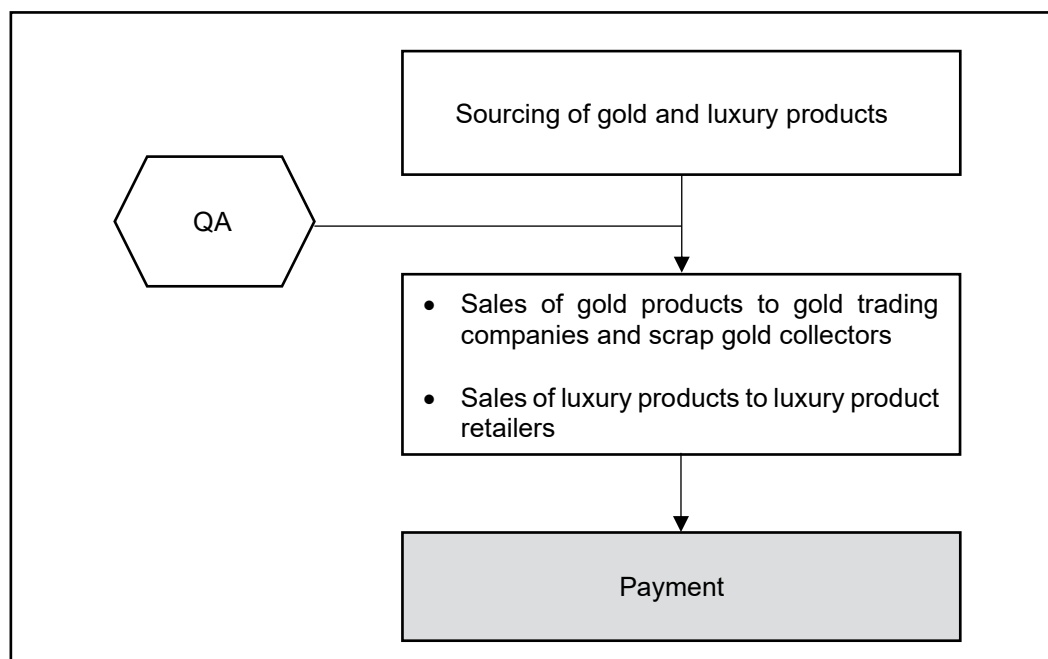
Customers can purchase our gold products either at our “Cahaya Gold” retail outlets, or through our website (<https://cahayagold.com/>) and social media and e-commerce platforms such as Facebook Live sessions, Telegram, Whatsapp, Instagram, Tik Tok and Shopee.

(c) Payment

If the customers make purchases at our “Cahaya Gold” retail outlets, they have the option to pay by either cash, bank transfer or credit card. If the purchases are made via our website (<https://cahayagold.com/>) or social media platforms, the customers can only pay via bank transfer.

6. BUSINESS OVERVIEW (cont'd)**(ii) Trading of gold and luxury products**

We sell pre-owned gold products that are not in good condition to gold trading companies and scrap gold collectors, as well as unredeemed pledged luxury products procured from our pawnbroking subsidiaries to luxury product retailers. The operational process flow for our trading of gold and luxury products are as follows:

**(a) Sourcing of gold and luxury products**

Cahaya Gold mainly procures pre-owned gold and luxury products from our pawnbroking subsidiaries, of which unredeemed pledged items of defaulted pawn loans amount above RM200 are obtained by our pawnbroking subsidiaries from public auctions while unredeemed pledged items of defaulted pawn loans amount RM200 and below are taken possession of by our pawnbroking subsidiaries. In addition, we also procure pre-owned gold products from gold trading companies, third-party pawnshops and individuals.

(b) Sales of gold and luxury products

We sell pre-owned gold products that are not in good condition directly to gold trading companies or scrap gold collectors. Unredeemed pledged luxury products acquired from our pawnbroking subsidiaries are sold directly to luxury product retailers regardless of whether they are in good condition or otherwise.

(c) Payment

The customers make payment by cash or bank transfer.

6. BUSINESS OVERVIEW *(cont'd)*

6.3.3 Pawnbroking consultancy and IT solution services

(i) Pawnbroking consultancy services

The operational process flow begins when potential customers approach us for our pawnbroking consultancy services. A meeting will be conducted with the customers to understand their requirements. Thereafter, we will prepare a proposal detailing our scope of work and proposed fee.

Once our engagement is confirmed and a contract is signed, we will conduct a site visit of the business premises (if available) or review the layout plans of the business premises. We will also assess their existing operations process, interest rates and other charges and thereafter, leveraging on our experience in pawnbroking, advise them in terms of a suitable pawnshop's layout, best practices in terms of operations process as well as suitable interest rates and other charges to be levied.

We will subsequently conduct training for their staff to ensure that the staff understand the operations process being put in place. In addition, we also periodically provide updates to our customers' senior personnel to ensure that they are kept abreast of the latest best practices, regulations and guidelines pertaining to the pawnbroking industry.

If required by our customers, we will also consult them in terms of suitable marketing activities (such as advertisements and promotions) to be carried out.

(ii) IT solution services

Upon receiving sales enquiries, we will arrange for meetings with potential customers to present the functionalities of our proprietary pawn processing system and provide quotations for subscriptions to the system. Once the potential customers accept our quotations, we will mobilise our IT personnel to install the system for our customers at their pawnshops.

After the installation, we will continue to provide our customers with system upgrades and technical support (which includes troubleshooting any technical issues remotely) throughout the subscription period.

6.4 QA/QC Procedures

The QA procedures for our pawnbroking as well as gold and luxury products retail and trading business segments center on the assessment of pledged items or products we procure. This is to ensure the authenticity of the pledged items and gold products that we procure.

The verification procedures for our pawnbroking business are carried out by our operations assistants or branch supervisors/managers. Prior to the disbursement of pawn loans, a different branch supervisor/manager at the same "Pajaking" pawnshop and/or our Chief Operating Officer will counter-check the weight of the gold products and/or confirm the indicative value of the gold or luxury products. The following are the procedures we implement for each type of item/product:

6. BUSINESS OVERVIEW (cont'd)

Type of item/product	Procedures
Gold products	We weigh the gold products to determine their weight. For gold products with precious stones, our branch supervisors/managers will estimate the weight of the precious stones based on the reference table in our "Pajaking" pawnshops in order to determine the net weight of the gold. Thereafter, the following tests are performed on the gold products to verify their purity and density:

(i) Visual test using a magnifier

A visual test is conducted to inspect the markings on the gold products to check for similarities to the general market design or list of fake gold products that have been provided by the police or industry stakeholders such as scrap gold collectors.

The markings may also denote the purity and grade of the gold.

(ii) Acid tests using nitric acid and hydrochloric acid

An acid test is carried out by scraping a small section of the gold products against a black stone to form a gold line. The gold line will be tested by dripping nitric acid on it. If the colour remains, the gold products pass the nitric acid test.

The process is then repeated using hydrochloric acid. If the colour remains, the gold products pass the hydrochloric acid test.

If the colour changes or disappears in either of the acid tests, the gold products are rejected.

6. BUSINESS OVERVIEW (cont'd)

Type of item/product	Procedures
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Gold products (cont'd)	(iii) Magnet test using a magnet
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A magnet is used to test if the gold products are attracted to the magnet. If the gold products are not attracted to the magnet, the gold products pass the magnet test.

However, if the gold products are attracted to the magnet, this denotes that the products are not gold and will be rejected.

(iv) Density test using a densimeter

The densimeter is used to calculate the density of the gold products. The gold products pass the test if the density is more than 15 grams per cubic centimetre, depending on the grade of the gold.

If the gold products have a lower density than 15 grams per cubic centimetre, the gold products are rejected.

Luxury products	Our branch supervisors/managers will check the following to verify the authenticity of the luxury products:
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(i) Branded watches and bags

- Logo, model and serial number;
- Warranty card and/or certificate;
- Physical appearance of the products against the image in the warranty card and/or certificate;
- Condition of the products; and
- Market value of a similar product listed on an online retail platform.

(ii) Certified diamonds

- Certificate and serial number;
- Physical appearance of the certified diamond against the image in the certificate;
- Specifications of the certified diamond such as weight (carat), colour, clarity and type of cut and shape as well as other information such as polish, symmetry and fluorescence against the grades listed by the Gemological Institute of America (GIA); and
- Market value of a similar certified diamond on an online retail platform.

For avoidance of doubt, we do not perform any tests on precious stones as they are not accepted as pledged items.

6. BUSINESS OVERVIEW (cont'd)

Apart from the above QA procedures, we also carry out an in-process QC inspection on the details of the pawn tickets before disbursing the pawn loans.

For our gold and luxury product retail and trading business, the QA procedures carried out are dependent on the type and source of gold and luxury products as summarised below:

- for pre-owned gold and luxury products obtained through our pawnbroking subsidiaries, no further verification procedures will be performed as these items have been assessed by our pawnbroking operations assistants;
- for pre-owned gold products procured from:
 - walk-in individuals to our “Cahaya Gold” retail outlets - the operation assistants at the respective “Cahaya Gold” retail outlets will carry out visual tests, acid tests and magnet tests on the gold products. Only gold products that have passed the said tests will be acquired; and
 - gold trading companies and third-party pawnshops – For pre-owned gold products that are in good condition for onward sales to end-customers, we will carry out visual tests, acid tests and magnet tests on the gold products.

Meanwhile, for pre-owned gold products that are not in good condition, we only perform visual test on each gold product acquired as well as acid tests and magnet tests on random sampling basis as the volume of these pre-owned gold products purchased is large. Thereafter, we will cut each pre-owned gold product using a jewellery cutter tool to ensure that it is also wholly made of gold.

Assessments on the gold products purchased from gold trading companies and third-party pawnshops are performed by our Cahaya Gold store manager as well as our Chief Operating Officer based at our head office. We will only procure gold products that have passed the abovementioned tests; and

- for new gold products, we need not carry out any assessments as they are procured from reputable suppliers shortlisted after a due diligence conducted by our Chief Executive Officer. The due diligence procedures include performing a site visit at their premises and a company check on the suppliers. In addition, new gold products that are delivered to our head office will be inspected to ensure that they match with the relevant delivery orders.

There are no major QA/QC procedures pertaining to our pawnbroking consultancy and IT solutions business segments.

6.5 Key Internal Control Procedures

We have put in place the following procedures to safeguard the security of cash, gold products and pledged items as well as to reduce the risks of unlawful transactions in carrying out our pawnbroking and gold and luxury products retail and trading businesses.

(i) Cash management

We have a cash ceiling policy which is a guideline as to the maximum amount of cash that can be maintained at each of our “Pajaking” pawnshop and “Cahaya Gold” retail outlet. If the daily cash exceed the cash ceiling guideline, the excess cash will be deposited by the following day into the bank accounts maintained by the respective pawnshops and “Cahaya Gold” retail outlets.

In addition, we have also implemented the following additional measures to safeguard the cash in each of our “Pajaking” pawnshop and “Cahaya Gold” retail outlet:

6. BUSINESS OVERVIEW (cont'd)

"Pajaking" pawnshops

- All pawn transactions must be recorded via our pawn processing system, which automates the generation of pawn tickets;
- Our operations assistants and branch supervisors must ensure that the physical cash and the amount in our pawn processing system tallies before the close of business on a daily basis; and
- There will be monthly audit checks on the cash and pledged items by our internal auditor based at our head office to ensure that the cash and pledged items tally with the records derived from our pawn processing system.

"Cahaya Gold" retail outlets

Our operations assistants at each "Cahaya Gold" retail outlet are required to perform inventory and cash counts to ensure that the gold products and cash balances tally with the sales and inventory records of the respective "Cahaya Gold" retail outlet on a daily basis. These records will then be passed to our accounting personnel based at our head office on a daily basis for checking before recording into our accounting system. As at the LPD, we have 2 to 3 operations assistants at each of our "Cahaya Gold" retail outlet.

(ii) **Security of the pledged items and our gold products**

As an effort to prevent burglary, theft and robbery, we have implemented the following preventive measures at all of our "Pajaking" pawnshops and "Cahaya Gold" retail outlets:

"Pajaking" pawnshops

- A strong room is installed in each pawnshop to store the pledged items and our cash, which is equipped with a 2-tonne door that requires a passcode and key to open as well as 10-inch concrete walls that are reinforced with steel. Our strong rooms are built in accordance with the specifications and requirements set out by KPKT;
- Our strong rooms are automatically time locked and can only be opened during our business hours, which is from 9.00 a.m. to 6.00 p.m.;
- Our strong rooms contain safe cabinet(s) where the pledged items and cash of the respective pawnshops are stored;
- Security alarm and closed-circuit television ("CCTV") system are installed in all of our pawnshops; and
- Only the Chief Operating Officer, branch manager or branch supervisor of the respective "Pajaking" pawnshops are allowed to access the strong room.

"Cahaya Gold" retail outlets

- We have safe cabinet(s) in each of our "Cahaya Gold" retail outlet where our gold products and cash are stored;
- Security alarm and CCTV system are installed in all of our "Cahaya Gold" retail outlets; and
- Only the branch manager or branch supervisor of the respective "Cahaya Gold" retail outlets are allowed to access the safe cabinet(s).

6. BUSINESS OVERVIEW (cont'd)

(iii) Unlawful transactions

In order to ensure that we adhere to the KPKT and AMLA guidelines, we have established the following procedures to prevent unlawful transactions:

- Know-your-customer (“**KYC**”) process
 - Our operations assistants will verify and/or record the customers’ identities by using fingerprint scanners on MyKad readers for local customers or taking fingerprints and passport details of foreign customers before offering our pawnbroking services; and
 - The customers’ names are then entered into our pawn processing system in order to check against the sanction lists maintained by BNM, UNSCR, MOHA and FATF and/or list of individuals who have a history of pawning counterfeit or unlawful items. Only customers whom we have identified to not be in the abovementioned sanction lists and passed our customer know-your-customer processes as set out in Section 6.5(iii) of this Prospectus (including customers whom we have performed enhanced customer due diligence) will be accepted. If the pawn transaction is deemed a suspicious transaction, we will make a suspicious transaction report to BNM in compliance with the AMLA guidelines.
- Record keeping of customers’ details and pawn transactions

Details of our customers as well as their pawn transactions are recorded in our pawn processing system to ensure a documented trail of the pawn transactions as well as for us to analyse the pawn transactions of any particular customer in order to determine, amongst others, any suspicious transactions.
- Reporting of suspicious transactions

Our Compliance Officer as well as operations personnel for our pawnbroking business have been trained to be alert and identify suspicious transactions. Should there be a suspicious transaction, our operations personnel will need to perform enhanced customer due diligence which will involve the following:

 - Gathering of additional information on the individual’s country of origin, nationality, present occupation, employer, field of work and intention of performing the pawn transaction;
 - Undertaking risk profiling of the individual to determine if he/she is a high-risk individual based on the information gathered; and
 - Requiring individuals that are high-risk, Politically Exposed Persons and Politically Exposed Persons related individuals to declare where they have obtained the pledged items and/or source of wealth.

In the event that the operations personnel suspect that the pledged items are stolen goods or goods obtained via unlawful means or which bear any mark or sign denoting it to be the property or the Government of Malaysia or of any State, we will cease the pawn transaction immediately and report the transaction to the nearest police station, as required under Section 16(1)(c) of the Pawnbrokers Act.

6. BUSINESS OVERVIEW *(cont'd)*

6.6 Technology Used

We use our proprietary pawn processing system, which was developed by Atapttech, to facilitate our pawnbroking operations, including recording details and photos of pledged items, pawn tickets details, customers' personal details, pawn loans amount and interests. Please refer to Section 6.1(iii)(b) of this Prospectus for further details on our proprietary pawn processing system.

We have a disaster recovery facility where all of our data are backed up in real time. With the disaster recovery facility, our data can be restored within an hour should our pawn processing system be disrupted. During the downtime, we will not perform any pawn loan transactions, redemptions and renewals, and our customers will be informed to return in an hours' time or the next business day.

We have implemented cybersecurity solutions (such as protection tools to prevent cyberattacks in the form of high volume of requests sent simultaneously from multiple points on the internet, network access control solutions for access management as well as network security solutions which protect data transmitted over the internet) to protect our data against cybersecurity threats and breaches. In addition, we have also outsourced the monitoring of traffic flow of our servers to a third-party IT service provider to manage cyber threat detections. As at the LPD, we have not experienced any cybersecurity breaches, nor prolonged system disruptions or breakdown.

6.7 Sales Channels and Marketing Strategies

6.7.1 Sales channels

We reach out to customers for our businesses through the following:

(i) "Pajaking" pawnshops and "Cahaya Gold" retail outlets

We serve our pawnbroking customers through our network of 22 "Pajaking" pawnshops in Kuala Lumpur, Selangor, Negeri Sembilan and Pahang, as well as our gold products retail customers through our 3 "Cahaya Gold" retail outlets in Kuala Lumpur.

(ii) Website

Customers can also purchase new and pre-owned gold products online via our website at <https://cahayagold.com/>.

(iii) Social media and e-commerce platforms

We also sell new and pre-owned gold products through social media and e-commerce platforms such as Facebook Live sessions, Telegram, Whatsapp, Instagram, Tik Tok and Shopee, whereby customers can view our gold products, watch the live sessions and/or make purchases online.

(iv) Referrals

We secure sales for our pawnbroking consultancy and IT solution services through referrals from our key management personnel's professional business network.

6. BUSINESS OVERVIEW *(cont'd)*

6.7.2 Marketing strategies

Our marketing activities are carried out by our marketing personnel. We implemented various marketing strategies to enhance the visibility of our brand, products and services which include the following:

(i) Pawnshop membership programme

Through our pawnshop membership programme, we have a point collection system whereby our customers can exchange their points accumulated from their pawning activities to offset their pawn interests. We also offer higher financing margin for members who are repeat customers with good pawning history. In addition, we also keep our members informed of our latest promotions and events.

(ii) Promotional offers

We also carry out various promotional offers to attract and/or retain customers for our pawnbroking services as well as gold and luxury products retail and trading business which include the following:

- Free gifts;
- Promotional prices for selected gold products;
- 1-month interest free for new pawnbroking customers; and
- Referral programme, whereby referrers (i.e. our existing pawnbroking customers) are given rebates to offset their pawn interests upon successfully introducing new customers for our pawnbroking services.

(iii) Digital marketing

We recognise the importance of digital marketing in enhancing our market presence as well as awareness of our products and services. Thus, we maintain presence on social media and e-commerce platforms such as Facebook, Telegram, WhatsApp, Instagram, Tik Tok and Shopee where we constantly post videos and other online contents to attract and interact with our customers as well as inform our customers of our latest products and services, events and promotions. We also market our gold products through live sessions on these social media platforms.

In addition, we also invest in sponsored advertisements to further advertise our products and services, and attract traffic to our social media accounts in Facebook.

(iv) Websites

We maintain websites for our pawnbroking services at <https://pajaking.com/> and gold and luxury products retail business at <https://cahayagold.com/>. These websites provide information on our pawnbroking services and gold products, including locations of our “Pajaking” pawnshops and “Cahaya Gold” retail outlets.

6. BUSINESS OVERVIEW (cont'd)**6.8 Major Customers**

Revenue from our pawnbroking segment has generally contributed a large proportion to our total revenue, i.e. 69.4%, 58.6%, 31.5%, 41.9% and 30.3% for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Customers of our pawnbroking segment are walk-in customers and the contribution from each customer as a percentage of our total revenue is negligible.

Over the financial years/period under review, the number of pawn transactions for our pawnbroking business has grown from 106,464 in the FYE 2019 to 207,359 in the FYE 2022 as follows:

	FYE 2019		FYE 2020		FYE 2021	
	No.	%	No.	%	No.	%
By local customers	80,358	75.5	85,679	70.6	104,370	67.2
By foreign customers	26,106	24.5	35,627	29.4	50,831	32.8
Total	106,464	100.0	121,306	100.0	155,201	100.0

	FYE 2022		FPE 2023	
	No.	%	No.	%
By local customers	173,055	83.5	57,240	82.4
By foreign customers	34,304	16.5	12,223	17.6
Total	207,359	100.0	69,463	100.0

Customers of our gold and luxury products retail and trading segment comprise gold trading companies, scrap gold collectors, luxury product retailers and individual customers. For the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023, 30.6%, 40.4%, 66.9%, 55.7% and 69.2% of our total revenue is derived from sales of gold and luxury products.

Meanwhile, our pawnbroking consultancy and IT solutions segment contributed less than 5% of our total revenue for the financial years/period under review. The customers of this business segment are third-party pawnbrokers.

Our major customers for the financial years/period under review are as follows:

(i) FYE 2019

Major customer	Revenue contribution		(1)Length of relationship	Type of products sold/ services rendered
	RM'000	%		
Trax Capital ⁽²⁾	2,416	16.3	<1 year	Unredeemed pledged gold products
Nexigold Jewellery Sdn Bhd ⁽³⁾	1,836	12.4	1 year	Unredeemed pledged gold products
Total	4,252	28.7		

6. BUSINESS OVERVIEW (cont'd)**(ii) FYE 2020**

Major customer	Revenue contribution		⁽¹⁾Length of relationship	Type of products sold/ services rendered
	RM'000	%		
Nexigold Jewellery Sdn Bhd ⁽³⁾	6,633	27.2	2 years	Unredeemed pledged gold products and pre-owned gold products
Gold Bullion Precious Metal Sdn Bhd ⁽⁴⁾	743	3.0	<1 year	Unredeemed pledged gold products and pre-owned gold products
Koperasi Cahaya Al-Kifayah Berhad ⁽⁵⁾	236	1.0	<1 year	Pawnbroking consultancy service
Total	7,612	31.2		

(iii) FYE 2021

Major customer	Revenue contribution		⁽¹⁾Length of relationship	Type of products sold/ services rendered
	RM'000	%		
Imas Gold Sdn Bhd ⁽⁴⁾	17,947	29.5	<1 year	Unredeemed pledged gold products as well as new and pre-owned gold products
Kembang Mesra Sdn Bhd ⁽⁶⁾	7,146	11.7	<1 year	Unredeemed pledged gold products
Nexigold Jewellery Sdn Bhd ⁽³⁾	6,438	10.6	3 years	Unredeemed pledged gold products and pre-owned gold products
Yuan Mei Jewels Sdn Bhd ⁽³⁾	1,747	2.9	<1 year	Unredeemed pledged gold products and pre-owned gold products
Total	33,278	54.7		

(iv) FYE 2022

Major customer	Revenue contribution		⁽¹⁾Length of relationship	Type of products sold/ services rendered
	RM'000	%		
Gold Bullion Precious Metal Sdn Bhd ⁽⁴⁾	19,794	29.5	3 years	Unredeemed pledged gold products and pre-owned gold products
Nexigold Jewellery Sdn Bhd ⁽³⁾	8,146	12.1	4 years	Unredeemed pledged gold products and pre-owned gold products
Total	27,940	41.6		

6. BUSINESS OVERVIEW (cont'd)**(v) FPE 2023**

Major customer	Revenue contribution		⁽¹⁾ Length of relationship	Type of products sold/ services rendered
	RM'000	%		
Gold Bullion Precious Metal Sdn Bhd ⁽⁴⁾	11,969	33.3	3 years	Unredeemed pledged gold products and pre-owned gold products
Nexigold Jewellery Sdn Bhd ⁽³⁾	8,146	22.6	4 years	Unredeemed pledged gold products and pre-owned gold products
Total	20,115	55.9		

Notes:

- (1) Length of business relationship was determined at the end of each of the respective financial year/period.
- (2) Trax Capital is principally involved in the provision of management services. The sales were made to Trax Capital as part of the inter-company transactions between Trax Capital and our subsidiaries prior to the Acquisitions.
- (3) The major customer is principally involved in the retailing and/or trading of jewellery.
- (4) The major customer is principally involved in the retailing and/or trading of gold products.
- (5) The major customer is principally involved in the provision of Islamic pawnbroking services.
- (6) The major customer is principally involved in the trading of gold and precious metal, as well as other businesses such as repairs and services of motor vehicles and acting as factors, brokers, insurance and general agents and financial agents.

Save for Trax Capital and Koperasi Cahaya Al-Kifayah Berhad, the other major customers are gold trading companies and/or scrap gold collectors.

Other than the major customers as disclosed above, each of the remaining customers contributed less than 1% of our total revenue, whereby these customers mainly consist of individual pawnbroking customers and end customers for our gold products.

Notwithstanding that there are gold trading companies and scrap gold collectors which individually contributed to more than 20% of our revenue for the financial years/period under review, we are not dependent on any single customer as we are able to sell our gold products to other gold trading companies and scrap gold collectors as well as end customers.

6.9 Major Suppliers

We do not purchase nor require any supplies for the provision of our pawnbroking services. Nevertheless, in the event of default and as part of our cash recovery process, we will procure the unredeemed pledged items from our pawnbroking customers from public auctions (for unredeemed pledged items with defaulted pawn loans amount above RM200) or take possession of (for unredeemed pledged items with defaulted pawn loans amount RM200 and below), whereby the consideration for such purchases will be set off against the pawn receivables. These unredeemed pledged items will then be sold to Cahaya Gold for its onward sales as set out in Section 6.2(ii) of this Prospectus.

6. BUSINESS OVERVIEW (cont'd)

Notwithstanding the above, between April 2019 and August 2020, Trax Capital was the designated trading company for our Group's unredeemed pledged items whereby during this period, Trax Capital purchased all of our Group's unredeemed pledged items for onward sales.

Some of the unredeemed pledged gold items that are in good condition were subsequently purchased by Cahaya Gold from Trax Capital for retail sales. As Trax Capital is not part of our Group subsequent to the Acquisitions, such purchases were not eliminated as inter-company transactions in our Group's financial statements. Thus, Trax Capital was one of our major suppliers in the FYE 2020.

Subsequent to August 2020, Cahaya Gold became the designated trading company for our Group's unredeemed pledged items.

In addition to these unredeemed pledged items from our pawnbroking segment, Cahaya Gold also sources pre-owned gold products from third-party pawnshops and walk-in individuals to our "Cahaya Gold" retail outlets as well as new gold products from gold trading companies. The breakdown of our purchases for the financial years/period under review is set out below:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Pre-owned gold and luxury products					
- Unredeemed pledged items from our pawnbroking segment	3,979	5,053	20,687	27,351	17,842
- Purchases from third-party pawnshops and individuals	22	1,790	6,873	4,571	2,653
New gold products	-	949	9,628	197	2,369
Packaging for gold products	(i)	(i)	1	20	(i)
Total	4,001	7,792	37,189	32,139	22,864

Note:

(i) Less than RM1,000.

Our major suppliers for the financial years/period under review are as follows:

(i) FYE 2019

In FYE 2019, all of our suppliers contributed less than 1% of our total purchases as almost all of our purchases are unredeemed pledged gold items from our pawnbroking segments as set out in the table above.

6. BUSINESS OVERVIEW (cont'd)**(ii) FYE 2020**

Major supplier	Purchase contribution		(1)Length of relationship	Type of products purchased
	RM'000	%		
Nexigold Jewellery Sdn Bhd	949	12.2	1 year	New gold products
Trax Capital	925	11.9	1 year	Pre-owned gold products
Koperasi Cahaya Al-Kifayah Berhad	95	1.2	<1 year	Pre-owned gold products
Total	1,969	25.3		

(iii) FYE 2021

Major supplier	Purchase contribution		(1)Length of relationship	Type of products purchased
	RM'000	%		
Yuan Mei Jewels Sdn Bhd	9,106	24.5	<1 year	Pre-owned and new gold products
Imas Gold Sdn Bhd	3,441	9.3	<1 year	Pre-owned gold products
Koperasi Cahaya Al-Kifayah Berhad	539	1.4	1 year	Pre-owned gold products
Nexigold Jewellery Sdn Bhd	522	1.4	2 year	Pre-owned and new gold products
Total	13,608	36.6		

(iv) FYE 2022

Major supplier	Purchase contribution		(1)Length of relationship	Type of products purchased
	RM'000	%		
Koperasi Cahaya Al-Kifayah Berhad	1,748	5.4	2 years	Pre-owned gold products
Pajak Gadai Pajamas Sdn Bhd ⁽²⁾	494	1.5	<1 year	Pre-owned gold products
Pajak Gadai Puncak Jalil Sdn Bhd ⁽²⁾	462	1.4	1 year	Pre-owned gold products
Pajak Gadai Sri Petaling Sdn Bhd ⁽²⁾	312	1.0	<1 year	Pre-owned gold products
Total	3,016	9.3		

6. BUSINESS OVERVIEW (cont'd)**(v) FPE 2023**

Major supplier		Purchase contribution		(1)Length of relationship	Type of products purchased
		RM'000	%		
MKS (Malaysia) Bhd ⁽³⁾	Pamp Sdn	2,369	10.4	<1 year	New gold products
Koperasi Al-Kifayah Berhad	Cahaya	1,228	5.4	3 years	Pre-owned gold products
Pajak Pajamas Sdn Bhd ⁽²⁾	Gadai	466	2.0	1 year	Pre-owned gold products
Pajak Petaling Sdn Bhd ⁽²⁾	Gadai Sri	407	1.8	<1 year	Pre-owned gold products
Total		4,470	19.6		

Notes:

(1) Length of business relationship was determined at the end of each of the respective financial year/period.

(2) The major supplier is principally involved in the provision of pawnbroking services.

(3) The major supplier is principally involved in the business of trading of precious metal.

Other than the major suppliers as disclosed above, each of the remaining suppliers contributed less than 1% of our total purchases, whereby these suppliers mainly consist of individuals, third-party pawnshops and gold trading companies. All of our major suppliers are suppliers for our gold and luxury products retail and trading business. None of our major suppliers are suppliers for our pawnbroking services as well as our pawnbroking consultancy and IT solution services as our Group does not purchase nor require any material supplies for the operation of these businesses.

Notwithstanding that there is a supplier which individually contributed to more than 20% of our purchases for the financial years/period under review, i.e. Yuan Mei Jewels Sdn Bhd, we are not dependent on any single supplier as we are able to source gold products from other gold trading companies.

For information purposes, Nexigold Jewellery Sdn Bhd, Imas Gold Sdn Bhd and Yuan Mei Jewels Sdn Bhd are both our major customers and major suppliers as we:

- (i) sell to them unredeemed pledged gold products from our pawnbroking business that are not in good condition; and
- (ii) purchase from them new gold products and pre-owned gold products that are in good condition for retail sales.

In addition, during the FYE 2021, we also sold customised new gold products to Imas Gold Sdn Bhd at their request.

6. BUSINESS OVERVIEW (cont'd)**6.10 Key Types, Sources and Availability of Materials**

We do not purchase nor require any supplies for our pawnbroking service business segment.

However, we require cash capital for the disbursement of pawn loans which were mainly financed by our internally generated funds, additional proceeds from issuance of securities, advances from Directors and related parties, and drawdown of borrowings as set out below:

Source of cash capital	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Internally generated funds	50,532	73.3	74,498	78.5	87,709	80.0
Borrowings ⁽ⁱ⁾	(2,435)	(3.5)	5,557	5.8	3,677	3.4
Issuance of securities	3,055	4.4	1,389	1.5	-	-
Directors' and related parties' advances	17,779	25.8	13,462	14.2	18,236	16.6
Total Cash Capital⁽ⁱⁱⁱ⁾	68,931	100.0	94,906	100.0	109,622	100.0

Source of cash capital	FYE 2022		FPE 2023	
	RM'000	%	RM'000	%
Internally generated funds	129,897	78.0	179,037	109.5
Borrowings ⁽ⁱ⁾	45,436	27.3	(15,505)	(9.5)
Issuance of securities	-	-	-	-
Directors' and related parties' advances	⁽ⁱⁱⁱ⁾ (8,779)	(5.3)	-	-
Total Cash Capital⁽ⁱⁱⁱ⁾	166,554	100.0	163,532	100.0

Notes:

- (i) Being net proceeds from borrowings (after adjusting for repayment of borrowings) for working capital purposes.
- (ii) Computed based on our pawn receivables plus our pawnbroking subsidiaries' cash and bank balances.
- (iii) Being repayment of net amount due to CC Low, our former subsidiary, pursuant to the Disposals.

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6. BUSINESS OVERVIEW (cont'd)

Meanwhile, for our gold and luxury products retail and trading business segment, we procure pre-owned gold and luxury products from sales of unredeemed pledged items under our pawnbroking business, as well as pre-owned gold products from third-party pawnshops, gold trading companies and walk-in individuals to our “Cahaya Gold” retail outlets. In addition, we also procure new gold products from gold trading companies. Set out below are the details of our sources of supplies for our gold and luxury products retail and trading business segment:

	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FPE 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Pre-owned gold products					
- Unredeemed pledged items from our pawnbroking segment	3,979	5,053	20,687	27,351	17,842
- Purchases from third-party pawnshops, gold trading companies and individuals via “Cahaya Gold” retail outlets	22	1,790	6,873	4,571	2,653
New gold products	-	949	9,628	197	2,369
Packaging for gold products	(i)	(i)	1	20	(i)
Total	<u>4,001</u>	<u>7,792</u>	<u>37,189</u>	<u>32,139</u>	<u>22,864</u>

Note:

(i) Less than RM1,000.

Supplies of unredeemed pledged items will generally increase as our pawnbroking business grows, whilst purchases of new gold products are generally dependent on market demand for gold products. Prices of gold products are subject to price fluctuations as gold is a globally traded commodity.

6.11 Seasonality

Our pawnbroking business generally experience higher redemption of pledged items prior to festive seasons, followed by an increase in the amount of pawn loans disbursed after the corresponding festive seasons.

Meanwhile, our gold and luxury products retail and trading business generally experience higher sales of gold products to our retail customers prior to and during festive seasons.

6.12 Interruptions to Businesses and Operations

Saved as disclosed in Section 6.13 below, we have not experienced any other interruptions in our businesses which had a significant adverse impact on our operations for the past 12 months prior to the LPD.

6. BUSINESS OVERVIEW (cont'd)

6.13 Impact of the COVID-19 Pandemic

The outbreak of COVID-19 pandemic in December 2019 had caused a widespread negative effect to the world, including Malaysia. To curb the spread of the COVID-19 disease, the Malaysian Government had implemented various phases of Movement Control Order (“MCO”) between 18 March 2020 to 1 November 2021 where mass gatherings were not allowed and businesses had to follow prescribed standard operating procedures to operate.

Our businesses and operations were affected during the COVID-19 pandemic period as follows:

(i) Pawnbroking services

In compliance with the MCO which was first announced and implemented by the Malaysian Government on 18 March 2020 and as required by KPKT, all pawnbrokers were required to temporarily close their pawnshops from 18 March 2020 until further notice from the Malaysian Government. On 2 May 2020, we obtained KPKT’s approval to resume our pawnshops’ operations subject to the following restrictions and adoption of the following standard operating procedures:

- (a) Our pawnshops are only allowed to open for 2 working days a week, i.e. Tuesday and Thursday from 9.00 am to 2.00 pm;
- (b) Our pawnshops’ operations are limited to servicing pawnbroking customers who wish to pay the interest due, renew their pawn loans or redeem their pledged items;
- (c) The number of employees in each of our pawnshop is limited to 2 persons;
- (d) Each employee on duty is required to wear face masks and hand gloves; and
- (e) Hand sanitiser and face masks are to be made available for all walk-in pawnbroking customers and employees on duty must ensure social distancing is maintained at all times.

Notwithstanding the above, the MCO restrictions were progressively relaxed over time. Since 19 May 2020, we were able to operate our pawnshops as usual (subject to adhering to the relevant standard operating procedures), save for a 2-week temporary closure for 14 of our pawnshops in July 2021 as they were located in areas designated for enhanced MCO.

During the 1st MCO period of between 18 March 2020 to 2 May 2020 (“1st MCO Period”) where our pawnshops were temporarily closed, we did not sell or take possession of the unredeemed pledged items for pawn loans that were due for repayment. Upon the resumption of our pawnshops’ operations on 2 May 2020, we provided a grace period of up to 3 weeks for the pawnbroking customers to redeem their unredeemed pledged items or renew their pawn loans. For pawnbroking customers who did not redeem their unredeemed pledged items or renew their pawn loans after the expiry of the grace period, as part of our cash recovery process, for defaulted pawn loans above RM200, we sent the unredeemed pledged items for public auctions, and for defaulted pawn loans amount RM200 and below, we took possession of the unredeemed pledged items and sell through our “Cahaya Gold” retail outlets or to gold trading companies or scrap gold collectors.

Due to the MCO, there were no public auctions held between 18 March 2020 to July 2020, which resulted in a delay in our cash recovery process by up to 5 months.

Notwithstanding the foregoing, we were able to recoup our liquidity once public auctions were allowed to be held since August 2020, where we were able to bid, purchase and sell the unredeemed pledged items that should have been auctioned during the period between 18 March 2020 and July 2020.

6. BUSINESS OVERVIEW (cont'd)

(ii) Retail and trading of gold and luxury products

In compliance with the MCO, our “Cahaya Gold” retail outlets were also temporarily closed during the 1st MCO Period as they are not essential services. Nevertheless, we could continue retailing our gold and luxury products online via our social media and e-commerce platforms. However, the gold products were only delivered to the customers when travelling restrictions were eased.

Since 13 January 2021, we had obtained MITI’s approval to resume the physical operation of our “Cahaya Gold” retail outlets as usual (subject to adhering to the relevant standard operating procedures), save for a 2-week closure for 2 of our “Cahaya Gold” retail outlets in July 2021 as they were located in certain areas designated for enhanced MCO.

From 18 March 2020 up to the LPD, there were a total of 66 positive COVID-19 cases amongst our employees. These positive cases did not result in a temporary closure of our premises and as such, there was no material disruption to our business operations.

On 1 May 2022, the Malaysian Government announced that Malaysia has entered into the endemic phase of Covid-19 and since then, the standard operating procedures that were implemented to curb the spread of COVID-19 infections were relaxed.

Impact on our financial performance

Overall, our businesses and financial performance were not materially adversely affected by the COVID-19 pandemic. Our revenue increased from RM14.8 million in the FYE 2019 to RM24.4 million in the FYE 2020, and further increased to RM60.9 million in the FYE 2021. Meanwhile, our cash and bank balances grew from RM1.2 million in the FYE 2019 to RM3.3 million in the FYE 2021.

Our growth in financial performance was largely due to a rise in pawn loan transactions as the COVID-19 pandemic had resulted in an increase in demand for short-term micro-loans, including pawn loans, in 2020. This was largely because the COVID-19 pandemic had led to closures of businesses and unemployment, causing a need for micro-loans to ease financial difficulties during the period.

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6. BUSINESS OVERVIEW (cont'd)

6.14 Major Approvals, Licences and Permits

Save as disclosed below, there are no other approvals, licences and permits which our Group is materially dependent on for our business as at the LPD:

6.14.1 Pawnbroker's licence

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
1.	PG Insan Tiara	Licence to operate and carry out pawnbroking activities at No. 42A Wisma Kobesi, Jalan Gangsa Off Jalan Suasa 6, Sungai Besi, 57000 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL1600/14/01-6/200324	21 Mar 2022 - 20 Mar 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent. (c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 21 Mar 2020 to 20 Mar 2022.	Complied Noted Noted
2.	PG Adventure	(i) Licence to operate and carry out pawnbroking activities at No. 242, Jalan Mahkota, Taman Maluri, 55100 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL1989/14/01-4/301123	1 Dec 2021 - 30 Nov 2023	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Dec 2019 to 30 Nov 2021.	Noted
	(ii)	Licence to operate and carry out pawnbroking activities at No. 7, Ground Floor, Jalan Prima Utama 1A, Taman Puchong Prima, 47150 Puchong, Selangor	KPKT	GL1989/10/01-3/141224	15 Dec 2022 - 14 Dec 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 15 Dec 2020 to 14 Dec 2022.	Noted

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
3.	PG Angkasa	Licence to operate and carry out pawnbroking activities at No. 424-TB1, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL2128/14/01-3/141023	15 Oct 2021 - 14 Oct 2023 ⁽ⁱ⁾	<p>(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.</p> <p>(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.</p> <p>(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 15 Oct 2019 to 14 Oct 2021.</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p>
4.	PG Kenanga	Licence to operate and carry out pawnbroking activities at No. 2 (Lot 1), Ground Floor, Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL2150/14/01-3/310124	1 Feb 2022 - 31 Jan 2024	<p>(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.</p> <p>(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.</p>	<p>Complied</p> <p>Noted</p>

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Feb 2020 to 31 Jan 2022.	Noted
5.	PG E Assets	(i) Licence to operate and carry out pawnbroking activities at No. 271-G, Jalan Genting Kelang, Setapak, 53300 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL1965/14/01-3/140624	15 Jun 2022 - 14 Jun 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent. (c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 15 Jun 2020 to 14 Jun 2022.	Complied Noted Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
		(ii) Licence to operate and carry out pawnbroking activities at Lot 8660, Ground Floor-G1, Wisma Saudagar, Kampung Melayu, 68000 Ampang, Selangor	KPKT	GL1965/10/01-5/150225	16 Feb 2023 - 15 Feb 2025	<p>(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.</p> <p>(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.</p> <p>(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 16 Feb 2021 to 15 Feb 2023.</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p>
		(iii) Licence to operate and carry out pawnbroking activities at No. 152, Jalan Taman Komersil Senawang 1, Taman Komersil Senawang, 70450 Seremban, Negeri Sembilan	KPKT	GL1964/05/01-3/310124	1 Feb 2022 - 31 Jan 2024	<p>(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.</p> <p>(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.</p>	<p>Complied</p> <p>Noted</p>

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Feb 2022 to 31 Jan 2024.	Noted
6.	PG Global Wealth	Licence to operate and carry out pawnbroking activities at No. 25, Jalan Tun Tan Cheng Lock, 50000 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL2171/14/01-3/300624	1 Jul 2022 - 30 Jun 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Jul 2020 to 30 Jun 2022.	Noted
7.	PG Brickfields	Licence to operate and carry out pawnbroking activities at No. 86, Ground Floor, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL2170/14/01-3/311224	1 Jan 2023 - 31 Dec 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Jan 2021 to 31 Dec 2022.	Noted
8.	PG Sri Permaisuri	Licence to operate and carry out pawnbroking activities at No. 51, Ground Floor, Jalan Sri Permaisuri 8, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL2193/14/01-3/311224	1 Jan 2023 - 31 Dec 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Jan 2021 to 31 Dec 2022.	Noted

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
9.	PG Terus Wangsa	(i) Licence to operate and carry out pawnbroking activities at No. 32, Ground Floor, Jalan Pandan Indah 1/23A, Pandan Indah, 55100 Kuala Lumpur, Wilayah Persekutuan	KPKT	GL1642/14/01-3/010725	2 Jul 2023 - 1 Jul 2025	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent. (c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 2 Jul 2021 to 1 Jul 2023.	Complied Noted Noted
		(ii) Licence to operate and carry out pawnbroking activities at No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang	KPKT	GL1642/06/01-6/071124	8 Nov 2022 - 7 Nov 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Complied Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 8 Nov 2020 to 7 Nov 2022.	Noted
10.	PG Total	(i) Licence to operate and carry out pawnbroking activities at No. 37, Jalan DD 3A/1, Taman Dato Demang, Bandar Putra Permai, 43300 Seri Kembangan, Selangor	KPKT	GL1985/10/01-5/150725	16 Jul 2023 - 15 Jul 2025	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 16 Jul 2021 to 15 Jul 2023.	Noted
		(ii) Licence to operate and carry out pawnbroking activities at No. 108 (Ground Floor), Jalan 1/14, Off Jalan Othman, 46000 Petaling Jaya, Selangor	KPKT	GL1985/10/06-3/310724	1 Aug 2022 - 31 Jul 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Aug 2020 to 31 Jul 2022.	Noted
11.	PG Delta	(i) Licence to operate and carry out pawnbroking activities at No. 33 (Ground Floor), Jalan Mahkota Residence 1, Bandar Mahkota Cheras, 43200 Cheras, Selangor	KPKT	GL2127/10/01-4/140425	15 Apr 2023 - 14 Apr 2025	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 15 Apr 2021 to 14 Apr 2023.	Noted

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
		(ii) Licence to operate and carry out pawnbroking activities at No. 55 (Ground Floor), Jalan Besar, 43000 Kajang, Selangor	KPKT	GL2127/10/03-3/140624	15 Jun 2022 - 14 Jun 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent. (c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 15 Jun 2020 to 14 Jun 2022.	Complied Noted Noted
12.	PG Maju	(i) Licence to operate and carry out pawnbroking activities at No. 27, Jalan Bunga Tanjung 6A, Taman Putra, 68000 Ampang, Selangor	KPKT	GL2156/10/01-4/310825	1 Sep 2023 - 31 Aug 2025	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Complied Noted

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Sep 2021 to 31 Aug 2023.	Noted
	(ii)	Licence to operate and carry out pawnbroking activities at No. 4 (Ground Floor), Jalan Tengku Ampuan Zabedah D9/D, Seksyen 9, 40100 Shah Alam, Selangor	KPKT	GL2156/10/03-3/311224	1 Jan 2023 - 31 Dec 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Complied Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Jan 2021 to 31 Dec 2022.	Noted

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
13.	PG SP	Licence to operate and carry out pawnbroking activities at No. 21, Jalan Pelabur B, 23/B, Seksyen 23, 40300 Shah Alam, Selangor	KPKT	GL2155/10/01-4/310825	1 Sep 2023 - 31 Aug 2025	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent. (c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Sep 2021 to 31 Aug 2023.	Complied Noted Noted
14.	PG Sungai Way	Licence to operate and carry out pawnbroking activities at No. 589, Jalan 14, Seri Setia, 47300 Petaling Jaya, Selangor	KPKT	GL1954/10/01-3/310525	1 Jun 2023 - 31 May 2025	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein. (b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Complied Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Jun 2021 to 31 May 2023.	Noted
15.	PG Nilai	Licence to operate and carry out pawnbroking activities at No. 8, Ground Floor, Jalan Terminal 1, 71800 Nilai, Negeri Sembilan	KPKT	GL2215/05/01-3/311224	1 Jan 2023 - 31 Dec 2024	(a) All pawnbroking transactions shall be carried out in the name of the pawnbroker's licence holder and at the address as stated therein.	Complied
						(b) The licence is non-transferrable and may not be used by a third party without KPKT's prior consent.	Noted
						(c) The renewal of the licence does not preclude the right of KPKT to enforce its powers under section 11(1) Pawnbrokers Act for the period commencing from 1 Jan 2021 to 31 Dec 2022.	Noted

Note:

- (i) As set out in Section 6.2 of this Prospectus, all pawnshops are required to apply for renewal of their respective pawnbroker's license at least 60 days before expiry. Accordingly, we have submitted an application to KPKT for the renewal of this pawnbroker's license. The said application is currently being processed by KPKT.

None of our Group's pawnbroker's licences have been subject to revocation or suspension by KPKT since the commencement of business operations of the respective pawnshops up to the LPD.

6. BUSINESS OVERVIEW *(cont'd)*

6.14.2 Advertising permits issued by KPKT

No.	Holder of permit	Description of permit	Approving authority	Permit Reference no. /	Validity	Major conditions imposed	Status of compliance
1.	PG Insan Tiara	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 42A Wisma Kobesi, Jalan Gangsa, Off Jalan Suasa 6, Sungai Besi, 57000 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP1600/14/01-9/200324	21 Mar 2023 - 20 Mar 2024	Nil	Not applicable
2.	PG Adventure	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 242, Jalan Mahkota, Taman Maluri, 55100 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP1989/14/01-8/301123	1 Dec 2022 - 30 Nov 2023	Nil	Not applicable
3.	PG Angkasa	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 424-TB1, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP2128/14/01-6/141023	15 Oct 2022 - 14 Oct 2023	Nil	Not applicable
4.	PG Kenanga	Advertising permit for signboard, internet, signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 2 (Lot 1) Ground Floor, Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP2150/14/01-6/310124	1 Feb 2023 - 31 Jan 2024	Nil	Not applicable
5.	PG E Assets	Advertising permit for signboard, internet television and others (social media, LED advertising board, wall sticker and name card) at No. 271-G, Jalan Genting Kelang, Setapak, 53300 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP1965/14/01-6/140624	15 Jun 2023 - 14 Jun 2024	Nil	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of permit	Description of permit	Approving authority	Permit Reference no. /	Validity	Major conditions imposed	Status of compliance
6.	PG Global Wealth	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 25, Jalan Tun Tan Cheng Lock, 50000 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP2171/14/01-6/300624	1 Jul 2023 - 30 Jun 2024	Nil	Not applicable
7.	PG Brickfields	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 86, Ground Floor, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP2170/14/01-5/311223	1 Jan 2023 - 31 Dec 2023	Nil	Not applicable
8.	PG Sri Permaisuri	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 51, Ground Floor, Jalan Sri Permaisuri 8, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP2193/14/01-5/311223	1 Jan 2023 - 31 Dec 2023	Nil	Not applicable
9.	PG Terus Wangsa	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 32, Ground Floor, Jalan Pandan Indah 1/23A, Pandan Indah, 55100 Kuala Lumpur, Wilayah Persekutuan	KPKT	GP1642/14/01-5/010723	2 Jul 2023 - 1 Jul 2024	Nil	Not applicable
10.	PG E Assets	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at Lot 8660, Ground Floor-G1, Wisma Saudagar, Kampung Melayu, 68000 Ampang, Selangor	KPKT	GP1965/10/01-8/150224	16 Feb 2023 - 15 Feb 2024	Nil	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of permit	Description of permit	Approving authority	Permit Reference no. /	Validity	Major conditions imposed	Status of compliance
11.	PG Total	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 37, Jalan DD 3A/1, Taman Dato Demang, Bandar Putra Permai, 43300 Seri Kembangan, Selangor	KPKT	GP1985/10/01 -9/150724	16 Jul 2023 - 15 Jul 2024	Nil	Not applicable
12.	PG Delta	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 33 (Ground Floor), Jalan Mahkota Residence 1, Bandar Mahkota Cheras, 43200 Cheras, Selangor	KPKT	GP2127/10/01 -7/140424	15 Apr 2023 - 14 Apr 2024	Nil	Not applicable
13.	PG Maju	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 27, Jalan Bunga Tanjung 6A, Taman Putra, 68000 Ampang, Selangor	KPKT	GP2156/10/01 -8/310824	1 Sep 2023 - 31 Aug 2024	Nil	Not applicable
14.	PG SP	Advertising permit for signboard, internet television and others (social media, LED advertising board, wall sticker and name card) at No. 21, Jalan Pelabur B, 23/B, Seksyen 23, 40300 Shah Alam, Selangor	KPKT	GP2155/10/01 -7/310824	1 Sep 2023 - 31 Aug 2024	Nil	Not applicable
15.	PG Delta	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 55 (Ground Floor), Jalan Besar, 43000 Kajang, Selangor	KPKT	GP2127/10/03 -6/140624	15 Jun 2023 - 14 Jun 2024	Nil	Not applicable
16.	PG Total	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 108 (Ground Floor), Jalan 1/14, Off Jalan Othman, 46000 Petaling Jaya, Selangor	KPKT	GP1985/10/06 -6/310724	1 Aug 2023 - 31 Jul 2024	Nil	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of permit	Description of permit	Approving authority	Permit Reference no. /	Validity	Major conditions imposed	Status of compliance
17.	PG Adventure	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 7, Ground Floor, Jalan Prima Utama 1A, Taman Puchong Prima, 47150 Puchong, Selangor	KPKT	GP1989/10/01 -5/141223	15 Dec 2022 - 14 Dec 2023	Nil	Not applicable
18.	PG Maju	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 4 (Ground Floor), Jalan Tengku Ampuan Zabedah D9/D, Seksyen 9, 40100 Shah Alam, Selangor	KPKT	GP2156/10/03 -5/311223	1 Jan 2023 - 31 Dec 2023	Nil	Not applicable
19.	PG Sungai Way	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 589, Jalan 14, Seri Setia, 47300 Petaling Jaya, Selangor	KPKT	GP1954/10/01 -5/310524	1 Jun 2023 - 31 May 2024	Nil	Not applicable
20.	PG E Assets	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 152, Ground Floor, Jalan Taman Komersil Senawang 1, Taman Komersil Senawang, 70450 Seremban, Negeri Sembilan	KPKT	GP1965/05/01 -6/310123	1 Feb 2023 - 31 Jan 2024	Nil	Not applicable
21.	PG Nilai	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) at No. 8, Ground Floor, Jalan Terminal 1, 71800 Nilai, Negeri Sembilan	KPKT	GP2215/05/01 -5/311223	1 Jan 2023 - 31 Dec 2023	Nil	Not applicable
22.	PG Terus Wangsa	Advertising permit for signboard, internet, television and others (social media, LED advertising board, wall sticker and name card) and internet at No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang	KPKT	GP1642/06/01 -8/071123	8 Nov 2022 - 7 Nov 2023	Nil	Not applicable

6. BUSINESS OVERVIEW (cont'd)

6.14.3 Licences issued by local authorities

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
1.	PG Insan Tiara	(a) Licence to operate pawnbroking business; and (b) Signboard (6.10m x 2.44m) at: No. 42A Wisma Kobesi, Jalan Gangsa Off, Jalan Suasa 6, Sungai Besi, 57000 Kuala Lumpur, Wilayah Persekutuan	Dewan Bandaraya Kuala Lumpur ("DBKL")	DBKL.JPPP/02057/03/2012/KM01	28 Sep 2022 - 27 Sep 2023 (renewed on end Jul 2023 whereby the renewed validity period is between 28 Sep 2023 – 27 Sep 2024)	(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business. (b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur. (c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.	Noted Complied ⁽ⁱ⁾
2.	PG Adventure	(a) Licence to operate pawnbroking business; (b) Signboard (6.09m x 1.21m) / 1 unit; and (c) Signboard (3.04m x 1.21m) / 1 unit at: No. 242, Jalan Mahkota, Taman Maluri, 55100 Kuala Lumpur, Wilayah Persekutuan	DBKL	DBKL.JPPP/00854/12/2015/KM01	11 Dec 2022 - 10 Dec 2023	(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business. (b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.	Noted Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.	Complied ⁽ⁱ⁾
3.	PG Angkasa	(a) Licence to operate pawnbroking business; (b) Signboard (6.09m x 2.43m) / 1 unit; (c) Signboard (3.20m x 2.43m) / 1 unit (d) Signboard (6.40m x 2.43m) / 1 unit (e) Signboard (8.84m x 2.43m) / 1 unit (f) Signboard (3.20m x 2.43m) / 1 unit (g) Signboard (6.40m x 2.89m) / 1 unit (h) Signboard (8.84m x 2.89m) / 1 unit at: No. 424-TB1, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Wilayah Persekutuan	DBKL	DBKL.JPPP/ 01740/11/2017/ KM01	7 Jun 2023 - 6 Jun 2024	<u>Licensing conditions:</u> (a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business. (b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur. (c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit. <u>Temporary conditions:</u> (a) Obtain approval from the Department of Fire and Rescue. (b) Obtain approval and comply with the conditions for the building plan approval from the Department of Building Control.	Complied ⁽ⁱ⁾ Noted Complied ⁽ⁱ⁾ Complied Complied

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(c) Obtain approval from the City Planning Department.	Complied
4.	PG Kenanga	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Signboard (3.04m x 0.60m) / 1 unit;</p> <p>(c) Signboard (3.04m x 0.60m) / 1 unit;</p> <p>(d) Signboard (3.04m x 5.64m) / 1 unit at:</p> <p>No. 2 (Lot 1) Ground Floor, Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan</p>	DBKL	DBKL.JPPP/00841/04/2018/KM01	27 Oct 2022 - 26 Oct 2023	<p><u>Licensing conditions:</u></p> <p>(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business.</p> <p>(b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.</p> <p>(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.</p> <p><u>Temporary condition:</u></p> <p>(a) Obtain approval and comply with the conditions for the building plan approval from the Department of Building Control.</p>	<p>Noted</p> <p>Noted</p> <p>Complied⁽ⁱ⁾</p> <p>Complied</p>

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
5.	PG E Assets	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Signboard (6.22m x 2.43m) / 1 unit;</p> <p>(c) Signboard (6.22m x 2.08m) / 1 unit;</p> <p>(d) Signboard (1.20m x 0.60m) / 1 unit;</p> <p>(e) Signboard (2.42m x 0.90m) / 1 unit at:</p> <p>No. 271-G, Jalan Genting Kelang, Setapak, 53300 Kuala Lumpur, Wilayah Persekutuan</p>	DBKL	DBKL.JPPP/02905/11/2020/KM01	26 Nov 2022 - 25 Nov 2023	<p><u>Licensing conditions:</u></p> <p>(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business.</p> <p>(b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.</p> <p>(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.</p> <p><u>Temporary conditions:</u></p> <p>(a) Re-inspection by the Licensing and Business Development Department.</p> <p>(b) Obtain approval and comply with the conditions for the building plan approval from the Department of Building Control.</p> <p>(c) Obtain approval from the Department of Fire and Rescue.</p> <p>(d) Obtain approval from the CCM.</p>	<p>Noted</p> <p>Noted</p> <p>Complied⁽ⁱ⁾</p> <p>To be complied⁽ⁱⁱ⁾</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(e) Obtain approval from the City Planning Department.	Complied
6.	PG Global Wealth	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Signboard (5.80m x 5.50m) / 1 unit</p> <p>(c) Signboard (4.72m x 1.83m) / 1 unit</p> <p>(d) Signboard (2.44m x 2.44m) / 1 unit</p> <p>(e) Signboard (4.88m x 0.91m) / 1 unit at:</p> <p>No. 25 (Ground Floor), Jalan Tun Tan Cheng Lock, 50000 Kuala Lumpur, Wilayah Persekutuan</p>	DBKL	DBKL.JPPP/01753/05/2018/KM01	21 Oct 2022 - 20 Oct 2023	<p><u>Licensing conditions:</u></p> <p>(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business.</p> <p>(b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.</p> <p>(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.</p> <p><u>Temporary conditions:</u></p> <p>(a) To adhere to the established signboard advertising licencing guidelines.</p> <p>(b) License holder must comply with signboard advertising licencing guidelines.</p>	<p>Noted</p> <p>Noted</p> <p>Complied⁽ⁱ⁾</p> <p>Complied</p> <p>Complied</p>

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6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(e) Obtain approval from the City Planning Department.	Complied
8.	PG Sri Permaisuri	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Signboard (6.10m x 2.08m) / 1 unit</p> <p>(c) Signboard (2.13m x 0.91m) / 1 unit at:</p> <p>No. 51, Ground Floor, Jalan Sri Permaisuri 8, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Wilayah Persekutuan</p>	DBKL	DBKL.JPPP/00833/01/2019/KM01	19 May 2023 - 18 May 2024	<p><u>Licensing conditions:</u></p> <p>(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business.</p> <p>(b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.</p> <p>(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.</p> <p><u>Temporary conditions:</u></p> <p>(a) Obtain approval from the Department of Fire and Rescue.</p> <p>(b) Obtain approval from the City Planning Department.</p> <p>(c) Obtain approval and comply with the conditions for the building plan approval from the Department of Building Control.</p>	<p>Noted</p> <p>Noted</p> <p>Complied⁽ⁱ⁾</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
9.	PG Terus Wangsa	(a) Licence to operate pawnbroking business; and (b) Lighted signboard at: No. 32, Ground Floor, Jalan Pandan Indah 1/23A, Pandan Indah, 55100 Kuala Lumpur, Wilayah Persekutuan	Majlis Perbandaran Ampang Jaya	MPAJ01-06/2/6-30908	Expiring on 31 Dec 2023	(a) Licence shall be displayed at the business premises at all time. (b) Licence shall be renewed from 1 October and before 31 December yearly.	Complied Noted
10.	PG E Assets	(a) Licence to operate pawnbroking business; (b) Lighted signboard; and (c) Non-lighted signboard at: Lot 8660, Ground Floor-G1, Wisma Saudagar, Kampung Melayu, 68000 Ampang, Selangor	Majlis Perbandaran Ampang Jaya	MPAJ01-06/2/6-28619	Expiring on 31 Dec 2023	(a) Licence shall be displayed at the business premises at all time. (b) Licence shall be renewed from 1 October and before 31 December yearly.	Complied Noted
11.	PG Total	(a) Licence to operate pawnbroking business; (b) Two units of double-sided signboard without lighting; (c) One unit of horizontal signboard without lighting; and	Majlis Bandaraya Subang Jaya	2120150700049	Expiring on 31 Dec 2023	(a) Licence shall be displayed at the business premises at all time. (b) Licence shall be renewed 3 months before the expiry.	Complied Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
		(d) Temporary permit for wall partition at: No. 37, Jalan DD 3A/1, Taman Dato Demang, Bandar Putra Permai, 43300 Seri Kembangan, Selangor					
12.	PG Delta	(a) Licence to operate pawnbroking business; and (b) Lighted signboard (less than 9.0m) at: No. 33 (Ground Floor), Jalan Mahkota Residence 1, Bandar Mahkota Cheras, 43200 Cheras, Selangor	Majlis Perbandaran Kajang	MPKJ/CL/3/87/2 017	21 Jun 2023 - 20 Jun 2024	Nil	Not applicable
13.	PG Maju	(a) Licence to operate pawnbroking business; (b) Lighted signboard; and (c) Non-lighted signboard at: No. 27, Jalan Bunga Tanjung 6A, Taman Putra, 68000 Ampang, Selangor	Majlis Perbandaran Ampang Jaya	MPAJ01-06/2/6-28675	Expiring on 31 Dec 2023	(a) Licence shall be displayed at the business premises at all time. (b) Licence shall be renewed from 1 October and before 31 December yearly.	Complied Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
14.	PG SP	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Lighted signboard (more than 8 sqm);</p> <p>(c) Non-lighted signboard (less than 8 sqm); and</p> <p>(d) Lighted signboard (less than 8 sqm) at:</p> <p>No. 21, Jalan Pelabur B, 23/B, Seksyen 23, 40300 Shah Alam, Selangor</p>	Majlis Bandaraya Shah Alam	MBSA/LSP/LS/600-4/1/1267-17	Expiring on 14 Jan 2024	Nil	Not applicable
15.	PG Delta	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Lighted signboard (less than 8 sqm – 1 sided);</p> <p>(c) Non-lighted signboard (less than 8 sqm – 1 sided);</p> <p>(d) 4 lighted signboard (less than 8 sqm – 2 sided);</p> <p>(e) Lighted signboard (less than 12 sqm – 1 sided); and</p> <p>(f) CAJ sticker at:</p>	Majlis Perbandaran Kajang	MPKJ/CL/1/326/2018	31 Jul 2023 - 30 Jul 2024	Nil	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
		No. 55 (Ground Floor), Jalan Besar, 43000 Kajang, Selangor					
16.	PG Total	(a) Licence to operate pawnbroking business; (b) Horizontal lighted signboard (6.4m x 2.08m – 1 sided); (c) Vertical lighted signboard (1.21m x 2.44m – 2 sided); and (d) Horizontal lighted signboard (6.1m x 0.46m – 1 sided) at: No. 108 (Ground Floor), Jalan 1/14, Off Jalan Othman, 46000 Petaling Jaya, Selangor	Majlis Bandaraya Petaling Jaya	L140000214505	1 Jan 2023 - 31 Dec 2023	Nil	Not applicable
17.	PG Adventure	(a) Licence to operate pawnbroking business; (b) Horizontal lighted signboard (LED advertisement - 1 unit); (c) Non-lighted signboard (at the alleyway – 2 sided);	Majlis Bandaraya Subang Jaya	MPSJ/LES/600/03/02247-21	Expiring on 30 Sep 2024	(a) Licence shall be displayed at the business premises at all time. (b) Licence shall be renewed from 1 October and before 31 December yearly.	Complied Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
		(d) Horizontal non-lighted signboard; and (e) Horizontal non-lighted signboard (at premise door - 1 unit) at: No. 7, Ground Floor, Jalan Prima Utama 1A, Taman Puchong Prima, 47150 Puchong, Selangor				(c) To inform the Licencing Department to reclaim the deposit if the premise has been closed or ceased operations.	Noted
18.	PG Maju	(a) Licence to operate pawnbroking business; (b) Lighted signboard (less than 8 sqm); (c) Non-lighted signboard (less than 8 sqm); (d) Double faced lighted signboard (less than 8 sqm); and (e) Two non-lighted signboard (less than 8 sqm) at: No. 4 (Ground Floor), Jalan Tengku Ampuan Zabedah D9/D, Seksyen 9, 40100 Shah Alam, Selangor	Majlis Bandaraya Shah Alam	MBSA/LSP/LS/6 00-4/1/0293-19	Expiring on 14 Apr 2024	Nil	Not applicable
				MBSA/LSP/LS/9 00-3/1/0149-22	Expiring on 14 Nov 2023	Nil	Not applicable

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
19.	PG Sungai Way	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Horizontal lighted signboard (6.10m x 1.52m – 1 sided);</p> <p>(c) Vertical lighted signboard (0.91m x 4.88m – 1 sided);</p> <p>(d) Vertical lighted signboard (0.91m x 4.88m – 2 sided); and</p> <p>(e) Horizontal lighted signboard (1m x 14m – 1 sided) at:</p> <p>No. 589, Jalan 14, Seri Setia, 47300 Petaling Jaya, Selangor</p>	Majlis Bandaraya Petaling Jaya	L2560000603814	1 Jan 2023 - 31 Dec 2023	Nil	Not applicable
20.	PG E Assets	<p>(a) Licence to operate pawnbroking business;</p> <p>(b) Non-lighted signboard; and</p> <p>(c) Projecting unilluminated signboard at:</p>	Majlis Bandaraya Seremban	02010148112019 MPS(UP)35955	Expiring on 21 Jan 2024	Nil	Not applicable

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
21.	PG Nilai	<p>No. 152, Ground Floor, Jalan Taman Komersil Senawang 1, Taman Komersil Senawang, 70450 Seremban, Negeri Sembilan</p> <p>(a) Licence to operate pawnbroking business; and</p> <p>(b) Non-lighted signboard at:</p> <p>No. 8, Ground Floor, Jalan Terminal 1, 71800 Nilai, Negeri Sembilan</p>	Majlis Bandaraya Seremban	02010389012020 MPS(UP)36158	Expiring on 5 Mar 2024	<p>(a) To comply with safety and fire prevention requirements submitted by the Fire and Rescue Department.</p> <p>(b) The license must be displayed at all times in a conspicuous place.</p> <p>(c) Premises must have signboard / advertisement. Advertisements must be in Malay only or Malay together with other languages. Letters or writing in other languages shall be no larger than half the letters for words in Malay.</p>	<p>In progress⁽ⁱⁱⁱ⁾</p> <p>Complied</p> <p>Complied</p>
22.	PG Terus Wangsa	<p>(a) Licence to operate pawnbroking business; and</p> <p>(b) Lighted signboard at:</p> <p>No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang</p>	Majlis Daerah Bera	MDB.04/30/01/841	1 Jan 2023 – 31 Dec 2023	Nil	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
23.	Atapttech	Licence for business office at Lot 11-10, Wisma Trax, No. 1 Jalan Lima, Off Jalan Chan Sow Lin, Cheras, 55200, Kuala Lumpur, Wilayah Persekutuan	DBKL	DBKL.JPPP/01687/06/2021/PR01	17 Jun 2023 - 16 Jun 2024	<p><u>Licensing conditions:</u></p> <p>(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business.</p> <p>(b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.</p> <p>(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.</p> <p><u>Temporary conditions:</u></p> <p>(a) Obtain approval from the Department of Fire and Rescue.</p> <p>(b) Licence holder to obtain approval from the Department of Building Control.</p> <p>(c) Obtain approval from the City Planning Department.</p> <p>(d) Obtain approval from the CCM.</p>	<p>Noted</p> <p>Noted</p> <p>Complied⁽ⁱ⁾</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
24.	Cahaya Gold	(a) Licence for selling gold products and accessories; and (b) Signboard (0.91m x 1.52m) / 1 unit) at: 273, Ground Floor, Jalan Genting Kelang, Taman Ayer Panas, 53300, Kuala Lumpur, Wilayah Persekutuan	DBKL	DBKL.JPPP/01378/11/2020/KM01	13 Nov 2022 - 12 Nov 2023	<p><u>Licensing conditions:</u></p> <p>(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business.</p> <p>(b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.</p> <p>(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.</p> <p><u>Temporary conditions:</u></p> <p>(a) Re-inspection by the Licensing and Business Development Department.</p> <p>(b) Obtain approval and comply with the conditions for the building plan approval from the Department of Building Control.</p> <p>(c) Obtain approval from the Department of Fire and Rescue.</p>	<p>Noted</p> <p>Noted</p> <p>Complied⁽ⁱ⁾</p> <p>To be complied⁽ⁱⁱ⁾</p> <p>Complied</p> <p>Complied</p>

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(d) Obtain approval from the City Planning Department.	Complied
						(e) Obtain approval from the CCM.	Complied
25.	Cahaya Gold	Licence for business office at Lot 11-10, Tingkat 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan	DBKL	DBKL.JPPP/02813/06/2021/PR01	7 Jul 2023 - 6 Jul 2024	Licensing conditions: (a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business. (b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur. (c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.	Noted Complied ⁽ⁱ⁾

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
26.	Cahaya Gold	(a) Licence for selling gold products and jewelleryes; and (b) Signboard (0.61m x 2.13m – 1 unit) at: Lot 11-10, Wisma Trax, Jalan Lima, Chan Sow Lin, 53300, Kuala Lumpur, Wilayah Persekutuan	DBKL	DBKL.JPPP/00993/08/2022/KM01	15 July 2023 – 15 Jul 2024	(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business. (b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur (c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.	Noted Noted Complied ⁽ⁱ⁾
27.	Cahaya Gold	Licence for gold shop at Lot 8661, GF, Wisma Saudagar Batu 5, Jalan Ampang, 68000, Ampang, Selangor	Majlis Perbandaran Ampang Jaya	MPAJ01-06/2/6-31295	Expiring on 31 Dec 2023	(a) Licence shall be displayed at the business premises at all time. (b) Licence shall be renewed from 1 October and before 31 December yearly.	Complied Noted

6. BUSINESS OVERVIEW (cont'd)

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
28.	EMCC	Licence for business office at Lot 11-10, Wisma Trax, Level 11, No.1, Jalan Lima, Off Jalan Chan Sow Lin, 55200, Kuala Lumpur, Wilayah Persekutuan	DBKL	DBKL.JPPP/05121/12/2021/PR01	28 Dec 2022 - 27 Dec 2023	<p><u>Licensing conditions:</u></p> <p>(a) The Mayor of Kuala Lumpur has the right to impose additional conditions from time to time as a business control measure and to take action in accordance with the laws and acts applicable to the department / agency related to the business.</p> <p>(b) The licence shall be renewed 60 days before its expiry without notice given from the Mayor of Kuala Lumpur.</p> <p>(c) The employees on the premises must be of 50% Malaysian citizen and 50% non-citizens holding a valid work permit.</p> <p><u>Temporary conditions:</u></p> <p>(a) Re-inspection by the Licensing and Business Development Department.</p> <p>(b) Obtain approval and comply with the conditions for the building plan approval from the Department of Building Control.</p> <p>(c) Obtain the approval from the fire and rescue department.</p>	<p>Noted</p> <p>Noted</p> <p>Complied⁽ⁱ⁾</p> <p>To be complied⁽ⁱⁱ⁾</p> <p>Complied</p> <p>Complied</p>

6. BUSINESS OVERVIEW *(cont'd)*

No.	Holder of licence	Description of licence	Approving Authority	Licence / Reference no.	Validity	Major conditions imposed	Status of compliance
						(d) Obtain planning approval from the City Planning Department.	Complied
						(e) Obtain approval from the CCM.	Complied

Notes:


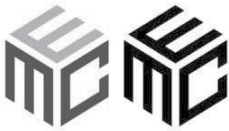


- (i) This is a general condition imposed by DBKL for the purpose of restricting foreign workers, if hired by the company, to a maximum of 50% of the total workforce of the Company, as all our employees are Malaysian citizens, the condition has been complied with.
- (ii) The Licensing and Business Development Department of DBKL, will only carry out a re-inspection of the premise at the point of renewal of the licence.
- (iii) We have submitted the relevant application to the Fire and Rescue Department and the local councils to obtain the relevant approvals.

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6. BUSINESS OVERVIEW (cont'd)**6.15 Patents, Trademarks and Registrations**

As at the LPD, save as disclosed below, our Group does not have any other patents, trademarks and registrations:

Registered trademarks

No	Trademark	Registered owner	Approving authority	Class no.	Trademark no.	Validity period
1.		EMCC	MyIPO	35 ⁽ⁱ⁾ , 36 ⁽ⁱ⁾	2018051160, 2018051163	20 Dec 2018 - 18 Jan 2028
2.		EMCC	MyIPO	35 ⁽ⁱ⁾	TM 2019015026	5 Aug 2020 - 24 Apr 2029
Note:						
EMCC's logo (in a series of 2 marks in colour, and black and white)						
3.		EMCC	MyIPO	35 ⁽ⁱ⁾ , 36 ⁽ⁱ⁾	2018074387, 2018074391	25 Dec 2019 - 14 Nov 2028
4.		Cahaya Gold	MyIPO	14 ⁽ⁱ⁾ , 35 ⁽ⁱ⁾	TM2020020151, TM2020020153	7 Oct 2021 - 10 Sep 2030

Note:

(i) The description of the different classes of trademarks are as follows:

Class	Description
14	Gold; jewellery; precious stones; amulets jewellery; alloys of precious metals; articles of jewellery; unwrought or beaten gold; gold jewellery; jewellery ornaments; jade jewellery; diamonds; jewellery cases; platinum jewellery

6. BUSINESS OVERVIEW *(cont'd)*

Class	Description
35	Business management; advertising; online advertising and promotion on a computer network; the bringing together, for the benefits of others, of a variety of goods and services, enabling customers to conveniently view and purchase those goods from a wholesale outlet, retail store or by means of telecommunication or from a general merchandise web site in the global communications network; wholesale services; retailer; retail services; business consultancy relating to the establishment and operation of franchises; compilation and dissemination of information through direct mail advertising or by electric means namely, vide website, internet and mobile telecommunication networks; business administration; office functions; demonstration of goods; distribution of samples; publicity; outdoor advertising; billboard advertising; providing information, including online, about advertising, business management and administration and office functions; advertising, marketing and sales promotional services in shops and/or through worldwide communication networks; dissemination of advertising matter; online retail and wholesale store services; online retail and wholesale services.
36	Financial consultancy; credit bureau; exchanging money; financing services; loans [financing]; pawn brokerage; monetary services; administration of financial affairs; arranging of mortgages and loans; brokerage services; collection of payments; consumer lending services; debt collection; financial assistance; financing and loan services; money leading; personal loan services; consumer credit services; loan services.

6.16 Contracts/Arrangements/Documents Which Our Group is Materially Dependent on

As at the LPD, save for the licences disclosed in Section 6.14 of this Prospectus, we are not materially dependent on any contracts, arrangements or any matters that could affect our businesses or profitability.

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6. BUSINESS OVERVIEW (cont'd)

6.17 Properties, Plant and Equipment

6.17.1 Properties owned by our Group

A summary of the properties owned by our Group as at the LPD are as follows:

No.	Registered/ Beneficial owner	Postal address/Title	Description/ Existing use	Category of land use/ Tenure	Restriction in interests/ Encumbrances	Land area/ Built-up area	Date of issuance of CF/CCC	NBV as at 30 Apr 2023 RM'000
1.	PG Delta	No. 38A, 38B, 38C & 38D (Front), 38D(2) and 38D (Back), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan/ PN47441, Lot 792 (Seksyen 92), Mukim Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	4 units of 2-storey semi-detached factory/ Investment property rented to Evergreen Properties ⁽ⁱ⁾	Industry/ 60 years lease expiring on 15 Mar 2069	The land is restricted from being transferred, leased, or mortgaged without the permission of the State Authority/ Charged to Alliance Bank Malaysia Berhad	4,691 sqm/ 3,840 sqm	2 Feb 1980	12,354
2.	PG Delta	No. 27, Ground Floor, 1 st and 2 nd Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu/ PM 4004, Lot 61946, Kg Mak Lagam, Daerah Kemaman	3-storey shop office/ Investment property rented to Evergreen Properties and Dato' Low ⁽ⁱ⁾	Commercial building/ 99 years lease expiring on 1 Jun 2110	The land is restricted from being transferred, leased, or mortgaged without the permission of the State Authority of Kemaman/ Charged to Public Bank Berhad	194 sqm/ 521 sqm	6 Jun 2017	646

6. BUSINESS OVERVIEW (cont'd)

Note:

- (i) Dato' Low is our Promoter and Director whilst Evergreen Properties is our related party. The salient terms of the existing tenancy agreement between PG Delta, Dato' Low and Evergreen Properties are as follows:

No.	Party	Address	Tenure	Rental per annum RM'000
(i)	PG Delta as landlord and the following as tenants:			
	• Evergreen Properties	• Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan:		
		○ No. 38A	} 2 years from 1 Apr 2022 to 31 Mar 2024 ^(a)	186
		○ No. 38C		128
		○ No. 38B	2 years from 1 Jan 2022 to 31 Dec 2023 ^(a)	116
		○ No. 38D (Front)	2 years from 1 Feb 2022 to 31 Jan 2024 ^(a)	67
		• No. 27, Ground Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu	2 years from 1 Mar 2022 to 28 Feb 2024 ^(a)	18
	• Dato' Low	No. 27, 1 st and 2 nd Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu	2 years from 1 Jan 2022 to 31 Dec 2023 ^(b)	12

6. BUSINESS OVERVIEW *(cont'd)*

Notes:

- (a) The tenant has the option to renew the tenancy for a further term of 1 year at a rental subject to an increase of not more than 10% of the prior rental rate. The tenant may terminate the tenancy before expiry by giving the landlord a 3-month notice in writing or payment in lieu thereof. If the rental is in arrears for more than 7 days and the tenant fails to remedy the same within 14 days of receipt of written notice from the landlord, the landlord may immediately take repossession of the property and the deposits shall be deducted against any liabilities incurred by the tenant.
- (b) The tenant has the option to renew the tenancy for a further term of 1 year. The tenant may terminate the tenancy before expiry by giving the landlord a 3-month notice in writing or payment in lieu thereof. If the rental is in arrears for more than 7 days and the tenant fails to remedy the same within 14 days of receipt of written notice from the landlord, the landlord may immediately take repossession of the property and the deposits shall be deducted against any liabilities incurred by the tenant.

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6. BUSINESS OVERVIEW (cont'd)**6.17.2 Properties Rented by our Group**

A summary of the properties rented by our Group for our business operations as at the LPD are as follows:

No.	Landlord	Tenant	Property address	Description/Existing use	Built-up area	Date of issuance of CF/CCC	Tenure	Rental per annum RM'000
1.	Evergreen Properties	EMCC	Lot 11-10, Level 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan	1 floor of a multi-storey commercial building/ Head office	664 sqm	24 May 2023	1 year from 1 Oct 2022 to 30 Sep 2023 ^{(i),(ii)}	231
2.	Yoke Kooi Properties Sdn Bhd	PG Tiara	Insan No. 42A Wisma Kobesi, Jalan Gangsa Off Jalan Suasa 6, Sungai Besi, 57000 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 3-storey shop office/ Pawnshop	115 sqm	29 May 2023	3 years from 1 Jul 2022 to 30 Jun 2025	66
3.	Evergreen Properties	PG Wangsa	Terus No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang	1 floor of a 3-storey shop office/ Pawnshop	78 sqm	25 Jul 2023	3 years from 15 Apr 2021 to 14 Apr 2024 ⁽ⁱⁱⁱ⁾	72
4.	Wission Holdings Sdn Bhd	PG Wangsa	Terus No. 32, Ground Floor, Jalan Pandan Indah 1/23A, Pandan Indah, 55100 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 3½-storey shop house/ Pawnshop	309 sqm	25 Jul 2023	3 years from 1 Oct 2021 to 30 Sep 2024	77

6. BUSINESS OVERVIEW (cont'd)

No.	Landlord	Tenant	Property address	Description/Existing use	Built-up area	Date of issuance of CF/CCC	Tenure	Rental per annum RM'000	
5.	Weld Industrial Sdn Bhd	Safety Supply	PG E Assets	No. 152, Jalan Taman Komersil Senawang 1, Taman Komersil Senawang, 70450 Seremban, Negeri Sembilan	1 floor of a 3-storey shop office/ Pawnshop	106 sqm	28 Oct 2005	15 years from 1 Sep 2017 to 31 Aug 2032	58
6.	Paritam Kaur A/P Surjan Singh & Avinder Singh Gill A/L Ranjit Singh	PG E Assets	Lot 8660, Ground Floor-G1, Wisma Saudagar, Kampung Melayu, 68000 Ampang, Selangor	1 floor of a 3½-storey shop house/ Pawnshop	164 sqm	25 Jul 2023	15 years from 1 Jun 2017 to 31 May 2032	86	
7.	Lam Sau Wing and Lee Ah Mooi	PG E Assets	No. 271-G, Jalan Genting Kelang, Setapak, 53300 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 3-storey shop office/ Pawnshop	127 sqm	6 April 2023	15 years from 1 Nov 2017 to 31 Oct 2032	86	
8.	Ooi Eng Eng	PG Total	No. 37, Jalan DD 3A/1, Taman Dato Demang, Bandar Putra Permai, 43300 Seri Kembangan, Selangor	1 floor of a 2-storey shop office/ Pawnshop	116 sqm	25 Jul 2023	15 years from 1 Sep 2014 to 31 Aug 2029	44	
9.	Bintang Gemilang Property Management Sdn Bhd	PG Total	No. 108 (Ground Floor), Jalan 1/14, Off Jalan Othman, 46000 Petaling Jaya, Selangor	1 floor of a 3-storey shop office/ Pawnshop	118 sqm	20 Feb 1993	3 years from 15 Mar 2021 to 14 Mar 2024	112	
10.	Lim Eng Thiam	PG Delta	No. 33 (Ground Floor), Jalan Mahkota Residence 1, Bandar Mahkota Cheras, 43200 Cheras, Selangor	1 floor of a 4-storey shop office/ Pawnshop	109 sqm	15 Jul 2023	15 years from 15 Oct 2016 to 30 Nov 2031	58	

6. BUSINESS OVERVIEW (cont'd)

No.	Landlord	Tenant	Property address	Description/Existing use	Built-up area	Date of issuance of CF/CCC	Tenure	Rental per annum RM'000
11.	Yong Tee Hoong and Yong Tee Chai @ Yoong Tee Chai	PG Delta	No. 55 (Ground Floor, 1 st Floor & 2 nd Floor), Jalan Besar, 43000 Kajang, Selangor	3-storey shop office/ Pawnshop ^(iv)	107 sqm	15 Jul 2023	15 years from 1 Dec 2017 to 30 Nov 2032	106
12.	Wong Kam Seng and Chin Chooi Chooi	PG Maju	No. 27, Jalan Bunga Tanjung 6A, Taman Putra, 68000 Ampang, Selangor	1 floor of a 3-storey shop office/ Pawnshop	112 sqm	25 Jul 2023	15 years from 18 Feb 2017 to 29 Feb 2032	73
13.	Dairen Development Sdn Bhd	PG Maju	No. 4 (Ground Floor), Jalan Tengku Ampuan Zabedah D9/D, Seksyen 9, 40100 Shah Alam, Selangor	1 floor of a 4-storey shop office/ Pawnshop	124 sqm	15 Jul 2023	3 years from 15 May 2021 to 14 May 2024	96
14.	NJ Properties Sdn Bhd	PG Adventure	No. 242, Jalan Mahkota, Taman Maluri, 55100 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 4-storey shop office/ Pawnshop	164 sqm	6 Apr 2023	3 years from 1 Apr 2021 to 31 Mar 2024	69
15.	Wong Chee Siong	PG Adventure	No. 7, Ground Floor, Jalan Prima Utama 1A, Taman Puchong Prima, 47150 Puchong, Selangor	1 floor of a 2-storey shop office/ Pawnshop	102 sqm	25 Jul 2023	3 years from 1 May 2021 to 30 Apr 2024	73
16.	Cheah Poh See, Cheong Su Yen and Khaw Siew Ching	PG SP	No. 21, Jalan Pelabur B, 23/B, Seksyen 23, 40300 Shah Alam, Selangor	1 floor of a 3-storey shop office/ Pawnshop	143 sqm	25 Jul 2023	15 years from 15 Apr 2017 to 14 May 2032	73

6. BUSINESS OVERVIEW (cont'd)

No.	Landlord	Tenant	Property address	Description/Existing use	Built-up area	Date of issuance of CF/CCC	Tenure	Rental per annum RM'000
17.	K & T Fresh Marketing Sdn Bhd	PG Angkasa	No. 424-TB1, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 3-storey shop office/ Pawnshop	258 sqm	19 May 2023	15 years from 1 Jul 2017 to 30 Jun 2032	123
18.	Insan Tiara	PG Kenanga	No. 2, Lot 1 (Ground Floor), Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 4-storey shop office/ Pawnshop	126 sqm	24 May 2023	3 years from 1 Aug 2023 to 31 Jul 2026 ^(v)	134
19.	BB Premier Commercial Sdn Bhd	PG Global Wealth	No. 25 (Ground Floor), Jalan Tun Tan Cheng Lock, 50000 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 4-storey shop house/ Pawnshop	104 sqm	31 May 2023	16 years from 1 Jan 2018 to 31 Dec 2033	192
20.	MMSG Holdings Sdn Bhd	PG Brickfields	No. 86, Ground Floor, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 3-storey shop house/ Pawnshop	87 sqm	27 Mar 2023	3 years from 1 Oct 2020 to 30 Sep 2023 ^(vi)	120
21.	Lim Swee Yin	PG Nilai	No. 8, Ground Floor, Jalan Terminal 1, 71800 Nilai, Negeri Sembilan	1 floor of a 2-storey shop office/ Pawnshop	122 sqm	30 May 2005	3 years from 1 May 2021 to 30 Apr 2024	52
22.	Lim Siew Chong and Lim Eng Hock	PG Sri Permaisuri	No. 51, Ground Floor, Jalan Sri Permaisuri 8, Bandar Sri Permaisuri, 56000 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 3-storey shop office/ Pawnshop	153 sqm	19 May 2023	3 years from 1 Jul 2021 to 30 Jun 2024	114

6. BUSINESS OVERVIEW (cont'd)

No.	Landlord	Tenant	Property address	Description/Existing use	Built-up area	Date of issuance of CF/CCC	Tenure	Rental per annum RM'000
23.	Lek Eng Hock	PG Sungai Way	No. 589, Jalan 14, Seri Setia, 47300 Petaling Jaya, Selangor	1 floor of a 4-storey shop house/ Pawnshop	135 sqm	15 Jul 2023	3 years from 1 Sep 2021 to 31 Aug 2024	36
24.	Koperasi Cahaya Al-Kifayah Berhad	Cahaya Gold	Lot 8661, GF, Wisma Saudagar Batu 5, Jalan Ampang, 68000 Ampang, Selangor	1 floor of a 3½-storey shop house/ "Cahaya Gold" retail outlet	880 sqm	15 Jul 2023	1 year from 1 Nov 2022 to 31 Oct 2023 ^(viii)	34
25.	Evergreen Properties	Cahaya Gold	273, Ground Floor, Jalan Genting Kelang, Taman Ayer Panas, 53300 Kuala Lumpur, Wilayah Persekutuan	1 floor of a 3-storey shop office/ "Cahaya Gold" retail outlet ^(vi)	127 sqm	24 Feb 2023	3 years from 1 Nov 2020 to 31 Oct 2023 ^(viii)	102
26.	Evergreen Properties	Cahaya Gold	Lot 11-10, Level 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan	Complex of commercial offices and outlets/ "Cahaya Gold" retail outlet	65 sqm	24 May 2023	1 year from 1 Aug 2023 to 31 Jul 2024 ⁽ⁱ⁾	22

Notes:

- (i) The tenant has the option to renew the tenancy for a further term of 1 year at a rental subject to an increase of not more than 15% of the prior rental rate. If the tenant terminates the tenancy before expiry, the deposits shall be forfeited and the tenant shall pay the outstanding rental for the remaining rental period. In the event the tenant is able to find a replacement tenant to take over the remaining rental period (subject to the landlord's approval), the deposits shall be refunded after deducting all expenses incurred by the landlord.

If the rental is in arrears for more than 7 days, the landlord shall grant the tenant a further period of 7 days. If the tenant fails to remedy the same within 14 days, the landlord may immediately take repossession of the property and the deposits shall be forfeited, and in addition pay 12% daily interest calculated from the first day of the applicable month until the date of actual payment.

6. BUSINESS OVERVIEW (cont'd)

- (ii) The tenant has written to the landlord and the landlord has agreed to extend the tenure of this tenancy for a further 1-year period from 1 October 2023 to 30 September 2024.
- (iii) The tenant has the option to renew the tenancy for a further term of 2 years at a rental subject to an increase of not more than 10% of the prior rental rate. In the event the tenant terminates the tenancy before expiry, the deposits shall be forfeited. If the rental is in arrears for more than 7 days and the tenant fails to remedy the same within 7 days of receipt of written notice from the landlord, the landlord may take repossession of the property and the deposits shall be forfeited.
- (iv) Part of the premise unutilised for our operations has been sub-rented to Evergreen Properties, our related party. The salient terms of the tenancy agreement are as follows:

No.	Party	Address	Tenure	Monthly rental (RM)
(i)	PG Delta as landlord and Evergreen Properties as tenant	No. 55, Ground Floor (55B), 1 st Floor & 2 nd Floor, Jalan Besar, 43000 Kajang, Selangor	2 years from 1 Nov 2021 to 31 Oct 2023	1,500

The tenant has the option to renew the tenancy for a further term of 1 year at a rental subject to an increase of not more than 10% of the prior rental rate. The tenant may terminate the tenancy before expiry by giving the landlord a 3-month notice in writing or payment in lieu thereof. If the rental is in arrears for more than 7 days and the tenant fails to remedy the same within 14 days of receipt of written notice from the landlord, the landlord may immediately take repossession of the property and the deposits shall be deducted against any liabilities incurred by the tenant.

- (v) The main tenancy agreement between Kim Fan Holdings Sdn Bhd (landlord) and Insan Tiara (tenant) is for both the ground and first floors of the premise as it is the intention of Kim Fan Holdings Sdn Bhd to rent out both floors together. Following thereto, the ground floor of this premise was sub-let by Insan Tiara to PG Kenanga (sub-tenant) of which this sub-tenancy has been consented by Kim Fan Holdings Sdn Bhd. The sub-tenant has the option to renew the sub-tenancy for a further term of 3 years at a rental subject to an increase of not more than 15% of the prior rental rate. In the event the sub-tenant terminates the sub-tenancy before expiry, the sub-tenant shall pay the outstanding rental for the remaining rental period. If the rental is in arrears for more than 7 days, the tenant may immediately take repossession of the property.
- (vi) The tenant has written to the landlord and the landlord has agreed to extend the tenure of this tenancy for a further 3-year period from 1 October 2023 to 30 September 2026.
- (vii) The tenant has the option to renew the tenancy for a further term of 1 year at a rental subject to an increase of not more than 10% of the prior rental rate. The tenant may terminate the tenancy before expiry by giving the landlord a 3-month notice in writing or payment in lieu thereof. If the rental is in arrears for more than 7 days and the tenant fails to remedy the same within 14 days of receipt of written notice from the landlord, the landlord may immediately take repossession of the property and the deposits shall be deducted against any liabilities incurred by the tenant.
- (viii) The tenant has written to the landlord and the landlord has agreed to extend the tenure of this tenancy for a further 1-year period from 1 November 2023 to 31 October 2024.

6. BUSINESS OVERVIEW *(cont'd)*

6.18 Future Plans and Strategies

We have identified the following strategies to grow and expand our pawnbroking, and gold and luxury products retail and trading businesses:

(i) We intend to continue expanding our pawnbroking business

As at the LPD, we have established a network of 22 “Pajaking” pawnshops in Peninsular Malaysia, with 19 pawnshops in Kuala Lumpur and Selangor, 2 pawnshops in Negeri Sembilan, and 1 pawnshop in Pahang.

As part of our expansion plan, we intend to open 5 new “Pajaking” pawnshops in Kuala Lumpur, Selangor and Pahang. Such expansion will enable us to capture a larger market share as well as increase our brand visibility.

As at the LPD, we are in the midst of identifying suitable locations within densely populated commercial areas to set up our new pawnshops. For each potential location, an assessment will be prepared for our management’s review and decision. Such assessment will include, amongst others, market catchment of the potential locations, range of rental rates and lease duration as well as competitors within the vicinity. Our management will then evaluate the assessment and select the most suitable locations to set up our new pawnshops.

Once we have selected the suitable locations, we will incorporate new subsidiaries to apply for the requisite pawnbroker’s licence for each new pawnshop intended to be opened in accordance with the requirement under the ‘Garis Panduan Urusan Pelesenan Pemegang Pajak Gadai’ issued by KPKT. Based on our past experience, we expect to obtain KPKT’s approval-in-principle for the pawnbroker’s licence within 2 months from the date of our application to KPKT.

Upon receiving the approval-in-principle, we will begin renovation of the respective new pawnshops, which is expected to take approximately 2 to 3 months to complete at an estimated renovation cost of approximately RM0.3 million for each new pawnshop. We plan to utilise RM20.0 million from our Public Issue proceeds to fund the share capital of our new pawnshop subsidiaries, of which RM1.5 million will be allocated for the renovation costs of the 5 new “Pajaking” pawnshops, whilst the remaining RM18.5 million will be utilised to fund the cash capital of these new pawnshops.

Once the renovations are completed, KPKT will inspect the new pawnshops before issuing the pawnbroker’s licences for the new pawnshops to commence pawnbroking business. Subject to the issuance of the pawnbroker’s licences by KPKT, we plan to set up 2 new pawnshop by mid 2024 and another 3 new pawnshops by end 2024.

In the event we are unable to identify suitable locations to set up our new pawnshops, we would expand our pawnbroking business via selective acquisitions and/or investments in other pawnbrokers which are located in the areas where we intend to set up our new “Pajaking” pawnshops, i.e. Kuala Lumpur, Selangor and Pahang.

If required, in compliance with the Listing Requirements, we shall make the necessary announcements and/or seek the necessary approvals for such business opportunities.

(ii) We plan to increase the market visibility of our gold and luxury products retail and trading business

We have been utilising social media and e-commerce platforms such as Facebook Live sessions, Telegram, WhatsApp, Instagram, Tik Tok and Shopee to conduct digital marketing and online sales of our gold products. During the financial years/period under review, we had recorded approximately RM0.7 million, RM2.5 million and RM0.6 million of online sales of gold products in the FYE 2021, FYE 2022 and FPE 2023 respectively.

6. BUSINESS OVERVIEW (cont'd)

We recognise the importance of digital marketing in the current business environment and thus, are increasing our efforts in online advertising and promotions to enhance our digital presence and increase the number of followers on our social media accounts and e-commerce platforms. As part of this strategy, we intend to post more interactive digital contents in our social media accounts as well as conduct more online live sessions for our gold products by expanding our online sales team.

As at the LPD, we have 5 online sales teams and we intend to recruit an additional 3 online sales teams by end 2023. For this purpose, we have allocated an annual budget of approximately RM0.13 million to hire the additional 3 online sales teams, of which the estimated cost will be funded via our Group's internally generated funds.

In addition, we also intend to invest in sponsored advertisements to further advertise our products and services, and attract traffic to our social media accounts in Facebook. In this regard, we have allocated an annual budget of approximately RM12,000 to invest into such sponsored advertisements, which will also be funded via our Group's internally generated funds.

We expect sales of our gold products (both in-store and online) to grow with the above marketing efforts and thus, will require additional working capital to fund the purchase of inventories of gold products (especially unredeemed pledged gold items from our pawnbroking segment that are in good condition). As such, we plan to allocate RM3.5 million from our Public Issue proceeds to fund such purchases.

6.19 Employees

As at the LPD, our Group has a total of 95 employees comprising 90 permanent employees and 5 contractual employees. All of our employees are Malaysians. A summary of our Group's employees as at 31 December 2022 and the LPD is set out below:

	Total employees as at 31 Dec 2022	Employees as at the LPD			
		Total	Kuala Lumpur	Selangor	Pahang and Negeri Sembilan
Key management personnel	6	6	6	-	-
<u>"Pajaking" pawnshop</u>					
- Branch manager	12	12	6	(i)6	-
- Branch supervisor	22	21	(ii)7	10	(ii)4
- Operations assistant	31	32	12	14	6
<u>"Cahaya Gold" retail outlet</u>					
- Branch manager	1	1	1	-	-
- Branch supervisor	2	2	2	-	-
- Operations assistant	3	4	3	1	-
Finance personnel	7	7	(iii)7	-	-
Human resource personnel	1	1	1	-	-
Compliance officer	1	1	1	-	-
Internal auditor	1	1	1	-	-
IT manager	1	1	1	-	-
Others ^(iv)	7	6	6	-	-
Total	95	95	54	31	10

6. BUSINESS OVERVIEW (cont'd)

Notes:

- (i) Including 1 contractual employee.
- (ii) Including 2 contractual employees.
- (iii) Excluding Hee Chee Keong, our Chief Financial Officer who is part of our key management personnel.
- (iv) Comprise general administrator, store manager, drivers and cleaner.

None of our employees belong to any labour union and as at the LPD, there were no industrial disputes pertaining to our employees. Over the past 4 financial years, our average employee turnover rate is approximately 25% and were mainly at the branch supervisor and operations assistant levels. Notwithstanding the foregoing, we have been able to recruit suitable personnel as replacements.

6.20 Regulatory Requirements and Environmental Issues

Our Group's business operations are subject to the following key governing laws and regulations:

Pawnbroking services

- (i) Pawnbrokers Act, its regulations and guidelines

The Pawnbrokers Act together with its relevant regulations, including the Pawnbrokers Regulations and Pawnbrokers (Compounding of Offences) Regulations 2018, are the principal legislations that governs pawnbroking services in Malaysia.

Section 7(1) of the Pawnbrokers Act stipulates that no person can carry on business as a pawnbroker unless such person is licenced by KPKT under the Pawnbrokers Act. According to Section 11F of the Pawnbrokers Act, once such licence has been issued, it cannot be transferred or assigned without the prior consent of KPKT. Under Section 7(2) of the Pawnbrokers Act, any person who carries on business as a pawnbroker without a valid licence, or who continues to carry on such business after his licence has expired or been suspended or revoked commits an offence and shall on conviction be liable to a fine of not less than RM20,000 or to imprisonment for a term not exceeding 5 years or to both and in the case of a second or subsequent offence shall also be liable to whipping in addition to such punishment.

Section 10A of the Pawnbrokers Act provides that KPKT may stipulate conditions in the licence that has to be adhered to. Additionally, KPKT may, during the term of the licence, add to, revoke or vary any of the conditions. Under Section 10C of the Pawnbrokers Act, a pawnbroker to whom a licence has been granted must display such licence in a conspicuous part of the premises from which the pawnbroking business is carried out at all times. Please refer to Section 6.14 of this Prospectus for details on the major conditions imposed by KPKT in relation to our Group's pawnbroker's licences.

Section 13A of the Pawnbrokers Act provides that every licensed pawnbroker must submit to KPKT any book, account or document containing pawnbroking transactions within such time as may be specified by KPKT.

6. BUSINESS OVERVIEW (cont'd)

Section 13B of the Pawnbrokers Act and Regulation 6 of the Pawnbrokers Regulations, stipulates that a licensed pawnbroker must not issue or publish advertisements relating to the pawnbroking business unless such licensed pawnbroker has obtained an advertising permit issued by KPKT. Pursuant to Regulation 7 of the Pawnbrokers Regulations, such advertising permit is subject to KPKT's approval of the information contained within the advertisement and renewal of such advertising permit must be made at least 60 days before the expiry of the advertisement permit.

Under Sections 22(2) and (3) of the Pawnbrokers Act and Regulation 23 of the Pawnbrokers Regulations, licensed pawnbrokers have a duty to ensure the safekeeping of pledged items and to insure the pledged items against loss or damage. According to Section 22(4) of the Pawnbrokers Act, in the event that a person lodges a complaint regarding an unredeemed pledged item that has not been returned upon request or has incurred a loss in value due to the pawnbroker's fault, negligence, or misconduct, a Magistrate has the power to mandate the pawnbroker to provide fair compensation to the individual. Additionally, licensed pawnbrokers must report any suspicious transactions which arise over the course of their pawnbroking business.

Section 20 of the Pawnbrokers Act provides that a pawnbroker who receives a notice from the police or the rightful owner of a pledged item not to deliver up any pledged item which has been dishonestly pledged to the pawnbroker must retain possession of the pledged item until authorised to return it by the police or by a magistrate. Under Section 29 of the Pawnbrokers Act, a pawnbroker who has reason to believe that any pledged item or pawn ticket has been obtained dishonestly must inquire as to how the person acquired the pledged item or pawn ticket. If the person cannot provide a satisfactory explanation or gives false information, the pawnbroker must report it to the nearest police station.

In addition to the above, a licensed pawnbroker is not permitted to engage in any other business at the licensed premises, as stipulated under Section 16(3) of the Pawnbrokers Act.

As at the LPD, each of our 22 "Pajaking" pawnshop holds a valid pawnbroker's licence and advertising permit as required under the Pawnbrokers Act. Please refer to Sections 6.14.1 and 6.14.2 of this Prospectus for details of the pawnbroker's licences and advertising permits obtained by our Group.

'Garis Panduan Urusan Pelesenan Pemegang Pajak Gadai'

In addition to the above, KPKT had, pursuant to Section 45 of the Pawnbrokers Act, issued the 'Garis Panduan Urusan Pelesenan Pemegang Pajak Gadai' on 9 August 2019. The guidelines govern, amongst others, applications for pawnbroker's licences from 9 August 2019. Amongst others:

- (i) paragraphs 4.2, 4.3 and 4.4 of the guidelines state that all new applicants are to be Malaysian incorporated companies with a share capital of at least RM100,000 at the time the application is made and is to be increased to RM4 million within a 10-month conditional approval period. Further, the guidelines stipulate that the shareholders and/or directors of the applicant company should not have a community credit licence issued under the Moneylenders Act 1951;
- (ii) paragraph 4.5 of the guidelines states that there are no pre-determined limits on the number of licences that can be issued by KPKT, and new licences may be issued by KPKT to applicant companies that comply with the requirements of the Pawnbrokers Act and its prevailing regulations and guidelines;
- (iii) paragraph 4.7 restricts new applicants to just having 1 operating branch per applicant company;

6. BUSINESS OVERVIEW (cont'd)

- (iv) paragraph 4.8 read together with Appendix 1 of the guidelines state that during the 10-month conditional approval period, an applicant is required to obtain approval from the local authority prior to commencing any renovation activities on the premises approved by KPKT to be licensed as a pawnshop; and
- (v) the renovations are to be made in compliance with the requirements of Appendix 1 of the guidelines. Upon completion of renovations and compliance with all requirements under the guidelines, KPKT will perform inspections, prior to the issuance of the new pawnbroker's licence.

Notwithstanding the foregoing, the guidelines are not retrospective in nature and do not apply to pawnbrokers that had obtained their pawnbroker's licences prior to 9 August 2019.

As all of our existing "Pajaking" pawnshops have been licensed prior to 9 August 2019, they are not required to comply with the guidelines. Notwithstanding this, we will need to comply with such guidelines for any new "Pajaking" pawnshops to be set up in the future.

(ii) AMLA

Reporting institutions must comply with the regulatory framework set out by AMLA and the guidelines issued by BNM as the competent authority, whereby reporting institutions include licensed pawnbrokers.

A reporting institution must keep a record of any transaction involving the domestic or any foreign currency exceeding such amount as the competent authority may specify.

Further, the AMLA provides that the reporting institution shall promptly report to the competent authority:

- (a) any transaction exceeding such amount as specified by the competent authority⁽¹⁾;
- (b) any transaction where the identity of the person involved, the transaction itself or any other circumstances concerning that transaction that gives any officer or employee of the reporting institution reason to suspect that the transaction involves proceeds of an unlawful activity or instrumentalities of an offence; and
- (c) any transaction or property where any officer or employee of the reporting institution has reason to suspect that the transaction or property involved is intended to be used for or by, any terrorist act, terrorist, terrorist group, terrorist entity or person who finances terrorism.

Note:

- (1) The requirement to submit cash threshold reports to BNM under Section 14(1)(a) of the AMLA is currently not applicable to pawnbrokers.

Section 16 of the AMLA sets out the requirements of customer due diligence which is to be read together with Sectoral Guidelines 8 for Licensed Moneylenders and Pawnbrokers and the Standard Guidelines on AML/CFT ("**AML/CFT Guide**") and the Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions and Non-Bank Financial Institutions policy document ("**Policy Document**") issued by BNM.

The Policy Document provides that pawnbrokers are required to conduct customer due diligence on the person conducting the transaction, when the pledge amount is at least RM3,000. Pursuant to the AML/CFT Guide, customer due diligence may be required based on the severity of the following:

6. BUSINESS OVERVIEW (cont'd)

- (a) money laundering and terrorism financing risks associated with the customer, based on the background of the customer and the suspicious circumstances in which the transaction was conducted; and
- (b) type or form of transaction undertaken, whether it is of a suspicious nature or that which does not make economic sense.

As set out in Sections 6.3.1(i) and 6.5(iii) of this Prospectus, our pawnbroking subsidiaries will conduct the necessary customer due diligence prior to accepting our pawnbroking customers. All customer due diligences are conducted in accordance with the prescribed requirements under Section 16 of the AMLA.

Retail and trading of gold products

(i) Financial Services Act 2013 (“FSA”)

The sale of gold is governed by the FSA. The FSA states that no person shall undertake or engage in the buying or selling of gold except with the written approval of BNM. We are involved in the business of retail and trading of gold products, which includes the sales of unredeemed pledged gold items as well as the sales of new and pre-owned gold products to the public. BNM has through Notice 1 of the Foreign Exchange Policy Notices dated 1 June 2022, granted general permission to everyone to buy, sell, exchange, borrow, lend, retain or use gold or other precious metals subject to there being no deposit taking in respect of gold investment schemes. We therefore do not require any specific approval in relation to our retail and trading of gold products business.

General

(i) Personal Data Protection Act 2010 (“PDPA”)

The PDPA governs the processing of personal data in commercial transactions to protect personal data of common interest and to ensure information security, network reliability and integrity. As we are a data user in carrying out our pawnbroking business, in compliance with the requirements of the PDPA, each of our pawnbroking subsidiaries has registered with the Personal Data Protection Commission.

Since the commencement of our Group’s operations, we have not been subjected to any fines nor penalties for non-compliances with the abovementioned regulatory requirements which govern the conduct of our businesses.

As at the LPD, save as disclosed in Section 6.14.3 of this Prospectus, our Group has complied with all relevant laws, regulations, rules and requirements governing the conduct of our businesses (i.e. the Pawnbrokers Act, AMLA, FSA and PDPA).

6.21 Environmental, Social and Governance Practices

We are committed to act responsibly in our business operations in order to promote, amongst others, an environmentally responsible operations, a conducive workplace for our employees, and a high standard of corporate governance structure towards our stakeholders. Similarly, our Board is mindful of the importance of building sustainable businesses and will take into consideration the environmental, social and governance impact when developing our strategies. In an effort to achieve good environmental, social and governance practices, we have put in place, amongst others, the following:

6. BUSINESS OVERVIEW *(cont'd)*

(i) Environmental

We are committed to achieve environmental sustainability whereby, in an effort to reduce carbon footprint, we promote the purchase and use of energy saving electrical appliances as well as encouraging our administrative employees to reduce the use of papers and to recycle used papers. In addition, our employees are also required to switch off the lights, water dispensers, air conditioning, and other electrical appliances when they are not in use. In addition, we also enforced a no smoking rule at our workplaces as part of our efforts to promote a clean environment.

(ii) Social

We are committed to act responsibly in our business operations, not only in our dealings with our stakeholders but also to contribute good deeds to our community as we believe that we are responsible to improve the quality of life and to generate positive social impact to the community. As a responsible corporate citizen, we have allocated an annual budget of RM0.1 million for donations to charitable organisations. Further, we also offer internships in order provide job opportunities for our community.

(iii) Corporate Governance

Our Board is committed to remain objective and ethical in the conduct of our businesses and operations. To that end, we strive to regularly review our corporate governance structure to ensure the following key principles as stipulated in the MCCG are achieved:

- (a) board leadership and effectiveness;
- (b) effective audit and risk management; and
- (c) integrity in corporate reporting and establishing meaningful relationships with our stakeholders.

In addition, we have also put in place an anti-bribery and corruption policy as well as a whistleblowing policy in order to uphold the integrity of our employees.

Further, we have also adopted the recommendations under practice notes 5.2 and 5.9 of the MCCG, whereby half of our Board comprises independent directors and our Board comprises at least 30% female members.

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7. IMR REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
67-1, Block D, Jaya One, Jalan Prof Diraja Ungku Aziz,
46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

Date: 1 August 2023

The Board of Directors
Evergreen Max Cash Capital Berhad
Lot 11-10, Level 11, Wisma Trax
No.1 Jalan Lima Off Jalan Chan Sow Lin,
55200 Kuala Lumpur
Wilayah Persekutuan

Dear Sirs,

Independent Market Research (“IMR”) Report on the Pawnbroking Industry and the Gold Trading and Retail Industry in Malaysia in relation to the Listing of Evergreen Max Cash Capital Berhad (referred to as “the Company”) on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this IMR report on the Pawnbroking Industry and the Gold Trading and Retail Industry in Malaysia for inclusion in the Prospectus of the Company.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics. We believe that this IMR report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive.

No part of this publication may be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, without the prior express written consent of PROVIDENCE.

For and on behalf of PROVIDENCE:

MELISSA LIM

EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions and competitive landscape.

About MELISSA LIM:

Melissa Lim is the Executive Director of PROVIDENCE. She has more than 10 years of experience in market research for capital market exercises. Melissa Lim holds a Bachelor of Commerce (Double major in Marketing and Management) from Murdoch University, Australia.

7. IMR REPORT (cont'd)



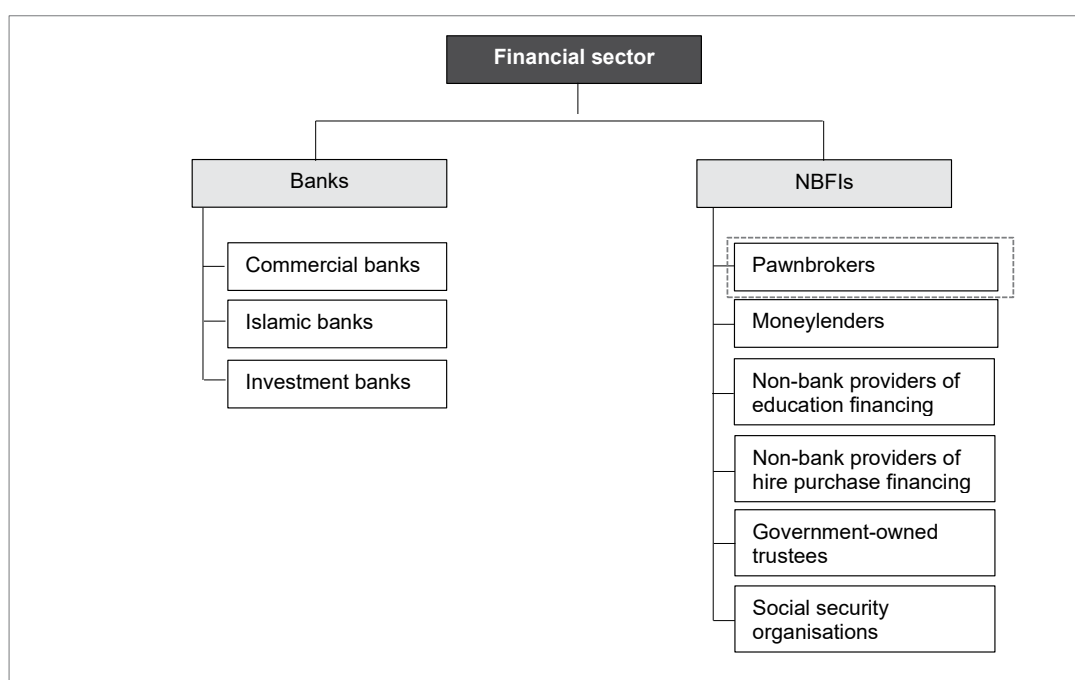
1 THE PAWNBROKING INDUSTRY IN MALAYSIA

INTRODUCTION

The financial sector comprises banks and non-bank financial institutions (“**NBFIs**”) who provide financial services involving the provision of loans and investment products and services as well as facilitation and/or management of money and assets.

Banks comprise commercial banks, Islamic banks and investment banks. Meanwhile, NBFIs comprise, amongst others, pawnbrokers, moneylenders, non-bank providers of education financing, non-bank providers of hire purchase financing, government-owned trustees and social security organisations. Banks are regulated by Bank Negara Malaysia while NBFIs are regulated by other authorities such as Ministry of Finance, Kementerian Perumahan dan Kerajaan Tempatan (“**KPKT**”) and Suruhanjaya Koperasi Malaysia (“**SKM**”).

Segmentation of the financial sector in Malaysia



Note:

- (i) denotes the segment in which the EMCC group of companies (“**EMCC Group**”) operates

Source: Bank Negara Malaysia, PROVIDENCE analysis

Pawnbroking services is a form of microfinancing extended by pawnbrokers, who are NBFIs. Pawnbroking services refer to the provision of pawn loans, which are short-term loans, that are secured as they are backed by collaterals, and are governed by KPKT under the Pawnbrokers Act 1972 and guidelines issued by KPKT (termed as “**Pawnbrokers Act**”). These collaterals are valuable items such as gold jewellery, minted gold bars and luxury products (such as branded watches and bags, and certified diamonds). Customers of pawnbrokers comprise individuals aged 18 and above who seek pawn loans, who may be part of the unbanked or underbanked population, i.e. population that are unserved or underserved by banks or financial institutions.

The Pawnbrokers Act sets out the regulations and guidelines for all licensed pawnbrokers including the maximum interest rate and administrative fees chargeable to pawnbroking customers as well as the administrative procedures in relation to unredeemed pledged items.

According to the Pawnbrokers Act, a pawnbroker may offer:

- (i) a maximum pawn loan amount of RM10,000 for each pawn ticket issued, and each pawn loan offered can comprise one or more pledged items;

7. IMR REPORT (cont'd)



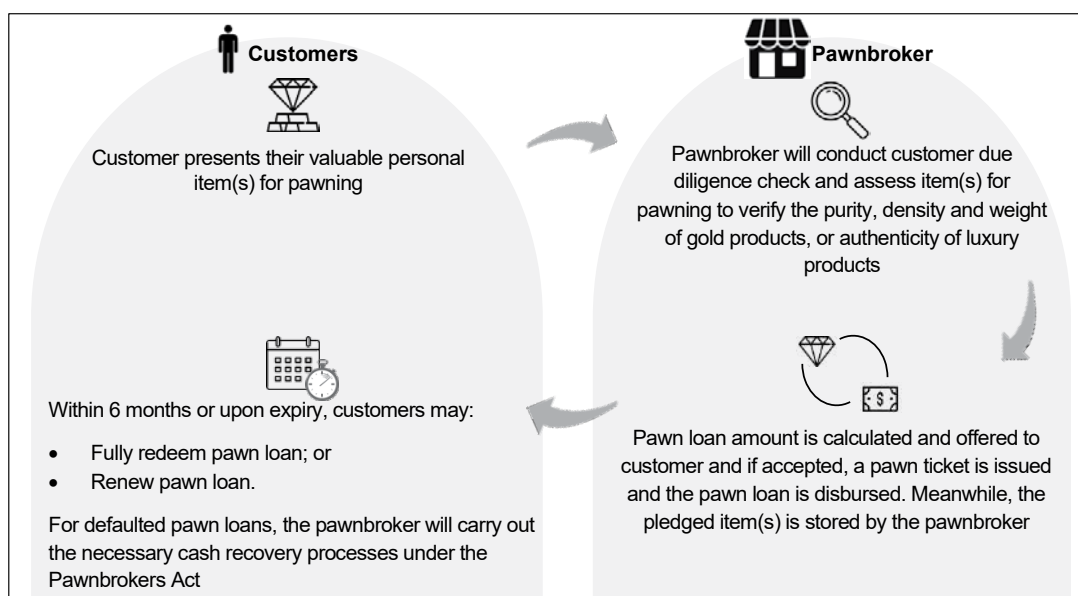
- (ii) a maximum monthly interest rate of 2% on the pawn loan amount over a maximum pawn loan period of 6 months; and
- (iii) a maximum one-off administrative fee of RM0.50 for each pawn ticket issued.

A typical pawn loan transaction begins with the customer presenting their valuable personal items for pawning. Prior to offering a pawn loan, pawnbrokers will assess the items for pawning. For gold products, pawnbrokers generally assess the item to verify its purity, density and weight of gold. Meanwhile for luxury products, pawnbrokers will assess the item in terms of its authenticity. Based on this procedure, pawnbrokers will be able to determine the value of the item to be pledged based on prevailing market prices, and calculate the pawn loan as a percentage of the item's value. Should the customer agree with the pawn loan amount, a pawn ticket will be issued by the pawnbroker and the pawn loan will be disbursed to the customer. The pledged item will then be stored by the pawnbroker in a strong room.

Within the pawn loan period of up to 6 months, customers can choose to fully redeem the pawn loan, or renew the pawn loan with a new validity period of up to 6 months.

In the event of unredeemed pawned items leading to loan defaults by the customers, the pawnbrokers will carry out the necessary processes outlined in Section 23(1) of the Pawnbrokers Act for defaulted loans. In summary, unredeemed pledged items for pawn loan amounts of above RM200 will be disposed by sale through public auctions conducted by licensed auctioneers whilst unredeemed pledged items for pawn loan amount of RM200 and below will become the property of the pawnbroker.

Illustration of a pawn loan transaction



Source: PROVIDENCE

INDUSTRY SIZE, PERFORMANCE AND GROWTH

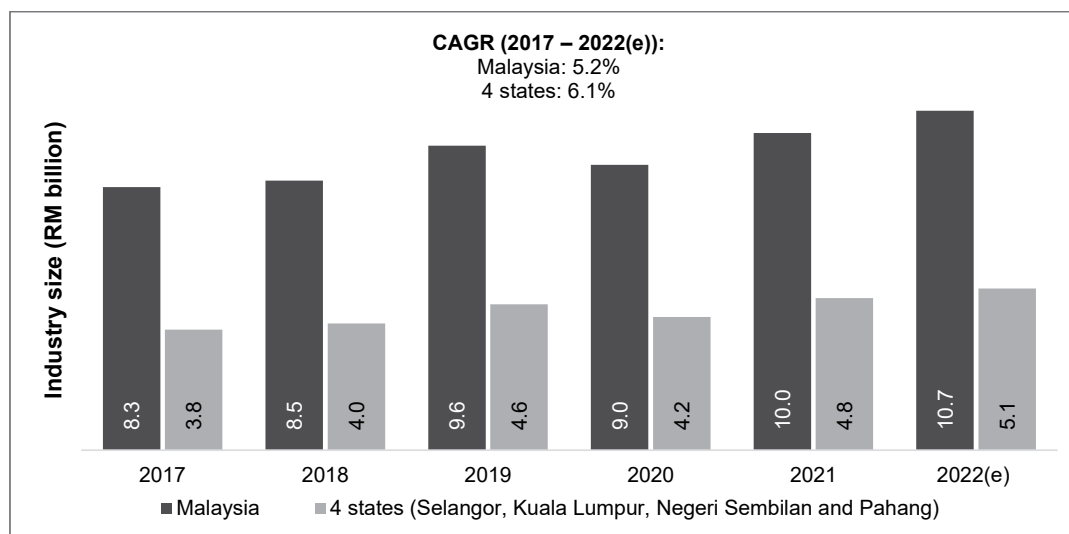
The number of active licensed pawnbrokers in Malaysia grew from 516 pawnbrokers in 2017 to 789 pawnbrokers as at September 2022.¹ The pawnbroking industry size can be measured by the total value of pawn loans disbursed in the year by these licensed pawnshops in Malaysia. Between 2017 and 2022, the pawnbroking industry size in Malaysia illustrated growth at a compound annual growth rate ("CAGR") of 5.2%, growing from RM8.3 billion in 2017 to an estimated RM10.7 billion in 2022. During the same period, the pawnbroking industry size in Selangor, Kuala Lumpur, Negeri Sembilan and Pahang, i.e. the states where EMCC Group operates in, illustrated a higher CAGR of 6.1%, growing from RM3.8 billion in 2017 to an estimated RM5.1 billion in 2022.

¹ Source: KPKT. Latest publicly available information is as at September 2022

7. IMR REPORT (cont'd)



Pawnbroking industry size in Malaysia



Note:

(e) - estimate

Source: KPKT, PROVIDENCE

The COVID-19 pandemic has affected businesses as well as the livelihood of people. In 2020, the COVID-19 pandemic has led to the implementation of national lockdown policies in many countries globally, including Malaysia. As a result, many businesses were restricted from operating for at least a month, in addition to the population facing travel restrictions both locally and internationally. The uncertainties of lockdown policies caused businesses to implement cost-cutting measures in order to survive, such as reduced allowances, salary cuts and retrenchment of employees. Consequently, this led to an overall decline in disposable income and purchasing power in Malaysia.

Thus, individuals, who experienced an adverse impact on their income, were seeking to obtain immediate funds to support their financial needs. As banks generally do not provide financing in a short span of time and are less likely to provide financing if the individual is unable to meet their loan requirements, pawnbrokers were alternative avenues for these individuals to obtain immediate funds during this COVID-19 pandemic period. As such, despite a slight decline in 2020 as pawnbrokers had to temporarily close their pawnshops in the year due to the national lockdown policies, the pawnbroking industry continued to grow in 2021.

Moving forward, the pawnbroking industry size in Malaysia is expected to grow at a CAGR of 5.9% between 2022 and 2024 to reach RM12.0 billion in 2024. Meanwhile, the pawnbroking industry size in Selangor, Kuala Lumpur, Negeri Sembilan and Pahang is forecast to grow to reach RM5.8 billion in 2024, registering a CAGR of 6.6% between 2022 and 2024.

KEY DEMAND DRIVERS

The country's unbanked population will drive demand for pawnbroking services

In Malaysia, the unbanked population stood at 7.0% (approximately 2.3 million persons) in 2021.² The unbanked population comprises adult population who do not own any bank account to deposit or withdraw money. Typically, this constitutes adults who either do not have any income, or do not believe in the need to use the financial system, and more than half of them are not from the urban areas in Malaysia.

Pawn loans are more widely accessible compared to bank or financial institutions as pawnbrokers do not require any pre-requisites compared to a bank or financial institution. As such, pawn loans are more accessible as long as the customer is able to produce high-value product as collateral and a proof of identity.

² Source: Bank Negara Malaysia. Latest publicly available information is as at 2021.

7. IMR REPORT (cont'd)



With a lack of proof of income and credit score rating, the unbanked population will divert towards pawnshops for short-term financing services, and this has been driving, and will continue to drive, demand for pawnbroking services in Malaysia.

Pawnbroking services provide immediate access to funds

Financing from banks and financial institutions are offered depending the customer's credit score ratings and income information, in addition to a background check. If the customer is unable to meet the stringent requirements, they may only be offered part of the amount which they applied for, or none at all, from the banks or financial institutions. As such, customers with poor credit score ratings or without any proof of income may have trouble accessing to loans when needed.

In contrast, pawnbrokers generally do not review income requirements or credit score ratings prior to offering the loan. Instead, pawn loans are offered based on the value of the items used for pawning. As such, pawnbrokers are an alternative source of obtaining short-term financing to those without proof of income or with poor credit score ratings.

Further, bank loans typically process a loan application within 1 week. Conversely, pawnbrokers are able to process and provide pawn loans within the same day.

As such, the immediate access to funds is, and will continue to be, one of the key factors which drives demand for pawnbroking services in Malaysia.

PRODUCT / SERVICE SUBSTITUTION

Apart from pawnbroking services, there are other forms of loans or microfinancing available in Malaysia such as bank loans, other types of microfinancing or unsecured borrowings. Nevertheless, pawnbroking services may not be directly substituted by these other loans or microfinancing. This is because loans provided by banks may not provide immediate access to funds as with the case of pawn loans, whilst other types of microfinancing provided by non-bank providers in the country are typically for a particular purpose or group of individuals such as for education, hire purchasing or a specific industry. Meanwhile, unsecured borrowings, which do not require the use of any collaterals, are not direct substitutes of pawn loans as unsecured borrowings generally charge higher interest rates.

INDUSTRY RISKS AND CHALLENGES

Industry players are subject to changes in regulatory requirements impacting the pawnbroking industry

Pawnbrokers are governed by regulations under the Pawnbrokers Act imposed by the KPKT. The Pawnbrokers Act sets out, amongst others, the maximum monthly interest rate and administrative fees chargeable to the pawnbroking customers as well as the administrative procedures in relation to unredeemed pledged items. Changes in the maximum interest rate that can be charged by pawnbrokers in Malaysia could have a material adverse impact on industry players' revenues and profitability. Meanwhile, changes in the regulations under the Pawnbrokers Act leading to stricter standards and additional compliance requirements imposed by the KPKT could result in industry players incurring higher operating costs due to the processes involved to meet the new requirements.

Industry players require substantial cash capital to carry out pawnbroking services

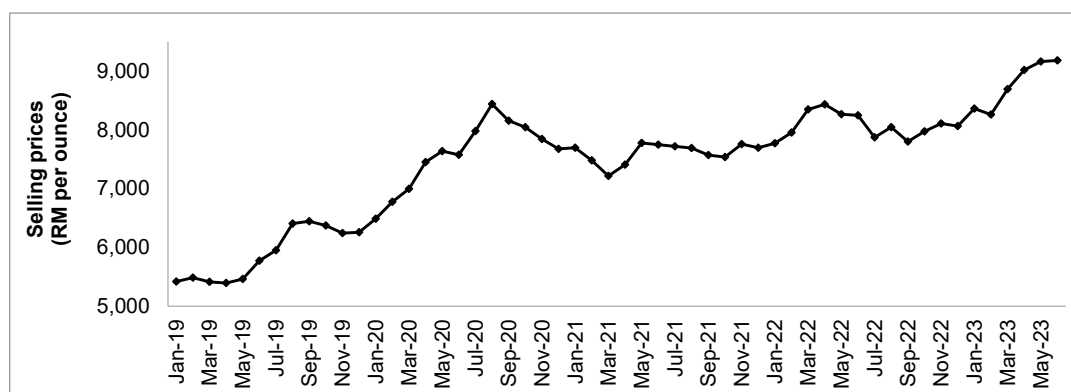
Pawnbrokers require cash capital for the provision of pawn loans to their customers and as such, the ability to grow the pawnbroking business is dependent on the pawnbroker's ability to secure funding for additional cash capital needs, amongst other factors. In the event a pawnbroker is unable to secure additional funding or the terms of such additional funding is less or unfavourable, the pawnbroker's ability to grow its business will be adversely impacted.

The industry is subjected to unlawful transactions made with wrongfully-obtained pawned items

Pawnbrokers are exposed to risks associated with the use of pawn loans for money laundering or terrorist financing. This is because pawnbrokers may conduct business with customers who become or are subjects of regulatory investigations or sanctions. In addition, pawnbrokers may have unknowingly accepted stolen items as collaterals. In such instances, pawnbrokers face the risk of losing the pledged items if such items are confiscated by the authorities.

7. IMR REPORT (cont'd)**The industry may be affected by the volatility of gold prices**

Pawnbrokers are involved in the sale of unredeemed pledged items as part of their cash recovery process for defaulted pawn loans. As a majority of pledged items comprise gold products, pawnbrokers are thus exposed to the risks of fluctuation in gold prices during the cash recovery process. The price for gold is volatile and can fluctuate widely due to various factors beyond our control, including factors impacting supply and demand of gold, inflation, fluctuations in USD exchange rates, interest rates as well as global and regional political and economic conditions. In the event of a sudden and/or prolonged downward movement in gold prices, the value of the unredeemed pledged items, new or pre-owned gold products may be reduced. Between January 2019 and June 2023, the price of gold has fluctuated from a low of RM5,392.68 per ounce to a high of RM9,179.75 per ounce.

Monthly average gold prices

Note:

- (i) Monthly average gold prices were computed based on the selling prices of 1 ounce of Kijang Emas i.e., Malaysian gold bullion coin

Source: Bank Negara Malaysia

COMPETITIVE LANDSCAPE

There are 789 active licensed pawnbrokers as at September 2022. A majority of these active licenced pawnbroking entities are also involved in gold retail and/or trading business where they purchase their respective unredeemed pledged items (typically gold products) from public auctions (for defaulted pawn loan amount above RM200) or take possession of their unredeemed pledged items (for defaulted pawn loan mount RM200 and below), and sell these unredeemed pledged items to gold trading companies, retailers and/or individuals as part of their cash recovery process.

There are also active licenced pawnbroking entities that are solely involved in the pawnbroking business. These pawnbrokers are assumed to have carried out their cash recovery process through either only disposing their unredeemed pledged items (for defaulted pawn loan amount above RM200) to others at public auctions and/or working with a separate entity to dispose their unredeemed pledged items.

As the pawnbroking industry is regulated under the Pawnbrokers Act, all licensed pawnbrokers are required to carry out their pawnbroking business in accordance with the Pawnbrokers Act, including the manner their unredeemed pledged items are disposed.

PROVIDENCE has identified 20 industry players in the conventional pawnbroking industry in Malaysia, which hold a valid pawnbrokers' licence issued by the KPKT, have at least 1 conventional pawnbroking outlet located in Selangor, Kuala Lumpur, Negeri Sembilan and/or Pahang and generate a total revenue of RM5.0 million and above in their latest financial year end.

7. IMR REPORT (cont'd)

These identified industry players⁽ⁱ⁾ (arranged based on revenues in a descending order) are as detailed below:

Company	State(s) where the pawnbroking outlet is located	Latest available financial year end ⁽ⁱⁱ⁾	Revenue (RM '000)	Profit / (Loss) after tax (RM '000)
Companies involved in pawnbroking as well as gold retail and/or trading⁽ⁱⁱⁱ⁾				
Pappajack Holdings Berhad (public listed on Bursa Malaysia)	Selangor; Negeri Sembilan	31 December 2022	69,963	10,117
EMCC Group	Selangor; Kuala Lumpur; Negeri Sembilan; Pahang	31 December 2022	65,618	20,051
Pajak Gadai Koon Lee Sdn Bhd	Selangor	31 December 2022	36,868	1,466
Pajak Gadai Hoe Lee Sdn Bhd	Kuala Lumpur	31 December 2022	21,308	614
Choong Yee Pawnshop Sdn Bhd	Selangor	31 December 2021	20,960	2,751
Choong Thye Pawn Shop Sdn Bhd	Selangor	31 December 2021	15,391	2,130
Choong Xin Pawnshop Sdn Bhd	Selangor	31 December 2021	11,168	152
Pajak Gadai Thoong Heng Sdn Bhd	Kuala Lumpur	31 December 2022	9,801	8,705
Choong Teck Pawnshop Sdn Bhd	Selangor	31 December 2021	9,305	(320)
Choong Fatt Pawnshop Sdn Bhd	Selangor	31 December 2021	8,491	(493)
Pajak Gadai Kotaniaga Sdn Bhd	Kuala Lumpur	30 June 2022	7,287	1,624
Lian Sin Tang Sdn Bhd	Kuala Lumpur	31 December 2021	6,279	3,539
Kedai Pajak Yoong Xin Sdn Bhd	Selangor	31 December 2021	6,145	741
Pajak Gadai Yoong Tai Sdn Bhd	Selangor	31 December 2021	6,058	414
Pajakgadai Kwon Tung Kee Sdn Bhd	Negeri Sembilan	31 December 2021	5,589	2,052
Pajak Gadai Yoong Yee Sdn Bhd	Selangor	31 December 2021	5,049	131
Companies solely involved in pawnbroking⁽ⁱⁱⁱ⁾				
Kedai Pajak Mun Fong Sdn Bhd	Selangor	31 December 2022	19,658	4,928
Kedai Pajak Shin Ngien Sdn Bhd	Selangor	31 December 2021	11,281	4,709
Golden Cube Sdn Bhd	Kuala Lumpur	30 June 2022	10,917	16
Pajak Gadai Mun Tung Sdn Bhd	Selangor	31 December 2022	7,941	3,209

Notes:

- (i) Exempt private companies and companies without publicly available audited financial reports or any publicly available information on the business operations are excluded from this list. Pawnbrokers who are not public listed may not appear to be part of a larger group of companies and as such, these industry players are listed in the table above as individual companies.
- (ii) Latest publicly available information is as at 2 August 2023.
- (iii) Based on publicly available information obtained from the websites and/or financial statements of the company

Source: KPKT, Companies Commission of Malaysia, PROVIDENCE

MARKET SHARE

Based on the total value of pawn loans disbursed in Malaysia in 2020 of RM9.0 billion, EMCC Group garnered a market share of 2.0% with RM179.5 million of pawn loans disbursed in the year. Within the 4 states EMCC Group operates, i.e. Selangor, Kuala Lumpur, Negeri Sembilan and Pahang, EMCC Group garnered a market share of 4.3% based on its pawn loans disbursed of RM179.5 million and total pawn loans disbursed in these states of RM4.2 billion in 2020.

In 2021, EMCC Group garnered a market share of 2.4% based on the total value of pawn loans disbursed in Malaysia in 2021 of RM10.0 billion and EMCC's pawn loan disbursement of RM242.4 million. Within

7. IMR REPORT (cont'd)



the 4 states EMCC Group operates, i.e. Selangor, Kuala Lumpur, Negeri Sembilan and Pahang, EMCC Group garnered a market share of 5.1% based on its pawn loans disbursed of RM242.4 million and total pawn loans disbursed in these states of RM4.8 billion in 2021.

In 2022, EMCC Group garnered a market share of 3.3% based on the total value of pawn loans disbursed in Malaysia in 2022 of RM10.7 billion and EMCC's pawn loan disbursement of RM351.2 million. Within the 4 states EMCC Group operates, i.e. Selangor, Kuala Lumpur, Negeri Sembilan and Pahang, EMCC Group garnered a market share of 6.9% based on its pawn loans disbursed of RM351.2 million and total pawn loans disbursed in these states of RM5.1 billion in 2022.

2 OVERVIEW OF THE GOLD TRADING AND RETAIL INDUSTRY IN MALAYSIA

Gold is a rare element and is a precious metal. As such, it has a high economic value, and can be used as a form of investment, storage of economic value, or used in the manufacturing of jewellery, electronics, dental and industrial products. There are various types of gold products that have been sold, consumed and traded worldwide, including scrap gold bars or products, cast gold bars, minted gold bars, and gold jewellery. These gold products that have been sold and traded include both new gold products and pre-owned gold products (owned by another party in the past)

The gold industry value chain for the abovementioned types of gold can be segmented into the following activities:

- (i) **Supply of gold** – which comes from mined gold and recycled gold (which refers to reclaimed gold products such as used jewellery, electric wiring and components in electrical and industrial products). These gold sources are melted into scrap gold bars or other forms of unrefined gold products.
- (ii) **Smelting and refining** – Scrap gold bars will be sent to refineries to undergo a smelting and refining process to remove impurities. The refined gold will then undergo an assay test to measure the gold content, after which, the refined gold is cast into cast gold bars, minted gold bars, gold coins or medallions.
- (iii) **Gold trading** – refers to the buying and selling of new and pre-owned physical gold products, namely scrap gold bars, cast gold bars, minted gold bars and gold coins and medallions. These products can be traded for smelting and refining, jewellery manufacturing, electronics, dental and industrial product manufacturing as well as traded with gold trading companies or to financial institutions and/or retail investors for direct and indirect investments.
- (iv) **Consumption of gold** – where gold is purchased for the following purposes, i.e.:
 - **Gold trading** – As mentioned above, unrefined and refined physical gold products can be bought by gold trading companies or scrap gold collectors. It is important to note that due to its intrinsic value as an investment or hedging instrument, physical gold products are also traded amongst gold trading companies;
 - **Jewellery retail** – Gold jewellery product can be bought by retail consumers to be worn as accessories, or as an heirloom or form of investment;
 - **Electronics, dental, and industrial product manufacturing** – Due to its intrinsic properties such as resistance to corrosion, pliability and malleability, high thermal and electrical conductivity, gold is used in the manufacturing of these products. Thus, scrap gold collectors may also purchase gold products for onward sale to manufacturers of electronics, dental and industrial products;
 - **Direct and indirect investment** – Cast gold bars, minted gold bars, gold coins and medallions, all of which typically have a high purity level (usually 99.0% purity level and above), can be purchased as a direct investment or hedging instrument by retail investors. In addition, institutional investment products such as exchange-traded funds, and other investment funds and gold savings products are also offered by institutions (i.e. financial institutions and trading companies) to retail investors as an indirect investment;
 - **Central bank reserves** – Given the international acceptance of gold as a store of value, central banks maintain a portion of their reserves in the form of gold and to hedge against the USD reserve.

There are over 70 industry players in the gold trading and retail industry in Malaysia, most of which are local industry players.

7. IMR REPORT (cont'd)

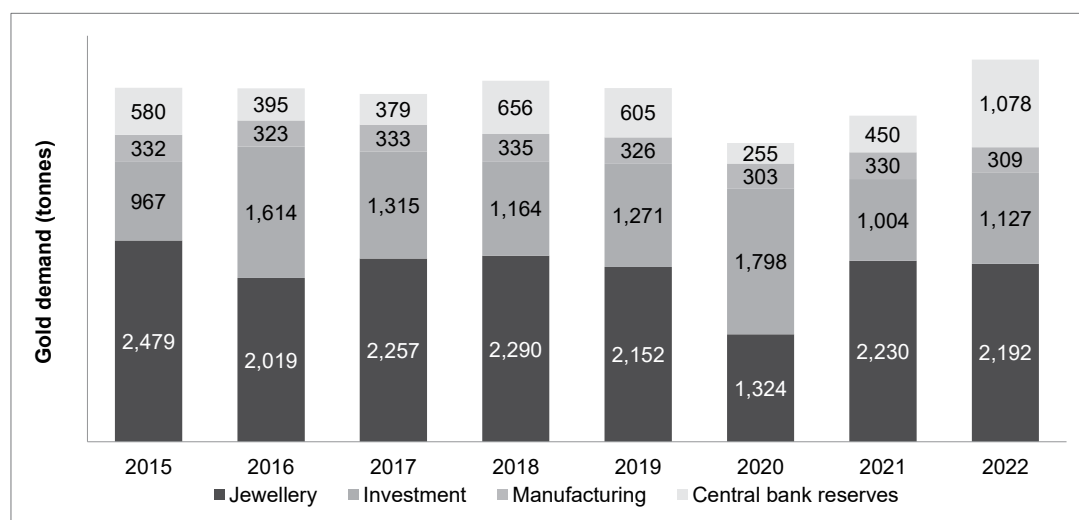
EMCC Group is involved in the gold trading and retail industry, wherein the Group is generally involved in the sale of unredeemed pledged gold items to gold trading companies and scrap gold collectors, as well as the sale of pre-owned and new gold products (comprising jewellery and minted gold bars) to end-customers. Based on EMCC Group's revenues from its gold and luxury product retail and trading business segment of RM37.4 million in FYE 2022 and the total gold trading and retail industry size in Malaysia of RM8.1 billion in 2022, EMCC Group's market share was 0.5% in 2022. This was similar to EMCC Group's market share in 2021 of 0.5% based on its revenues from its gold and luxury product retail and trading business segment of RM40.7 million in FYE 2021 and the total gold trading and retail industry size in Malaysia of RM7.4 billion in 2021.

INDUSTRY SIZE, PERFORMANCE AND GROWTH

Global gold demand, in terms of volume transacted, has generally remained between 3,680 tonnes and 4,706 tonnes between 2015 and 2022. Nevertheless, gold transacted for investments globally grew from 967 tonnes in 2015 to 1,798 tonnes in 2020 before reducing to 1,127 tonnes in 2022.

In 2020, while gold demand as jewellery, manufacturing or reserves declined, investments in gold increased significantly by 41.5% from 1,271 tonnes in 2019 to 1,798 tonnes in 2020. This was attributed to the lower interest rates in the United States and countries in Europe as well as the economic uncertainty caused by the COVID-19 pandemic which created higher risks for other investments. As gold is generally regarded as a safer asset with lower risks, investors chose to invest in gold in the year. The volume of gold for investments were relatively lower in 2021 and 2022 at 1,004 tonnes and 1,127 tonnes respectively, as compared to 1,798 tonnes in 2020.

Meanwhile in Malaysia, the trading of gold for investment continued to grow as indicated by the local gold trading industry size. The gold trading and retail industry size in Malaysia generally experienced peaks and troughs throughout the years. Despite this, the gold trading and retail industry size in Malaysia grew at a CAGR of 10.2%, from RM4.1 billion in 2015 to an estimated RM8.1 billion in 2022. Moving forward, PROVIDENCE forecasts the gold trading and retail industry in Malaysia to grow at a CAGR of 10.4%, from an estimated RM8.1 billion in 2022 to RM9.9 billion in 2024.

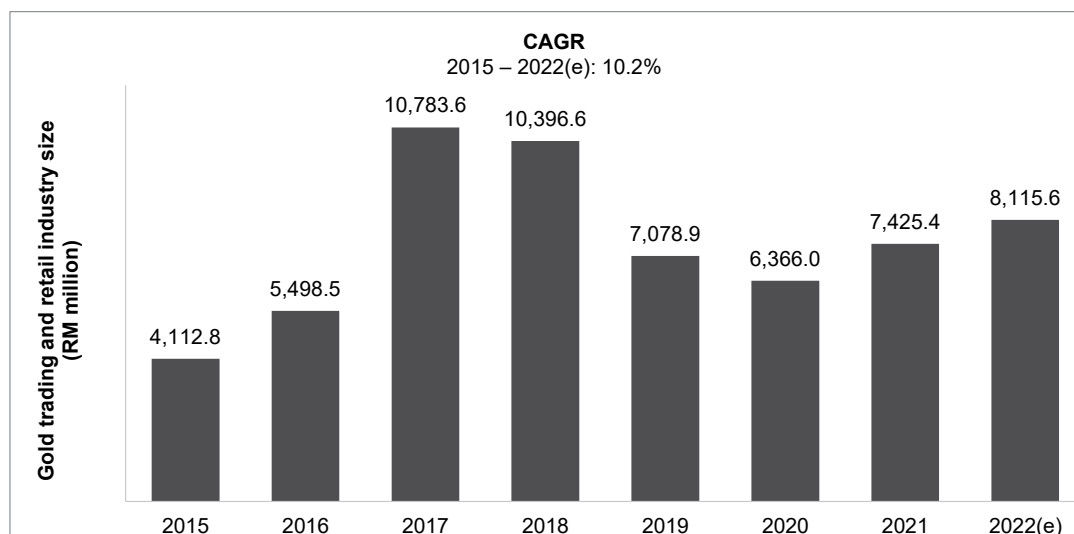
Global gold demand by usage/purpose

Source: World Gold Council

7. IMR REPORT (cont'd)



Gold trading and retail industry size in Malaysia



Notes:

1. The gold trading and retail industry size may include revenues from trading of other types of precious metals such as silver
2. The gold trading and retail industry size include revenues from the sale of physical gold products jewellers, electronics, dental and industrial product manufacturers, refineries, jewellers, retail investors and retail consumers and financial institutions. It also includes any trading transactions performed amongst gold trading companies and/or refineries
3. (e) - estimate

Source: Federation of Goldsmiths and Jewellers Association of Malaysia, Companies Commission of Malaysia, PROVIDENCE

KEY DEMAND DRIVERS

Working population growth, coupled with long-term economic growth leads to increasing disposable income, creates demand for jewellery and gold products

Over the years, the working population in Malaysia, i.e. individuals between the ages of 20 years and 59 years, grew from 18.3 million in 2017 to an estimated 18.7 million in 2022.³ Meanwhile, the nation's disposable income, as depicted by the gross national income per capita grew from RM41,647 in 2017 to an estimated RM53,043 in 2022, recording a CAGR of 5.0%.⁴

The rise in population and disposable income would lead to a larger population base with greater spending power. This would not only enable individuals to spend on gold jewellery but also invest in direct or indirect investment products.

Greater consumer confidence towards gold as an investment indicates demand potential for gold investment products

As the population becomes more educated and information is becoming more available, there is an increased acceptance of gold as a reliable and tangible long-term store of value that moves independently of other asset classes. Demand for gold as an investment came in second place where it accounted for 23.9% of total demand for gold products in 2022.⁵

Retail investors are including gold in portfolios to protect purchasing power, reduce volatility and minimise losses during periods of market shock. They are recognising the role of gold as a strategic and valuable asset due to various attributes of gold, such as:

- low linkage to other major assets during both expansionary and recessionary periods; and
- an asset that is as liquid as other financial securities.

³ Source: Department of Statistics Malaysia ("DOSM")

⁴ Source: DOSM

⁵ Source: World Gold Council. Refers to investment performed by retail investors, and excludes trading amongst gold trading companies and refineries.

7. IMR REPORT (cont'd)



The COVID-19 pandemic resulted in investors seeking a liquid, stable, and inflation-proof asset to invest into amidst the disruptions to the economy the COVID-19 pandemic has caused. This also drove investments in gold in 2020 as investments in gold increased significantly by 41.5% from 1,271 tonnes in 2019 to 1,798 tonnes in 2020.

Cultural affinity drives demand for gold jewellery

Jewellery accounts for the largest proportion of gold consumption demand. Jewellery demand consists of newly-made gold jewellery and watches. Over the last decade, demand for gold as a jewellery product has gradually moved from the West to the East.

There is also a tradition of giving gold jewellery as gifts on special occasions such as festive seasons, or to celebrate a joyous occasion such as welcoming the birth of a new baby or marriage celebrations.

The attraction and appreciation of gold jewellery by Asian cultures will continue to drive the demand for gold jewellery.

PRODUCT / SERVICE SUBSTITUTION

Depending on its uses, gold may be replaced with other forms of metals, though the value, appreciation rate, colour and metal properties of gold and these metals are not comparable. For example, although gold may be substituted with other types of metals such as silver, platinum, titanium, aluminium and/or stainless steel in the manufacturing of jewellery, electronics, dental and industrial products, these other types of metals may not have the same value, colour and/or metal properties as compared to gold. Meanwhile, in terms of investments, although gold may be substituted by other investment products such as other forms of commodities, stocks or properties, there are differences in terms of value and appreciation rate. In the pawnbroking industry, a majority of the pledged items are also gold products due to its value and pawnbrokers generally do not accept other forms of metals as pledged items. Thus, gold cannot be directly substituted.

INDUSTRY RISKS AND CHALLENGES

The industry may be affected by the volatility of gold prices

Industry players in the gold trading and retail industry are subject to the risks of fluctuation in gold prices. The price for gold is volatile and can fluctuate widely due to various factors beyond our control, including factors impacting supply and demand of gold, inflation, fluctuations in USD exchange rates, interest rates as well as global and regional political and economic conditions. In the event of a sudden and/or prolonged downward movement in gold prices, the value of the unredeemed pledged items, new or pre-owned gold products may be reduced. Between January 2019 and June 2023, the price of gold has fluctuated from a low of RM5,392.68 per ounce to a high of RM9,179.75 per ounce.

Industry players face competition risks

The gold trading and retail industry in Malaysia is highly fragmented, consisting of many players that are capable of providing similar products. These industry players may compete on the basis of operating in the market, including independent gold traders, or gold jewellery retailers as well as electronics product manufacturers. Due to the highly fragmented nature of the industry, companies are required to compete amongst each other based on various factors such as price, quality, product range and customer service. As such, gold trading and retail industry players in the market may find it difficult to differentiate themselves and their gold products in order to attract customers.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

8.1 Promoters and Substantial Shareholders

8.1.1 Promoters' and substantial shareholders' Shareholdings

The details of our Promoters and substantial shareholders, and their shareholdings in our Company before and after our IPO are as follows:

Name	Country of incorporation/ Nationality	As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
<u>Promoter</u>									
Tirai Anggerik	Malaysia	662,778,946	78.2	-	-	619,778,946	55.6	-	-
Dato’ Low	Malaysian	-	-	(3)662,778,946	78.2	-	-	(3)619,778,946	55.6
Datin Tea	Malaysian	-	-	(3)662,778,946	78.2	-	-	(3)619,778,946	55.6
Low Kai Loon	Malaysian	-	-	-	-	-	-	-	-
<u>Substantial shareholder</u>									
Low Kok Hu	Malaysian	-	-	(3)662,778,946	78.2	-	-	(3)619,778,946	55.6
Tee Kian Heng	Malaysian	18,789,744	2.2	(4)36,102,568	4.2	18,789,744	1.7	(4)36,102,568	3.3

Notes:

- (1) Based on our 847,302,499 issued Shares as at the LPD.
- (2) Based on our enlarged 1,114,902,499 issued Shares after our IPO.
- (3) Deemed interest by virtue of his/her shareholding in Tirai Anggerik pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of his shareholding in Sasbara Sdn Bhd and the shareholdings of his son (Tee Kun Shen) and his son-in-law (Hong Huei Hou) in our Company pursuant to Section 8 of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

8.1.2 Profiles of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) Tirai Anggerik

Promoter and substantial shareholder

Tirai Anggerik was incorporated in Malaysia on 5 August 2020 as a private limited company under its present name. As at the LPD, its issued share capital is RM69,528,343.75 comprising 69,406,771 ordinary shares.

Tirai Anggerik is principally an investment holding company. As at the LPD, Dato' Low is the sole director of Tirai Anggerik.

The shareholders of Tirai Anggerik and their respective shareholdings in Tirai Anggerik as at the LPD are as follows:

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Low	47,749,130	68.8	⁽¹⁾ 21,657,641	31.2
Datin Tea	10,684,610	15.4	⁽²⁾ 53,704,051	77.4
Low Kok Hu	5,018,110	7.2	⁽³⁾ 47,749,130	68.8
Low Kai Loon	3,104,194	4.5	⁽⁴⁾ 2,850,727	4.1
Low Kai Sein ⁽⁵⁾	2,850,727	4.1	⁽⁶⁾ 3,104,194	4.5

Notes:

- (1) Deemed interest by virtue of the shareholdings of his spouse (Datin Tea), his sons (Low Kai Loon and Low Kai Sein) and his brother (Low Kok Hu) in Tirai Anggerik pursuant to Section 8 of the Act.
- (2) Deemed interest by virtue of the shareholdings of her spouse (Dato' Low) and her sons (Low Kai Loon and Low Kai Sein) in Tirai Anggerik pursuant to Section 8 of the Act.
- (3) Deemed interest by virtue of the shareholding of his brother (Dato' Low) in Tirai Anggerik pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of the shareholding of his brother (Low Kai Sein) in Tirai Anggerik pursuant to Section 8 of the Act.
- (5) Low Kai Sein is the son of Dato' Low and Datin Tea and the brother of Low Kai Loon.
- (6) Deemed interest by virtue of the shareholding of his brother (Low Kai Loon) in Tirai Anggerik pursuant to Section 8 of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

(ii) **Dato' Low**

Promoter, substantial shareholder and Group Managing Director

Dato' Low, a Malaysian aged 60, is our Promoter, substantial shareholder and Group Managing Director. He was appointed to our Board on 1 October 2021 and is primarily responsible for determining our Group's overall strategic business direction as well as overseeing our Group's overall business operations.

Dato' Low obtained his 'Sijil Pelajaran Malaysia' in 1981 and a Higher Stage Certificate in Accounting and Higher Stage Group Diploma in Accounting from the London Chamber of Commerce and Industry ("**LCCI**") in 1983 and 1984 respectively.

Dato' Low began his career in June 1984 as an Internal Auditor of Malaysia Industrial Development Finance Berhad ("**MIDF**"), a financial institution. In January 1986, Dato' Low left the financial institution in order to pursue his entrepreneurial career and incorporated Goodpoint Enterprise Sdn Bhd to venture into the business of trading of household products. The company was subsequently dissolved in 2011.

In 1993, Dato' Low co-founded Evergreen Camping Sdn Bhd, which was principally involved in the retail of outdoor equipment, with his then Taiwanese business partner. Later in 1995, Dato' Low disposed of his entire equity interest in the company to the said Taiwanese business partner.

In 1995, Dato' Low co-founded Evergreen Credit Express with his spouse, Datin Tea to recommence the business of retail of outdoor equipment. In 2000, Evergreen Credit Express expanded its business to include retail of garment and later in 2018, further expanded its business to include the provision of licensed money lending services. In March 2022, both Dato' Low and Datin Tea disposed their entire equity interests in Evergreen Credit Express.

In 2004, Dato' Low co-founded Insan Tiara with Datin Tea to venture into the property development business. In August the same year, Dato' Low was appointed as an Executive Director and the Executive Chairman of Global Soft (MSC) Berhad (now known as NETX Holdings Berhad), a software solutions service provider listed on the ACE Market of Bursa Securities. He relinquished his position as the Executive Chairman of Global Soft (MSC) Berhad in November 2006 but remained as an Executive Director until November 2009.

In 2012, Dato' Low co-founded PG Insan Tiara with Datin Tea in order to venture into the pawnbroking business. During the same year, PG Insan Tiara operated our first "Pajaking" pawnshop in Sungai Besi, Kuala Lumpur. Under his leadership, our pawnbroking business has grown significantly where we have established a total of 22 "Pajaking" pawnshops over the past 10 years. In 2017, Dato' Low co-founded Trax Capital, the former holding company of our subsidiaries, together with Datin Tea to consolidate our pawnbroking business into a single group. In 2018, Dato' Low, through Trax Capital, incorporated Cahaya Gold to venture into the business of retail and trading of gold and luxury products.

(iii) **Datin Tea**

Promoter, substantial shareholder and Executive Director

Datin Tea, a Malaysian aged 60, is our Promoter, substantial shareholder and Executive Director. She was appointed to our Board on 1 October 2021 and is primarily responsible for the overall treasury functions of our Group.

Datin Tea obtained her 'Sijil Pelajaran Malaysia' in 1981 and a certificate of proficiency in bookkeeping from LCCI in 1983.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Datin Tea began her career in February 1984 as a General Clerk of a hardware retail company. In February 1987, she left the said hardware retail company and joined MIDF as an Account Executive. She left MIDF and joined MBF Holdings Berhad, a financial service provider in September 1993 as a General Admin Clerk.

In December 1995, she left MBF Holdings Berhad and co-founded Evergreen Credit Express with her spouse, Dato' Low. In March 2022, both Datin Tea and Dato' Low disposed their entire equity interests in Evergreen Credit Express.

In 2004, Datin Tea co-founded Insan Tiara with Dato' Low in order to venture into the property development business. Subsequently in 2012, she co-founded PG Insan Tiara with Dato' Low in order to venture into the pawnbroking business, which was consolidated into a single group under Trax Capital in 2017. In 2018, Datin Tea, through Trax Capital, incorporated Cahaya Gold to venture into the business of retail and trading of gold and luxury products.

(iv) **Low Kai Loon**

Promoter and Executive Director

Low Kai Loon, a Malaysian aged 30, is our Promoter and Executive Director. He was appointed to our Board on 25 April 2022 and is primarily responsible for our Group's business development activities.

He graduated with a Bachelor of Science in Economics from Singapore Management University in 2016. After graduation, he joined the Trax Capital group of companies as a Corporate Relationship Manager where he was primarily responsible for managing the working relationships with various stakeholders such as suppliers, insurers, financial institutions and government agencies.

In March 2021, he was promoted to be an Executive Director of Trax Capital where he was primarily responsible for its business development activities, including opening of new "Pajaking" pawnshops and "Cahaya Gold" retail outlets as well as cash capital planning. Over the years, he has been instrumental in the growth and development of the Trax Capital group of companies, which include all of our subsidiaries. In addition, he was also the key liaison personnel with financial institutions for the credit facilities of the Trax Capital group of companies. After the Acquisitions, he joined our Company as the Director of Business Development in 2021 whereby he was primarily responsible for the development and implementation of our Group's business plans and strategies as well as capital planning. In April 2022, he was promoted to be an Executive Director of our Company.

(v) **Tee Kian Heng**

Substantial shareholder

Tee Kian Heng, a Malaysian aged 60, is our substantial shareholder by virtue of his shareholding in Sasbara Sdn Bhd, a housing developer and property investment company, and the shareholdings of his son and his son-in-law in our Company pursuant to Section 8 of the Act as set out in Section 8.1.1 of this Prospectus.

He began his career as a director of a company which is principally involved in automobile services in 1980 after finishing his high school education at Sekolah Menengah Jalan Bahagia in Temerloh, Pahang.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

He is an entrepreneur with over 44 years of experience in a variety of industries, including timber, plantation, mining, and real estate development as summarised below:

- (i) in 1999, he founded Timeless Acres Sdn Bhd, which is principally involved in property investments in Pahang;
- (ii) in 2000, he founded Ikatan Hemat Sdn Bhd, which is principally involved in logging and timber trading;
- (iii) in 2001, he founded Meridian Empire Sdn Bhd, which is principally involved in real estate activities;
- (iv) in 2011, he founded Praise Acres Sdn Bhd, which is principally involved in logging and timber trading;
- (v) in 2012, he founded Federal Sdn Bhd, which is principally involved in provision of transportation services;
- (vi) in 2013, he founded Binamas Sdn Bhd, which is principally involved in real estate activities; and
- (vii) in 2014, he founded Engage Property Management Sdn Bhd, which is principally involved in the construction of buildings.

He provides strategic guidance and advice to the overall business direction of his companies. In addition, he is also involved in the management and administrative functions of the companies led by him.

He first held shares in Trax Capital, the former holding company of our subsidiaries, in 2019. Pursuant to the Acquisitions, he became a substantial shareholder of our Company in 2021.

(vi) **Low Kok Hu** Substantial shareholder

Low Kok Hu, a Malaysian aged 49, is our substantial shareholder by virtue of his shareholding in Tirai Anggerik pursuant to Section 8 of the Act as set out in Section 8.1.1 of this Prospectus.

He obtained his 'Sijil Pelajaran Malaysia' in 1991. He began his career in 1993 as a Sales Executive in Evergreen Camping Sdn Bhd, a retailer of outdoor equipment.

In February 1995, he joined Evergreen Credit Express as a Sales Representative where he was primarily responsible for sales and customer services.

In April 2004 he left Evergreen Credit Express to join Insan Tiara as a Marketing Manager, where he was primarily responsible for marketing strategies and management of marketing campaigns. In 2005, he was promoted to General Manager, where he was primarily responsible for expanding its customer base, managing its operations, sales and business relationships with customers.

In October 2009, he left Insan Tiara and was appointed as a director of PG Angkasa. In July 2012, he was appointed as a director of CC Low, our former subsidiary, and subsequently as a director of PG E Assets in October 2013 and PG SP in September 2016.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

8.1.3 Changes in shareholdings

The changes in our Promoters' and substantial shareholders' shareholdings since our incorporation on 3 September 2021 are as follows:

	As at 3 Sep 2021				After the Acquisitions and Bonus Issue/ As at the LPD			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	(1)%	No. of Shares	(1)%
<u>Promoter and substantial shareholder</u>								
Tirai Anggerik	-	-	-	-	662,778,946	78.2	-	-
Dato' Low	-	-	-	-	-	-	(2)662,778,946	78.2
Datin Tea	-	-	-	-	-	-	(2)662,778,946	78.2
Low Kai Loon	-	-	-	-	-	-	-	-
<u>Substantial shareholder</u>								
Low Kok Hu	-	-	-	-	-	-	(2)662,778,946	78.2
Tee Kian Heng	-	-	-	-	18,789,744	2.2	(3)36,102,568	4.2

Notes:

- (1) Based on our 847,302,499 issued Shares as at the LPD.
- (2) Deemed interest by virtue of his/her shareholding in Tirai Anggerik pursuant to Section 8 of the Act.
- (3) Deemed interest by virtue of his shareholding in Sasbara Sdn Bhd and the shareholdings of his son (Tee Kun Shen) and his son-in-law (Hong Huei Hou) in our Company pursuant to Section 8 of the Act.

As at the LPD, our Promoters and substantial shareholders have the same voting rights with other shareholders of our Company. Save for our Promoters and Low Kok Hu, our substantial shareholder, we are not aware of any other persons who directly or indirectly, jointly or severally, exercise control over us. Further, we are not aware of any arrangement which may result in a change in control of our Company at a subsequent date.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

8.1.4 Benefits paid or intended to be paid

Save for the remuneration and benefits paid or proposed to be paid to Dato' Low, Datin Tea and Low Kai Loon, our Executive Directors, as set out in Section 8.2.4 of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

8.2 Directors

8.2.1 Shareholdings

The details of our Directors and their shareholdings in our Company before and after our IPO are as follows:

Name	Designation	As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Dato' Mohd Azfar Bin Mohamed	Independent Non-Executive Chairman	-	-	-	-	⁽⁴⁾ 300,000	0.03	-	-
Dato' Low	Non-Independent Non-Executive/Group Managing Director	-	-	⁽³⁾ 662,778,946	78.2	-	-	⁽³⁾ 619,778,946	55.6
Datin Tea	Non-Independent Executive Director	-	-	⁽³⁾ 662,778,946	78.2	-	-	⁽³⁾ 619,778,946	55.6
Low Kai Loon	Non-Independent Executive Director	-	-	-	-	-	-	-	-
Datin Laily	Non-Independent Non-Executive Director	-	-	-	-	⁽⁴⁾ 300,000	0.03	-	-
Chow Lai Mun	Independent Non-Executive Director	-	-	-	-	⁽⁴⁾ 300,000	0.03	-	-
Hong Boon Toh	Independent Non-Executive Director	-	-	-	-	⁽⁴⁾ 300,000	0.03	-	-
Kenneth Chai	Independent Non-Executive Director	-	-	-	-	⁽⁴⁾ 300,000	0.03	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Notes:

- (1) Based on our 847,302,499 issued Shares as at the LPD
- (2) Based on our enlarged 1,114,902,499 issued Shares after our IPO.
- (3) Deemed interest by virtue of his/her shareholding in Tirai Anggerik pursuant to Section 8 of the Act.
- (4) Assuming that he/she fully subscribes for the Pink Form Allocation allocated to him/her.

8.2.2 Profile

Save for the profiles of Dato' Low, Datin Tea and Low Kai Loon as disclosed in Section 8.1.2 of this Prospectus, the profiles of our other Directors are as follows:

(i) Dato' Mohd Azfar Bin Mohamed
Independent Non-Executive Chairman

Dato' Mohd Azfar Bin Mohamed, a Malaysian aged 39, is our Independent Non-Executive Chairman. He was appointed to our Board on 20 May 2022.

He graduated with a Bachelor in Civil Engineering from Universiti Tenaga Nasional in 2006. He is a Certified Planning Engineer since 2017 as well as a Certified Project Risk Manager by America Academy of Project Management since 2019.

In December 2006, he joined HSS Integrated Sdn Bhd, which is principally involved in the provision of civil, structural, mechanical and electrical engineering consultancy services, as a Civil Engineer where he was primarily responsible for conceptualisation and preparation of overall engineering design for water works and sewerage systems.

In February 2008, he left HSS Integrated Sdn Bhd and joined Tenaga Nasional Berhad as a Project Lead under the Centre of Expertise/Major Project Department where he was the lead liaison personnel with the Pahang State Government and was primarily responsible for managing several operation units of the department. In addition, he was also the team lead for project risk assessment and management for various construction projects in Pahang.

He left Tenaga Nasional Berhad in December 2021 and currently acts as a consultant on project basis to several construction and plantation companies. He was appointed as a director for some of the plantation companies which he previously acted as a consultant.

(ii) Datin Laily
Non-Independent Non-Executive Director

Datin Laily, a Malaysian aged 49, is our Non-Independent Non-Executive Director. She was appointed to our Board on 20 May 2022.

She graduated with a Bachelor of Economics (Business Administration) from Universiti Malaya in 1998. After graduation, Datin Laily joined Infieldview Technology Sdn Bhd, which is principally involved in compact disk printing, as a Marketing Executive. In 2001, she left the company and joined a local college as the Head of Branch Centre where she was primarily responsible for its overall business development.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

In March 2004, she left the college and joined BZM Marketing (M) Sdn Bhd, which is principally involved in the distribution of beauty and home care products, as an Admin Executive. In June 2005, she joined Syarikat Perumahan Negara Berhad, a national housing development company owned by the Minister of Finance (Incorporated) and now under the purview of KPKT, as an Executive under the Unit Permohonan, Jabatan Mesra Rakyat. She was subsequently promoted to Senior Executive of Unit Pembayaran Rumah Mesra Rakyat in 2007 and later as Manager of Unit Perkhidmatan Pelanggan in 2012. In 2016, she was transferred to Unit Kewangan SPNB Aspirasi Sdn Bhd as Assistant Head of Department whereby she was primarily responsible for overseeing the project financings offered by the company. She left the company in February 2020 and during her 15 years tenure in Syarikat Perumahan Negara Berhad, she was involved in spearheading various committees and task forces that involves policy and procedure development and improvements.

In 2018, Datin Laily founded Atapttech in order to venture into the financial technology related businesses. Our proprietary pawn processing system was developed by Atapttech during her tenure. She had in 2020 disposed her entire equity interest in Atapttech to Trax Capital in order to venture into other businesses. She incorporated ATF Warisan Global Sdn Bhd, which is principally involved in the provision of financial technology, and is presently managing this company.

(iii) **Chow Lai Mun**

Independent Non-Executive Director

Chow Lai Mun, a Malaysian aged 54, is our Independent Non-Executive Director. She was appointed to our Board on 20 May 2022.

She obtained her Chartered Institute of Management Accountants in 1999 and is a member of the Malaysian Institute of Accountants ("MIA") since 2000.

She began her career in December 1993 as an Audit Assistant of YL Lim & Co, an audit firm. She left YL Lim & Co in March 1996 and joined HakuHodo (M) Sdn Bhd, a media advertising company, as an Accounts Officer. In January 1998, she joined STA Travel (M) Sdn Bhd, a travel agency, as an Accounts Executive.

In September 1999, she joined Hasu Industries Sdn Bhd, which is principally involved in the manufacturing of wire harnesses, as an Accounts Executive. In May 2000, she joined Mansfield Travel Sdn Bhd, a travel agency, as an Accountant.

In March 2004, she joined Parisign Exhibition Manufacturers (Beijing) Co., Ltd, which is principally involved in the manufacturing of signboards, as Senior Finance Manager where she was primarily responsible for its financial and management reporting as well as monitoring the operations of its production plant.

In July 2008, she joined Stemlife Berhad, a stem cell company which was listed on the ACE Market of Bursa Securities, as the Finance and Administrative Manager where she was primarily responsible for overseeing its accounting functions.

In July 2014, she joined Galasys Plc, a software company, as the Financial Controller where she was primarily responsible for managing its finance functions. In June 2017, she left the company but was retained as an outsource coordinator to assist in the preparation of its financial statements until 30 June 2022.

In October 2020, she was also engaged as an outsource coordinator to assist in the preparation of financial statements for Circle International Holdings Limited, which is principally involved in the provision of services relating to new media technology, digital marketing solutions, campaign strategy, media planning, animation and video production. In January 2022, she was appointed as the Finance Manager of the company but then left the company later in the same year.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

(iv) **Hong Boon Toh**

Independent Non-Executive Director

Hong Boon Toh, a Malaysian aged 49, is our Independent Non-Executive Director. He was appointed to our Board on 20 May 2022.

He graduated with a Bachelor of Business in Accountancy from RMIT University in 1997. He is a member of the Certified Practising Accountant ("**CPA**") Australia since 2000, a member of the MIA since 2001 and an associate member of the Chartered Tax Institute of Malaysia since 2001. He was also admitted as a Fellow of the CPA Australia in 2021.

He began his career as a Tax Assistant with Deloitte KassimChan Tax Services Sdn Bhd (now known as Deloitte Tax Services Sdn Bhd), a tax consultant firm, in October 1997. He was promoted to Tax Manager in 2000 where he was primarily responsible for advising both domestic and international clients on various tax matters such as statutory tax compliances, tax planning, transfer pricing and tax audit.

In September 2004, he joined LG CNS Malaysia Sdn Bhd, an information technology service provider, as the Finance Manager where he was primarily responsible for its financial planning, management reporting and tax planning.

In June 2006, he joined Crowe Horwath KL Tax Sdn Bhd (now known as Crowe KL Tax Sdn Bhd), a tax consultant firm, as Senior Tax Manager where he was primarily responsible for advising both domestic and international clients on various tax matters such as statutory tax compliances, tax planning, withholding tax, transfer pricing and tax audit.

In February 2008, he joined Sime Darby Berhad, a conglomerate listed on the Main Market of Bursa Securities, as Assistant Vice President of its Group Tax Department where he was primarily responsible for handling and managing special tax advisory and planning projects as well as international tax governance.

In July 2014, he joined S P Setia Berhad, a property development company listed on the Main Market of Bursa Securities, as Head of Tax where he was primarily responsible for its tax reporting and management functions. He left S P Setia Berhad in February 2022 and is currently serving as an Executive Director of 1Advisory Sdn Bhd, a corporate and tax advisory service provider.

(v) **Kenneth Chai**

Independent Non-Executive Director

Kenneth Chai, a Malaysian aged 43, is our Independent Non-Executive Director. He was appointed to our Board on 20 May 2022.

He graduated with a Bachelor of Science in Economics & Management from University of London in 2001 and further obtained his Master of Business Administration (Finance) from University of Leicester in 2009.

He began his career in August 2001 with Arab-Malaysian Finance Berhad (now known as AmBank Berhad), a financial institution, as an Officer of its Corporate Planning and Services Department. During his tenure with the financial institution, he was a member of the merger integration office that oversaw, managed and supported the merger between Arab-Malaysian Finance Berhad and MBF Finance Berhad. In September 2003, he joined OSK Securities Berhad, a financial institution, as a Senior Executive of its Corporate Finance Department where he was primarily involved in managing various corporate exercises of its clients.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

In March 2004, he joined Pp Phone Corporation Sdn Bhd, a prepaid telephone system developer and service provider, as Manager of its Corporate Finance Department where he was primarily responsible for obtaining financing for its projects as well as overseeing its investor relations activities. In March 2006, he joined Plant Offshore Group Limited, an oil and gas services company listed on the AIM Market in the United Kingdom, as the Head of Corporate where he was primarily responsible for planning, managing and implementation of the company's listing exercise.

In January 2008, he joined Zenith Capital Partners Sdn Bhd, a venture capital management company, as General Manager where he was primarily responsible for its day-to-day operations as well as overseeing the business and financial performance of its clients and investee companies.

In January 2010, he joined iPerintis Sdn Bhd (now known as Petronas ICT Sdn Bhd), an information and communications technology service provider, as Manager of its Corporate Planning Department where he was primarily responsible for the development and execution of its strategic planning as well as corporate performance monitoring and reporting.

In June 2011, he joined Fiscalab Capital Markets Sdn Bhd, a boutique corporate finance advisory company, as Senior Vice President of its Corporate Finance Department where he was primarily responsible for its overall business development activities. In August 2012, he was transferred to Sungei Wang Group Sdn Bhd, the holding company of Fiscalab Capital Markets Sdn Bhd, as Senior Vice President of its Corporate Planning Department where he was primarily responsible for monitoring the performance of its investee companies.

In November 2013, he joined East West One Consortium Berhad, a commodities and resources conglomerate, as Director of its Corporate Planning and Strategy Department where he was primarily responsible for its corporate planning and strategy as well as its business management and compliance activities. He left the company in January 2021 and founded KACE Consultants, a sole proprietorship principally involved in the provision of business and corporate management advisory and consultancy services, and executive and leadership coaching, training and facilitation services.

In December 2019, he was appointed as an Independent Non-Executive Director of Ageson Berhad, a company listed on the Main Market of Bursa Securities. He resigned from this position in October 2021.

Currently, he is the Independent Non-Executive Chairman of Annum Berhad, a company listed on the Main Market of Bursa Securities, where he was appointed to its board of directors since December 2020. He is, since April 2023, appointed as one of the eight members of the Council of Ambassadors of the International Coaching Federation Foundation.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

8.2.3 Principal directorships and business activities of our Directors outside our Group for the past 5 years

Save as disclosed below, as at the LPD, none of our Directors have any principal business activities performed outside our Group (including principal directorships in the past 5 years preceding the LPD):

(i) Dato' Mohd Azfar Bin Mohamad

						Equity interest as at LPD	
No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Direct (%)	Indirect (%)
Present involvement							
1.	Fertigrow Sdn Bhd	Manufacturing, import and export, and trading of all kinds of chemical raw materials and products, pesticides, agricultural adjuvants, agricultural products, organic and chemical fertilizers, and all types of soil conditioners	Director and shareholder	7 Jul 2023	-	20	-
2.	Giatmekar Sdn Bhd	Real estate activities with own or leased property	Director	31 May 2023	-	-	-
3.	Kian Berkat Sdn Bhd	Real estate activities with own or leased property	Director	31 May 2023	-	-	-
4.	Kota Kemayan Sdn Bhd	Rubber land and fruit plantation	Director	31 Jan 2023	-	-	-
5.	Ladang Ikatan Sdn Bhd	Mixed farming	Director	1 Apr 2023	-	-	-
6.	Metropico Sdn Bhd	Planting, replanting, transplanting, thinning and conserving of forests and timber tracts	Director	5 Jul 2023	-	-	-
7.	Sasbara Sdn Bhd	Housing developer and property investment	Director	6 Jul 2021	-	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*
(ii) Dato' Low

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
Present involvement							
1.	Apex Creative Resources Sdn Bhd	<ul style="list-style-type: none">To carry on business of import and retail sale of all kinds of vegetablesEngage in general constructionEngage in the business of general trading of sport and outdoor equipment	Director and shareholder	1 Nov 2010	-	58.9	3.6 ⁽¹⁾
2.	Brave Constant Sdn Bhd	<ul style="list-style-type: none">Export and import of other general-purpose machineryStock, share and bond brokersReal estate activities with own or leased property	Director and shareholder	17 Mar 2017	-	12.5	-
3.	CC Low	Provision of motor insurance claims processing services	Shareholder	-	-	100.0	-
4.	Castleflex Development Sdn Bhd	Investment property and land development	Director and shareholder	19 Feb 2016	-	50.0	⁽¹⁾ ⁽²⁾
5.	Dinamik Ulung Sdn Bhd	Training centre facility and other training related facility	Director and shareholder	3 Sep 2004	-	25.3	21.4 ⁽³⁾
6.	Evergreen Construction Management Sdn Bhd	Properties management	Director and shareholder	19 Jul 2006	12 Sep 2017	40.0	20.0 ⁽⁴⁾

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
7.	Evergreen Freelif	<ul style="list-style-type: none"> To carry on business as importers, wholesalers, retailers, distributors, agents and dealers in sport, garment apparel, camping climbing equipment, trading and commercial agents, manufacturers' representative, event organisers in relation to camping and climbing and outdoor activities Business solution provider 	Shareholder	-	-	25.0	75.0 ⁽⁵⁾
8.	Evergreen Knitwear Sdn Bhd	<ul style="list-style-type: none"> Retail sale of textiles, clothing and footwear via stalls or markets or boutique Wholesale of clothing 	Shareholder	-	-	10.0	-
9.	Evergreen Properties	<ul style="list-style-type: none"> Development of building projects for own operation, i.e for renting of space in these buildings Real estate activities with own or leased property 	Director and shareholder	25 Jul 2018	-	90.0	10.0 ⁽⁶⁾
10.	Insan Tiara	Property development, general contractor and investment holding with a subsidiary involved in the provision of training centre facilities and other training related facility	Director and shareholder	7 Apr 2004	-	33.7	41.3 ⁽⁷⁾
11.	Kota Dinasti Development Sdn Bhd	Property investment	Director and shareholder	5 Feb 2020	-	25.0	25.0 ⁽⁸⁾
12.	Margin Industries Sdn Bhd	Trading and manufacturing of sport and outdoor equipment	Shareholder	-	-	25.0	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
13.	MC Land Development Sdn Bhd	<ul style="list-style-type: none"> Real estate activities with own or leased property Development of building projects for own operation, i.e. for renting of space in these buildings 	Director and shareholder	17 Jan 2018	-	50.0	-
14.	Mekar Land & Development Sdn Bhd	<ul style="list-style-type: none"> Wholesale of a variety of goods without any particular specialization Constructions of buildings Buying, selling, renting and operating of self-owned or leased real estate – land 	Director and shareholder	31 Mar 2021	-	-	25.0 ⁽⁹⁾
15.	MM Sikamat Sdn Bhd	Provision of adjuster services	Director and shareholder	3 Jan 2008	17 Oct 2017	40.0	40.0 ⁽⁸⁾
16.	Oxford Dragon Sdn Bhd	Investment properties	Director and shareholder	14 Jan 2019	-	60.0	-
17.	Polo Lenova Sdn Bhd	Trading in textiles	Director and shareholder	19 Jul 2005	12 Sep 2022	40.0	40.0 ⁽⁸⁾
18.	Setara Tiara Sdn Bhd	Property, development, project management, construction services, management contracting, design and build services and construction value engineering	Director and shareholder	27 Jul 2020	-	30.0	-
19.	Strong Skyhutch Sdn Bhd	Investment in property and provision of management services and plumbing works	Director and shareholder	8 Aug 2018	-	25.0	25.0 ⁽⁸⁾

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
20.	Subur Dinamik Sdn Bhd	<ul style="list-style-type: none"> Export and import of a variety of goods without any particular specialization Activities of holding company Buying, selling, renting and operating of self-owned or leased real estate – residential buildings 	Director and shareholder	21 Oct 2020	-	-	100.0 ⁽¹⁰⁾
21.	Terus Wangsa Sdn Bhd	Trading of bird nest products and housing development	Director and shareholder	23 Feb 2010	-	27.8	23.8 ⁽¹¹⁾
22.	Tirai Anggerik	Investment holding with investments in shares in EMCC and Trax Capital	Director and shareholder	16 Dec 2021	-	68.8	31.2 ⁽¹¹⁾
23.	Trax Capital	To provide management service business	Director and shareholder	24 Jul 2017	-	42.2	39.9 ⁽¹²⁾
24.	Union Auto Glass Consortium Sdn Bhd	<ul style="list-style-type: none"> Commission agent on vehicle insurance claims and other related services Purchase, sales and installation of windscreen 	Shareholder	-	-	52.0	-
25.	V Best Decoration Sdn Bhd	Manufacturing and dealing in veneer specified for face, decoration and renovation and related products and activities	Director and shareholder	10 Mar 2020	24 Sep 2020	19.8	-
26.	Wisma Trax Sdn Bhd	Project management	Director and shareholder	11 Jul 2013	-	10.0	50.0 ⁽¹³⁾

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD		
						Direct (%)	Indirect (%)	
Past involvement								
1.	Evergreen Express	Credit	<ul style="list-style-type: none">Engage in the business of importers, retailers, distributors, agents and dealers in sport, garment apparel and outdoor equipmentInvestment holding with investments in quoted securities and investments in propertiesMoney lenderHire purchase	Director and shareholder	7 Mar 2022	31 Mar 2022	-	-
2.	Ho Sin Fah Motor Sdn Bhd		Motor vehicle workshop and approved insurance	Director	30 Jul 2014	14 Sep 2018	-	-
3.	Hui One (1) Sdn Bhd		<ul style="list-style-type: none">Licensed money lending activitiesTo carry on business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner, e-commerce, software development and real estate management	Director	10 Oct 2017	15 Apr 2019	-	-
4.	IFintech Solutions Sdn Bhd		<ul style="list-style-type: none">Financial related products and servicesTrading on gold related productsTechnology information and provider for mobile payment, mobile application, m-commerce / e-commerce and online digital gold trading platform	Director	5 Oct 2020	31 Jul 2021	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
5.	Imas Gold Sdn Bhd	<ul style="list-style-type: none"> Property investment To carry on the business as proprietors of restaurants, hotels, refreshments and tea rooms, cafes and milk and snack bar, tavern, beer house and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks and as caterers and contractors in all their respective branches To carry on the business of selling and buying of gold products 	Director and shareholder	31 May 2018	31 May 2021	-	-
6.	Incredible Bonanza Sdn Bhd	Property investment and management	Shareholder	-	-	-	-
7.	Platinum Thrill Sdn Bhd	<ul style="list-style-type: none"> Investment advisory services Wholesale of a variety of goods without any particular specialisation 	Director	9 Aug 2021	15 Mar 2022	-	-
8.	PTX MDS Engineering Sdn Bhd	To operate mobile service station and other related services	Director	20 May 2016	26 Feb 2021	-	-
9.	Summit Force Sdn Bhd	<ul style="list-style-type: none"> Investment advisory services Wholesale of a variety of goods without any particular specialisation 	Director	9 Aug 2021	15 Mar 2022	-	-
10.	UCA Properties Sdn Bhd	<ul style="list-style-type: none"> Hotels and resort hotels, real estate activities with own or leased property Construction of buildings 	Director	28 Sep 2018	30 Jan 2020	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
11.	Vision Dynamics Sdn Bhd	<ul style="list-style-type: none"> Broadcasting and entertainment General trading 	Director	4 Jun 2020	29 Mar 2021	-	-

Notes:

- (1) Deemed interest by virtue of the shareholdings of his spouse (Datin Tea) and his son (Low Kai Sein) in the company pursuant to Section 8 of the Act.
- (2) Less than 0.1%.
- (3) Deemed interest by virtue of his shareholding in Insan Tiara pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of the shareholdings of his brother (Low Kok Kim) in the Company pursuant to Section 8 of the Act.
- (5) Deemed interest by virtue of the shareholdings of his spouse (Datin Tea) and his sons (Low Kai Loon and Low Kai Sein) in the company pursuant to Section 8 of the Act.
- (6) Deemed interest by virtue of the shareholdings of his son (Low Kai Sein) in the company pursuant to Section 8 of the Act.
- (7) Deemed interest by virtue of the shareholdings of his spouse (Datin Tea) and his brother (Low Kok Hu) in the company pursuant to Section 8 of the Act.
- (8) Deemed interest by virtue of the shareholdings of his spouse (Datin Tea) in the company pursuant to Section 8 of the Act.
- (9) Deemed interest by virtue of his shareholding in Apex Creative Resources Sdn Bhd pursuant to Section 8 of the Act.
- (10) Deemed interest by virtue of his interest in Wisma Trax Sdn Bhd pursuant to Section 8 of the Act.
- (11) Deemed interest by virtue of the shareholdings of his spouse (Datin Tea), his sons (Low Kai Loon and Low Kai Sein) and his brother (Low Kok Hu) in the company pursuant to Section 8 of the Act.
- (12) Deemed interest by virtue of his shareholdings in Insan Tiara and Tirai Anggerik, the shareholdings of his spouse (Datin Tea) and his sons (Low Kai Sein and Low Kai Loon) in the company pursuant to Section 8 of the Act.
- (13) Deemed interest by virtue of the shareholdings of his spouse (Datin Tea), his son (Low Kai Sein) and his brother (Low Kok Yew) in the company pursuant to Section 8 of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*
(iii) Datin Tea

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
Present involvement							
1.	Apex Creative Resources Sdn Bhd	<ul style="list-style-type: none">To carry on business of import and retail sale of all kinds of vegetablesEngage in general constructionEngage in the business of general trading of sport and outdoor equipment	Shareholder	-	-	1.8	98.2 ⁽¹⁾
2.	Castleflex Development Sdn Bhd	Investment property and land development	Director and shareholder	19 Feb 2016	-	(2)	50.0 ⁽³⁾
3.	Dinamik Ulung Sdn Bhd	Training centre facility and other training related facility	Director and shareholder	27 Jul 2009	-	-	61.0 ⁽⁴⁾
4.	Evergreen Freelifa	<ul style="list-style-type: none">To carry on the business as importers, wholesalers, retailers, distributors, agents and dealers in sport, garment apparel, camping climbing equipment, trading and commercial agents, manufacturers' representative, event organisers in relation to camping & climbing and outdoor activitiesBusiness solution provider	Director and shareholder	1 Jun 2017	-	25.0	75.0 ⁽⁵⁾
5.	Insan Tiara	Property development, general contractor and investment holding with a subsidiary involved in the provision of training centre facilities and other training related facility	Director and shareholder	23 Jul 2007	11 Jul 2017	25.0	58.7 ⁽⁶⁾
6.	Kota Dinasti Development Sdn Bhd	Property investment	Director and shareholder	5 Feb 2020	-	25.0	25.0 ⁽⁷⁾

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
7.	MM Sikamat Sdn Bhd	Provision of adjuster services	Director and shareholder	11 Nov 2008	17 Oct 2017	40.0	60.0 ⁽⁸⁾
8.	Polo Lenova Sdn Bhd	Trading in textiles	Shareholder	-	-	40.0	60.0 ⁽⁶⁾
9.	Strong Skyhutch Sdn Bhd	Investment in property and provision of management services and plumbing works	Director and shareholder	8 Aug 2018	-	25.0	25.0 ⁽⁷⁾
10.	Terus Wangsa Sdn Bhd	Trading of bird nest products and housing development	Director and shareholder	23 Feb 2010	-	18.3	54.0 ⁽⁹⁾
11.	Tirai Anggerik	Investment holding with investments in shares in EMCC and Trax Capital	Shareholder	-	-	15.4	77.4 ⁽⁵⁾
12.	Trax Capital	To provide management service business	Director and shareholder	7 Dec 2018	-	10.9	71.2 ⁽¹⁰⁾
13.	Wisma Trax Sdn Bhd	Project management	Director and shareholder	11 Jul 2013	9 Jun 2018	10.0	30.0 ⁽³⁾
Past involvement							
1.	Neo Bliss Sdn Bhd	<ul style="list-style-type: none"> Wholesale of a variety of goods without any particular specialization Investment advisory services 	Director	9 Aug 2021	15 Mar 2022	-	-
2.	Noble Sphere Sdn Bhd	<ul style="list-style-type: none"> Investment advisory services Wholesale of a variety of goods without any particular specialization 	Director	9 Aug 2021	15 Mar 2022	-	-
3.	Teratak Eco Farm Sdn Bhd	Wholesale and trading in garments	Shareholder	-	-	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Notes

- (1) Deemed interest by virtue of the shareholdings of her spouse (Dato' Low), her son (Low Kai Sein), her brother (Tea Kain Chuan) and her brother's spouse (Tan Beng Yen) in the company pursuant to Section 8 of the Act.
- (2) Less than 0.1%.
- (3) Deemed interest by virtue of the shareholdings of her spouse (Dato' Low) and her son (Low Kai Sein) in the company pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of her shareholding in Insan Tiara Sdn Bhd and the shareholdings of her spouse (Dato' Low) and her brother (Muhammad Ali Tea Bin Abdullah) in the company pursuant to Section 8 of the Act.
- (5) Deemed interest by virtue of the shareholdings of her spouse (Dato' Low) and her sons (Low Kai Sein and Low Kai Loon) in the company pursuant to Section 8 of the Act.
- (6) Deemed interest by virtue of the shareholdings of her spouse (Dato' Low) and her brother (Tea Kain Chuan) in the company pursuant to Section 8 of the Act.
- (7) Deemed interest by virtue of the shareholdings of her spouse (Dato' Low) in the company pursuant to Section 8 of the Act.
- (8) Deemed interest by virtue of the shareholdings of her spouse (Dato' Low) and her brother (Tea Kain Chuan and Muhammad Ali Tea Bin Abdullah) in the company pursuant to Section 8 of the Act.
- (9) Deemed interest by virtue of the shareholdings of her son (Low Kai Sein), her brothers (Muhammad Ali Tea Bin Abdullah, Tea Kain Eng, Tea Kain Sin, Tea Kiam Tiong, Tea Kian Min and Tea Kain Chuan) and her brother's spouse (Tan Beng Yen) in the company pursuant to Section 8 of the Act.
- (10) Deemed interest by virtue of her shareholdings in Insan Tiara Sdn Bhd and Tirai Anggerik and the shareholdings of her spouse (Dato' Low) and her sons (Low Kai Sein and Low Kai Loon) in the company pursuant to Section 8 of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**(iv) Low Kai Loon**

As at 31 Mar 2021								
No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD		
							Direct (%)	Indirect (%)
Present involvement								
1.	Evergreen Freelife	<ul style="list-style-type: none">To carry on the business as importers, wholesalers, retailers, distributors, agents and dealers in sport, garment apparel, camping climbing equipment, trading and commercial agents, manufacturers' representative, event organisers in relation to camping & climbing and outdoor activitiesBusiness solution provider	Shareholder	-	-	25.0	25.0 ⁽¹⁾	
2.	Trax Capital	To provide management service business	Director and shareholder	16 Mar 2021	7 Jan 2022	3.4	3.2 ⁽¹⁾	
3.	Tokenize Technology (M) Sdn Bhd	Market operators for digital asset exchanges	Shareholder	-	-	0.6	-	
4.	Tirai Anggerik	Investment holding with investments in shares in EMCC and Trax Capital	Shareholder	-	-	4.5	4.1 ⁽¹⁾	
Past involvement								
1.	CC Low	Provisions of motor insurance claims processing services	Alternate Director	18 Jan 2021	27 Dec 2022	-	-	
2.	Evergreen Fintech	To carry on business of agriculture and animal husbandry, engage in property management services as well as providing solar energy consultancy	Director and shareholder	28 Oct 2020	30 Jun 2021	-	-	
2.	Evolusi Mekar Sdn Bhd	<ul style="list-style-type: none">Wholesale of a variety of goods without any particular specializationInvestment advisory services	Director	9 Aug 2021	15 Mar 2022	-	-	

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Note:

(1) Deemed interest by virtue of the shareholding of his brother (Low Kai Sein) in the company pursuant to Section 8 of the Act.

(v) Datin Laily

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
Present involvement							
1.	ATF Warisan Global Sdn Bhd	<ul style="list-style-type: none">• Computer programming activities• Financial consultancy services• Research and development of information communication technology	Director and shareholder	4 Jun 2020	-	100.0	-
2.	Brave Constant Sdn Bhd	<ul style="list-style-type: none">• Export and import of other general-purpose machinery• Stock, share and bond brokers• Real estate activities with own or leased property	Director and shareholder	5 Mar 2021	-	25.0	-
3.	Restoran Nasi Kandar Madeena Sdn Bhd	<ul style="list-style-type: none">• Fast-food restaurants• Restaurants	Director and shareholder	28 Sept 2021	-	28.0	-
4.	TBJ Junkstore	Selling home furniture, office equipment, clothing, women's accessories, household items, provisions of management services	Sole proprietor	17 Feb 2011	-	100.0	-
Past involvement							
1.	Adagro Care Sdn Bhd	<ul style="list-style-type: none">• To carry on the business manufacturer of fertilizers• To carry on the business wholesale of fertilizers activities• To carry on the business of service as the management of plantation activities	Director and shareholder	12 Oct 2012	15 Jun 2021	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
2.	Lailee Collection	Anggun Wholesaler of clothing, fabrics, garments, veils, prayer garments, accessories, beauty and health products	Sole proprietor	30 Apr 2015	3 Dec 2019 ⁽¹⁾	-	-
3.	Talisman Pictures Sdn Bhd	Dissolved on 18 January 2019	Shareholder	-	-	-	-
4.	Trax Capital	To provide management service business	Shareholder	-	-	-	-
5.	Wowshoppe Dot Net	Buying and sell clothing, children's clothing, cosmetics and cosmetic tools, food supplements, home decor, souvenirs and make-up training workshops	Sole proprietor	28 Jun 2013	3 Dec 2019 ⁽¹⁾	-	-

Note:

(1) Date of expiration of the sole proprietorship.

(vi) Chow Lai Mun

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
1.	Bostronic Sdn Bhd	Trading of engineering equipment's and related products and services	Director and shareholder	11 Nov 2013	-	0.01	⁽¹⁾ 99.99

Note:

(1) Deemed interest by virtue of the shareholding of her brother (Chow Mun Wai) in the company pursuant to Section 8 of the Act.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*
(vii) Hong Boon Toh

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
Present involvement							
1.	1Advisory Sdn Bhd	Financial consultancy services, business management consultancy services	Director and shareholder	12 Jan 2021	-	10.0	-
2.	Affluent Societe Sdn Bhd	<ul style="list-style-type: none">Retail sale of tea, coffee, soft drinks, mineral water and other beveragesRetail sale of other food products	Director and shareholder	28 Nov 2019	-	50.0	-
3.	Asia Move Machine Sdn Bhd	Property marketing products and services and marketing research and development	Director	13 Apr 2007	-	-	-
4.	Food Ethos Sdn Bhd	Restaurants	Director and shareholder	13 Oct 2021	-	50.0	-
5.	Ecore Synergy PLT	<ul style="list-style-type: none">Business management consultancy servicesActivities of holding companies	Partner	19 Feb 2021	-	-	-
6.	Inter Consultancy Service PLT	Provision of accounting, tax, business management and financial consultancy services and investment advisory services	Partner	20 Apr 2022	-	-	-
Past involvement							
1.	Ah Bui Coffee PLT	Cafe or restaurants for sale of food and beverage and bakery items such as cakes, tarts and biscuits	Partner	4 Jan 2022	22 Feb 2022 ⁽¹⁾	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
2.	Homevest Sdn Bhd	<ul style="list-style-type: none"> Activities of holding companies Development of building projects for own operations i.e for renting of space in these buildings Buying, selling, renting and operating of self-owned or leased real estate – residential buildings 	Director	1 Jul 2022	30 Jun 2023	-	-
3.	Setia IP Holdings Sdn Bhd	Custodian and management of S P Setia Berhad's intellectual property rights	Director	25 Apr 2017	11 Jan 2022	-	-

Note:

(1) Date of his withdrawal from the partnership.

(viii) Kenneth Chai

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
	Present involvement					Direct (%)	Indirect (%)
1.	Annum Berhad	Investment holding company with its subsidiaries involved in construction, project management and related activities including engineering, procurement, construction and commissioning and property development	Independent Non-Executive Chairman	2 Dec 2020	-	-	-
2.	KACE Consultants	Business and corporate management advisory and consultancy services, and executive and leadership coaching, training and facilitation services	Sole proprietor	18 Nov 2021	-	100.0	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
	Past involvement					Direct (%)	Indirect (%)
1.	Ageson Berhad	Management and investment holding with its subsidiaries involved in construction, property development, general trading and sand mining, trading and export of sand	Independent Non-Executive Director	2 Dec 2019	7 Oct 2021	-	-

The involvement of our Executive Directors in other directorships or businesses will not affect their contributions to our Group as they are principally involved in our Group's day-to-day operations. Their involvement in other directorships or businesses do not require a significant amount of time, and hence do not affect their abilities to perform their executive roles and responsibilities to our Group as well as their contribution to our Group.

The involvement of our Non-Executive Directors in other directorships or businesses outside our Group will not affect their contribution to our Group as they are not involved in our Group's day-to-day operations.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**8.2.4 Directors' remunerations and material benefits-in-kind**

The details of the remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 2022 and proposed for the FYE 2023 are as follows:

(i) FYE 2022

Name	Fees	Salary	Bonus	Allowances	⁽¹⁾Statutory contributions	Benefits in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dato' Low	-	180	15	-	24	-	219
Datin Tea	-	180	15	-	24	-	219
Low Kai Loon	-	180	15	-	24	-	219
Datin Laily	30	-	-	-	-	-	30
Dato' Mohd Azfar Bin Mohamed	30	-	-	-	-	-	30
Hong Boon Toh	30	-	-	-	-	-	30
Chow Lai Mun	36	-	-	-	-	-	36
Kenneth Chai	30	-	-	-	-	-	30

(ii) Proposed for the FYE 2023

Name	Fees	Salary	Bonus	Allowances	⁽¹⁾Statutory contributions	Benefits in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dato' Low	-	180	15	-	24	-	219
Datin Tea	-	180	15	-	24	-	219
Low Kai Loon	-	180	15	-	24	-	219
Datin Laily	60	-	-	-	-	-	60
Dato' Mohd Azfar Bin Mohamed	60	-	-	-	-	-	60
Hong Boon Toh	60	-	-	-	-	-	60
Chow Lai Mun	72	-	-	-	-	-	72
Kenneth Chai	60	-	-	-	-	-	60

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Note:

(1) Includes employer's contribution to Employees Provident Fund, Social Security Organisation and Employment Insurance System.

8.3 Key Management Personnel

8.3.1 Shareholdings

Save for the shareholdings of Dato' Low, Datin Tea and Low Kai Loon in our Company as disclosed in Section 8.2.1 of this Prospectus, the details of our other key management personnel and their shareholdings in our Company before and after our IPO are as follows:

Name	Designation	As at the LPD				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %
Sing Suk Fuen	Chief Executive Officer	-	-	-	-	⁽³⁾ 2,400,000	0.2	-	-
Tan Chai Seong	Chief Operating Officer	2,441,024	0.3	-	-	⁽³⁾ 4,241,024	0.4	-	-
Hee Chee Keong	Chief Financial Officer	-	-	-	-	⁽³⁾ 1,800,000	0.2	-	-

Notes:

- (1) Based on our 847,302,499 issued Shares as at the LPD.
- (2) Based on our enlarged 1,114,902,499 issued Shares after our IPO.
- (3) Assuming that he/she fully subscribes for the Pink Form Allocation allocated to him/her.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

8.3.2 Profile

Save for the profiles of Dato' Low, Datin Tea and Low Kai Loon as disclosed in Section 8.1.2 of this Prospectus, the profiles of our Group's other key management personnel are as follows:

(i) Sing Suk Fuen
Chief Executive Officer

Sing Suk Fuen, a Malaysian aged 47, is our Group's Chief Executive Officer and is primarily responsible for managing our Group's overall day-to-day operations as well as the execution of our Group's business strategies. In addition, she is also responsible for monitoring our Group's business performance as well as reporting to our Executive Directors on key matters on a regular basis.

She obtained her 'Sijil Pelajaran Malaysia' in 1994 and obtained a Diploma in Accounting from LCCI in 1996.

She began her career in March 1995 as an Administrator of Kenobuild Sdn Bhd, a construction company, where she was primarily responsible for its administrative functions.

In March 1998, she left Kenobuild Sdn Bhd and joined Evergreen Credit Express as an Account Executive where she was primarily responsible for its financial reporting and management. Subsequently in 2004, she was promoted to Administration and Marketing Executive where she was primarily responsible for managing its administrative and marketing activities.

In 2008, she was transferred to a related company, Insan Tiara as Chief Operating Officer where she was primarily responsible for monitoring its day-to-day operations as well as acting as the key liaison personnel to various stakeholders such as government agencies and suppliers. She was subsequently transferred to our subsidiaries, namely PG Delta in 2010 and PG E Assets in 2012 as their Chief Operating Officer where she was primarily responsible for amongst others, government projects and overseeing the supply of goods.

In 2013, she was transferred back to Evergreen Credit Express as Chief Operating Officer where she was primarily responsible for overseeing the retail and supply of outdoor equipment and garments to hypermarkets and supermarkets such as Tesco, Carrefour, Giant and Billion. In 2020, she was transferred to Trax Capital, the former holding company of our subsidiaries, as Chief Executive Officer. Pursuant to the Acquisitions, she was transferred to our Company as our Group's Chief Executive Officer in 2021.

(ii) Tan Chai Seong
Chief Operating Officer

Tan Chai Seong, a Malaysian aged 53, is our Group's Chief Operating Officer and is primarily responsible for monitoring the overall day-to-day operations of our businesses as well as the security of our pawnbroking, and gold and luxury products retail and trading businesses.

He started his career in December 1987 as an apprentice under a goldsmith where he learnt the skills of making gold jewellerys and other gold products.

In November 1989, he joined Pajak Gadai Thong Heng Sdn Bhd, a pawnshop, as an Administrative Assistant where he was primarily responsible for managing the documentation required for the day-to-day operations of the company.

In June 2005, he left Pajak Gadai Thong Heng Sdn Bhd and joined Pajak Gadai Rakyat Sdn Bhd, a pawnshop, as an Operation Assistant where he was primarily responsible for performing pawnbroking services such as evaluation of pledged items, calculation of pawn loans as well as safekeeping of the pawn customers' pledged items.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

In March 2012, he left Pajak Gadai Rakyat Sdn Bhd and joined our subsidiary, PG Insan Tiara as a Manager where he was primarily responsible for overseeing the company's day-to-day operations and marketing activities. In 2020, he was promoted as the Chief Operating Officer of Trax Capital, the former holding company of our subsidiaries. Pursuant to the Acquisitions, he was transferred to our Company as our Group's Chief Operating Officer in 2021.

(iii) **Hee Chee Keong** Chief Financial Officer

Hee Chee Keong, a Malaysian, aged 51 is our Group's Chief Financial Officer and is primarily responsible for planning, managing and implementation of our Group's accounting functions and corporate exercises as well as overseeing our Group's investor relations activities.

He obtained his Diploma in Accounting from LCCI in 1992. In 2000, he completed his Association of Chartered Certified Accountants ("**ACCA**") and was subsequently admitted as a member and Fellow in 2003 and 2008 respectively. He is also a member of the MIA since 2001.

After obtaining his Diploma in Accounting, he began his career as a teacher in Practical Business Tutorial Centre in Kluang, Johor in 1992. In March 1993, he joined SK Tee & Co, an audit firm as an Audit Assistant. He left the audit firm in December 1995 and joined Indatex Sdn Bhd, which is principally involved in garment manufacturing, as an Accounts and Administrative Manager in 1996.

In May 2000, he joined Wayang Tinggi Production Sdn Bhd, which is principally involved in entertainment and restaurant businesses, as an Accountant. He left the company in September 2003 and joined Pancaran Ikrab Berhad, a company that was formerly listed on the Second Board (now known as the Main Market) of Bursa Securities, as an Accountant where he was mainly responsible for its accounting functions as well as its corporate restructuring exercise.

He left Pancaran Ikrab Berhad in December 2004 and joined Global Soft (MSC) Berhad, a company listed on the ACE Market of Bursa Securities as the Finance Director where he was primarily responsible for its financial reporting and planning as well as fundraising exercises. In 2009, he was appointed as a Non-Independent Non-Executive Director of Global Soft (MSC) Berhad. He resigned from this position in June 2013.

In June 2013, he joined Apple Green Holding, Inc., which is principally involved in the manufacturing of green energy products, as the Chief Financial Officer where he was primarily responsible for overseeing its investment and fundraising activities.

He left Apple Green Holding, Inc. in May 2014 and joined Galasys Plc, which is principally involved in providing IT solutions for theme parks, as the Chief Financial Officer where he was primarily responsible for overseeing its financial reporting and planning.

In September 2017, he left Galasys Plc and was appointed as an Independent Director of GreenPro Capital Corp, which is principally involved in the provision of corporate and business advisory services, and listed on the Nasdaq Stock Exchange. He resigned from this position in May 2019.

In January 2020, he was appointed as a consultant and corporate advisor for MPS Telecommunication Sdn Bhd, which is principally involved in trading of telecommunication products. In March 2022, he ceased his services to the company and joined our Company as the Head of Corporate Finance and was subsequently promoted to be our Chief Financial Officer in the same year.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

8.3.3 Principal directorships and business activities of our key management personnel outside our Group for the past 5 years

Save as disclosed below, as at the LPD, none of our key management personnel have any principal business activities performed outside our Group (including principal directorships in the past 5 years preceding the LPD):

(i) Sing Suk Fuen

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
Present involvement							
1.	Max Plumbing and Construction	<ul style="list-style-type: none">Plumbing system and sanitation equipmentBuilding constructions	Sole proprietor ⁽¹⁾	20 Jun 2012	-	100.0	-
Past involvement							
1.	Trax Capital	To provide management services business	Shareholder	-	-	-	-

Note:

- (1) Notwithstanding that the sole proprietorship is registered in her name, she is not involved in the operations of the businesses as the sole proprietorship is managed entirely by her spouse.

(ii) Tan Chai Seong

			Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
No.	Company	Principal activities				Direct (%)	Indirect (%)
Past involvement							
1.	Tirai Anggerik	Investment holding with investments in shares in EMCC and Trax Capital	Director and shareholder	23 Sep 2020	20 Sep 2021	-	-
2.	Trax Capital	To provide management service business	Shareholder	-	-	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*
(iii) Hee Chee Keong

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
Present involvement							
1.	Bimbit.Com Sdn Bhd	Engaged in mobile content and application services	Director	30 Sep 2011	-	-	-
2.	Circle International Holdings Limited ⁽¹⁾	Telecommunications products and services	Independent Non-Executive Chairman	2 Dec 2021	-	-	-
3.	Galasys Technologies Sdn Bhd	Investment holding company (dormant)	Director and shareholder	8 Mar 2012	-	3.3	-
4.	GSSB IT Sdn Bhd	Other IT service activities; specialised design activities; other service activities	Director and shareholder	4 Nov 2019	22 Feb 2021	⁽²⁾	-
Past involvement							
1.	Green Laser Technology Sdn Bhd	<ul style="list-style-type: none">Producing, supplying, distributing of kiosk and other computer related accessoriesProviding wide range of business communication solutions	Director	17 Mar 2014	9 Aug 2022	-	-
2.	I Logic Solutions Sdn Bhd	Research and development, implementation and system integration, sales and services of RFID ticketing, theme park solution and security system	Director and shareholder	2 Jan 2015	13 Jan 2021	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

No.	Company	Principal activities	Involvement in business	Date of appointment	Date of resignation	Equity interest as at LPD	
						Direct (%)	Indirect (%)
3.	IFintech Solutions Sdn Bhd	<ul style="list-style-type: none"> Financial related products and services Trading on gold related products Technology information and provider for mobile payment, mobile application, m-commerce/e-commerce and online digital gold trading platform. 	Director	25 Nov 2020	31 Jul 2021	-	-
4.	IGC House Sdn Bhd	<ul style="list-style-type: none"> Retail, marketing and trading 	Director and shareholder	1 Nov 2021	26 Jul 2023	-	-
5.	Imas Gold Sdn Bhd	<ul style="list-style-type: none"> Property investment To carry on the business as proprietors of restaurants, hotels, refreshment and tea rooms, cafes and milk and snack bar, tavern, beer house and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks and as caterers and contractors in all their respective branches To carry on the business of selling and buying of gold products 	Director	11 Jan 2021	31 May 2021	-	-
6.	Trax Capital	To provide management service business	Director	9 Feb 2021	7 Jan 2022	-	-
7.	Vital Sunshine Sdn Bhd	Hotel management (accommodation, restaurant)	Director	4 Jun 2012	15 Apr 2019	-	-

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Notes:

- (1) A foreign company registered in the Cayman Island and listed on the National Stock Exchange of Australia.
- (2) Less than 0.1%

The involvement of our key management personnel in other directorships or business will not affect their contributions to our Group as they are principally involved in our Group's day-to-day operations. Their involvement in other directorships or businesses do not require a significant amount of time, and hence do not affect their abilities to perform their executive roles and responsibilities to our Group as well as their contribution to our Group.

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8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

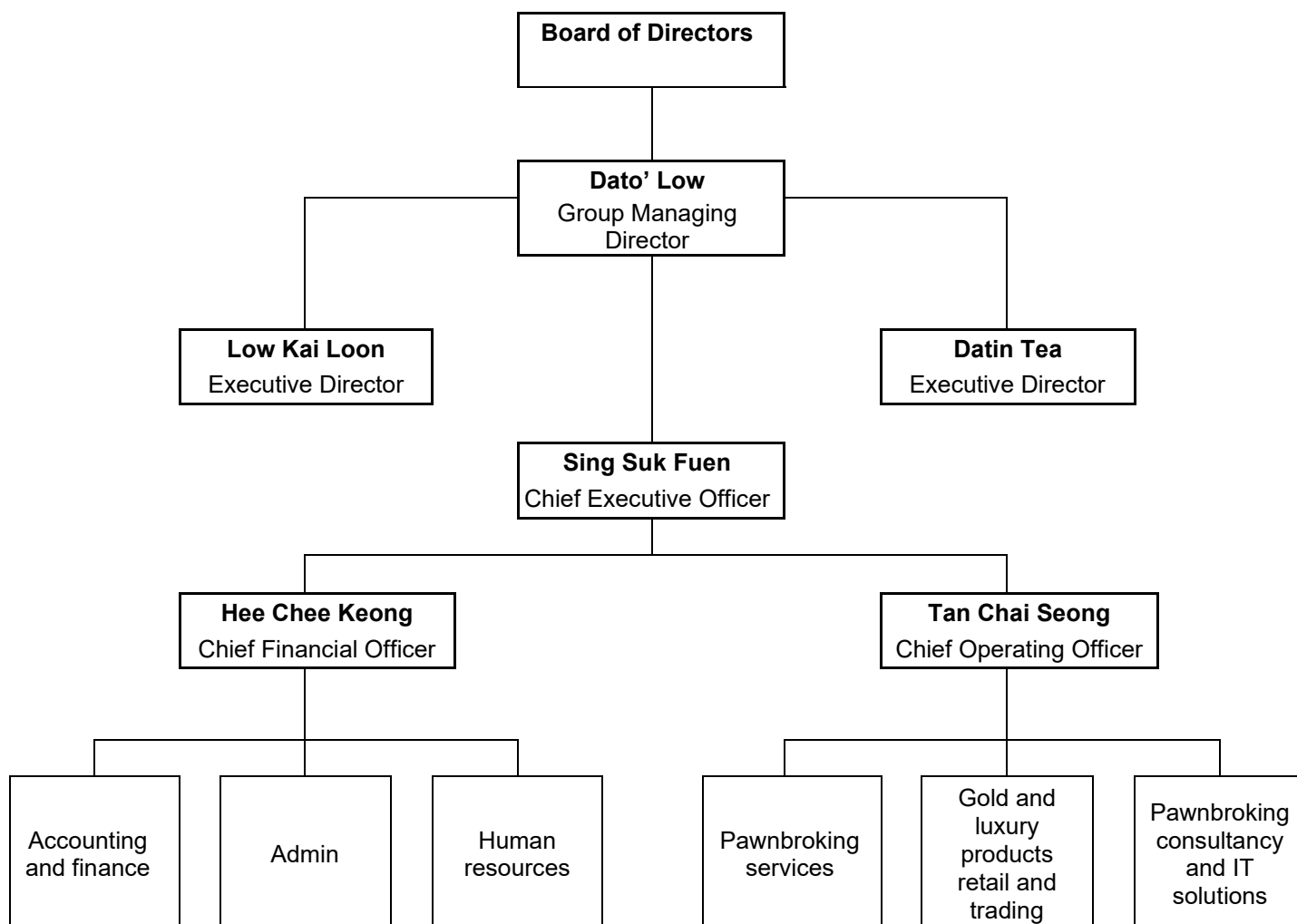
8.3.4 Key management personnel's remunerations and material benefits-in-kind

Save for the total remuneration and material benefits-in-kind paid and proposed to be paid to Dato' Low, Datin Tea and Low Kai Loon as disclosed in Section 8.2.4 of this Prospectus, the total remuneration and material benefits-in-kind paid and proposed to be paid to our other key management personnel for services rendered to our Group in all capacities for the FYE 2022 and FYE 2023 are as follows:

Name	Remuneration band	
	FYE 2022 (Actual)	FYE 2023 (Proposed)
	RM	RM
Sing Suk Fuen	200,001 to 250,000	200,001 to 250,000
Hee Chee Keong	150,001 to 200,000	150,001 to 200,000
Tan Chai Seong	150,001 to 200,000	150,001 to 200,000

8.4 Management Reporting Structure

The management reporting structure of our Group is as follows:



8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

8.5 Board Practices

Our Board acknowledges and is aware of the MCCG which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance, as it forms an integral part of their business operations and culture.

We have adopted the recommendations under the Practice Note 5.9 of the MCCG, which recommended that our Board comprise at least 30% female members. As at the date of this Prospectus, our Board comprises 8 members out of which 3 are female Directors, representing 37.5% of our Board.

8.5.1 Board

As at the LPD, the date of expiration of the current term of office for each of our Directors and the period for which our Directors have served in that office are as follows:

Name	Designation	Date of Appointment	Date of expiration of the current term of office	No. of years in office up to the LPD
Dato' Mohd Azfar Bin Mohamad	Independent Non-Executive Chairman	20 May 2022	At the 4 th AGM to be held in 2026	1 year and 2 months
Dato' Low	Non-Independent Executive Director/Group Managing Director	1 Oct 2021	At the 2 nd AGM to be held in 2024	1 year and 10 months
Datin Tea	Non-Independent Executive Director	1 Oct 2021	At the 2 nd AGM to be held in 2024	1 year and 10 months
Low Kai Loon	Non-Independent Executive Director	25 Apr 2022	At the 2 nd AGM to be held in 2024	1 year and 3 months
Datin Laily	Non-Independent Non-Executive Director	20 May 2022	At the 3 rd AGM to be held in 2025	1 year and 2 months
Chow Lai Mun	Independent Non-Executive Director	20 May 2022	At the 3 rd AGM to be held in 2025	1 year and 2 months
Hong Boon Toh	Independent Non-Executive Director	20 May 2022	At the 4 th AGM to be held in 2026	1 year and 2 months
Kenneth Chai	Independent Non-Executive Director	20 May 2022	At the 3 rd AGM to be held in 2025	1 year and 2 months

In accordance with our Company's Constitution, an election of Directors shall take place every year. At every AGM, 1/3 of the Directors who are subject to retirement by rotation for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office at least once every 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the general meeting at which he retires.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

8.5.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 28 December 2022 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Chow Lai Mun	Chairman	Independent Non-Executive Director
Kenneth Chai	Member	Independent Non-Executive Director
Hong Boon Toh	Member	Independent Non-Executive Director

The main functions of the Audit and Risk Management Committee include:

- (i) to review, assess and monitor the performance, suitability, objectivity and independence of the internal and external auditors;
- (ii) to consider any matters concerning the appointment and re-appointment, the audit fee and any questions of resignation or dismissal of external auditors, and further ensure the suitability, objectivity and independence of external auditors;
- (iii) to review with the external auditors:
 - (a) their audit plan, scope and nature of the audit of our Group;
 - (b) their evaluation and findings of the system of internal controls;
 - (c) their audit reports;
 - (d) the management letter and management's response with regard to problems and reservations arising from their audits; and
 - (e) any other matters that the external auditors may wish to discuss (in the absence of management where necessary);
- (iv) to review the assistance given by the management and employees of our Group to the external auditors;
- (v) to review and assess the adequacy of the scope, functions, competency and resources of the internal audit functions of which the internal auditors should reports directly to the Audit and Risk Management Committee. The internal auditors must be an independent, objective assurance and must have the relevant qualification and be responsible for providing assurance to the Audit and Risk Management Committee that internal control is operating effectively;
- (vi) to review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
- (vii) to review the adequacy and effectiveness of our Group's internal control systems and risk management framework as evaluated, identified and reported by our management, internal or external auditors as well as to review the appropriate and timely corrective actions undertaken to ratify the same;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

- (viii) to review the quarterly and year-end financial statements of our Group, before the approval by our Board, focusing particularly on:
 - (a) any changes in or implementation of major accounting policy changes;
 - (b) significant matters highlighted including financial reporting issues, significant judgement made by management, significant unusual events or transactions, and how these matters are addressed; and
 - (c) compliance with accounting standards and other legal requirements;
- (ix) to review any related party transactions and conflicts of interest situations that may arise within our Company or our Group including any transactions, procedures or course of conduct that raises questions of management integrity;
- (x) to review any letter of resignation from the external auditors of our Company;
- (xi) to review whether there is reason (supported by grounds) to believe that our Company's external auditors is not suitable for re-appointment;
- (xii) to recommend the nomination of a person or persons as external auditors; and
- (xiii) to carry out such other functions or assignments as may be delegated by our Board from time to time.

8.5.3 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established on 28 December 2022 and its members are appointed by our Board. Our Nomination and Remuneration Committee comprises the following members:

Name	Designation	Directorship
Kenneth Chai	Chairman	Independent Non-Executive Director
Chow Lai Mun	Member	Independent Non-Executive Director
Datin Laily	Member	Non-Independent Non-Executive Director

The main functions of the Nomination and Remuneration Committee include:

- (i) to consider and recommend to our Board suitable candidates for appointment as Directors of our Company. In making a recommendation to our Board on the candidates for directorship, the Nomination and Remuneration Committee should consider the candidates':
 - (a) skills, knowledge, expertise and experience;
 - (b) professionalism;
 - (c) integrity; and
 - (d) in the case of candidates for the position of Independent Directors, the Nomination Committee shall also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Directors;
- (ii) to annually review, or as required, the correct mix of skills, business and professional experiences including diversity in terms of gender, ethnicity and age that should be added to our Board, and to ensure that all our Directors undergo appropriate introduction and training programs;

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

- (iii) to appraise each individual Director including Independent Directors as well as the Managing Director and Executive Director(s) in terms of his experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of our Company. All assessments and evaluations carried out by the Nomination and Remuneration Committee in the discharge of all its functions should be properly documented;
- (iv) to examine the ability of each Director to contribute to the effective decision-making process of our Board and ensure that our Board is functioning actively, efficiently and effectively in all its decision making;
- (v) to review annually, the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference;
- (vi) to assess the effectiveness of our Board and the Committees as a whole;
- (vii) to review and assess the independence of the Independent Directors of our Company;
- (viii) to recommend our Board concerning the re-election/re-appointment of Directors to our Board pursuant to our Company's Constitution;
- (ix) to oversee the development of succession planning of our Board and senior management;
- (x) to review and recommend to our Board the appropriate remuneration packages for the Group Managing Director, Executive Directors and Non-Executive Directors of our Company, with or without other independent professional advice or other outside advice;
- (xi) to formulate policies, guidelines and set criteria for remuneration packages for the Directors and senior management of our Company;
- (xii) to ensure that the Directors are fairly and appropriately remunerated according to the industry, general market sentiments or conditions;
- (xiii) to determine the composition of the various types of components of remuneration such as basic salary, bonus and other benefits-in-kind for the Group Managing Director and Executive Directors of our Company;
- (xiv) to ensure all necessary actions are taken expediently by our Board to offer appropriate rewards, benefits, compensation and remuneration and to ensure that the levels of remuneration are sufficiently attractive to retain Directors and structuring the remuneration packages to link rewards to the individual performance;
- (xv) to ensure that all remuneration packages and benefits given to the Directors are in compliance with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and our Board from time to time;
- (xvi) to attend to any other function that may be delegated by our Board which would be beneficial to our Company and ensure the effective discharge of the Committee's duties and responsibilities; and
- (xvii) to carry out such other functions or assignments as may be delegated by our Board from time to time.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

8.6 Service Agreements

As at the LPD, none of our Directors and/or key management personnel have any existing or proposed service agreement with our Group which provide for benefits upon termination of employment.

8.7 Declarations by Our Promoters, Directors and Key Management Personnel

As at the LPD, none of our Promoters, Directors and key management personnel is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law was filed (and not struck out) against them or any partnership in which they were partners, or any corporation of which they were directors or members of key management personnel in the last 10 years;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceeding in the last 10 years;
- (iv) any judgment was entered against them, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on their part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on their part that relates to the capital market in the last 10 years;
- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining them from engaging in any type of business practice or activity;
- (vii) the subject of any current investigation or disciplinary proceeding, or has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; or
- (viii) any unsatisfied judgment against such person.

8.8 Relationships and/or Associations

Save as disclosed below, there are no other family relationship or association between our Promoters, substantial shareholders, Directors and key management personnel:

- (i) Dato' Low, our Promoter, substantial shareholder and Group Managing Director, is the spouse of Datin Tea, brother of Low Kok Hu, parent of both Low Kai Loon and Low Kai Sein (a shareholder of Tirai Anggerik), and a substantial shareholder of Tirai Anggerik, our Promoter;
- (ii) Datin Tea, our Promoter, substantial shareholder and Executive Director, is the spouse of Dato' Low, parent of both Low Kai Loon and Low Kai Sein and a substantial shareholder of Tirai Anggerik, our Promoter;
- (iii) Low Kai Loon, our Promoter and Executive Director, is the son of Dato' Low and Datin Tea, brother of Low Kai Sein, and a shareholder of Tirai Anggerik, our Promoter; and
- (iv) Low Kok Hu, our substantial shareholder, is the brother of Dato' Low and a substantial shareholder of Tirai Anggerik, our Promoter.

8. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDER, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

8.9 Succession Plan

Our Board believes that the success of our Group depends on the ability and retention of our key management personnel. Therefore, we have made efforts to train our employees and remunerate them accordingly. Our future success will also depend on our ability to attract and retain skilled personnel.

We have a management succession plan consisting of:

- (i) structured career planning and development;
- (ii) competitive remuneration and employee benefits; and
- (iii) continuous training and development.

Additionally, our key management personnel have clearly defined leadership roles and responsibilities within operational and finance, respectively and are able to provide support to our Group Managing Director to facilitate the growth of our Group. As part of our management succession plan, we have put in place processes to groom new management staff to gradually assume the responsibilities of our key management personnel. Our Group's strategy for management continuity is driven by our top management who is responsible for identifying key competencies and recruitment of candidates with knowledge and expertise of our business to enhance operations.

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9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

9.1 Risks Relating to Our Businesses and Operations

9.1.1 Our pawnbroking business is subject to regulatory requirements

Our pawnbroking business is governed under the Pawnbrokers Act which sets out, amongst others, the maximum monthly interest rate, pawn loan period and administrative fee that are chargeable to our pawnbroking customers as well as the administrative procedures for unredeemed pledged items.

Under the Pawnbrokers Act, pawnbrokers, including our “Pajaking” pawnshops, are allowed to charge a maximum monthly interest rate of 2.0% of the pawn loan disbursed over a maximum pawn loan period of 6 months. As such, our pawnbroking business could be adversely affected in the event of changes in regulatory requirements which are unfavourable to our pawnbroking business, such as a downward revision to the maximum interest rate that a pawnbroker is allowed to charge.

Further, if there are changes in the Pawnbrokers Act which result in stricter operating standards and/or compliance requirements, our pawnbroking business may need to incur additional operating costs to put in place the necessary processes to comply with the new standards/requirements. In the event that such additional costs cannot be passed on to our pawnbroking customers, we will have to absorb the additional costs incurred, which in turn, would adversely impact the profitability of our pawnbroking business.

9.1.2 Our pawnshops are required to maintain and renew their pawnbroker’s licences

Each pawnshop is required to hold a valid pawnbroker’s licence issued by KPKT in order to operate. As at the LPD, all of our 22 pawnshops have valid pawnbroker’s licences, whereby each pawnbroker’s licence is valid for 2 years and such licence must be renewed 60 days before its expiry. Please refer to Section 6.14 of this Prospectus for further details of our pawnbroker’s licences.

As at the LPD, 8 of our pawnbroker’s licences will expire in less than 12 months. There is no assurance that we will be able to successfully renew all of our pawnbroker’s licences prior to their expiry. Failure to renew such licences may result in the affected pawnshops being unable to provide pawnbroking services to our pawnbroking customers.

Our ability to maintain and renew our pawnbroker’s licenses is subject to our continued compliance with the Pawnbrokers Act. In the event of non-compliance with the Pawnbrokers Act, the affected pawnshop’s pawnbroker’s licence may be suspended, revoked or unable to renew upon expiry. As a result, the affected pawnshop would not be able to process new pawn transactions until it obtains a valid pawnbroker’s licence. In such circumstance, our pawnbroking business would be adversely affected as we would lose the revenue contribution from such affected pawnshop.

9. RISK FACTORS *(cont'd)***9.1.3 Our pawnbroking business requires cash capital to operate and grow**

Our pawnbroking business requires cash capital for the disbursement of pawn loans to our pawnbroking customers.

In the event we experience an increase in demand for pawn loans and we do not have sufficient cash capital, the growth of our pawnbroking business will be impacted. In addition, any delays in sales of unredeemed pledged items by Cahaya Gold to end customers may impact the time taken for Cahaya Gold to purchase unredeemed pledged items from our pawnbroking subsidiaries. This would in turn adversely impact the liquidity of our pawnbroking business as it would prolong our pawnbroking subsidiaries' cash recovery process.

Due to the MCO, we had experienced a delay in our cash recovery process by up to 5 months when there were no public auctions held between 18 March 2020 to July 2020. Notwithstanding the foregoing, during the financial years/period under review, we have not experienced any instances where we are not able to maintain sufficient cash capital for our pawnbroking business. In addition, we have also been able to meet the daily cash needs for our operating costs and expenses during the financial years/period under review.

The growth of our pawnbroking business is dependent on, amongst others, our ability to secure additional funding to fund our cash capital needs. In the event we are unable to secure additional funding or if such additional funding is only available on terms that are less favourable than the terms of our current borrowings, our ability to grow our pawnbroking business will be impacted.

During the financial years/period under review, our cash capital was mainly financed by our internally generated funds, proceeds from issuance of securities, advances from our Directors and related parties, and drawdown of borrowings. Please refer to Section 6.10 of this Prospectus for details of the sources of funds for our cash capital over the financial years/period under review. In addition, we have also earmarked part of our Public Issue proceeds as cash capital for our pawnshops. However, there can be no assurance that our Group would be able to obtain sufficient funds on suitable terms to finance our pawnbroking business moving forward.

9.1.4 Our USD5.0 million unsecured borrowing requires us to achieve an audited PAT target for the FYE 2022 to FYE 2026

As set out in Section 12.4.3 of this Prospectus, included in our Group's borrowings is an unsecured borrowing of USD5.0 million (equivalent to RM22.5 million) which was obtained to fund the cash capital for our pawnbroking business. This unsecured borrowing requires us to achieve an audited PAT target of USD3.0 million (equivalent to RM13.5 million) for the FYE 2022 and USD3.5 million (equivalent to RM15.8 million) for the FYE 2023 to FYE 2026 respectively. The said PAT targets shall include exceptional gains and losses, if any, during the relevant financial year.

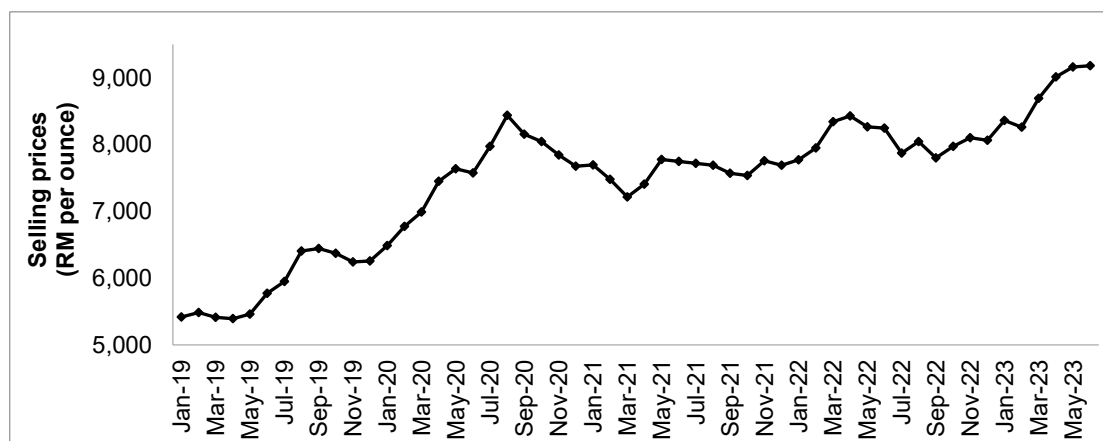
As our businesses and financial performance are subject to various risk factors, including those set out herein, there is no assurance that we would be able to achieve the PAT targets for the respective financial years. If the said PAT targets are not achieved, the outstanding borrowing together with all accrued interests will immediately become due and payable.

In such event, we would have to obtain new financing to refinance the said borrowing and/or progressively reduce the cash capital for our pawnbroking business to repay the borrowing. However, such resultant decrease in our cash capital, if any, may have an adverse impact on our pawnbroking business and financial performance.

9. RISK FACTORS *(cont'd)*

9.1.5 We are subject to volatility in the price of gold

As gold is a globally traded commodity, the price for gold can fluctuate widely and is affected by various market factors which are beyond our control, such as supply and demand for gold, inflation, the USD exchange rate, interest rates as well as global and regional political and economic conditions. Set out below is a summary of the market price of gold over the financial years/period under review, which has been depicted based on the selling price of Kijang Emas (1 oz), i.e. Malaysian gold bullion coin:



(Source: IMR Report)

Whilst the market price for gold has generally been on an uptrend, there is no assurance that this uptrend will continue in the future.

We generally do not speculate on the movement in the market price of gold when selling our unredeemed pledged gold items. However, in the event there is a sudden and significant downward movement in the market price of gold and we do not have any immediate need for cash, we may hold the unredeemed pledged gold items for a longer period of time (i.e. up to an additional month) as the market price of gold may stabilise during this period.

Should we be required to sell these unredeemed pledged gold items for cash capital when there is a significant decline in the market price of gold, we would incur a loss upon the sales of these unredeemed pledged gold items. In addition, this would also result in the sales proceeds of such redeemed pledged gold items being insufficient to recover the defaulted pawn loans, which in turn may adversely impact our cash recovery process.

9.1.6 Our pawnbroking business is exposed to unlawful and suspicious transactions

As set out in Section 6.2(ii) of this Prospectus, pawnbrokers are required by law to undertake preventive measures to prevent their pawnshops from being used as conduits for money laundering and terrorism financing activities. Accordingly, pawnbrokers are obligated to conduct customer due diligence, keep proper records of their customers and transactions, and report suspicious transactions under the AMLA.

Whilst we have put in place the necessary measures to prevent such unlawful or suspicious pawn transactions, there is no assurance that the measures as detailed in Section 6.5(iii) of this Prospectus are sufficient to fully eliminate such unlawful and suspicious pawn transactions. If we are convicted, we may be subjected to fines and/or imprisonment, and the reputation of our "Pajaking" pawnshops may be adversely affected.

9. RISK FACTORS *(cont'd)*

Notwithstanding the above preventive measures, we are exposed to the risk of losing the pledged items if such items are subsequently confiscated by the authorities. As a result, we may not be able to recover the pawn loans disbursed for such confiscated pledged items, which would adversely affect the liquidity and profitability of our pawnbroking business. Our current special contingency insurance policy (pawnshop insurance) provides coverage for the pledged items (in and out of the strong room), damages to furniture, fixtures and fittings, robbery, public liability, employer's liability as well as damages due to confiscation. However, as with any insurance policy, the insurance policy is subject to limitations and exclusions and thus, there is no assurance that we will be able to fully recover the losses from confiscations due to unlawful and suspicious pawn transactions.

Since incorporation up to the LPD, there were 64 occurrences where our pledged items were confiscated by the police. The total loss incurred due to these confiscations amounted to RM117,884 and were not recovered. Notwithstanding the foregoing, we have not been convicted for unlawful or suspicious pawn transactions since incorporation up to the LPD.

9.1.7 We are dependent on our Executive Directors and key management personnel for the continuing success and growth of our businesses

Our business operations and growth depend on the experience, expertise, competency and continued efforts of our Executive Directors and key management personnel who play a pivotal role in our day-to-day operations as well as the development and implementation of our business strategies.

Our Executive Directors and key management personnel possess the relevant experience in the industries in which we operate in. Our Group Managing Director, Dato' Low, has approximately 11 years of experience in the pawnbroking industry and has been instrumental in the development of our Group's businesses since the commencement of our operations in 2012. Dato' Low is supported by our Executive Directors and a dedicated key management team who has an average of approximately 18 years of relevant experience in their respective fields.

As with any business, the loss of any of our Executive Directors and/or key management personnel without suitable and timely replacement or our inability to attract and retain qualified personnel could adversely affect our businesses and financial performance. Recognising the importance of our Executive Directors and key management personnel, we have put in place a suitable human resource programme which offers competitive remuneration packages, career advancement opportunities as well as succession plans for our management. In addition, through our enhanced profile as a listed entity in Malaysia, we expect to better retain experienced personnel and/or attract new talents to contribute to our growth. However, there can be no assurance that our human resource strategies are sufficient and/or attractive to retain and/or timely recruit competent personnel to ensure our business continuity and growth.

9.1.8 Our operations are dependent on trustworthy, skilled and reliable personnel

Our pawnbroking business entails the provision of pawn loans to our pawnbroking customers that are secured by gold or luxury products as collaterals. As set out in Section 6.1(i) of this Prospectus, our pawn loans are offered based on a certain loan-to-value ratio which require our operations assistants and branch supervisors/managers to assess the value and authenticity of the collaterals.

As such, if our operations assistants and branch supervisors/managers are unable to accurately assess the value and/or authenticity of the collaterals, and our pawnbroking customers do not repay the pawn loans, we may not be able to fully recover the loan amount through sales of such collaterals as part of our cash recovery process. In such event, the financial performance of our pawnbroking business may be adversely affected.

9. RISK FACTORS *(cont'd)*

In addition, we also rely on our branch managers and/or Chief Operating Officer to assess the value and authenticity of pre-owned gold products purchased from third-party pawnshops, gold trading companies and walk-in individuals to our “Cahaya Gold” retail outlets. Failure to accurately assess the value and/or authenticity of such pre-owned gold products may adversely affect the business and financial performance of our gold and luxury products retail and trading business.

Due to the nature of our businesses which involve cash and valuable items, it is imperative for our operations assistants, branch supervisors/managers and/or Chief Operating Officer to be trustworthy and reliable. Failure to recruit and retain personnel who are trustworthy and reliable may expose us to risks of fraud, mismanagement and/or mishandling of cash and valuable items, which may adversely impact our businesses and performance.

Since incorporation up to the LPD, we have not experienced any occurrence of fraud or mismanagement or mishandling of cash, gold and luxury products (including pledged items), nor have we experienced any cases where our operations assistants and branch supervisors/managers have accepted counterfeit products or inaccurately assessed the value of pledged items as well as pre-owned gold products that have a material adverse impact on our financial performance and businesses.

9.1.9 We are exposed to physical security risks

Our pawnbroking as well as gold and luxury products retail and trading businesses involve the safekeeping of cash and valuable items. As such, we are exposed to physical security risks including burglary, theft, robbery or misappropriation of cash and valuable items.

In order to prevent such security risks, we have established a cash and pledge management policy as well as security and loss prevention measures at all of our “Pajaking” pawnshops and “Cahaya Gold” retail outlets. Please refer to Sections 6.5(i) and 6.5(ii) of this Prospectus for further information regarding our cash management and security measures respectively. In addition, we have also secured a special contingency insurance policy (pawnshop insurance) for all of our pawnshops. The special contingency insurance policy (pawnshop insurance) provides coverage for pawnshop-related matters including coverage on the pledged items, damages to furniture, fixtures and fittings, items in and out of the strong room, robbery, public liability, and employer’s liability. We have also secured a jeweller’s block insurance policy for all of our “Cahaya Gold” retail outlets in order to protect us against losses such as burglary, theft and robbery that may occur in our ordinary course of business.

During the financial years/period under review and up to the LPD, we have not experienced any burglary, theft or robbery cases at our “Pajaking” pawnshops or “Cahaya Gold” retail outlets. Notwithstanding the above security and preventive measures, there is no assurance that we will not be exposed to these security risks in the future. In the event these security risks were to occur, we may be exposed to losses and damages which may lead to a material adverse effect on our financial performance and businesses.

9.1.10 Our pawn processing system is subject to security breaches and system disruptions or breakdowns

We utilise our proprietary pawn processing system to facilitate the operations of our pawnbroking business, whereby we record our pawnbroking customers’ details and pawn transactions electronically. As such, we are subject to risks relating to external security threats such as malware attacks, hacking, espionage and cyber threats as well as internal security breaches arising from unauthorised access to restricted information.

In the event we fail to protect our pawnbroking customers’ information from security threats, we may be subject to fines and/or imprisonments under the Personal Data Protection Act 2010 and the reputation of our “Pajaking” pawnshops maybe adversely affected.

9. RISK FACTORS *(cont'd)*

Further, there is also no assurance that our pawn processing system will be able to function consistently without any prolonged disruptions or breakdown. Whilst we have put in place the necessary policies and procedures to safeguard our data and have a disaster recovery facility, there can be no assurance that we would be able to restore our data that are lost or damaged during such system disruption or breakdown. Further, any system disruption or breakdown would affect our pawnbroking business operations, and may thereby adversely impact our pawnbroking customers' satisfaction and our "Pajaking" pawnshops' reputation.

9.1.11 We may not have adequate insurance to cover all losses or liabilities

We would need to maintain adequate insurance coverage in order to protect us against losses such as burglary, theft, robbery and fire that may occur in our ordinary course of business, especially for our pawnbroking as well as gold and other luxury products retail and trading businesses which involve cash and valuable items.

As at LPD, we have procured, amongst others, special contingency insurance policy (pawnshop insurance) for all of our "Pajaking" pawnshops with total insured sum of RM196.6 million, as well as a jeweller's block insurance policy for all of our "Cahaya Gold" retail outlets with total insured sum of RM2.2 million.

Notwithstanding the foregoing, our financial performance may be adversely impacted in the event we incur substantial losses that are in excess of our insured sums or the losses incurred are not covered under our insurance policies. In addition, these insurance policies are prone to exclusions and limitations of liability, both in the amount and with respect to the insured events. Some of the exclusions and limitations of liability include certain types of natural disasters such as flood, typhoon, hurricane, cyclone, earthquake and subterranean fire, as well as pledged items left out of the strong room during non-operational hours of the pawnshops. In the event our losses exceed the insurance coverage or are not covered by our insurance policies, we may be required to bear such losses, and our financial performance and financial position may be adversely impacted.

During the financial years/period and period under review, there were no material insurance claims for losses and damages that occurred in carrying out our pawnbroking, and gold and other luxury products retail and trading businesses.

Further, the insurance policies are subject to annual renewal. Thus, there can be no assurance that we would be able to renew or procure new insurance policies on favourable terms and at premiums acceptable to us.

9.1.12 Our pawnshops are subject to risks of termination and/or non-renewal of lease or rental agreements

As at the LPD, save for our 2 pawnshops at Triang, Pahang and Pudu, Kuala Lumpur, our other 20 pawnshops are leased from third parties.

Whilst we have secured long-term tenancies for 10 of our pawnshops, i.e. 15 years, the tenancies for our other 10 pawnshops are only for a period of 3 years. There is no guarantee that each of these leases can be renewed upon expiry or be renewed with reasonable terms and conditions. In the event we are unable to renew the expiring tenancies on reasonable terms and conditions, we may have to relocate the affected pawnshops to a new location.

9. RISK FACTORS *(cont'd)*

We may experience delays in relocating to a new location as we would require time to evaluate, amongst others, the suitability of such new location such as its accessibility, the level of commercial activities within the vicinity of the new location as well as the market catchment. In addition, we will also incur additional costs for the relocation such as reinstatement costs and renovation costs. Further, such relocation may also result in a loss of our existing pawnbroking customers if the relocated area is far and/or less accessible than the previous location, which may in turn adversely impact our pawnbroking business and financial performance.

9.1.13 We are exposed to foreign exchange rate fluctuation

We have drawdown an unsecured borrowing of USD5.0 million to fund our cash capital. As such, should there be a material depreciation of the RM against the USD, this may result in higher finance costs and repayment amount, which have a material adverse impact on our gearing ratio and financial performance.

In addition, under the terms of the unsecured borrowing, we are required to, achieve PAT targets from the FYE 2022 to FYE 2026, which are denominated in USD. In the event there is a material depreciation of the RM against the USD, this may result in higher PAT targets to be achieved. If the said financial targets are not achieved, the outstanding borrowing, together with all accrued interests, will immediately become due and payable, whereby any resultant decrease in our cash capital may have an adverse impact on our pawnbroking business and financial performance.

9.2 Risks Relating to the Industry in Which We Operate**9.2.1 Competition risk**

According to the IMR Report as set out in Section 7 of this Prospectus, the pawnbroking industry is a fragmented and competitive industry whereby in 2022, there were 789 licensed conventional pawnbroking companies in Malaysia. We thus face stiff competition from the existing industry players, especially pawnshops with a larger establishment and/or a retail chain, as well as incoming new players in the pawnbroking industry. In addition, we also face indirect competition from licensed moneylenders who are involved in the provision of short-term micro loans as well as Islamic pawnbrokers (Ar-Rahnu).

According to the IMR Report, the gold retail and trading industry is also a fragmented and competitive industry which comprises both large and small gold products retailers and traders. As a small industry player in the gold retail and trading industry, our “Cahaya Gold” retail outlets may not be able to compete competitively against more established gold products retailers and traders, especially those with a retail chain.

Whilst we strive to remain competitive, there is no assurance that any changes in the competitive environment would not have a material adverse impact on our business and financial performance.

9.2.2 We are subject to changes in the economic landscape, political situation and regulatory requirements in Malaysia

All our business activities are conducted in Malaysia. Thus, any changes in the economic landscape, political situation and/or regulatory requirements in Malaysia, such as changes in laws and regulations, fiscal and/or monetary policies as well as the political landscape may have a material adverse impact on our business, financial performance and expansion strategies.

9. RISK FACTORS (cont'd)

In addition, as we fund our cash capital through amongst others, borrowings, any adverse changes to the credit conditions in Malaysia, such as stricter credit requirements may adversely impact our ability to raise additional cash capital to our pawnbroking business. Further, any upward revision in overnight policy rates may also have a material adverse impact on our finance costs and financial performance.

9.3 Risks Relating to Investment in Our Shares**9.3.1 There has been no prior market for our Shares**

Prior to our Listing, there has been no public market for our Shares. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or if developed, that such market can be sustained. The IPO Price was determined after taking into consideration a number of factors, including but not limited to our financial and operating history, our competitive strengths, our future plans and strategies, as well as the industry overview as detailed in Section 7 of this Prospectus. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the price at which holders would be able to sell our Shares.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on Bursa Securities upon our Listing and that the market price of our Shares will not decline below the IPO Price.

9.3.2 The trading price and volume of our Shares following our Listing may be volatile

After our Listing, the trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of various sectors of the economy. These factors invariably contribute to the volatility of trading volume witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

9.3.3 Our Promoters will be able to exert significant influence over our Company

Upon our Listing, our Promoters will hold 619,778,946 Shares, which represents 55.6% of our enlarged issued share capital upon Listing. As a result, our Promoters will be able to, in the foreseeable future, effectively control the business direction and management of our Group, including the election of Directors, the timing and payment of dividends as well as having majority voting control over our Company and as such, will likely influence the outcome of matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders.

9.3.4 There is no assurance of payment of dividends to our shareholders

It is our Board's intention to recommend and distribute a dividend of 20% of our PAT attributable to owners of our Company. However, our ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained as working capital for our businesses. There can be no assurance that dividends will be paid out in the future or the timing of any dividends that are to be paid in the future. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

9. RISK FACTORS *(cont'd)*

Please refer to Section 12.11 of this Prospectus for further information on our dividend policy.

9.3.5 Our Listing is exposed to the risk that it may be aborted or delayed

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:

- (i) the selected investors fail to subscribe for their portion of our IPO Shares;
- (ii) our Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations thereunder;
- (iii) our inability to meet the minimum public shareholding spread requirement under the Listing Requirements, i.e. at least 25% of the total number of our Shares must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing; or
- (iv) the revocation of approvals from the relevant authorities for our Listing and/or our admission to the Official List for whatever reason.

If any of these events occur, investors will not receive any IPO Shares and we will return in full, without interest, all monies paid in respect of the Applications within 14 days, failing which the provisions of Section 243(2) of the CMA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of the High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and the Registrar of Companies within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act. There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

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10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A “related party” is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into). “Major shareholder” means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

10.1 Related Party Transactions

Save for the Acquisitions, the Disposals and as disclosed below, our Group has not entered into any material related party transactions which involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the FYE 2019 to FYE 2022, FPE 2023 and up to the LPD:

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1.	PG Terus Wangsa (tenant)	Low Kai Sein (landlord)	<u>Person connected</u> Low Kai Sein ⁽¹⁾	Payment of rental by PG Terus Wangsa to Low Kai Sein for rental of a property located at No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang for our “Pajaking” pawnshop ⁽²⁾	72 / 9.1% of our PAT	72 / 1.1% of our PAT	-	-	-	-
2.	PG Terus Wangsa (tenant)	Evergreen Fintech (landlord)	<u>Interested Director</u> Low Kai Loon ⁽³⁾	Payment of rental by PG Terus Wangsa to Evergreen Fintech for rental of a property located at No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang for our “Pajaking” pawnshop ⁽²⁾	-	-	68 / 0.6% of our PAT	72 / 0.4% of our PAT	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3.	PG Terus Wangsa (tenant)	Evergreen Properties (landlord)	<u>Interested Director and major shareholder</u> Dato' Low ⁽⁴⁾	Payment of rental by PG Terus Wangsa to Evergreen Properties for rental of a property located at No. G2, Lot 25464, Batu 2, Jalan Temerloh, 28300 Triang, Pahang for our "Pajaking" pawnshop ⁽⁵⁾⁽⁶⁾	-	-	-	-	24 / 0.5% of our PAT	18
4.	PG Delta	Low Kai Sein	<u>Person connected</u> Low Kai Sein ⁽¹⁾	Disposal of a piece of leasehold land held under H.S.(D) 00012192, PT 32351, Mukim Kampar, Daerah Kinta, Perak by PG Delta to Low Kai Sein	-	930 / 1.2% of our NA	-	-	-	-
5.	PG E Assets (landlord)	Autoris Adjusters Sdn Bhd ("Autoris Adjusters") (tenant)	<u>Person connected</u> Low Kai Sein ⁽¹⁾	Payment of rental by Autoris Adjusters to PG E Assets for rental of a property located at No. 46, Jalan Kilang Midah, Taman Midah Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan ⁽⁷⁾	16 / 2.0% of our PAT	60 / 0.9% of our PAT	72 / 0.6% of our PAT	87 / 0.4% of our PAT	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	
6.	Atapttech	Autoris Adjusters	As disclosed in item 5 above	Receipt of service fees by Atapttech from Autoris Adjusters for IT solutions ⁽⁸⁾	-	-	221 / 0.4% of our revenue	459 / 0.7% of our revenue	-	-
7.	PG E Assets (landlord)	Evergreen Credit Express (tenant)	<u>Interested Director and major shareholder</u> (i) Dato' Low ⁽⁴⁾ (ii) Datin Tea ⁽⁹⁾ <u>Interested major shareholder</u> Low Kok Hu ⁽¹⁰⁾	Payment of rental by Evergreen Credit Express to PG E Assets for rental of a property located at No. 46, Jalan Kilang Midah, Taman Midah Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan ⁽⁷⁾	-	97 / 1.5% of our PAT	41 / 0.3% of our PAT	24 / 0.1% of our PAT	-	-
8.	PG Insan Tiara	Evergreen Credit Express	As disclosed in item 7 above	Payment of interest by PG Insan Tiara to Evergreen Credit Express in relation to a loan under a moneylending arrangement from Evergreen Credit Express, which has been fully settled in August 2019	118 / 14.8% of our PAT	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group		Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
						FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
						RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9.	Cahaya (tenant)	Gold	Evergreen Fintech (landlord)	As disclosed in item 2 above	Payment of rental by Cahaya Gold to Evergreen Fintech for rental of the following properties:						
					(i) 273, Ground Floor, Jalan Genting Kelang, Taman Ayer Panas, 53300 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾	-	8	48	49	-	-
					(ii) Suite G-3, Ground Floor, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹¹⁾	-	-	88	85	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Cahaya Gold (tenant) (cont'd)	Evergreen Fintech (landlord) (cont'd)		(iii) Lot 11-10, Level 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾⁽¹³⁾	-	-	-	13	-	-
					-	8 / 0.1% of our PAT	136 / 1.1% of our PAT	147 / 0.7% of our PAT	-	-
10.	Cahaya (tenant)	Gold	Evergreen Properties (landlord)	As disclosed in item 3 above	Payment of rental by Cahaya Gold to Evergreen Properties for rental of the following properties:					
				(i) 273, Ground Floor, Jalan Genting Kelang, Taman Ayer Panas, 53300 Kuala Lumpur, Wilayah Persekutuan ⁽⁵⁾⁽¹²⁾	-	-	-	-	30	26

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Cahaya Gold (tenant) (cont'd)	Evergreen Properties (landlord) (cont'd)		(ii) Lot 11-10, Level 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽⁵⁾⁽⁶⁾⁽¹³⁾	-	-	-	-	7	5
					-	-	-	-	37 / 0.8% of our PAT	31
11.	EMCC (tenant)	Evergreen Fintech (landlord)	As disclosed in item 2 above	Payment of rental by EMCC to Evergreen Fintech for rental of a property located at Lot 11-10, Level 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾⁽¹³⁾	-	-	45 / 0.4% of our PAT	175 / 0.9% of our PAT	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	
12.	EMCC (tenant)	Evergreen Properties (landlord)	As disclosed in item 3 above	Payment of rental by EMCC to Evergreen Properties for rental of a property located at Lot 11-10, Level 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽⁵⁾⁽⁶⁾⁽¹³⁾	-	-	-	-	77 / 1.6% of our PAT	58
13.	EMCC (tenant)	CC Low (sub-tenant)	<u>Interested Director and major shareholder</u> Dato' Low ⁽⁴⁾ <u>Interested Director</u> Low Kai Loon ⁽³⁾ <u>Interested major shareholder</u> Low Kok Hu ⁽¹⁰⁾	Payment of rental by CC Low to EMCC for sub-rental of a property located at Lot 11-10, Level 11, Wisma Trax, No. 1, Jalan Lima, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹⁴⁾	-	-	3 / * of our PAT	27 / 0.1% of our PAT	-	-
14.	EMCC	CC Low	As disclosed in item 13 above	Payment of management fees by CC Low to EMCC ⁽¹⁵⁾	-	-	117 / 1.0% of our PAT	343 / 1.7% of our PAT	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
15.	PG Kenanga (tenant)	Insan Tiara (landlord)	<u>Interested Director and major shareholder</u> (i) Dato' Low ⁽⁴⁾ (ii) Datin Tea ⁽⁹⁾ <u>Interested major shareholder</u> Low Kok Hu ⁽¹⁰⁾	Payment of rental by PG Kenanga to Insan Tiara for rental of a property located at No. 2, Lot 1 (Ground Floor), 2 (Ground Floor) & 2A (1 st Floor), Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan for our "Pajaking" pawnshop ⁽¹⁶⁾	84 / 10.6% of our PAT	112 / 1.8% of our PAT	144 / 1.2% of our PAT	144 / 0.7% of our PAT	-	-
16.	PG Kenanga (tenant)	Evergreen Fintech (sub-tenant)	As disclosed in item 2 above	Payment of rental by Evergreen Fintech to PG Kenanga for sub-rental of a property located at No. 2, Lot 2 (Ground Floor) & 2A (1 st Floor), Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹⁶⁾	-	-	43 / 0.4% of our PAT	43 / 0.2% of our PAT	-	-
17.	PG Kenanga (tenant)	Insan Tiara (landlord)	As disclosed in item 15 above	Payment of rental by PG Kenanga to Insan Tiara for rental of a property located at No. 2, Lot 1 (Ground Floor), Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan for our "Pajaking" pawnshop ⁽⁵⁾	-	-	-	-	39 / 0.8% of our PAT	29

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
18.	PG Delta (landlord)	CC Low (tenant)	As disclosed in item 13 above	Payment of rental by CC Low to PG Delta for rental of the following properties:						
				(i) No. 38B, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹⁴⁾	120	90	-	-	-	-
				(ii) No. 38D (Back), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹⁴⁾	60	45	-	-	-	-
					180 / 22.6% of our PAT	135 / 2.1% of our PAT	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
19.	PG Delta (landlord)	Evergreen Fintech (tenant)	As disclosed in item 2 above	Payment of rental by Evergreen Fintech to PG Delta for rental of the following properties:						
				(i) No. 38A, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾	-	-	140	186	-	-
				(ii) No. 38B, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾	-	-	116	116	-	-
				(iii) No. 38C, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾	-	-	90	128	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	PG Delta (landlord) (cont'd)	Evergreen Fintech (tenant) (cont'd)		(iv) No. 38D (Front), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾	-	-	58	67	-	-
				(v) No. 38D (2), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾	-	-	44	87	-	-
				(vi) No. 38D (Back), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹⁴⁾	-	-	39	-	-	-
				(vii) No. 27, Ground Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu ⁽²⁾	-	-	15	18	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	PG Delta (landlord) (cont'd)	Evergreen Fintech (tenant) (cont'd)		(viii) No. 28, Ground Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu ⁽¹⁷⁾	-	-	11	14	-	-
					-	-	513 / 4.3% of our PAT	616 / 3.1% of our PAT	-	-
20.	PG Delta (landlord)	Evergreen Properties (tenant)	As disclosed in item 3 above	Payment of rental by Evergreen Properties to PG Delta for rental of the following properties:						
				(i) No. 38A, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽⁵⁾	-	-	-	-	62	47
				(ii) No. 38B, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽⁵⁾	-	-	-	-	39	29

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	PG Delta (landlord) (cont'd)	Evergreen Properties (tenant) (cont'd)		(iii) No. 38C, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽⁵⁾	-	-	-	-	43	32
				(iv) No. 38D (Front), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽⁵⁾	-	-	-	-	22	17
				(v) No. 38D (2), Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹⁴⁾	-	-	-	-	29	15

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	PG Delta (landlord) (cont'd)	Evergreen Properties (tenant) (cont'd)		(vi) No. 27, Ground Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu ⁽⁵⁾	-	-	-	-	6	5
					-	-	-	-	201 / 4.1% of our PAT	145
21.	PG Delta (tenant)	Evergreen Fintech (sub-tenant)	As disclosed in item 2 above	Payment of rental by Evergreen Fintech to PG Delta for sub-rental of a property located at No. 55, Ground Floor (55B), 1 st Floor & 2 nd Floor, Jalan Besar, 43000 Kajang, Selangor ⁽²⁾	-	3 / * of our PAT	18 / 0.2% of our PAT	18 / 0.1% of our PAT	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
22.	PG Delta (tenant)	Evergreen Properties (sub-tenant)	As disclosed in item 3 above	Payment of rental by Evergreen Properties to PG Delta for sub-rental of a property located at No. 55, Ground Floor (55B), 1 st Floor & 2 nd Floor, Jalan Besar, 43000 Kajang, Selangor ⁽⁵⁾⁽¹⁸⁾	-	-	-	-	6 / 0.1% of our PAT	5
23.	<ul style="list-style-type: none"> PG Adventure PG Angkasa PG Brickfields PG Delta PG E Assets PG Global Wealth PG Insan Tiara PG Kenanga PG Maju PG Nilai PG SP PG Sri Permaisuri PG Sungai Way PG Terus Wangsa PG Total 	Evergreen Fintech	As disclosed in item 2 above	Payment of service fees and/or server charges by our subsidiaries to Evergreen Fintech for IT solutions ⁽¹⁹⁾	135 / 17.0% of our PAT	29 / 0.5% of our PAT	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
24.	Atapttech	CC Low	As disclosed in item 13 above	Receipt of service fees by Atapttech from CC Low for IT solutions ⁽⁸⁾	-	-	86 / 0.1% of our revenue	162 / 0.2% of our revenue	-	-
25.	EMCC	CC Low	As disclosed in item 13 above	Payment of interest by EMCC to CC Low in relation to a loan from CC Low Following the completion of the Disposals, the net amount owing to CC Low has been fully settled as detailed in Section 5.4.4 of this Prospectus	-	-	-	504 / 2.5% of our PAT	-	-
26.	PG E Assets	CC Low	As disclosed in item 13 above	Payment of interest by PG E Assets to CC Low in relation to loans from CC Low, which was fully settled in March 2022	-	145 / 2.3% of our PAT	167 / 1.4% of our PAT	55 / 0.3% of our PAT	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
27.	PG E Assets (landlord)	Apex Creative Resources Sdn Bhd ("Apex Creative") (tenant)	<u>Interested Director and major shareholder</u> (i) Dato' Low ⁽⁴⁾ (ii) Datin Tea ⁽⁹⁾	Payment of rental by Apex Creative to PG E Assets for rental of a property located at No. 46, Jalan Kilang Midah, Taman Midah Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan ⁽⁷⁾	44 / 5.5% of our PAT	60 / 0.9% of our PAT	69 / 0.6% of our PAT	72 / 0.4% of our PAT	-	-
28.	PG Delta (landlord)	Apex Creative (tenant)	As disclosed in item 27 above	Payment of rental by Apex Creative to PG Delta for rental of a property located at No. 38B, Jalan Tiga, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, Wilayah Persekutuan ⁽¹⁴⁾	72 / 9.1% of our PAT	72 / 1.1% of our PAT	72 / 0.6% of our PAT	-	-	-
29.	PG Global Wealth (tenant)	Datin Tea (sub-tenant)	<u>Interested Director and major shareholder</u> Datin Tea ⁽⁹⁾	Payment of rental by Datin Tea to PG Global Wealth for sub-lease of a property located at No. 424-TB3 and 424-TB4, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur, Wilayah Persekutuan ⁽²⁾	78 / 9.8% of our PAT	59 / 0.9% of our PAT	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.	PG Delta	Datin Tea	<u>Interested Director and major shareholder</u> Datin Tea ⁽⁹⁾	Disposal of the following parcels of land by PG Delta to Datin Tea:						
				(i) freehold land held under GRN 00125270, Lot 17886, Mukim Kampar, Daerah Kinta, Perak	-	1,005	-	-	-	-
				(ii) freehold land held under GRN 00062521, Lot 23359, Mukim Kampar, Daerah Kinta, Perak	-	105	-	-	-	-
					-	1,110 / 1.5% of our NA	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31.	PG E Assets (landlord)	Evergreen Freelifelife (tenant)	<u>Interested Director and major shareholder</u> (i) Dato' Low ⁽⁴⁾ (ii) Datin Tea ⁽⁹⁾ <u>Interested Director</u> Low Kai Loon ⁽³⁾	Payment of rental by Evergreen Freelifelife to PG E Assets for rental of a property located at No. 46, Jalan Kilang Midah, Taman Midah Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan ⁽⁷⁾	-	60 / 0.9% of our PAT	69 / 0.6% of our PAT	72 / 0.4% of our PAT	-	-
32.	Atapttech	Evergreen Freelifelife	As disclosed in item 31 above	Receipt of service fees by Atapttech from Evergreen Freelifelife for IT solutions	-	-	35 / 0.1% of our revenue	33 / * of our revenue	-	-
33.	PG Delta	Evergreen Freelifelife	As disclosed in item 31 above	Disposal of a motor vehicle by PG Delta to Evergreen Freelifelife	-	-	19 / * of our NA	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
34.	PG Delta (landlord)	Dato' Low (tenant)	<u>Interested Director and major shareholder</u> Dato' Low ⁽⁴⁾	Payment of rental by Dato' Low to PG Delta for rental of the following properties:						
				(i) No. 27, 1 st and 2 nd Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu ⁽⁵⁾	-	12	12	12	4	3
				(ii) No. 28, 1 st and 2 nd Floor, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu ⁽¹⁷⁾	-	12	12	11	-	-
					-	24 / 0.4% of our PAT	24 / 0.2% of our PAT	23 / 0.1% of our PAT	4 / 0.1% of our PAT	3

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
35.	PG Delta	Dato' Low	<u>Interested Director and major shareholder</u> Dato' Low ⁽⁴⁾	Disposal of the following parcels of land by PG Delta to Dato' Low: (i) freehold land held under GRN 00161831, Lot 9699, Mukim Sentul, Daerah Seremban, Negeri Sembilan (ii) leasehold land held under PM 00001262, Lot 158467, Mukim Teja, Daerah Kampar, Perak (iii) land held under Lot 17885, Mukim Teja, Daerah Kampar, Perak ("Fish Pond Land")	-	2,280	-	-	-	-
					-	145	-	-	-	-
					-	100	-	-	-	-
					-	2,525 / 3.3% of our NA	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
36.	PG E Assets (landlord)	Castleflex Development Sdn Bhd (tenant)	<u>Interested Director and major shareholder</u> (i) Dato' Low ⁽⁴⁾ (ii) Datin Tea ⁽⁹⁾	Payment of rental by Castleflex Development Sdn Bhd to PG E Assets for rental of a property located at No. 46, Jalan Kilang Midah, Taman Midah Cheras, 56000 Kuala Lumpur, Wilayah Persekutuan ⁽⁷⁾	-	-	45 / 0.4% of our PAT	60 / 0.3% of our PAT	-	-
37.	<ul style="list-style-type: none"> PG Adventure PG Angkasa PG Brickfields PG Delta PG E Assets PG Global Wealth PG Insan Tiara PG Kenanga PG Maju PG Nilai PG SP PG Sri Permaisuri PG Sungai Way PG Terus Wangsa PG Total 	Trax Capital	<u>Interested Director and major shareholder</u> (i) Dato' Low ⁽⁴⁾ (ii) Datin Tea ⁽⁹⁾ <u>Interested Director</u> Low Kai Loon ⁽³⁾	Sales of unredeemed pledged gold items by our subsidiaries to Trax Capital ⁽²⁰⁾	2,416 / 16.3% of our revenue	175 / 0.7% of our revenue	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
38.	Cahaya Gold	Trax Capital	As disclosed in item 37 above	Purchases of unredeemed pledged gold items by Cahaya Gold from Trax Capital ⁽²⁰⁾	19 / 0.2% of our COS	925 / 6.6% of our COS	-	-	-	-
39.	<ul style="list-style-type: none"> Cahaya Gold PG Adventure PG Angkasa PG Brickfields PG Delta PG E Assets PG Global Wealth PG Insan Tiara PG Kenanga PG Maju PG Nilai PG SP PG Sri Permaisuri PG Sungai Way PG Terus Wangsa PG Total 	Trax Capital	As disclosed in item 37 above	Payment of management fees by our subsidiaries to Trax Capital ⁽²¹⁾	-	591 / 9.3% of our PAT	1,427 / 11.9% of our PAT	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
40.	<ul style="list-style-type: none"> Cahaya Gold PG Adventure PG Brickfields PG E Assets PG Global Wealth PG Insan Tiara PG Nilai PG SP PG Sri Permaisuri 	Trax Capital	As disclosed in item 37 above	<p>Payment of interest by our subsidiaries to Trax Capital in relation to loans from Trax Capital</p> <p>Following the Acquisitions, the net amount due to Trax Capital has been fully settled via the capitalisation as detailed in Section 5.4.1 of this Prospectus</p>	-	-	860 / 7.2% of our PAT	-	-	-
41.	<ul style="list-style-type: none"> Atapttech PG Angkasa PG Delta PG Global Wealth PG Kenanga PG Maju PG Sri Permaisuri PG Sungai Way PG Terus Wangsa PG Total 	Trax Capital	As disclosed in item 37 above	<p>Receipt of interest by our subsidiaries from Trax Capital in relation to loans by our subsidiaries</p> <p>Following the Acquisitions, the net amount due between our subsidiaries and Trax Capital has been fully settled via the capitalisation as detailed in Section 5.4.1 of this Prospectus</p>	-	-	501 / 4.2% of our PAT	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
42.	PG E Assets	Trax Capital	As disclosed in item 37 above	Disposal of investment in unquoted shares of Dinamik Ulung Sdn Bhd by PG E Assets to Trax Capital	964 / 1.4% of our NA	-	-	-	-	-
43.	PG Delta	Low Kai Loon	<u>Interested Director</u> Low Kai Loon ⁽³⁾	Disposal of a piece of freehold land held under GRN 00125267, Lot 17890, Mukim Kampar, Daerah Kinta, Perak by PG Delta to Low Kai Loon	-	968 / 1.3% of our NA	-	-	-	-
44.	PG Insan Tiara	Low Kok Hu	<u>Interested major shareholder</u> Low Kok Hu ⁽¹⁰⁾	Disposal of a motor vehicle by PG Insan Tiara to Low Kok Hu	-	-	70 / 0.1% of our NA	-	-	-
45.	PG Delta	Low Kok Hu	<u>Interested major shareholder</u> Low Kok Hu ⁽¹⁰⁾	Disposal of 2 motor vehicles by PG Delta to Low Kok Hu	-	-	71 / 0.1% of our NA	-	-	-
46.	Cahaya Gold	Imas Gold Sdn Bhd	<u>Interested Director and major shareholder</u> Dato' Low ⁽⁴⁾	Sales of pre-owned and new gold products by Cahaya Gold to Imas Gold Sdn Bhd	-	-	16,562 / 27.2% of our revenue	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

No.	Company within our Group	Transacting party	Nature of relationship	Nature of transaction	Value of transaction					1 May 2023 and up to the LPD
					FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	
					RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
47.	Cahaya Gold	Imas Gold Sdn Bhd	As disclosed in item 46 above	Purchases of pre-owned gold products by Cahaya Gold from Imas Gold Sdn Bhd	-	-	3,441 / 8.1% of our COS	-	-	-

Notes:

* Less than 0.1%.

- (1) Low Kai Sein, the son of Dato' Low and Datin Tea, is a director and shareholder of Autoris Adjusters.
- (2) This tenancy has been terminated following the assignment of the tenancy from Evergreen Fintech to Evergreen Properties.
- (3) Low Kai Loon:
 - was an alternate director of CC Low until his resignation on 27 December 2022;
 - was a shareholder of Evergreen Fintech and disposed of his shareholding in Evergreen Fintech on 7 April 2023; and
 - is a shareholder of Evergreen Freelifelife and Trax Capital.
- (4) Dato' Low:
 - was a director and shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022, and subsequently resigned as a director on 31 March 2022;
 - was a director and shareholder of Imas Gold Sdn Bhd via his shareholding in IFintech Solutions Sdn Bhd and disposed of his shareholding in IFintech Solutions Sdn Bhd on 5 October 2021, and resigned as a director on 31 May 2021;
 - is a shareholder of Evergreen Freelifelife and the sole shareholder of CC Low; and
 - is a director and shareholder of Trax Capital, Apex Creative, Castleflex Development Sdn Bhd, Insan Tiara and Evergreen Properties.
- (5) Please refer to Section 6.17 of this Prospectus for the salient terms of the existing tenancy agreement between our Group and our related parties.
- (6) This property is rented by our Group from Evergreen Properties instead of directly from the owner of the property, i.e. Dato' Low or his family, as Evergreen Properties is the property management company for Dato' Low and his family.

10. RELATED PARTY TRANSACTIONS (cont'd)

- (7) This tenancy has been terminated following the completion of the Disposals on 19 December 2022.
- (8) Following the Disposals, Atapttech has ceased the provision of motor insurance claims processing software to Autoris Adjusters and CC Low.
- (9) Datin Tea:
 - was a shareholder of Evergreen Credit Express and disposed of her shareholding in Evergreen Credit Express on 29 March 2022;
 - is a shareholder of Apex Creative and Insan Tiara; and
 - is a director and shareholder of Trax Capital, Evergreen Freelifelife and Castleflex Development Sdn Bhd.
- (10) Low Kok Hu, the brother of Dato' Low:
 - was a shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022;
 - is a shareholder of Insan Tiara; and
 - is a director of CC Low.
- (11) This tenancy has been terminated following the relocation of our "Cahaya Gold" retail outlet from this location.
- (12) This property is rented by Cahaya Gold from Evergreen Properties instead of directly from the owner of the property as Cahaya Gold does not require the entire area for our "Cahaya Gold" retail outlet.
- (13) The built-up area of the property is 729 sqm whilst the separate area of the property rented by each co-tenant is as follows:

Tenant	Rented area
• Cahaya Gold	65 sqm
• EMCC	664 sqm

- (14) This tenancy has been terminated following the expiration of the tenancy.
- (15) Our Company had charged management fees to CC Low in relation to the cost allocation of our 17 administrative staff who were responsible for the administrative matters of our Group, including CC Low. In anticipation of the Disposals, our Company had ceased charging CC Low management fees after 30 June 2022.
- (16) This tenancy in relation to Lot 2 (Ground Floor) & 2A (1st Floor), Jalan Kenanga, Pudu, 55200 Kuala Lumpur, Wilayah Persekutuan, i.e. the portion of the property unutilised for our "Pajaking" pawnshop, has been terminated with effect from 1 January 2023.
- (17) This tenancy has been terminated following the completion of the disposal of this property on 1 December 2022.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

- (18) This property is sub-rented by our Group to Evergreen Properties as our Group does not require the entire area for our “Pajaking” pawnshop.
- (19) Following the acquisition of Atapttech in the FYE 2021, our Group has ceased usage of the pawn processing software from Evergreen Fintech.
- (20) Following the Acquisitions, Trax Capital has ceased its sales and purchase of unredeemed pledged gold items to/from our subsidiaries.
- (21) Prior to the Acquisitions, Trax Capital had charged management fees to our subsidiaries in relation to the cost allocation of our 17 administrative staff who were transferred to Trax Capital as part of a group restructuring exercise. Following the Acquisitions, our 17 administrative staff were transferred back to our Group.

Our Directors (save for our interested Directors) are of the view that the following related party transactions were not carried out on an arm's length basis nor on normal commercial terms in view that:

- (i) the management fees paid to Trax Capital were based on actual staff costs incurred by Trax Capital to support the operations of our subsidiaries;
- (ii) the management fees received by our Company were based on proportionate actual staff costs incurred by our Company to support the operations of our Group, including CC Low;
- (iii) the IT solutions service fee charged by Atapttech to CC Low were below the normal rate that is charged for such services;
- (iv) the disposal of the Fish Pond Land, which includes a pond situated within, does not have a comparable transaction in the vicinity and was transferred at our Group's original cost of investment;
- (v) the unredeemed pledged gold items purchased by Trax Capital in the FYE 2019 and FYE 2020 were based on the amount of pawn receivables (in relation to pawn loans amount RM200 and below) or the successful bid price (in relation to pawn loans amount above RM200) as they were inter-company transactions in view that Trax Capital was then the holding company of our subsidiaries; and
- (vi) the investment in unquoted shares in Dinamik Ulung Sdn Bhd was disposed at cost to Trax Capital as Trax Capital was then the holding company of PG E Assets.

Save as disclosed above, our Directors (save for our interested Directors) confirm that the other related party transactions (as summarised below) were carried out on an arm's length basis and on normal commercial terms which were not favourable to our related parties than those generally available to third parties in view that:

- (i) the rental rates for the rented properties were arrived at based on the then prevailing market rates of properties within the vicinity;

10. RELATED PARTY TRANSACTIONS *(cont'd)*

- (ii) the consideration for the disposal of motor vehicles and investment properties which include amongst others, 4 parcels of land within the vicinity of the Fish Pond Land as detailed in items 4, 30, 35 and 43 above, were arrived at based on the then prevailing estimated market prices of similar assets;
- (iii) the IT solutions service fee charged by Atapttech to Autoris Adjusters and Evergreen Freelifa were based on the normal rate charged for such services;
- (iv) the IT solutions service fee charged by Evergreen Fintech were based on the maximum administrative fee allowed under the Pawnbrokers Act;
- (v) the interest charged on the loan from CC Low to PG E Assets were based on CC Low's cost of borrowing of the same loan from a financial institution whilst the 6% per annum interest charged on the other loans to/from the related parties were within the range of our Group's cost of borrowings;
- (vi) the cost of the unredeemed pledged gold items purchased from Trax Capital in the FYE 2019 and FYE 2020 were arrived at after taking into consideration the then prevailing market price of gold;
- (vii) the price of the pre-owned gold products (including unredeemed pledged gold items that are in good condition) and new gold products sold to Imas Gold Sdn Bhd were arrived at after taking into consideration the then prevailing market price of gold; and
- (viii) the cost of the pre-owned gold products purchased from Imas Gold Sdn Bhd were arrived at after taking into consideration the then prevailing market price of gold.

After our Listing, we may be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate.

In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and/or persons connected with them who have any direct or indirect interest in the proposed related party transactions shall abstain from deliberation and voting on resolutions pertaining to the respective transactions. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12-month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities or interests in one corporation/asset or of various parcels of land contiguous to each other.

10. RELATED PARTY TRANSACTIONS (cont'd)

After our Listing, our Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not to the detriment to our minority shareholders. Our Group will also seek shareholders' approval for the related party transactions, where required. We will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group during the financial year.

10.2 Transactions Entered Into That are Unusual in Their Nature or Conditions

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the FYE 2019, FYE 2020, FYE 2021, FYE 2022, FPE 2023 and up to the LPD.

10.3 Loans and Financial Assistance Made to/from or for the Benefit of Related Parties

Save as disclosed below, our Directors have confirmed that there are no other material loans and/or financial assistance (including guarantees of any kind) made by/to our Group to/from related parties or for the benefit of the related parties for the FYE 2019, FYE 2020, FYE 2021, FYE 2022, FPE 2023 and up to the LPD:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 May 2023 and up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Advances to or amount owing by:						
• Related parties ⁽¹⁾	14,078	9,891	-	-	-	-
Loans/Advances from or amount owing to:						
• Related parties ⁽²⁾	15,972	18,423	8,779	-	-	-
• Shareholders and Directors ⁽³⁾	1,325	12	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

Notes:

(1) The details of the advances to or amount owing by our related parties are as follows:

Company within our Group	Transacting party	Nature of relationship	Nature of transaction or purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
<ul style="list-style-type: none"> PG Angkasa PG Delta PG Global Wealth PG Kenanga PG Maju PG Nilai PG Sri Permaisuri PG Sungai Way PG Terus Wangsa PG Total 	Trax Capital	<u>Interested Director and major shareholder</u> (i) Dato' Low ^(a) (ii) Datin Tea ^(b)	Advances to Trax Capital for working capital	13,833	9,891	-	-	-	-
PG Delta	CC Low	<u>Interested Director and major shareholder</u> Dato' Low ^(a) <u>Interested Director</u> Low Kai Loon ^(c) <u>Interested major shareholder</u> Low Kok Hu ^(d)	Advances to CC Low for working capital	61	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

Company within our Group	Transacting party	Nature of relationship	Nature of transaction or purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
PG Adventure	Incredible Bonanza Sdn Bhd	Person connected Low Kai Sein ^(e)	Advances to Incredible Bonanza Sdn Bhd for working capital	80	-	-	-	-	-
PG Delta	CC Low	As disclosed above	Amount owing by CC Low in relation to disposal of a motor vehicle to CC Low	104	-	-	-	-	-

Notes:

- (a) Dato' Low is a director and shareholder of Trax Capital and the sole shareholder of CC Low.
- (b) Datin Tea is a director and shareholder of Trax Capital.
- (c) Low Kai Loon is a shareholder of Trax Capital and was an alternate director of CC Low until his resignation on 27 December 2022.
- (d) Low Kok Hu is a director of CC Low.
- (e) Low Kai Sein is a director of Incredible Bonanza Sdn Bhd.

The advances to or amount owing by our related parties were unsecured, interest-free and repayable on demand. As at the end of the FYE 2021, the advances to or amount owing by our related parties have been fully repaid, whereby the advances to Trax Capital were settled as part of the capitalisation of the net amount due to Trax Capital in December 2021 as detailed in Section 5.4.1 of this Prospectus.

10. RELATED PARTY TRANSACTIONS (cont'd)

(2) The details of the loans/advances from or amount owing to our related parties are as follows:

Company within our Group	Transacting party	Nature of relationship	Nature of transaction and purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
<ul style="list-style-type: none"> • Cahaya Gold • PG Adventure • PG Brickfields • PG Delta • PG E Assets • PG Insan Tiara • PG Nilai • PG SP • PG Total 	Trax Capital	As disclosed in note 1 above	Advances from Trax Capital for working capital	14,843	9,573	-	-	-	-
<ul style="list-style-type: none"> • EMCC • PG E Assets 	CC Low	As disclosed in note 1 above	Loans from CC Low for working capital	-	8,836	8,779	-	-	-
PG E Assets	Low Kok Thai	<u>Interested Director and major shareholder</u> Dato' Low ^(a)	Loan from Low Kok Thai for working capital	1,000	-	-	-	-	-
<ul style="list-style-type: none"> • PG Kenanga • PG Nilai • PG Sri Permaisuri 	Evergreen Wood Furniture Sdn Bhd	<u>Person connected</u> Low Kai Sein ^(b)	Advances from Evergreen Wood Furniture Sdn Bhd for working capital	55	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

Company within our Group	Transacting party	Nature of relationship	Nature of transaction and purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
PG E Assets	Evergreen Credit Express	<u>Interested Director and major shareholder</u> (i) Dato' Low ^(a) (ii) Datin Tea ^(c) <u>Interested major shareholder</u> Low Kok Hu ^(d)	Amount owing to Evergreen Credit Express in relation to outsourced staff for security surveillance from Evergreen Credit Express	3	14	-	-	-	-
<ul style="list-style-type: none"> PG Adventure PG Angkasa PG Brickfields PG Delta PG E Assets PG Global Wealth PG Insan Tiara PG Kenanga PG Maju PG Nilai PG Sri Permaisuri PG SP PG Sungai Way PG Total PG Terus Wangsa 	Evergreen Fintech	<u>Interested Director</u> Low Kai Loon ^(e)	Amount owing to Evergreen Fintech in relation to provision of IT solutions by Evergreen Fintech	43	-	-	-	-	-

10. RELATED PARTY TRANSACTIONS (cont'd)

Company within our Group	Transacting party	Nature of relationship	Nature of transaction and purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
PG Delta	Apex Creative	<u>Interested Director and major shareholder</u> (i) Dato' Low ^(a) (ii) Datin Tea ^(c)	Amount owing to Apex Creative in relation to prepaid rental by Apex Creative	28	-	-	-	-	-

Notes:

- (a) Dato' Low:
- is a brother of Low Kok Thai;
 - was a director and shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022, and subsequently resigned as a director on 31 March 2022; and
 - is a director and shareholder of Apex Creative.
- (b) Low Kai Sein is a director and shareholder of Evergreen Wood Furniture Sdn Bhd.
- (c) Datin Tea:
- was a shareholder of Evergreen Credit Express and disposed of her shareholding in Evergreen Credit Express on 29 March 2022; and
 - is a shareholder of Apex Creative.
- (d) Low Kok Hu was a shareholder of Evergreen Credit Express and disposed of his shareholding in Evergreen Credit Express on 29 March 2022.
- (e) Low Kai Loon was a shareholder of Evergreen Fintech and disposed of his shareholding in Evergreen Fintech on 7 April 2023.

10. RELATED PARTY TRANSACTIONS (cont'd)

The loans/advances from or amount owing to our related parties were unsecured, interest-free and repayable on demand save for the loans from CC Low to our Company and PG E Assets which bore annual interests at 6% and its cost of borrowing respectively. As at the end of the FYE 2022, the loans/advances from or amount owing to our related parties have been fully repaid, whereby the advances from Trax Capital were settled as part of the capitalisation of the net amount due to Trax Capital in December 2021 as detailed in Section 5.4.1 of this Prospectus whilst the loans from CC Low have been settled as part of the Disposals in December 2022 as detailed in Section 5.4.4 of this Prospectus.

(3) The details of the advances from our shareholders and Directors are as follows:

Company within our Group	Transacting party	Nature of relationship	Nature of transaction and purpose	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 May 2023 and up to the LPD RM'000
PG Delta	Datin Tea	<u>Interested Director and major shareholder</u> Datin Tea	Advances from Datin Tea for working capital	814	12	-	-	-	-
<ul style="list-style-type: none"> PG Adventure PG Angkasa PG Delta PG Kenanga PG Nilai PG Sri Permaisuri 	Dato' Low	<u>Interested Director and major shareholder</u> Dato' Low	Advances from Dato' Low for working capital	511	-	-	-	-	-

The advances from our shareholders and Directors were unsecured, interest-free and repayable on demand. As at the end of the FYE 2021, all the advances from our shareholders and Directors have been fully repaid.

Our Directors (save for our interested Directors) are of the view that, save for the loans from CC Low to our Company and PG E Assets, the advances to/from or amount owing by/to our related parties and advances from our shareholders and Directors were not carried out on an arm's length basis nor on normal commercial terms in view that the transactions were interest-free. The loans from CC Low to our Company and PG E Assets were carried out on an arm's length basis and on normal commercial terms.

10. RELATED PARTY TRANSACTIONS (cont'd)

Our Company has put in place strict internal control and compliance procedures in relation to loans and financial assistance, and no further loans or financial assistance will be given to any related parties by our Group unless such loans and financial assistance are permitted under law and the Listing Requirements and brought to our Audit and Risk Management Committee and our Board for deliberation and approval.

10.4 Monitoring and Oversight of Related Party Transactions and Conflict of Interest**10.4.1 Audit and Risk Management Committee review**

Our Audit and Risk Management Committee assesses the financial risk and matters relating to related party transactions and conflict of interest situations that may arise within our Group including any transactions, procedures or course of conduct that raises questions of management integrity. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflict of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

10.4.2 Our Group's policy on related party transactions and conflict of interest

It is the policy of our Group that all related party transactions and conflict of interest must be immediately and fully disclosed by our interested or conflicted Directors or major shareholders to the management for reporting to our Audit and Risk Management Committee. Any related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, and are based on normal commercial terms not more favourable to the related party than those generally available to third parties, and are not to the detriment of the interest of our Company's minority shareholders. In respect of our Directors' interests in companies carrying on similar businesses, our Directors will also be required to abstain from deliberations and voting on resolutions pertaining to matters and/or transactions where a conflict of interest may arise.

In addition, in line with the Malaysian Code on Corporate Governance and the Corporate Governance Guide, our Directors are required to make an annual disclosure of any related party transactions and conflict of interest with our Group and our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and/or conflict of interest. Our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

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11. CONFLICT OF INTEREST

11.1 Interest in Similar Businesses of Our Group

As at the LPD, none of our Directors and/or substantial shareholders has any interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group or which are the customers or suppliers of our Group.

11.2 Declarations of Conflict of Interests by Our Advisers

- (i) Mercury Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as our Principal Adviser, Underwriter and Placement Agent for our Listing.
- (ii) Raja, Darryl & Loh has confirmed that there is no conflict of interest in its capacity as the Solicitors to our Group in relation to our Listing.
- (iii) ChengCo PLT has confirmed that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants to our Group in relation to our Listing.
- (iv) PROVIDENCE has confirmed that there is no conflict of interest in its capacity as the IMR to our Group in relation to our Listing.

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12. FINANCIAL INFORMATION

12.1 Historical Financial Information

Our Company was incorporated in Malaysia under the Act on 3 September 2021. We completed the Acquisitions and Disposals on 22 December 2021 and 19 December 2022 respectively to form our Group. As such, our historical financial information is presented based on our audited financial statements as if our Group structure had been in existence throughout the financial years/period under review. For information, no financial information of our Company was included for the FYE 2019 and FYE 2020 as our Company was only incorporated on 3 September 2021.

Our audited financial statements were prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) and International Financial Reporting Standards (“**IFRS**”). There are no accounting policies which are peculiar to our Group in regard to the nature of the businesses or the industries which our Group is involved in and there has been no audit qualification on our audited financial statements for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023.

The following historical financial information should be read in conjunction with the “Management Discussion and Analysis of Financial Condition and Results of Operations” as set out in Section 12.2 of this Prospectus, as well as the Accountants’ Report as set out in Section 13 of this Prospectus.

12.1.1 Statements of profit or loss and other comprehensive income

The table below sets out a summary of our statements of profit or loss and other comprehensive income for the financial years/period under review:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
Revenue	14,802	24,426	60,903	67,173	20,359	35,956
COS	(10,761)	(13,963)	(42,336)	(43,737)	(12,945)	(26,168)
GP	4,041	10,463	18,567	23,436	7,414	9,788
Other operating income	647	1,364	2,575	10,107	370	307
General and administration expenses	(1,933)	(1,838)	(3,493)	(6,413)	(1,407)	(1,923)
Profit from operations	2,755	9,989	17,649	27,130	6,377	8,172
Finance costs	(971)	(808)	(2,090)	(2,903)	(478)	(1,345)
PBT	1,784	9,181	15,559	24,227	5,899	6,827
Tax expense	(989)	(2,856)	(3,603)	(4,176)	(1,494)	(1,894)
PAT	795	6,325	11,956	20,051	4,405	4,933
EBITDA ⁽¹⁾	5,194	12,423	19,551	29,587	7,206	8,866
GP margin (%)	27.3	42.8	30.5	34.9	36.4	27.2
PBT margin (%)	12.0	37.6	25.5	36.1	29.0	19.0
PAT margin (%)	5.4	25.9	19.6	29.8	21.6	13.7
Basic EPS ⁽²⁾ (sen)	0.1	0.7	1.4	2.4	0.5	0.6
Diluted EPS ⁽³⁾ (sen)	0.1	0.6	1.1	1.8	0.4	0.4

12. FINANCIAL INFORMATION (cont'd)

Notes:

- (1) The table below sets out the computation of our EBITDA:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	1,784	9,181	15,559	24,227	5,899	6,827
Finance costs	971	808	2,090	2,903	478	1,345
Finance income	-	-	(501)	(8)	-	(96)
Depreciation and amortisation	2,439	2,434	2,403	2,465	829	790
EBITDA	5,194	12,423	19,551	29,587	7,206	8,866

- (2) Computed based on our PAT divided by our 847,302,499 issued Shares before our IPO.

- (3) Computed based on our PAT divided by our enlarged 1,114,902,499 issued Shares after our IPO.

12.1.2 Statements of financial position

The table below sets out a summary of our statements of financial position as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023:

	Audited				
	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2021	As at 31 Dec 2022	As at 30 Apr 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4,466	3,966	3,825	3,091	2,924
Right-of-use assets	14,888	14,867	12,165	10,939	10,504
Investment properties ⁽¹⁾	21,503	15,533	15,218	13,090	13,000
Other investments ⁽²⁾	-	-	2,496	-	-
Total non-current assets	40,857	34,366	33,704	27,120	26,428
Current assets					
Inventories ⁽³⁾	34	758	3,752	648	360
Trade receivables ⁽⁴⁾	62,423	83,611	117,616	165,292	160,998
Other receivables, deposits and prepayments ⁽⁵⁾	1,884	3,210	1,658	1,655	2,355
Amount due from related parties ⁽⁶⁾	14,078	9,891	-	-	-
Current tax assets	74	28	20	420	276
Cash and bank balances ⁽⁷⁾	1,174	2,373	3,300	17,263	11,877
Total current assets	79,667	99,871	126,346	185,278	175,866
TOTAL ASSETS	120,524	134,237	160,050	212,398	202,294

12. FINANCIAL INFORMATION (cont'd)

	Audited				
	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2021	As at 31 Dec 2022	As at 30 Apr 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	-	-	90,026	90,026	90,026
Invested equity ⁽⁸⁾	76,000	90,676	-	-	-
(Accumulated losses)/Retained earnings	(13,574)	(14,268)	(2,312)	17,739	22,672
Preference shares ⁽⁹⁾	5,287	-	-	-	-
Merger reserves ⁽¹⁰⁾	-	-	20,350	20,350	20,350
TOTAL EQUITY	67,713	76,408	108,064	128,115	133,048
Non-current liabilities					
Borrowings ⁽¹¹⁾	11,320	16,501	19,904	45,615	45,107
Lease liabilities	15,900	16,347	13,897	12,926	12,590
Amount due to related parties ⁽⁶⁾	-	8,425	-	-	-
Deferred tax liabilities	44	55	119	156	171
Total non-current liabilities	27,264	41,328	33,920	58,697	57,868
Current liabilities					
Trade payables	7	5	21	115	189
Other payables and accruals ⁽¹²⁾	5,784	851	2,017	2,320	2,210
Amount due to Directors ⁽¹³⁾	1,325	12	-	-	-
Amount due to related parties ⁽⁶⁾	15,972	9,998	8,779	-	-
Borrowings ⁽¹¹⁾	1,591	3,733	5,087	21,247	6,477
Lease liabilities	692	879	859	1,000	1,010
Current tax liabilities	176	1,023	1,303	904	1,492
Total current liabilities	25,547	16,501	18,066	25,586	11,378
TOTAL LIABILITIES	52,811	57,829	51,986	84,283	69,246
TOTAL EQUITY AND LIABILITIES	120,524	134,237	160,050	212,398	202,294

Notes:

- (1) The decrease in investment properties by RM6.0 million or 27.8% as at 31 December 2020 as compared to 31 December 2019 was mainly due to the disposal of investment properties with a total NBV of RM5.6 million during the FYE 2020.

The decrease in investment properties by RM2.1 million or 14.0% as at 31 December 2022 as compared to 31 December 2021 was mainly due to the disposal of 2 investment properties with a total NBV of RM1.8 million during the FYE 2022.

- (2) Other investment refers to our cost of investment in CC Low, i.e. our former subsidiary, prior to the Disposals. The decrease in other investment in the FYE 2022 was due to the completion of disposal of our entire equity interest in CC Low on 19 December 2022 pursuant to the Disposals.

12. FINANCIAL INFORMATION (cont'd)

- (3) Our inventories comprise gold products for our gold and luxury products retail and trading business.

The increase in inventories by RM3.0 million or 395.0% as at 31 December 2021 as compared to 31 December 2020 was mainly due to the expansion and growth of our gold and luxury products retail and trading business via the opening of one new "Cahaya Gold" retail outlet in the FYE 2021 and the increase in sales volume from our 2 existing "Cahaya Gold" retail outlets which were opened in the FYE 2019 and FYE 2020 respectively.

The decrease in inventories by RM3.1 million or 82.7% as at 31 December 2022 as compared to 31 December 2021 was mainly due to retail sales of new gold product inventories brought forward from the FYE 2021 as well as lower purchases of new gold products by Cahaya Gold for retail sales during the FYE 2022 as we were more focused on growing our pawnbroking business.

- (4) The increase in our trade receivables from RM62.4 million as at 31 December 2019 to RM165.3 million as at 31 December 2022 was mainly due to the growth of our pawnbroking business which resulted in an increase in the number of pawn loans from 106,464 pawn loans as at 31 December 2019 to 207,359 pawn loans as at 31 December 2022.

The decrease in our trade receivables from RM165.3 million as at 31 December 2022 to RM161.0 million as at 30 April 2023 was mainly due to lesser renewal of pawn loans as well as early redemption of pawn loans by our pawnbroking customers prior to the Hari Raya festive season in April 2023.

- (5) The increase in other receivables, deposits and prepayments by RM1.3 million or 70.4% as at 31 December 2020 as compared to 31 December 2019 was mainly due to advances to a third-party pawnbroking consultancy customer amounting to RM1.4 million upon its request for a short-term loan for working capital purposes, which has been fully repaid in the FYE 2021. Subsequent thereto, we have not advanced any monies to any third parties.

The decrease in other receivables, deposits and prepayments by RM1.6 million or 48.3% as at 31 December 2021 as compared to 31 December 2020 was mainly due to repayment of the said advances.

The increase in other receivables, deposits and prepayments by RM1.1 million or 63.7% as at 30 April 2023 as compared to 31 December 2022 was mainly due to prepayment of professional fees in respect of our Listing and insurance premium totaling RM0.6 million.

- (6) The amounts due from/to related parties during the financial years under review were mainly in relation to Trax Capital, the former holding company of our subsidiaries, as well as CC Low, our former subsidiary which was disposed pursuant to the Disposals as detailed below:

	Audited		
	As at	As at	As at
	31 Dec 2019	31 Dec 2020	31 Dec 2021
	RM'000	RM'000	RM'000
<u>Amounts due from related parties</u>			
Trax Capital	13,833	9,891	-
CC Low	165	-	-
Incredible Bonanza Sdn Bhd ⁽ⁱ⁾	80	-	-
Total	14,078	9,891	-

12. FINANCIAL INFORMATION (cont'd)

	Audited		
	As at 31 Dec 2019 RM'000	As at 31 Dec 2020 RM'000	As at 31 Dec 2021 RM'000
<u>Amounts due to related parties</u>			
Trax Capital	14,842	9,573	-
CC Low	-	8,836	8,779
Low Kok Thai ⁽ⁱⁱ⁾	1,000	-	-
Apex Creative Resources Sdn Bhd ⁽ⁱⁱⁱ⁾	28	-	-
Evergreen Credit Express ^(iv)	3	14	-
Evergreen Wood Furniture Sdn Bhd ^(v)	55	-	-
Evergreen Fintech ^(vi)	44	-	-
Total	15,972	18,423	8,779

Notes:

- (i) The company is principally involved in property investment.
- (ii) Low Kok Thai is a sibling of Dato' Low.
- (iii) The company is principally involved in the business of general construction, import and retail of vegetable, as well as trading of sport and outdoor equipment.
- (iv) The company is principally involved in the business of retail of sport, garment apparel and outdoor equipment, money lending and hire purchase. Both Dato' Low and Datin Tea had ceased their involvement in Evergreen Credit Express in March 2022.
- (v) The company is principally involved in the business of catering and operation of restaurants as well as production of wood raw materials and sales of wood products.
- (vi) The company is principally involved in the business of agriculture and animal husbandry as well as property management and provision of solar energy consultancy.

The net amount due to Trax Capital were fully settled in the FYE 2021 via capitalisation of the net amount due to Trax Capital pursuant to and as an integral part of the Acquisitions as set out in Section 5.4.1 of this Prospectus.

The amount due to CC Low has been fully settled upon completion of the Disposals on 19 December 2022.

- (7) The increase in cash and bank balances from RM3.3 million as at 31 December 2021 to RM17.3 million as at 31 December 2022 was mainly due to the drawdown of bank borrowings totalling RM26.7 million to finance the cash capital of our pawnbroking business.

The decrease in cash and bank balances from RM17.3 million as at 31 December 2022 to RM11.9 million as at 30 April 2023 was mainly due to non-rollover of our revolving credits facility upon its maturity, i.e. repayment of this short-term bank borrowing upon its maturity, as our Group has sufficient cash and bank balances to finance our existing business operations.

12. FINANCIAL INFORMATION (cont'd)

- (8) Represents the aggregate share capital of our subsidiaries acquired (excluding CC Low, our former subsidiary which has been disposed pursuant to the Disposals).

The increase in invested equity of RM14.7 million or 19.3% as at 31 December 2020 as compared to 31 December 2019 was mainly due to the issuance of new ordinary shares by the following subsidiaries during the FYE 2020:

Subsidiary	RM'000
Cahaya Gold	(a)100
PG Brickfields	(b)4,000
PG Delta	(c)2,000
PG E Assets	(c)351
PG Nilai	(b)4,000
PG Total	(c)4,225
Total	14,676

Notes:

- (a) The issuance of new ordinary shares by Cahaya Gold for cash was to increase its working capital.
- (b) The issuance of new ordinary shares by PG Brickfields and PG Nilai were to capitalise part of their amount due to Trax Capital totalling RM8.0 million as at 2 December 2020.
- (c) The issuance of new ordinary shares by PG Delta, PG E Assets and PG Total were due to conversion of the following preference shares issued by the respective companies:

Subsidiary	Preference shares
PG Delta	2,000,000 RCPS at an issue price of RM1.00 each in the FYE 2017
PG E Assets	232,000 redeemable preference shares ("RPS") at an issue price of RM1.00 each in the FYE 2017 and 118,900 RPS at an issue price of RM1.00 each in the FYE 2020
PG Total	3,055,000 RCPS at an issue price of RM1.00 each in the FYE 2019 and 1,170,000 RCPS at an issue price of RM1.00 each in the FYE 2020)

For information purposes, all the RCPS and RPS were first converted into ICPS of the respective companies at an issue price of RM1.00 per ICPS, prior to conversion of the said ICPS into ordinary shares of the respective companies in the FYE 2020.

Following the completion of Acquisitions on 22 December 2021, our invested equity was reclassified as our issued share capital pursuant to MFRS 3: Business Combinations.

- (9) Being the nominal value of the preference shares issued by the following subsidiaries of our Company:

Subsidiary	Preference shares	Amount RM'000
PG Delta	2,000,000 RCPS at an issue price of RM1.00 each issued in the FYE 2017	2,000
PG E Assets	232,000 RPS at an issue price of RM1.00 each issued in the FYE 2017	232
PG Total	3,055,000 RCPS at an issue price of RM1.00 each issued in the FYE 2019	3,055
Total		5,287

12. FINANCIAL INFORMATION *(cont'd)*

- (10) Represents the difference between the total purchase consideration of the Acquisitions and the nominal value of the shares of our subsidiaries acquired pursuant to the Acquisitions. The difference arose due to the capitalisation of the net amount due by some of our subsidiaries to Trax Capital totalling RM16.4 million as at 1 October 2021 as detailed in Section 5.4.1 of this Prospectus.

- (11) The increase in borrowings from RM12.9 million as at 31 December 2019 to RM66.9 million as at 31 December 2022 was mainly due to drawdown of bank borrowings as additional cash capital for our pawnbroking business.

The decrease in borrowings from RM66.9 million as at 31 December 2022 to RM51.6 million as at 30 April 2023 was mainly due to non-rollover of our revolving credits facility as detailed in note 7 above.

- (12) The decrease in other payables and accruals by RM4.9 million or 85.0% as at 31 December 2020 as compared to 31 December 2019 was mainly due to the refund of a RM5.0 million deposit for a property development project which was aborted in the FYE 2020.

The increase in other payables and accruals by RM1.2 million or 133.2% as at 31 December 2021 as compared to 31 December 2020 was mainly due to an increase in amount payable to licensed auctioneers, accruals for professional fees, staff salary, bonus, loan interest and service tax.

- (13) The amount due to Directors are in respect of the amounts due to Dato' Low and Datin Tea, our Promoters and Directors. The decrease by RM1.3 million or 99.1% as at 31 December 2020 as compared to 31 December 2019 was mainly due to a set-off against the consideration from the disposal of investment properties to Dato' Low and Datin Tea.

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12. FINANCIAL INFORMATION *(cont'd)*

12.2 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with the Accountants' Report as set out in Section 13 of this Prospectus.

The management's discussion and analysis contain data derived from forward-looking statements that involve risks and uncertainties. Future results may differ significantly from those included in these forward-looking statements. Factors that may cause future results include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 9 of this Prospectus.

12.2.1 Overview of our operations

We are principally involved in the following businesses:

(i) Pawnbroking services

We provide pawnbroking services through our network of 22 "Pajaking" pawnshops, whereby our pawnbroking subsidiaries offer pawn loans at a monthly interest rate of between 1.5% to 2.0% to our pawnbroking customers with loan periods of up to 6 months.

We generate interest income from the pawn loans offered. In addition to interest income, we also derive administrative fee of RM0.50 for each pawn ticket issued.

(ii) Retail and trading of gold and luxury products

In the event of default and as part of our cash recovery process, our pawnbroking subsidiaries will procure our unredeemed pledged items from public auctions (for unredeemed pledged items of defaulted pawn loans amount above RM200) or take possession of (for unredeemed pledged items of defaulted pawn loans amount RM200 and below) for onward sale by Cahaya Gold, whereby the consideration for such purchases will be set off against our pawn receivables.

In addition, we also source pre-owned gold products from third-party pawnshops (which are already in their possession), gold trading companies and walk-in individuals to our "Cahaya Gold" retail outlets as well as new gold products from gold trading companies for onward sale.

(iii) Pawnbroking consultancy and IT solution services

Leveraging on our experience in providing pawnbroking services, we also provide pawnbroking consultancy and IT solution services to third-party pawnbrokers. A monthly fee is charged to these pawnbrokers for the services rendered.

Please refer to Section 6 of this Prospectus for an overview of our businesses and Section 12.3 of this Prospectus for the significant factors affecting our operations and financial performance.

12. FINANCIAL INFORMATION (cont'd)**12.2.2 Revenue**

We sell our services and products locally in Malaysia. Our services and products sold are denominated in RM.

Revenue by business

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pawnbroking ⁽¹⁾												
- Interest income	10,214	69.0	14,254	58.4	19,107	31.4	28,091	41.8	8,474	41.6	10,874	30.2
- Administrative fee	53	0.4	58	0.2	63	0.1	89	0.1	26	0.1	34	0.1
	10,267	69.4	14,312	58.6	19,170	31.5	28,180	41.9	8,500	41.7	10,908	30.3
Gold and luxury products retail and trading ⁽²⁾												
- Unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers	4,252	28.7	6,506	26.6	25,422	41.7	21,385	31.8	6,922	34.0	16,549	46.1
- Pre-owned gold products (including unredeemed pledged gold items that are in good condition)	283	1.9	3,091	12.7	8,663	14.2	12,283	18.3	1,579	7.8	5,899	16.4
- New gold products	-	-	281	1.1	6,652	11.0	3,770	5.6	2,554	12.5	2,417	6.7
	4,535	30.6	9,878	40.4	40,737	66.9	37,438	55.7	11,055	54.3	24,865	69.2
Others ⁽³⁾	-	-	236	1.0	996	1.6	1,555	2.4	804	4.0	183	0.5
Total	14,802	100.0	24,426	100.0	60,903	100.0	67,173	100.0	20,359	100.0	35,956	100.0

12. FINANCIAL INFORMATION (cont'd)

Notes:

- (1) Total pawn loans disbursed during the financial years/period under review are as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total pawn loans disbursed	132,793	179,517	242,400	351,208	108,175	125,631

- (2) The breakdown of revenue from our gold and luxury products retail and trading business by types of customers is as follows:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Sale of pre-owned and gold and luxury products (including unredeemed pledged items from our pawnbroking segment)						
- Retail customers	282	1,859	3,555	6,243	355	2,343
- Gold trading companies, scrap gold collectors and luxury product retailers	4,253	7,738	30,531	27,425	8,146	20,105
Sale of new gold products						
- Retail customers	-	281	3,750	3,227	2,554	2,417
- Gold trading companies	-	-	2,901	543	-	-
Total	4,535	9,878	40,737	37,438	11,055	24,865

12. FINANCIAL INFORMATION (cont'd)

(3) Comprises the following:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Pawnbroking consultancy	-	236	533	541	178	178
IT solutions	-	-	346	671	458	5
Management fee ^(a)	-	-	117	343	168	-
Total	-	236	996	1,555	804	183

Note:

(a) Being management fee charged to CC Low, our former subsidiary, prior to the completion of the Disposals.

FYE 2019 vs FYE 2020

Our revenue increased by RM9.6 million or 65.0% in the FYE 2020, which was mainly due to the increase in revenue from our pawnbroking as well as gold and luxury products retail and trading businesses by RM4.0 million (39.4%) and RM5.3 million (117.8%) respectively in the FYE 2020.

Pawnbroking

Revenue from our pawnbroking business increased by RM4.0 million or 39.4% in the FYE 2020, which was mainly due to the increase in total pawn loans disbursed by RM46.7 million or 35.2% to RM179.5 million in the FYE 2020. This increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via drawdown of banking facilities totalling RM14.9 million during the FYE 2020, which enabled us to offer more pawn loans to our pawnbroking customers, as well as full year revenue contribution from 2 new pawnshops which were opened in June and July 2019.

12. FINANCIAL INFORMATION *(cont'd)*

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business increased by RM5.3 million or 117.8% in the FYE 2020, which was mainly due to the following:

- (i) higher revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM2.3 million.

For information purposes:

- (a) prior to April 2019, our Group's unredeemed pledged items were purchased by our respective pawnbroking subsidiaries from public auctions for onward sales;
- (b) between April 2019 and August 2020, Trax Capital was the designated trading company for our Group's unredeemed pledged items. During this period, Trax Capital purchased all of our Group's unredeemed pledged items for onward sales. For clarification, the subsequent sales by Trax Capital of such unredeemed pledged items were not recorded in our Group's financial statements as Trax Capital is not part of our Group; and
- (c) subsequent to August 2020, Cahaya Gold is the designated trading company for our Group's unredeemed pledged items.

The increase in revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers was mainly due to higher purchases of our Group's unredeemed pledged gold items by Cahaya Gold and/or our pawnbroking subsidiaries during the FYE 2020 as compared to the FYE 2019 (FYE 2019: 26.7 kg; FYE 2020: 28.0 kg) for onward sales as part of our cash recovery process, following:

- (a) an increase in defaulted pawn loans mainly as a result of higher disbursement of pawn loans (FYE 2019: RM132.8 million; FYE 2020: RM179.5 million); and
- (b) 4 months purchases of our Group's unredeemed pledged items by Cahaya Gold during the FYE 2020 as compared to 3 months purchases by Cahaya Gold and/or our pawnbroking subsidiaries during the FYE 2019, as a result of the change in designation of trading company for our Group's unredeemed pledged items as elaborated above.

In addition, the increase in revenue was also due to a significant increase in gold price during the FYE 2020 from USD1,514.75 per ounce (equivalent to RM6,820.92) at the end of December 2019 to USD1,887.60 (equivalent to RM8,499.86) per ounce at the end of December 2020.

12. FINANCIAL INFORMATION *(cont'd)*

- (ii) higher revenue from sales of pre-owned gold products by RM2.8 million.

The increase in revenue from sales of pre-owned gold products was mainly due to higher retail sales volume of pre-owned gold products (FYE 2019: 1.9 kg; FYE 2020: 12.2 kg) following the opening of a new “Cahaya Gold” retail outlet in Jalan Genting Kelang in the FYE 2020 as well as a full year revenue contribution from our “Cahaya Gold” retail outlet in Ampang which was opened in October 2019, and an increase in gold price as elaborated in subsection (i) above.

Others

We began offering pawnbroking consultancy services in January 2020 and generated RM0.2 million revenue in the FYE 2020.

FYE 2020 vs FYE 2021

Our revenue increased by RM36.5 million or 149.3% in the FYE 2021, which was mainly due to the increase in revenue from our pawnbroking as well as gold and luxury products retail and trading businesses by RM4.8 million (33.9%) and RM30.9 million (312.4%) respectively in the FYE 2021.

Pawnbroking

Revenue from our pawnbroking business increased by RM4.8 million or 33.9% in the FYE 2021, which was mainly due to the increase in total pawn loans disbursed by RM62.9 million or 35.0% to RM242.4 million in the FYE 2021. This increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via net advances received from related parties and drawdown of banking facilities totaling RM22.3 million, which enabled us to offer more pawn loans to our pawnbroking customers.

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business increased by RM30.9 million or 312.4% in the FYE 2021, which was mainly due to the following:

- (i) higher revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM18.9 million.

The increase in revenue was mainly due to higher purchases by Cahaya Gold of our unredeemed pledged gold items during the FYE 2021 as compared to the FYE 2020 (FYE 2020: 28.0 kg; FYE 2021: 93.1 kg) for onward sales as part of our cash recovery process as a result of:

- (a) 12 months purchases of our Group’s unredeemed pledged items by Cahaya Gold during the FYE 2021 as compared to 4 months purchases by Cahaya Gold during the FYE 2020, following the change in designation of trading company for our Group’s unredeemed pledged items in the FYE 2020 as elaborated above; and

12. FINANCIAL INFORMATION *(cont'd)*

(b) increase in defaulted pawn loans following higher disbursement of pawn loans (FYE 2020: RM179.5 million; FYE 2021: RM242.4 million) and higher default rate (FYE 2020: 7.6%; FYE 2021: 8.8%).

(ii) higher revenue from sales of pre-owned and new gold products by RM11.9 million.

The increase in revenue was mainly due to higher retail sales volume of pre-owned and new gold products (FYE 2020: 13.3 kg; FYE 2021: 59.0 kg) following the opening of a new “Cahaya Gold” retail outlet in Jalan Chan Sow Lin in the FYE 2021, as well as an increase in retail sales volume from our 2 existing “Cahaya Gold” retail outlets as a result of more marketing activities carried out by our Group.

Others

Pursuant to the acquisition of Atapttech in the FYE 2021, we commenced provision of IT solutions to third party pawnbrokers. Revenue from our other business thus comprise revenue generated from our pawnbroking consultancy services and IT solutions as well as management fee from CC Low, our former subsidiary, amounting to RM0.5 million, RM0.3 million and RM0.1 million respectively.

FYE 2021 vs FYE 2022

Our revenue increased by RM6.3 million or 10.3% in the FYE 2022 mainly due to the increase in revenue from our pawnbroking business by RM9.0 million or 47.0%.

Pawnbroking

Revenue from our pawnbroking business increased by RM9.0 million or 47.0% in the FYE 2022, which was mainly due to higher pawn loans disbursed by RM108.8 million or 44.9% in the FYE 2022.

The increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via drawdown of banking facilities totalling RM46.7 million, which in turn had enabled us to offer more pawn loans to our pawnbroking customers.

12. FINANCIAL INFORMATION (cont'd)

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business decreased by RM3.3 million or 8.1% in the FYE 2022, which was mainly due to the following:

- (i) lower revenue from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM4.0 million.

The decrease in revenue was mainly due to:

- (a) absence of labour costs charged in the FYE 2021 amounting to RM1.1 million for dismantling precious stones embedded in our unredeemed pledged gold items sold to a gold trading company at its request; and
- (b) lower trading volume of unredeemed pledged gold items to gold trading companies and scrap gold collectors (FYE 2021: 93.1 kg; FYE 2022: 82.6 kg) as a higher proportion of unredeemed pledged gold items were retained for retail sales as they are in good condition; and

- (ii) lower revenue from sales of new gold products by RM2.9 million.

The decrease in revenue was mainly due to lower retail sales volume of new gold products (FYE 2021: 24.0 kg; FYE 2022: 13.5 kg) as a result of lesser purchases of new gold products from gold trading companies for retail sales as we were more focused on growing our pawnbroking business. In addition, due to the increasing demand for our pawnbroking services, a larger proportion of our funds were utilised to fund the cash capital of our pawnbroking business instead of purchasing new gold products from gold trading companies for onward retail sales.

Notwithstanding the above, our Group recorded a higher revenue from retail sales of pre-owned gold products by RM3.6 million mainly due to higher sales volume of pre-owned gold products (FYE 2021: 34.9 kg; FYE 2022: 46.9 kg) following a higher volume of our unredeemed pledged gold items retained for retail sales.

Others

Revenue from our other businesses increased by RM0.6 million or 56.0% in the FYE 2022 mainly due to higher revenue contribution from the provision of IT solutions following the acquisition of Atapttech in October 2021.

FPE 2022 vs FPE 2023

Our revenue increased by RM15.6 million or 76.6% in the FPE 2023 mainly due to the increase in revenue from our pawnbroking and gold and luxury products retail and trading business by RM2.4 million or 28.3% and RM13.8 million or 124.9%.

12. FINANCIAL INFORMATION (cont'd)

Pawnbroking

Revenue from our pawnbroking business increased by RM2.4 million or 28.3% in the FPE 2023, which was mainly due to higher pawn loans disbursed by RM17.5 million or 16.1% in the FPE 2023 as compared to the FPE 2022.

The increase in total pawn loans disbursed was mainly due to availability of additional cash capital for our pawnshops via drawdown of bank borrowings in June 2022 and December 2022 totalling RM42.0 million, which in turn had enabled us to offer more pawn loans to our pawnbroking customers.

Gold and luxury products retail and trading

Revenue from our gold and luxury products retail and trading business increased by RM13.8 million or 124.9% in the FPE 2023, which was mainly due to the following key factors:

- (i) higher revenue from trading sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM9.6 million.

The increase in revenue was mainly due to higher purchases by Cahaya Gold of our unredeemed pledged gold items (FPE 2022: 27.0 kg; FPE 2023: 60.6 kg) for onward sales as part of our cash recovery process, following an increase in defaulted pawn loans as a result of amongst others, higher disbursement of pawn loans (FPE 2022: RM108.2 million; FPE 2023: RM125.6 million); and

- (ii) higher revenue from sales of pre-owned gold products by RM4.3 million.

The increase in revenue was mainly due to higher retail sales volume of pre-owned gold products (FPE 2022: 6.0 kg; FPE 2023: 21.4 kg) as a result of amongst others, higher purchases of pre-owned gold products from the following for onward retail sales:

- (a) our pawnbroking subsidiaries (i.e. unredeemed pledged gold items that are in good condition and retained for retail sales), following an increase in defaulted pawn loans as elaborated in sub-section (i) above; and
- (b) third party pawnshops (i.e. pre-owned gold products that are already in their possession), following an increase in the number of third party pawnshops offering their pre-owned gold products for sales to our Group (FPE 2022: 2; FPE 2023: 3) as well as an increase in the volume of pre-owned gold products offered for sales by our existing third party pawnshop suppliers to our Group (FPE 2022: 3.5kg; FPE 2023: 7.8kg).

Others

Revenue from our other businesses decreased by RM0.6 million or 77.2% in the FPE 2023 mainly due to the absence of management fee income and IT service fees following the assignment of the motor insurance claims processing software used by CC Low to CC Low pursuant to the Disposals.

12. FINANCIAL INFORMATION *(cont'd)*

12.2.3 COS

Our COS comprise the following:

(i) Pawnbroking services

The COS for our pawnbroking services mainly comprises direct operating costs such as staff costs and lease liabilities interest for our rented pawnshops pursuant to MFRS 16: Leases.

(ii) Retail and trading of gold and luxury products

The COS for our retail and trading of gold and luxury products business mainly comprise:

- (a) cost of purchase of our unredeemed pledged items whereby:
 - (aa) for unredeemed pledged items of defaulted pawn loans amount above RM200, at the successful bid price at public auctions; and
 - (bb) for unredeemed pledged items of defaulted pawn loans amount RM200 and below, at the defaulted pawn loans amount plus accrued interests;
- (b) cost of purchase of pre-owned and new gold products from third-party pawnshops, gold trading companies and walk-in individuals to our “Cahaya Gold” retail outlets, where applicable; and
- (c) direct operating expenses such as staff costs and rental for our “Cahaya Gold” retail outlets.

(iii) Others

COS for our other businesses only comprise direct operating costs for our IT solution services such as staff costs and depreciation charges for the related computer software.

There is no COS for our pawnbroking consultancy services as such services are mainly carried out by our key management personnel based at our head office and the time spent by these key management personnel for such services are minimal. As such, the staff costs of these key management personnel are only recorded under our general and administration expenses.

12. FINANCIAL INFORMATION (cont'd)**COS by business**

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pawnbroking	6,578	61.1	6,750	48.3	7,373	17.4	7,639	17.5	2,444	18.9	2,783	10.6
Gold and luxury products retail and trading												
- Unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers	3,902	36.3	4,900	35.1	20,199	47.7	20,506	46.9	6,375	49.3	15,361	58.7
- Pre-owned gold products (including unredeemed pledged gold items that are in good condition)	281	2.6	2,028	14.5	8,124	19.2	11,671	26.7	1,518	11.7	5,584	21.3
- New gold products	-	-	285	2.1	6,592	15.6	3,753	8.6	2,553	19.7	2,387	9.1
	4,183	38.9	7,213	51.7	34,915	82.5	35,930	82.2	10,446	80.7	23,332	89.1
Others ⁽ⁱ⁾	-	-	-	-	48	0.1	168	0.3	55	0.4	53	0.2
Total	10,761	100.0	13,963	100.0	42,336	100.0	43,737	100.0	12,945	100.0	26,168	100.0

COS by component

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Cost of goods sold	4,183	38.9	7,072	50.6	34,194	80.8	35,242	80.6	10,166	78.5	23,152	88.5
Staff costs	2,101	19.5	2,158	15.5	2,879	6.8	3,347	7.7	1,085	8.4	1,111	4.2
Operating expenses ⁽ⁱⁱⁱ⁾	4,477	41.6	4,733	33.9	5,263	12.4	5,148	11.7	1,694	13.1	1,905	7.3
Total	10,761	100.0	13,963	100.0	42,336	100.0	43,737	100.0	12,945	100.0	26,168	100.0

12. FINANCIAL INFORMATION (cont'd)

Notes:

- (i) Comprise the following:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Pawnbroking consultancy	-	-	-	-	-	-
IT solutions	-	-	48	168	55	53
Management fee	-	-	-	-	-	-
Total	-	-	48	168	55	53

- (ii) Include lease liabilities interest for our rented pawnshops pursuant to MFRS 16: Leases and rental for our “Cahaya Gold” retail outlets.

FYE 2019 vs FYE 2020

Our COS increased by RM3.2 million or 29.8% in the FYE 2020, which was mainly due to the increase in cost of purchases of gold and luxury products by RM3.0 million or 72.4%.

Pawnbroking

COS for our pawnbroking business increased by RM0.2 million or 2.6% to RM6.8 million in the FYE 2020, which was mainly due to the increase in operating expenses of our pawnbroking business by RM0.2 million or 5.7% to RM4.7 million in the FYE 2020 arising from, amongst others, the opening of 2 new pawnshops in June and July 2019.

Gold and luxury products retail and trading

COS for our gold and luxury products retail and trading business increased by RM3.0 million or 72.4% in the FYE 2020, which was mainly due to the following:

- (i) higher volume of our unredeemed pledged gold items (FYE 2019: 26.7 kg; FYE 2020: 28.0 kg) which were purchased and sold to gold trading companies and scrap gold collectors as part of our cash recovery process; and
- (ii) higher purchases of pre-owned and new gold products following the increase in sales volume as a result of amongst others, the opening of a new “Cahaya Gold” retail outlet in Jalan Genting Kelang.

12. FINANCIAL INFORMATION *(cont'd)*

FYE 2020 vs FYE 2021

Our COS increased by RM28.4 million or 203.2% in the FYE 2021, which was mainly due to the increase in cost of purchases of gold and luxury products in the FYE 2021.

Pawnbroking

COS for our pawnbroking business increased by RM0.6 million or 9.2% in the FYE 2021, which was mainly due to the increase in staff costs by RM0.4 million arising from amongst others, an increase in our pawnbroking staff from 53 as at 31 December 2020 to 64 as at 31 December 2021 following the growth of our pawnbroking business as well as annual salary increments.

Gold and luxury products retail and trading

COS for our gold and luxury products retail and trading business increased by RM27.7 million or 384.0% in the FYE 2021, which was mainly due to the following:

- (i) higher purchases of our unredeemed pledged gold items (FYE 2020: 28.0 kg; FYE 2021: 93.1 kg) in view of the following:
 - (a) 12 months purchases of our Group's unredeemed pledged items by Cahaya Gold during the FYE 2021 as compared to 4 months purchases by Cahaya Gold during the FYE 2020, following the change in designation of trading company for our Group's unredeemed pledged items in the FYE 2020 as elaborated in Section 12.2.2 of this Prospectus; and
 - (b) increase in defaulted pawn loans following higher disbursement of pawn loans (FYE 2020: RM179.5 million; FYE 2021: RM242.4 million) and higher default rate (FYE 2020: 7.6%; FYE 2021: 8.8%).
- (ii) higher purchases of pre-owned and new gold products following the increase in sales volume as a result of, amongst others, the opening of a new "Cahaya Gold" retail outlet in Jalan Chan Sow Lin as well as the increase in sales volume from our 2 existing "Cahaya Gold" retail outlets as elaborated in Section 12.2.2 of this Prospectus.

Others

The COS incurred was mainly for our new IT solutions business, which was mainly in relation to staff costs and depreciation charges for the related computer software.

12. FINANCIAL INFORMATION *(cont'd)*

FYE 2021 vs FYE 2022

Our COS increased by RM1.4 million or 3.3% in the FYE 2022, which was mainly due to the increase in cost of purchases of gold and luxury products by RM1.0 million or 2.9%.

Pawnbroking

COS in respect of our pawnbroking business increased by RM0.3 million or 3.6% in the FYE 2022, which was mainly due to annual salary increments for the operations personnel under our pawnbroking business.

Gold and luxury products retail and trading

COS in respect of our gold and luxury products retail and trading business increased by RM1.0 million or 2.9% in the FYE 2022, which was mainly due to higher cost of purchases of pre-owned gold products (including our unredeemed pledged gold items that are in good condition) as well as unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers by RM3.9 million. This was mainly due to higher amount of defaulted pawn loans which were offered at a higher pawn loan amount over the value of the pledged items.

This increase was partially offset by lower purchases of new gold products by Cahaya Gold for retail sales as we were more focused on growing our pawnbroking business.

Others

The COS incurred was mainly for our new IT solutions business, which was mainly in relation to staff costs and depreciation charges for the related computer software.

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12. FINANCIAL INFORMATION *(cont'd)*

FPE 2022 vs FPE 2023

Our COS increased by RM13.2 million or 102.1% in the FPE 2023, which was mainly due to the increase in cost of purchases of gold and luxury products by RM12.9 million or 123.4%.

Pawnbroking

COS in respect of our pawnbroking business increased by RM0.3 million or 13.9% in the FPE 2023, which was mainly due to annual salary increments for the operations personnel under our pawnbroking business as well as increase in operation costs such as auction fee and insurance expenses.

Gold and luxury products retail and trading

COS in respect of our gold and luxury products retail and trading business increased by RM12.9 million or 123.4% in the FPE 2023, which was mainly due to the following:

- (i) higher volume of our unredeemed pledged gold items (FPE 2022: 27.0 kg; FPE 2023: 60.6 kg) which were purchased and sold to gold trading companies, scrap gold collectors and luxury product retailers, which was mainly due to an increase in defaulted pawn loans as elaborated in Section 12.2.2 of this Prospectus; and
- (ii) higher purchases of pre-owned gold products from our pawnbroking business (i.e. unredeemed pledged gold items that are in good condition and retained for retail sales) and third party pawnshops (FPE 2022: 6.0 kg; FPE 2023: 21.4 kg), which was mainly due to an increase in defaulted pawn loans as well as an increase in volume of pre-owned gold products from third party pawnshops, as elaborated in Section 12.2.2 of this Prospectus.

Others

The COS incurred was mainly for our IT solutions business, which was mainly in relation to staff costs and depreciation charges for the related computer software.

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12. FINANCIAL INFORMATION (cont'd)

12.2.4 GP and GP margin

The following table summarises the breakdown of our GP and GP margin by business:

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Pawnbroking	3,689	35.9	7,562	52.8	11,797	61.5	20,541	72.9	6,056	71.2	8,125	74.5
Gold and luxury products retail and trading												
- Unredeemed pledged items sold to gold trading companies, scrap gold collectors and luxury product retailers	350	8.2	1,606	24.7	5,223	20.5	879	4.1	547	7.9	1,188	7.2
- Pre-owned gold products (including unredeemed pledged gold items that are in good condition)	2	0.7	1,063	34.4	539	6.2	612	5.0	61	3.9	315	5.3
- New gold products	-	-	(4)	(1.4)	60	0.9	17	0.5	1	*	30	1.2
	352	7.8	2,665	27.0	5,822	14.3	1,508	4.0	609	5.5	1,533	6.2
Others ⁽ⁱ⁾	-	-	236	100.0	948	95.2	1,387	89.2	749	93.2	130	71.0
Total GP / Overall GP margin	4,041	27.3	10,463	42.8	18,567	30.5	23,436	34.9	7,414	36.4	9,788	27.2

12. FINANCIAL INFORMATION (cont'd)

Notes:

* Less than 0.1%.

(i) Comprises the following:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Pawnbroking consultancy	-	236	533	541	178	178
IT solutions	-	-	298	503	403	(48)
Management fee	-	-	117	343	168	-
Total	-	236	948	1,387	749	130

As shown above, we have been able to generate profits from sales of unredeemed pledged items and pre-owned gold products (including unredeemed pledged gold items that are in good condition) during the financial years/period under review. This indicates that we have been able to recover our defaulted pawn loans (including accrued interests) from the sales of such unredeemed pledged items.

FYE 2019 vs FYE 2020

Our GP increased by RM6.4 million or 158.9% in the FYE 2020, which was mainly due to the increase in GP from our pawnbroking as well as gold and luxury products retail and trading businesses by RM3.9 million (105.0%) and RM2.3 million (657.1%) respectively in the FYE 2020.

Pawnbroking

GP from our pawnbroking business increased by RM3.9 million or 105.0% in the FYE 2020, which was mainly due to the increase in total pawn loans disbursed by RM46.7 million or 35.2% to RM179.5 million in the FYE 2020 as well as a higher GP margin as explained below.

The GP margin for our pawnbroking business increased from 35.9% in the FYE 2019 to 52.8% in the FYE 2020, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

12. FINANCIAL INFORMATION *(cont'd)*

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business increased by RM2.3 million or 657.1% in the FYE 2020, which was mainly due to the following:

- (i) higher trading volume of unredeemed pledged gold items (FYE 2019: 26.7 kg; FYE 2020: 28.0 kg) as elaborated in Section 12.2.2 of this Prospectus;
- (ii) higher retail sales volume of pre-owned and new gold products following the opening of a new “Cahaya Gold” retail outlet in Jalan Genting Kelang; and
- (iii) increase in gold price from USD1,514.75 (equivalent to RM6,820.92) per ounce at the end of December 2019 to USD1,887.60 (equivalent to RM8,499.86) per ounce at the end of December 2020.

The GP margin for our gold and luxury products retail and trading business increased from 7.8% in the FYE 2019 to 27.0% in the FYE 2020, which was mainly due to the increase in gold price as elaborated above.

FYE 2020 vs FYE 2021

Our GP increased by RM8.1 million or 77.5% in the FYE 2021, which was mainly due to the increase in GP of our pawnbroking as well as gold and luxury products retail and trading businesses by RM4.2 million (56.0%) and RM3.2 million (118.5%) respectively.

Pawnbroking

GP from our pawnbroking business increased by RM4.2 million or 56.0% in the FYE 2021, which was mainly due to the increase in total pawn loans disbursed by RM62.9 million or 35.0% to RM242.4 million in the FYE 2021 as well as a higher GP margin as explained below.

The GP margin for our pawnbroking business increased from 52.8% in the FYE 2020 to 61.5% in the FYE 2021, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business increased by RM3.2 million or 118.5% in the FYE 2021, which was mainly due to the following:

- (i) higher trading volume of unredeemed pledged gold items (FYE 2020: 28.0 kg; FYE 2021: 93.1 kg) as elaborated in Section 12.2.2 of this Prospectus; and
- (ii) higher retail sales volume of pre-owned and new gold products following the opening of a new “Cahaya Gold” retail outlet in Jalan Chan Sow Lin as well as increase in retail sales volume from our 2 existing “Cahaya Gold” retail outlets as elaborated in Section 12.2.2 of this Prospectus.

12. FINANCIAL INFORMATION *(cont'd)*

However, the GP margin for our gold and luxury products retail and trading business decreased from 27.0% in the FYE 2020 to 14.3% in the FYE 2021, mainly as a result of:

- (i) no significant increase in gold price in the FYE 2021 as compared to FYE 2020; and
- (ii) higher retail and trading of new gold products during the FYE 2021, which have a lower margin as compared to pre-owned gold products as pre-owned gold products are generally purchased at a discount to their estimated value.

FYE 2021 vs FYE 2022

Our GP increased by RM4.9 million or 26.2% in the FYE 2022, which was mainly due to the increase in GP of our pawnbroking business by RM8.7 million or 74.1% in the FYE 2022 as compared to the FYE 2021.

Pawnbroking

GP from our pawnbroking business increased by RM8.7 million or 74.1% in the FYE 2022, which was mainly due to the increase in total pawn loans disbursed by RM108.8 million or 44.9% to RM351.2 million as well as a higher GP margin as explained below.

The GP margin of our pawnbroking business increased from 61.5% in the FYE 2021 to 72.9% in the FYE 2022, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business decreased by RM4.3 million or 74.1% in the FYE 2022, which was mainly due to the decrease in GP from sales of unredeemed pledged items to gold trading companies, scrap gold collectors and luxury product retailers by RM4.3 million mainly as a result of the following:

- (i) significant decrease in gold price during the FYE 2022 from USD1,808.00 per ounce (equivalent to RM8,141.42) in March 2022 to USD1,632.44 per ounce (equivalent to RM7,350.88) in November 2022; and
- (ii) absence of labour cost which were charged in the FYE 2021 of RM1.1 million as elaborated in Section 12.2.2 of this Prospectus.

As a result, the GP margin for our gold and luxury products retail and trading business decreased from 14.3% in the FYE 2021 to 4.0% in the FYE 2022.

12. FINANCIAL INFORMATION *(cont'd)*

FPE 2022 vs FPE 2023

Our GP increased by RM2.4 million or 32.0% in the FPE 2023, which was mainly due to the increase in GP of our pawnbroking business by RM2.1 million or 34.2% in the FPE 2023 as compared to the FPE 2022.

Pawnbroking

GP from our pawnbroking business increased by RM2.1 million or 34.2% in the FPE 2023, which was mainly due to the increase in total pawn loans disbursed by RM17.5 million or 16.1% to RM125.6 million as well as a higher GP margin as explained below.

The GP margin of our pawnbroking business increased from 71.2% in the FPE 2022 to 74.5% in the FPE 2023, which was mainly due to higher economies of scale as our pawnbroking operating costs mainly consist of fixed costs such as staff costs and rental expenses which do not increase when the business of each of our pawnshops grow.

Gold and luxury products retail and trading

GP from our gold and luxury products retail and trading business increased by RM0.9 million or 151.7% in the FPE 2023, which was mainly due to the increase in GP from:

- (i) higher trading volume of unredeemed pledged gold items (FPE 2022: 27.0 kg; FPE 2023: 60.6 kg) as elaborated in Section 12.2.2 of this Prospectus; and
- (ii) higher retail sales volume of pre-owned gold products (including unredeemed pledged gold items that are in good condition) as elaborated in Section 12.2.2 of this Prospectus.

The increase in GP margin for our gold and luxury products retail and trading business from 5.5% in the FPE 2022 to 6.2% in the FPE 2023 was mainly due to an increase in gold price from USD1,898.42 per ounce (equivalent to RM8,548.58) at the end of April 2022 to USD1,991.42 per ounce (equivalent to RM8,967.36) at the end of April 2023.

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12. FINANCIAL INFORMATION (cont'd)

12.2.5 Other operating income

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bargain purchase	-	-	-	-	178	6.9	-	-	-	-	-	-
Compensation fee	*	*	110	8.1	-	-	-	-	-	-	-	-
Gain on disposal of:												
- Investment properties	-	-	148	10.8	-	-	5,834	57.7	-	-	-	-
- Property, plant and equipment	-	-	-	-	90	3.5	47	0.5	-	-	-	-
- Other investments	-	-	-	-	-	-	3,108	30.8	-	-	-	-
- Right-of-use assets	-	-	-	-	55	2.1	-	-	-	-	-	-
Gain on termination on lease liabilities	-	-	-	-	206	8.0	-	-	-	-	-	-
Loan interest income	-	-	-	-	501	19.5	-	-	-	-	-	-
Bank interest income	-	-	-	-	-	-	8	0.1	-	-	96	31.3
Wages subsidies	-	-	-	-	411	16.0	-	-	-	-	-	-
Rental income	647	100.0	1,106	81.1	1,118	43.4	1,092	10.8	368	99.5	211	68.7
Others ⁽ⁱ⁾	-	-	*	*	16	0.6	18	0.1	2	0.5	-	-
Total	647	100.0	1,364	100.0	2,575	100.0	10,107	100.0	370	100.0	307	100.0

Notes:

* Less than RM1,000 or 0.1%.

(i) Comprise insurance claim, interest income and/or waiver of debts.

12. FINANCIAL INFORMATION *(cont'd)*

FYE 2019 vs FYE 2020

Our other operating income increased by RM0.7 million or 110.8% in the FYE 2020, which was mainly due to the following:

- (i) forfeiture of rental deposit of RM0.1 million as compensation for restoration of the rented premise following termination of the tenancy by our tenant;
- (ii) gain on disposal of investment properties in Negeri Sembilan totalling RM0.2 million; and
- (iii) increase in rental income by RM0.5 million or 70.9% mainly as a result of rental income from additional units rented out in the FYE 2020 for our investment properties in Cheras, Kuala Lumpur and Kemaman, Terengganu.

FYE 2020 vs FYE 2021

Our other operating income increased by RM1.2 million or 88.8% in the FYE 2021, which was mainly due to the following:

- (i) bargain purchase of RM0.2 million arising from the acquisition of Atapttech at a consideration lower than its NA value in the FYE 2021;
- (ii) gain on disposal of motor vehicles and right-of-use assets totalling RM0.1 million;
- (iii) gain on termination of lease liabilities arising from the termination of a tenancy of a pawnshop of RM0.2 million as a result of relocation of the said pawnshop to a better location in the vicinity;
- (iv) interest income of RM0.5 million in relation to a loan to Trax Capital, the former holding company of our subsidiaries; and
- (v) wage subsidies of RM0.4 million received from the Malaysian Social Security Organisation (PERKESO), which is a financial aid programme offered by the Malaysian Government to support employers whose operations have been affected by the COVID-19 pandemic but are continuing their operations and retaining their employees during the COVID-19 pandemic.

FYE 2021 vs FYE 2022

Our other operating income increased by RM7.5 million or 292.5% in the FYE 2022, which was mainly due to the following:

- (i) gain on disposal of 2 investment properties located at Kuala Lumpur (pursuant to the Disposals) and Terengganu (as part of our plan to dispose non-core assets) totaling RM5.8 million; and
- (ii) gain on disposal of our entire equity interest in CC Low pursuant to the Disposals amounting to RM3.1 million

12. FINANCIAL INFORMATION (cont'd)

FPE 2022 vs FPE 2023

Our other operating income decreased by RM0.1 million or 17.0% in the FPE 2023, which was mainly due to loss of rental income following our disposal of 2 investment properties in December 2022.

12.2.6 General and administration expenses

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	923	47.7	653	35.5	1,906	54.6	2,657	41.4	931	66.2	889	46.2
Depreciation												
- Property, plant and equipment	160	8.3	44	2.4	34	1.0	70	1.1	23	1.6	24	1.2
- Investment properties	340	17.6	335	18.2	315	9.0	313	4.9	106	7.5	89	4.6
Investment properties expenditure ⁽²⁾	112	5.8	186	10.1	115	3.3	96	1.5	17	1.2	18	0.9
Service tax, stamp duty and attestation fee	33	1.7	99	5.4	57	1.6	175	2.7	24	1.7	52	2.7
Rental expenses	81	4.2	112	6.1	88	2.5	179	2.8	61	4.3	79	4.1
Traveling and accommodation	65	3.4	36	2.0	36	1.0	86	1.3	32	2.3	24	1.2
Auditors' remuneration	69	3.6	71	3.9	130	3.7	137	2.1	39	2.8	36	1.9
Tax agent and secretarial fees	59	3.1	71	3.9	64	1.8	133	2.1	51	3.6	30	1.6
Bad debts written off ⁽³⁾	-	-	54	2.9	24	0.7	22	0.3	-	-	7	0.4
Property, plant and equipment written off	-	-	-	-	109	3.1	88	1.4	-	-	-	-
Unrealised foreign exchange loss	-	-	-	-	-	-	307	4.8	-	-	232	12.1
Professional fees	35	1.8	67	3.6	419	12.1	1,557	24.3	10	0.7	149	7.8
Others ⁽⁴⁾	56	2.8	110	6.0	196	5.6	593	9.3	113	8.1	294	15.3
Total	1,933	100.0	1,838	100.0	3,493	100.0	6,413	100.0	1,407	100.0	1,923	100.0

12. FINANCIAL INFORMATION *(cont'd)*

Notes:

- (1) Staff costs comprise remunerations, statutory contributions and other staff related costs. Included in staff costs are management fees charged by Trax Capital, the former holding company of our subsidiaries, in relation to the allocation of our administrative staff costs from October 2020 until the transfer of these administrative staff back to our Group in October 2021.
- (2) Investment properties expenditure comprise upkeep of properties, quit rent and assessment.
- (3) Bad debts written off relate to the write-off of pawn loans whereby the pledged items are subject to police investigations.
- (4) Mainly comprise postage and courier charges, upkeep of equipment, printing and stationery, entertainment, telephone, bank charges, utility charges and sundry expenses.

FYE 2019 vs FYE 2020

Our general and administration expenses decreased by RM0.1 million or 4.9% in the FYE 2020, which was mainly due to the following:

- (a) decrease in staff costs by RM0.3 million due to amongst others, non-allocation of staff costs from February 2020 to September 2020 in relation to 17 of our administrative staff who were transferred to Trax Capital as part of a group restructuring exercise in February 2020. For clarification, Trax Capital had not allocated the staff costs to the respective companies as these companies were then its subsidiaries; and
- (b) decrease in depreciation of property, plant and equipment by RM0.1 million as certain assets have been fully depreciated.

FYE 2020 vs FYE 2021

Our general and administration expenses increased by RM1.6 million or 90.0% in the FYE 2021, which was mainly due to the following:

- (a) increase in staff costs by RM1.3 million mainly as a result of the allocation of our administrative staff costs by Trax Capital, the former holding company of our subsidiaries, to our Group, from October 2020 onwards. Pursuant to the Acquisitions, these administrative staff were transferred back from Trax Capital to our Group in October 2021;
- (b) write-off of renovation costs of a pawnshop of RM0.1 million following the relocation of the said pawnshop to a better location in the vicinity; and
- (c) increase in professional fees by RM0.1 million mainly as a result of fees incurred in relation to new banking facilities obtained by our Group as well as for our Listing fees.

12. FINANCIAL INFORMATION (cont'd)

FYE 2021 vs FYE 2022

Our general and administration expenses increased by RM2.9 million or 83.6% in the FYE 2022, which was mainly due to the following:

- (a) increase in staff costs by RM0.8 million, mainly as a result of the recruitment of 3 additional administrative staff as well as annual salary increments;
- (b) increase in professional fees by RM1.1 million, mainly as a result of fees incurred for our Listing and borrowings obtained to fund our working capital totaling RM1.1 million; and
- (c) unrealised foreign exchange loss of RM0.3 million incurred in respect of a USD denominated borrowing drawdown in June 2022, following the weakening of the RM against the USD.

FPE 2022 vs FPE 2023

Our general and administration expenses increased by RM0.5 million or 36.7% in the FPE 2023, mainly due to unrealised foreign exchange loss of RM0.2 million incurred in respect of the USD denominated borrowing following further weakening of the RM against the USD as well as higher professional fees by RM0.1 million as a result of amongst others, fees incurred for our Listing.

12.2.7 Finance costs

	Audited								Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank borrowing interest	853	87.8	658	81.4	1,230	58.9	2,399	82.6	434	90.8	1,345	100.0
Lease liabilities interest ⁽ⁱ⁾	-	-	5	0.6	*	*	-	-	-	-	-	-
Loan interest paid to related parties ⁽ⁱⁱ⁾	118	12.2	145	18.0	860	41.1	504	17.4	44	9.2	-	-
Total	971	100.0	808	100.0	2,090	100.0	2,903	100.0	478	100.0	1,345	100.0

Notes:

* Less than RM1,000 or 0.1%.

(i) Being interest on lease liabilities for motor vehicles pursuant to MFRS 16: Leases.

(ii) Being 6% annual interest paid in relation to loans from related moneylending companies, i.e. Insan Tiara and Trax Capital, which were drawdown as additional cash capital for our pawnbroking business.

12. FINANCIAL INFORMATION *(cont'd)*

FYE 2019 vs FYE 2020

Our finance costs decreased by RM0.2 million or 16.8% in the FYE 2020, which was mainly due to the settlement of a loan from a related moneylending company amounting to RM1.5 million in the FYE 2019. Whilst our Group had drawdown banking facilities totaling RM14.9 million as additional cash capital for our pawnbroking business, our bank borrowings interest remained at RM0.8 million in the FYE 2020 mainly as a result of reductions in the banks' base lending rates by approximately 1% during the FYE 2020.

FYE 2020 vs FYE 2021

Our finance costs increased by RM1.2 million or 158.7% in the FYE 2021, which was mainly due to the drawdown of banking facilities totalling RM4.1 million in the FYE 2021 as well as loans from a related party as additional cash capital for our pawnbroking business. Following the Acquisitions, the loans from the related party has been fully settled via the capitalisation as detailed in Section 5.4.1 of this Prospectus.

FYE 2021 vs FYE 2022

Our finance costs increased by RM0.8 million or 38.9% in the FYE 2022, which was mainly due to the drawdown of banking facilities totalling RM46.7 million in the FYE 2022 to fund our working capital, including cash capital for our pawnbroking business.

FPE 2022 vs FPE 2023

Our finance costs increased by RM0.9 million or 181.4% in the FPE 2023, which was mainly due to the net drawdown of banking facilities subsequent to the FPE 2022 totalling RM42.0 million to fund our working capital, including cash capital for our pawnbroking business.

12. FINANCIAL INFORMATION (cont'd)**12.2.8 Tax expense**

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Income tax	980	2,836	3,563	3,914	1,461	1,879
Deferred tax	9	12	34	37	33	15
Real property gain tax	-	8	6	225	-	-
Total tax expense	989	2,856	3,603	4,176	1,494	1,894
Effective tax rate (%)	55.4	31.1	23.2	17.2	25.3	27.7
Statutory income tax rate (%)	24.0	24.0	24.0	24.0	24.0	24.0

For the financial years/period under review, we have not incurred any withholding tax as our Group's revenue and other income were generated in Malaysia.

FYE 2019 vs FYE 2020

Our tax expense increased by RM1.9 million or 188.7% in the FYE 2020, which was mainly due to the increase in profits generated from our pawnbroking business. However, the effective tax rate in the FYE 2020 was lower at 31.1% as compared to 55.4% in the FYE 2019. The higher effective tax rate of 55.4% for the FYE 2019 was mainly due to the following:

- (a) deferred tax assets of RM0.2 million were not provided in respect of unutilised losses and unabsorbed capital allowances of our loss-making subsidiaries in the FYE 2019 as we had then assessed that the said unutilised losses and unabsorbed capital allowances might not be utilised in the foreseeable future;
- (b) non-tax deductible expenses incurred totalling RM1.0 million, which mainly comprise depreciation on non-qualifying assets and interest on borrowings to finance our investment properties which were only tax deductible up to the net rental income generated by the respective investment properties; and
- (c) under provision of income tax in prior years of RM0.1 million.

FYE 2020 vs FYE 2021

Our tax expense increased by RM0.7 million or 26.2% in the FYE 2021, which was mainly due to the increase in profits generated from our pawnbroking as well as gold and luxury products retail and trading businesses.

The lower effective tax rate of 23.2% in the FYE 2021 as compared to the statutory income tax rate of 24% was mainly due to the utilisation of unutilised losses and unabsorbed capital allowances for which no deferred tax assets were provided in the prior financial years totalling RM0.1 million in the FYE 2021.

12. FINANCIAL INFORMATION (cont'd)**FYE 2021 vs FYE 2022**

Our tax expense increased by RM0.6 million or 15.9% in the FYE 2022, which was mainly due to the increase in profits generated from our pawnbroking business.

The lower effective tax rate of 17.2% as compared to the statutory income tax rate of 24% was mainly due to the following:

- (a) gain on disposal of investment properties totaling RM5.8 million was only subject to 10% real property gains tax pursuant to the Real Property Gains Tax Act 1976; and
- (b) gain on disposal of our entire equity interests in CC Low amounting to RM3.1 million was not subject to tax.

FPE 2022 vs FPE 2023

Our tax expense increased by RM0.4 million or 26.8% in the FPE 2023, which was mainly due to the increase in profits generated from our pawnbroking as well as from gold and luxury products retail and trading businesses.

The higher effective tax rate of 27.7% as compared to the statutory income tax rate of 24% was mainly due to higher unrealised foreign exchange loss and professional fees incurred, which are non-tax deductible expenses, by RM0.4 million in the FPE 2023 as compared to the FPE 2022.

12.2.9 PBT and PAT

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
PBT (RM'000)	1,784	9,181	15,559	24,227	5,899	6,827
PBT margin (%)	12.0	37.6	25.5	36.1	29.0	19.0
PAT (RM'000)	795	6,325	11,956	20,051	4,405	4,933
PAT margin (%)	5.4	25.9	19.6	29.8	21.6	13.7

FYE 2019 vs FYE 2020

Our PBT and PAT increased by RM7.4 million (414.6%) and RM5.5 million (695.6%) respectively in the FYE 2020, which was mainly due to the increase in our GP by RM6.4 million in the FYE 2020 arising from amongst others, an increase in total pawn loans disbursed by RM46.7 million and the growth of our gold and luxury products retail and trading business as elaborated in Section 12.2.4 of this Prospectus.

Our PBT margin and PAT margin increased to 37.6% and 25.9% respectively in the FYE 2020, mainly due to higher economies of scale following the growth of our pawnbroking business as well as the increase in gold price as elaborated in Section 12.2.4 of this Prospectus.

FYE 2020 vs FYE 2021

Our PBT and PAT increased by RM6.4 million (69.5%) and RM5.6 million (89.0%) respectively in the FYE 2021, which was mainly due to the increase in our GP by RM8.1 million in the FYE 2021 arising from amongst others, an increase in total pawn loans disbursed by RM62.9 million and the expansion and growth of our gold and luxury products retail and trading business as elaborated in Section 12.2.4 of this Prospectus.

12. FINANCIAL INFORMATION (cont'd)

However, our Group recorded a decrease in PBT margin and PAT margin to 25.5% and 19.6% respectively in the FYE 2021 mainly as a result of:

- (i) no significant increase in gold price in the FYE 2021 as compared to the FYE 2020; and
- (ii) higher retail and trading of new gold products during the FYE 2021, which have a lower margin as compared to pre-owned gold products which are generally purchased at a discount to their estimated value.

FYE 2021 vs FYE 2022

Our PBT and PAT increased by RM8.7 million (55.7%) and RM8.1 million (67.7%) respectively in the FYE 2022 as compared to the FYE 2021. The increase was mainly due to the following:

- (i) increase in our GP by RM4.9 million, mainly as a result of the growth in our pawnbroking business as elaborated in Section 12.2.4 of this Prospectus; and
- (ii) increase in our operating income by RM7.5 million, which was mainly due to the gains on disposals of investment properties and our entire equity interests in CC Low as elaborated in Section 12.2.5 of this Prospectus.

Our PBT margin and PAT margin increased to 36.1% and 29.8% respectively in the FYE 2022, which was mainly due to the following:

- (i) increase in GP margin from our pawnbroking business from 61.5% in the FYE 2021 to 72.9% in the FYE 2022, mainly as a result of higher economies of scale following the growth of our pawnbroking business as elaborated in Section 12.2.4 of this Prospectus; and
- (ii) decrease in our effective tax rate from 23.2% in the FYE 2021 to 17.2% in the FYE 2022 as elaborated in Section 12.2.8 of this Prospectus.

FPE 2022 vs FPE 2023

Our PBT and PAT increased by RM0.9 million (15.7%) and RM0.5 million (12.0%) respectively in the FPE 2023 as compared to the FPE 2022. The increase was mainly due to the increase in our GP by RM2.4 million, mainly as a result of the growth in our pawnbroking business as elaborated in Section 12.2.4 of this Prospectus.

Our PBT margin and PAT margin decreased to 19.0% and 13.7% respectively in the FPE 2023, which was mainly due to the following:

- (i) increase in general and administrative expenses by 36.7%, mainly due to unrealised foreign exchange loss incurred amounting to RM0.2 million as well as higher professional fees by RM0.1 million as a result of amongst others, fees incurred for our Listing as elaborated in Section 12.2.6 of this Prospectus;
- (ii) increase in finance costs by 181.4%, mainly due to net drawdown of bank borrowings subsequent to the FPE 2022 totalling RM42.0 million as elaborated in Section 12.2.7 of this Prospectus; and
- (iii) increase in our effective tax rate from 25.3% in the FPE 2022 to 27.7% in the FPE 2023 as elaborated in Section 12.2.8 of this Prospectus.

For information purposes, as part of a group restructuring exercise in February 2020, 17 of our administrative staff were transferred to Trax Capital, the former holding company of our subsidiaries, whereby the relevant staff costs were only allocated to our Group from October 2020 onwards. Please refer to Section 12.2.6 of this Prospectus for further details.

12. FINANCIAL INFORMATION (cont'd)

For illustrative purposes, assuming that the said staff costs were fully allocated to our Group in the FYE 2020, we would have recorded an adjusted PAT as follows:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PAT	795	6,325	11,956	20,051	4,405	4,933
Add/(Less):						
- Staff costs	-	(1,148)	-	-	-	-
- Tax impact assumed at the statutory income tax rate of 24%	-	276	-	-	-	-
Adjusted PAT	795	5,453	11,956	20,051	4,405	4,933

12.2.10 Key financial ratios

Our key financial ratios are as follows:

	Audited				
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
Trade receivables turnover (days) ⁽¹⁾					
- Pawn receivables	131	137	137	134	143
- Other trade receivables	25	4	21	22	4
Inventories turnover (days) ⁽²⁾	4	10	19	18	2
Current ratio (times) ⁽³⁾	3.1	6.1	7.0	7.2	15.5
Gearing ratio (times) ⁽⁴⁾	0.2	0.4	0.3	0.5	0.4
Return on cash capital (%) ⁽⁵⁾	14.9	15.0	17.4	16.9	⁽⁶⁾ 19.9

Notes:

- (1) Due to the nature of our pawnbroking business, our trade receivables include outstanding pawn loans as well as interest receivables on the outstanding pawn loans. Therefore, to reflect a more meaningful presentation, trade receivables turnover is separately computed as follows:
 - (i) pawn receivables - average between the opening and closing pawn receivables (i.e. total pawn loans outstanding and pawn interest receivables) over total pawn loans disbursed and interest income from our pawnbroking business during the financial year/period multiplied by 365 days for each financial year or 120 days for the FPE 2023; and
 - (ii) other trade receivables (comprise trade receivables from our gold and luxury products retail and trading, and pawnbroking consultancy and IT solutions businesses) - average between the opening and closing trade receivables for our other businesses over the revenue generated from these businesses multiplied by 365 days for each financial year or 120 days for the FPE 2023.
- (2) Computed based on the average between the opening and closing inventories over COS for the financial year/period multiplied by 365 days for each financial year or 120 days for the FPE 2023.
- (3) Computed based on current assets over current liabilities.
- (4) Computed based on total interest bearing borrowings over total equity.

12. FINANCIAL INFORMATION (cont'd)

- (5) Computed based on interest income over cash capital for the financial year/period, whereby cash capital is computed based on total pawn receivables plus our pawnbroking subsidiaries' cash and bank balances.
- (6) Annualised.

For information, trade payables turnover period is not computed as trade payables during the financial years/period review were less than RM0.1 million as our Group does not purchase nor require any material supplies for the operation of our businesses, save for purchases of gold products for our gold and luxury products retail and trading business which are on cash term.

(i) Trade receivables turnover

	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>	<u>FYE 2022</u>	<u>FPE 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Trade receivables					
- Pawn loans outstanding	58,781	78,990	107,106	155,365	150,221
- Pawn interest receivables	3,441	4,599	5,810	9,834	9,349
- Other trade receivables	201	22	4,700	93	1,428
Total pawn loans disbursed	132,794	179,517	242,400	351,208	125,631
Revenue from pawnbroking	10,267	14,312	19,170	28,180	10,908
Revenue from gold and luxury products retail and trading business, and pawnbroking consultancy and IT solutions	4,535	10,114	41,733	38,993	25,048
Trade receivables turnover period (days)					
- Pawn loans outstanding	133	140	140	136	146
- Pawn interest receivables	103	103	99	101	106
- Other trade receivables	25	4	21	22	4

(a) Trade receivables turnover period (in respect of our pawn receivables)

For our pawnbroking business, we offer pawn loans with a loan period of up to 6 months to our pawnbroking customers. Upon the expiry of the pawn loan period, our pawnbroking customers may choose to redeem their pledged items or renew their pawn loans. Customers who opt to renew their pawn loans are required to re-pawn their pledged items to obtain new pawn tickets with a new pawn loan period. We charge monthly interest rates ranging between 1.5% to 2.0% on the pawn loans disbursed which are payable upon redemption or renewal of the pawn loans.

Our pawn loan receivables turnover period is dependent on the duration of the pawn loan period. During the financial years/period under review, our pawn loan receivables turnover period is within the maximum pawn loan period of 6 months.

12. FINANCIAL INFORMATION (cont'd)

Our Group has no significant concentration of credit risk from our pawn receivables. Our Group minimises credit risk by requiring pledged items from our pawnbroking customers as collaterals. As such, we do not make provision for impairment losses in respect of these receivables when they are past due as they are secured by the pledged items.

During the financial years/period under review, we had written off pawn receivables when the pledged items are subject to police investigations amounting to RM0.05 million, RM0.02 million, RM0.02 million and RM0.007 million in the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

(b) Trade receivables turnover period (in respect of our other trade receivables)

Other trade receivables are in respect of receivables from our gold and luxury products retail and trading business as well as our pawnbroking consultancy and IT solutions business segments whereby:

- for our gold and luxury products retail and trading business segment, we generally sell gold and luxury products on cash term basis, i.e. within 7 days from the date of the invoice; and
- for our pawnbroking consultancy and IT solutions business segment, we render our services with a credit term of 30 days.

The decrease in other trade receivables turnover period from 25 days in the FYE 2019 to 4 days in the FYE 2020 was mainly due to collection of a long overdue other trade receivable in relation to an ad-hoc sale of apparels in the FYE 2018 amounting to RM0.3 million in the FYE 2020.

During the FYE 2021, 2 of our major customers have been granted a 60-day credit term due to, amongst others, better margins earned on sales to these customers as a result of additional services provided such as customised designs for minted gold bars and dismantling of precious stones from pre-owned gold products. As a result, our other trade receivables turnover period had increased from 4 days in the FYE 2020 to 21 days in the FYE 2021.

Other trade receivables turnover period for the FYE 2022 was fairly consistent with the FYE 2021.

During the FPE 2023, our other trade receivables turnover period had reduced back to 4 days as we no longer grant a 60-day credit term to our customers.

The ageing analysis of our trade receivables as at 30 April 2023 is as follows:

	Not past due	Past due				Total
		1-30 days	31-60 days	61-90 days	91-120 days	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	146,917	9,490	4,421	101	69	160,998
% of total trade receivables	91.2	5.8	2.8	0.1	0.1	100.0
Subsequent collections as at the LPD	86,298	703	276	52	69	87,398
Outstanding trade receivables	60,619	8,787	4,145	49	-	73,600

12. FINANCIAL INFORMATION (cont'd)

The outstanding trade receivables not past due as at the LPD of RM60.6 million are in relation to our pawn receivables which are within the pawn loan period.

The outstanding trade receivables which are past due as at the LPD totalling RM13.0 million are in relation to our pawn receivables which have not been redeemed or renewed upon the expiry of the pawn loan period. Our Board is of the opinion that these pawn receivables are recoverable as the unredeemed pledged items will be subsequently sold as part of our cash recovery process.

(ii) Inventory turnover

As set out in Section 6.1(ii)(a) of this Prospectus:

- (a) unredeemed pledged gold items that are not in good condition will be sold by Cahaya Gold to gold trading companies and scrap gold collectors within the same month the said items were acquired from public auction or taken possession by our pawnbroking subsidiaries;
- (b) unredeemed pledged gold items that are in good condition will be retained and sold through our "Cahaya Gold" retail outlets, as well as through Cahaya Gold's website and via social media and e-commerce platforms. Generally, we are able to sell these unredeemed pledged gold items within 2 months the said items were acquired from public auctions or taken possession by our pawnbroking subsidiaries; and
- (c) unredeemed pledged luxury products, regardless of whether they are in good condition or otherwise, will be sold by Cahaya Gold to luxury product retailers within the same month the said items were acquired from public auctions or taken possession by our pawnbroking subsidiaries.

In addition to the above, we also purchase other pre-owned and new gold products from third-party pawnshops, gold trading companies and walk-in individuals to our "Cahaya Gold" retail outlets, where applicable, for onward sale.

In view of the foregoing, our inventories comprise the following:

	Audited				
	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2021	As at 31 Dec 2022	As at 30 Apr 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
New gold products	-	671	3,467	-	-
Pre-owned gold products (including unredeemed pledged gold items)	34	87	285	648	360
Total	34	758	3,752	648	360

12. FINANCIAL INFORMATION (cont'd)

Meanwhile, our inventory turnover period is as follows:

	Audited				
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening inventories	215	34	758	3,752	648
Closing inventories	34	758	3,752	648	360
COS	10,761	13,963	42,336	43,737	26,168
Inventory turnover period (days)	4	10	19	18	2

The increase in inventory turnover period from 4 days in the FYE 2019 to 19 days in the FYE 2021 was mainly due to the expansion and growth of our gold and luxury products retail and trading business, whereby our "Cahaya Gold" retail outlets increased from 1 retail outlet as at 31 December 2019 to 3 retail outlets as at 31 December 2021.

Inventory turnover period for the FYE 2022 was fairly consistent with the FYE 2021.

The decrease in our inventory turnover period from 18 days in the FYE 2022 to 2 days in the FPE 2023 was mainly due to all of our new gold products, which generally have a longer turnover period as compared to pre-owned gold products, have been sold in the FYE 2022.

(iii) Current ratio

	Audited				
	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2021	As at 31 Dec 2022	As at 30 Apr 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	79,667	99,871	126,346	185,278	175,866
Current liabilities	25,547	16,501	18,066	25,586	11,378
Current ratio (times)	3.1	6.1	7.0	7.2	15.5

Our Group is capable of meeting our current obligations as our current ratio is maintained at more than 1 time over the financial years/period under review.

The increase in our current ratio from 3.1 times as at 31 December 2019 to 15.5 times as at 30 April 2023 was mainly due the increase in our current assets, as a result of the significant increase in our pawn loans outstanding from RM58.8 million as at 31 December 2019 to RM150.2 million as at 30 April 2023, following the growth of our pawnbroking business.

12. FINANCIAL INFORMATION (cont'd)**(iv) Gearing ratio**

	Audited				
	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2021	As at 31 Dec 2022	As at 30 Apr 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
- Borrowings	12,911	20,234	24,991	^(a) 66,862	^(a) 51,584
- Lease liabilities	92	84	-	-	-
- Amount due to related parties which are interest bearing ^(c)	-	8,835	8,778	-	-
Total	13,003	29,153	33,769	66,862	51,584
Total equity	67,713	76,408	108,064	128,115	133,048
Gearing ratio (times)	0.2	0.4	0.3	0.5	0.4

Notes:

- (a) The increase in borrowings during the FYE 2022 was due to the drawdown of bank borrowings totalling RM26.7 million as additional cash capital for our pawnbroking business.
- (b) The decrease in borrowings during the FPE 2023 was mainly due to the net repayment of our short-term bank borrowing (i.e. revolving credits) totaling RM15.0 million.
- (c) For information purposes, the amount due to related parties are included in the computation of our gearing ratio as such advances are interest bearing and form part of the sources for our cash capital.

The increase in our gearing ratio from 0.2 times as at 31 December 2019 to 0.4 times as at 30 April 2023 was mainly due to the increase in our borrowings to fund the cash capital for our pawnshops in tandem with the growth of our pawnbroking business.

The lower gearing ratio of 0.3 times as at 31 December 2021 as compared to 0.4 times as at 31 December 2020 was mainly due to the capitalisation of the net amount due by our subsidiaries to Trax Capital of RM16.4 million pursuant to the Acquisitions as detailed in Section 5.4.1 of this Prospectus.

The lower gearing ratio of 0.4 times as at 30 April 2023 as compared to 0.5 times as at 31 December 2022 was mainly due to net repayment of our short-term bank borrowing (i.e. revolving credits) during the FPE 2023 totaling RM15.0 million.

12. FINANCIAL INFORMATION (cont'd)**(v) Return on cash capital**

Return on cash capital is a financial ratio analysis used to indicate the financial performance of our pawnbroking business. The said ratio is computed based on total interest income generated from our pawnbroking business divided by our cash capital over the relevant financial years/period under review as summarised below:

	Audited				
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	10,214	14,254	19,107	28,091	10,874
Cash capital ^(a)	68,931	94,906	109,622	166,555	163,533
Return on cash capital (%)	14.9	15.0	17.4	16.9	^(b) 19.9

Notes:

(a) Please refer to Section 6.10 of the Prospectus for the computation on our cash capital.

(b) Annualised.

We offer pawn loans with a loan period of up to 6 months at a monthly interest rate of between 1.5% to 2.0% on the pawn loans disbursed.

The increase in our return on cash capital from 14.9% in the FYE 2019 to 19.9% in the FPE 2023 was mainly due to a larger proportion of our pawn loans were disbursed by our pawnbroking subsidiaries that charges the maximum monthly interest rate of 2.0%.

The slight decrease in our return on cash capital from 17.9% in the FYE 2021 to 16.9% in the FYE 2022 was mainly due to a larger proportion of our pawn loans were disbursed by our pawnbroking subsidiaries that charges a lower monthly interest rate of 1.5%.

12.3 Significant Factors Affecting Our Operations and Financial Performance

Our operations and financial performance have been and will continue to be affected by factors including, but not limited to, the following:

(i) Pawnbroker's licences for our pawnbroking business

According to the Pawnbrokers Act, all pawnshops in Malaysia must be operated by sole proprietors or companies that hold licences issued by KPKT which are valid for 2 years, and are required to apply for renewal of such licences at least 60 days before their expiry. In order to obtain and/or renew this licence, the pawnbrokers must adhere to the regulations under the Pawnbrokers Act.

As such, the operations and financial performance of our pawnbroking business are dependent on, amongst others, our ability to renew our existing pawnbroker's licences prior to their expiry, our ability to obtain new pawnbroker's licences for the new "Pajaking" pawnshops which we intend to establish in the future, as well as our continued adherence to the relevant regulations under the Pawnbrokers Act.

Over the financial years/period under review, we have obtained new pawnbroker's licenses for our 6 new "Pajaking" pawnshops established in 2019 and have been able to renew all of our existing pawnbroker's licenses.

12. FINANCIAL INFORMATION (cont'd)

(ii) Cash capital for our pawnbroking business

Our pawnbroking business requires cash capital for the provision of pawn loans to our pawnbroking customers. As such, the growth of our pawnbroking business is dependent on, amongst others, our ability to secure additional funding to fund our cash capital needs. In the event we are unable to secure additional funding or if such additional funding is only available on terms that are less favourable than the terms of our current borrowings, our ability to grow our pawnbroking business will be impacted.

During the financial years/period under review, our cash capital was mainly financed by our internally generated funds, proceeds from issuance of securities, advances from our Directors and related parties, and drawdown of borrowings. Please refer to Section 6.10 of this Prospectus for details of the sources of funds for our cash capital over the financial years/period under review.

(iii) Volatility in price of gold

Our pawnbroking business involves sales of unredeemed pledged gold items as part of our cash recovery process. In addition, we also sell new and pre-owned gold products through our “Cahaya Gold” retail outlets, as well as through Cahaya Gold’s website and via social media and e-commerce platform.

As gold is a globally traded commodity, its price is affected by various market factors which are beyond our control such as supply and demand for gold, inflation, the USD exchange rate, interest rates as well as global and regional political and economic conditions.

As set out in Section 9.1.5 of the Prospectus, the market price for gold has generally been on an uptrend over the financial years/period under review, especially during the FYE 2020 which contributed to an increase in GP margin for our gold products retail and trading business. However, there is no assurance that this uptrend will continue in the future.

In the event of a sudden and/or prolonged downward movement in gold price, the value of our unredeemed pledged gold items may be reduced and we may not be able to fully recover the defaulted pawn loans through sales of unredeemed pledged gold items. In addition, the profitability of our gold products retail and trading business may also be adversely impacted.

(iv) Fluctuations in foreign exchange rate

As at the LPD, we have a USD5.0 million (equivalent to RM22.5 million) unsecured borrowing, which were drawdown in the FYE 2022 to fund our cash capital. As such, any significant fluctuations in the USD exchange rate against the RM would have an impact on our finance costs and our repayment amount. As our revenue are generated in RM, there is no natural hedging for the USD denominated borrowing.

In the event of a material depreciation in the RM against the USD, we would incur higher finance costs and repayment amount for the said USD denominated borrowing. Save for the unrealised loss on foreign exchange amounting to RM0.3 million in the FYE 2022 and RM0.2 million in the FPE 2023, our financial performance during the financial years/period under review was not materially affected by fluctuations in foreign exchange rates.

12. FINANCIAL INFORMATION (cont'd)

Please refer to Section 9.1.13 of the Prospectus for further details relating to our exposure to foreign exchange rate fluctuation and note 34(c)(i) of the Accountants' Report as set out in Section 13 of this Prospectus for the sensitivity of our Group's PAT for the FYE 2022 and FPE 2023 against an estimated change in exchange rates.

(v) Fluctuations in interest rates

As at 30 April 2023, our total interest-bearing borrowings stood at RM51.6 million. Please refer to Section 12.4.3 of this Prospectus for the breakdown of our borrowings.

Our financial performance for the financial years/period under review were not materially affected by fluctuations in interest rates. However, as some of our term loans are based on floating rates, a significant increase in interest rates would increase our finance costs, which in turn may have an adverse impact on our financial performance. Please refer to note 34(c)(ii) of the Accountants' Report as set out in Section 13 of this Prospectus for the sensitivity of our Group's PAT for the financial years/period under review against an estimated change in interest rates.

(vi) Adequacy of insurance coverage

We would need to maintain adequate insurance coverage in order to protect us against losses such as theft, robbery and/or fire that may occur in our ordinary course of business, especially for our pawnbroking as well as gold and luxury products retail and trading businesses, which involve valuable items and cash.

We have procured, amongst others, a special contingency policy (pawnshop insurance) for all of our "Pajaking" pawnshops with total insured sum of RM196.6 million, as well as a jeweller's block insurance policy for all of our "Cahaya Gold" retail outlets with total insured sum of RM2.4 million.

Notwithstanding the foregoing, our financial performance may be adversely impacted in the event we incur substantial losses that are in excess of our insured sums or the losses incurred are not covered under our insurance policies. In addition, as our insurance policies are subject to annual renewal, there can be no assurance that we would be able to renew or procure new insurance policies on favourable terms and at premiums acceptable to us.

The impact of other factors on our businesses and financial performance are as follows:

(1) Inflation

Our financial performance during the financial years/period under review were not materially affected by the impact of inflation.

(2) Government/economic/fiscal/monetary policies

There were no government, economic, fiscal or monetary policies which have affected our financial performance during the financial years/period under review. However, there is no assurance that our financial performance will not be adversely affected by the impact of changes in government, economic, fiscal or monetary policies moving forward.

12. FINANCIAL INFORMATION *(cont'd)*

12.4 Liquidity and Capital Resources

12.4.1 Working capital

Our businesses are financed by a combination of internal and external sources of funds. Currently, our internal sources of funds comprise shareholders' equity and cash generated from our business operations while our external sources of funds mainly comprise borrowings from financial institutions.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of at least 12 months from the date of listing after taking into consideration, amongst others, the following:

- (i) our cash and cash equivalents of RM9.0 million as at the LPD;
- (ii) our total unutilised credit facilities (excluding facilities to be repaid via our Public Issue proceeds) of RM20.3 million as at the LPD; and
- (iii) the expected proceeds from our Public Issue.

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12. FINANCIAL INFORMATION (cont'd)**12.4.2 Cash flows**

The table below set out a summary of our statements of cash flows for the financial years/period under review:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/from operating activities	(16,412)	(12,091)	(17,800)	(27,390)	6,363	12,158
Net cash (used in)/from investing activities	(490)	(36)	(525)	13,096	(112)	(97)
Net cash from/(used in) financing activities	15,615	10,915	18,173	32,147	6,522	(17,442)
Net (decrease)/increase in cash and cash equivalents	(1,287)	(1,212)	(152)	17,853	12,773	(5,381)
Cash and cash equivalents brought forward	2,056	769	(443)	(595)	(595)	17,258
Cash and cash equivalents carried forward	769	(443)	(595)	17,258	12,178	11,877
Cash and cash equivalents comprise the following:						
Cash and bank balances	1,174	2,373	3,301	17,263	12,207	11,877
Bank overdrafts	(405)	(2,816)	(3,896)	(5)	(29)	-
Total	769	(443)	(595)	17,258	12,178	11,877

We recorded negative net cash flows from operating activities during the financial years under review, which was mainly due to the growth of our pawnbroking business, whereby total pawn loans disbursed to our pawnbroking customers had increased from RM132.8 million in the FYE 2019 to RM351.2 million in the FYE 2022.

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12. FINANCIAL INFORMATION (cont'd)

Our negative net cash flows from operating activities during the financial years/period under review are analysed as follows:

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities						
Profit before tax	1,784	9,180	15,559	24,227	5,899	6,827
Adjustments for:						
- Bad debt written off	-	54	24	22	-	7
- Depreciation of:						
• investment properties	340	335	315	313	106	89
• property, plant and equipment	778	772	812	850	290	265
• right-of-use assets	1,321	1,327	1,276	1,303	433	435
- Bargain purchase	-	-	(178)	-	-	-
- Gain on disposal of:						
• investment properties	-	(148)	-	(5,834)	-	-
• other investments	-	-	-	(3,108)	-	-
• property, plant and equipment	-	-	(90)	(47)	-	-
• right-of-use assets	-	-	(55)	-	-	-
- Gain on termination of lease liabilities	-	-	(206)	-	-	-
- Interest expense	2,152	1,964	3,173	3,912	832	1,661
- Interest income	-	-	(501)	(8)	-	(96)
- Unrealised loss on foreign exchange	-	-	-	306	-	232
- Property, plant and equipment written off	-	-	109	88	-	-
- Rental concession	-	(134)	(121)	(76)	(9)	(28)
- Waiver of debt	-	-	(4)	-	-	-
Operating profit before working capital changes	6,375	13,350	20,113	21,948	7,551	9,393

12. FINANCIAL INFORMATION (cont'd)

	Audited				Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Changes in:						
- Inventories	181	(724)	(2,994)	3,104	2,507	288
- Trade receivables	(21,721)	(21,242)	(33,879)	(47,698)	(4,263)	4,288
- Other receivables, deposits and prepayments	1,298	(1,588)	1,569	2	(388)	(700)
- Trade payables	(196)	(2)	8	94	111	74
- Other payables and accruals	(1,312)	88	1,099	303	2,276	(111)
Cash (used in)/from operations	(15,375)	(10,118)	(14,084)	(22,247)	7,794	13,232
- Interest received	-	-	-	8	-	96
- Interest paid	-	(29)	(143)	(213)	(76)	(22)
- Tax paid	(1,037)	(1,944)	(3,573)	(4,938)	(1,355)	(1,148)
Net cash (used in)/from operating activities	(16,412)	(12,091)	(17,800)	(27,390)	6,363	12,158

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12. FINANCIAL INFORMATION (cont'd)

As tabulated above, we recorded an increasing operating profit before working capital changes during the financial years/period under review, i.e. from RM6.4 million in the FYE 2019 to RM28.2 million (annualised) in the FPE 2023. The growth in our operating profit before working capital changes indicates that our businesses, including our pawnbroking business, are sustainable and profitable after fulling all related operating expenses.

The changes in working capital, which resulted in the negative operating cash flows during the financial years under review, were mainly due to the increase in our pawn receivables as we grow our pawnbroking business and disburse more pawn loans to our pawnbroking customers to earn higher interest income.

However, the total pawn loans disbursed to our pawnbroking customers are mainly financed by our internally generated funds, as well as proceeds from issuance of securities, advances from Directors and related parties, and drawdown of borrowings which are classified under cash flows from financing activities pursuant to MFRS 107: Statement of Cash Flows.

Thus, due to the inherent nature of our pawnbroking business, whereby the disbursement of pawn loans are recorded as operating cash outflows whilst cash/capital injections for our pawnbroking business via issuance of securities, advances from Directors and related parties, and drawdown of borrowings are part of financing cash inflows, i.e. different classification of cash flows for our pawnbroking business, we recorded negative operating cash flows during the financial years under review as we grow our pawnbroking business.

For clarification, we recorded positive operating cash flows during the FPE 2023 mainly due to our lower pawn receivables as a result of amongst others, lesser renewal of pawn loans as well as early redemption of pawn loans by our pawnbroking customers prior to the Hari Raya festive season in April 2023 as elaborated in Section 12.1.2 of this Prospectus.

For illustration purposes, we would have recorded positive operating cash flows for the financial years under review, after adjusting the proceeds from issuance of securities, advances from Directors and related parties, and drawdown of borrowings for working capital purposes as follows:

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000	RM'000
Net cash used in operating activities	(16,412)	(12,091)	(17,800)	(27,390)
Adjustments for:				
- Proceeds from issuance of preference shares	3,055	1,289	-	-
- Proceeds from issuance of shares	-	100	*	-
- Finance from/(repayment) to Directors	676	(1,177)	(12)	-
- Advances from/(repayment) to related parties	17,103	14,639	18,248	(8,778)
- Net (repayment)/proceeds from borrowings (after adjusting for repayment of borrowings) for working capital purposes	(2,435)	5,557	3,677	45,436
Adjusted net cash from operating activities	1,987	8,317	4,113	9,268

Note:

* Less than RM1,000.

12. FINANCIAL INFORMATION (cont'd)

FYE 2019Net cash used in operating activities

In the FYE 2019, we recorded net operating cash outflow of RM16.4 million. The operating cash outflow during the FYE 2019 mainly comprise the following:

- (i) disbursement of pawn loans to our pawnbroking customers of RM132.8 million;
- (ii) payment of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM9.1 million; and
- (iii) tax payments of RM1.0 million.

The above payments were offset by the following cash collections:

- (i) receipts from redemptions of pawn loans by our pawnbroking customers of RM99.7 million;
- (ii) proceeds from sales of unredeemed pledged items of RM12.3 million;
- (iii) collections from our other businesses totalling RM4.3 million; and
- (iv) receipts of other operating income of RM0.6 million.

Net cash used in investing activities

For the FYE 2019, we recorded a net cash outflow of RM0.50 million from our investing activities, which was mainly due to the purchase of property, plant and equipment such as fixture and fittings, computer equipment, safe cabinets, pawnshop equipment, security alarm and closed-circuit television (CCTV) system, and renovation for 2 new pawnshops amounting to RM0.5 million.

Net cash from financing activities

For the FYE 2019, we recorded a net cash inflow of RM15.6 million from our financing activities, which was mainly due to the following inflows:

- (i) proceeds from issuance of RCPS amounting to RM3.1 million; and
- (ii) net advances from related parties of RM17.1 million.

The above cash inflows were partially offset by the following:

- (i) repayment of bank borrowings and lease liabilities (including interest) of RM5.1 million; and
- (ii) repayment of loan from a related party of RM1.5 million.

12. FINANCIAL INFORMATION (cont'd)

FYE 2020Net cash used in operating activities

In the FYE 2020, we recorded a net operating cash outflow of RM12.0 million. The operating cash outflow during the FYE 2020 mainly comprise the following:

- (i) disbursements of pawn loans to our pawnbroking customers of RM179.5 million;
- (ii) payment of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM11.6 million; and
- (iii) tax payments of RM1.9 million.

The above payments were offset by the following cash collections:

- (i) receipts from redemptions of pawn loans by our pawnbroking customers of RM161.7 million;
- (ii) proceeds from sales of unredeemed pledged items of RM10.8 million;
- (iii) collections from our other businesses totalling RM10.3 million; and
- (iv) receipts of other operating income of RM1.2 million.

Net cash used in investing activities

For the FYE 2020, we recorded a net cash outflow of RM0.04 million from our investing activities mainly due the purchase of property, plant and equipment such as fixtures and fittings, office equipment and renovation for 1 new "Cahaya Gold" outlet and 2 investment properties totalling RM0.28 million which was partially offset by the receipts of proceeds from disposal of investment properties of RM0.24 million.

Net cash from financing activities

For the FYE 2020, we recorded a net cash inflow of RM10.9 million from our financing activities, which was mainly due to the following inflows:

- (i) proceeds from issuance of RCPS and RPS totaling RM1.3 million;
- (ii) proceeds from issuance of ordinary shares of RM0.1 million;
- (iii) drawdown of bank borrowings of RM14.9 million; and
- (iv) net advances from a related party of RM14.6 million.

The above cash inflows were partially offset by the following:

- (i) repayment of bank borrowings and lease liabilities (including interest) of RM11.8 million;
- (ii) repayment of advances from Directors of RM1.2 million; and
- (iii) dividend payments of RM7.0 million.

12. FINANCIAL INFORMATION (cont'd)

FYE 2021Net cash used in operating activities

In the FYE 2021, we recorded a net operating cash outflow of RM17.8 million. The operating cash outflow during the FYE 2021 mainly comprise of the following:

- (i) disbursements of pawn loans to our pawnbroking customers of RM242.4 million;
- (ii) payments of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM40.8 million; and
- (iii) tax payments of RM3.6 million.

The above payments were offset by the following cash collections:

- (i) receipts from redemptions of pawn loans by our pawnbroking customers of RM213.5 million;
- (ii) proceeds from sales of unredeemed pledged items of RM18.8 million;
- (iii) collections from our other businesses totaling RM37.1 million; and
- (iv) receipts of other operating income of RM1.6 million.

Net cash used in investing activities

For the FYE 2021, we recorded a net cash outflow of RM0.5 million from our investing activities, which was mainly due to the following:

- (i) net cash outflow from acquisition of Atapttech of RM0.8 million; and
- (ii) purchase of property, plant and equipment and right-of-use assets of RM0.4 million.

The above cash outflow was partially offset by interest received of RM0.5 million and proceeds from disposal of property, plant and equipment and right-of-use assets of RM0.2 million, whereby the said purchase and disposal of property, plant and equipment and right-of-use assets were mainly in relation to the relocation of a pawnshop to a better location in the vicinity.

Net cash from financing activities

For the FYE 2021, we recorded net cash inflow of RM18.2 million from our financing activities, which was mainly due to the following inflows:

- (i) net advances from related parties of RM18.2 million; and
- (ii) drawdown of bank borrowings of RM4.1 million.

The cash inflows were partially offset by the following:

- (i) repayment of bank borrowings and lease liabilities (including interest) of RM3.3 million; and
- (ii) interest payment on loan from a related party of RM0.9 million.

12. FINANCIAL INFORMATION (cont'd)

FYE 2022**Net cash used in operating activities**

In the FYE 2022, we recorded a net operating cash outflow of RM27.4 million. The operating cash outflow during the FYE 2022 mainly comprise the following:

- (i) disbursement of pawn loans to our pawnbroking customers of RM351.2 million; and
- (ii) payment of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM45.3 million.

The above payments were offset by the following cash collections:

- (i) receipts from redemptions of pawn loans by our pawnbroking customers of RM302.6 million;
- (ii) proceeds from sales of unredeemed pledged items of RM24.6 million; and
- (iii) collections from our other businesses of RM43.6 million.

Net cash used in investing activities

For the FYE 2022, we recorded a net cash inflow of RM13.0 million from our investing activities, mainly arising from the receipts of disposal proceeds from the following:

- (i) 2 investment properties located in Kuala Lumpur (which was disposed pursuant to the Disposals) and Terengganu (which was disposed as part of our plan to dispose non-core assets) totaling RM7.7 million; and
- (ii) other investments (i.e. disposal of our entire equity in CC Low pursuant to the Disposals) of RM5.6 million.

Net cash from financing activities

For the FYE 2022, we recorded a net cash inflow of RM32.1 million from our financing activities, which was mainly due to the drawdown of bank borrowings of RM46.7 million.

The above cash inflows were partially offset by the following:

- (i) repayment of bank borrowings and lease liabilities (including interest) of RM9.2 million; and
- (ii) repayment of amount due to a related party (i.e. CC Low) pursuant to the Disposals of RM8.8 million.

12. FINANCIAL INFORMATION *(cont'd)*

FPE 2023

Net cash from operating activities

In the FPE 2023, we recorded a net operating cash inflow of RM12.1 million. The operating cash inflow during the FPE 2023 mainly comprise the following:

- (i) receipts from redemptions of pawn loans by our pawnbroking customers of RM126.2 million;
- (ii) proceeds from sales of unredeemed pledged items of RM16.0 million; and
- (iii) collections from our other businesses RM23.7 million.

The above cash inflows were partially offset by the following:

- (i) disbursement of pawn loans to our pawnbroking customers of RM125.6 million; and
- (ii) payments of staff costs, operating and administration expenses, and purchases of gold and luxury products of RM27.0 million.

Net cash used in investing activities

For the FPE 2023, we recorded a net cash outflow of RM0.1 million from our investing activities, which was mainly due to purchases of additional safe cabinet for some of our "Pajaking" pawnshops.

Net cash used in financing activities

For the FPE 2023, we recorded a net cash outflow of RM17.4 million from our financing activities, which was mainly due to net repayment of bank borrowings and lease liabilities (including interest) of RM16.9 million.

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12. FINANCIAL INFORMATION (cont'd)

12.4.3 Borrowings

As at 30 April 2023, our outstanding interests bearing borrowings stood at RM51.6 million, details of which are set out below:

Type	Purpose	Tenure Year	Annual interest rate %	Less than 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>Denominated in RM</u>							
Revolving credits	Working capital	Less than 1	Kuala Lumpur Interbank Offer Rate (KLIBOR) + 3%	5,000	-	-	5,000
Term loans	Working capital	1 to 11	2.7 – 7.4	1,477	5,870	16,944	24,291
<u>Denominated in USD</u>							
Borrowing ⁽ⁱ⁾	Working capital	5	6.0	-	22,293	-	22,293
Total				6,477	28,163	16,944	51,584

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12. FINANCIAL INFORMATION (cont'd)

Note:

(i) Set out below are the salient terms of the USD denominated borrowing:

Lender	:	RISA Partners, Inc.
Loan amount	:	USD5.0 million (equivalent to RM22.5 million)
Maturity date	:	<u>If our IPO is completed by 31 December 2023</u> 5 years from the drawdown of the loan (i.e. by 2 June 2027) <u>If our IPO is not completed by 31 December 2023</u> 1 year from the drawdown of the loan. The lender may extend the final maturity date in its sole discretion upon request by EMCC for an additional 1 year up to 4 times.
Interest rate	:	<u>If our IPO is completed by 31 December 2023</u> 6.0% p.a. <u>If our IPO is not completed by 31 December 2023</u> Assuming no extension of maturity date, in addition to repaying the outstanding loan and interest accrued, our Company is to pay the lender an additional interest of 12% on a net "IRR" basis. Net "IRR" basis refers to the discount rate determined by an iterative process which results in the net present value of the loan approximating to zero when such discount rate is applied.
Security	:	Unsecured loan
PAT targets	:	Our Group is to achieve the following PAT targets throughout the duration of the borrowing:

	^(a) PAT targets	
	USD' million	RM' million
FYE 2022	3.0	13.3
FYE 2023	3.5	15.6
FYE 2024	3.5	15.6
FYE 2025	3.5	15.6
FYE 2026	3.5	15.6

Note:

(a) Please refer to the ensuing paragraph after this table for our basis to achieve the PAT targets.

Financial covenants	:	Our Group:
	(a)	shall not incur more than USD0.5 million (equivalent to RM2.3 million) annually for investment purposes;
	(b)	net debt to PAT ratio shall not be more than 5 times in each financial year; and
	(c)	net debt to equity ratio shall not be more than 0.8 times in each financial year.

12. FINANCIAL INFORMATION (cont'd)General
covenants

: Our Group:

- (a) shall conduct our businesses properly and cannot engage in any new business or make significant changes to our existing businesses without the lender's prior consent;
- (b) shall not take on additional debt or financial obligations without the lender's prior consent;
- (c) shall not declare or pay any dividend or make any other distribution to our shareholders without the lender's prior consent (which consent will not be required after the completion of our IPO);
- (d) shall not create encumbrances over any of our assets or sell or transfer shares or properties without the lender's prior consent; and
- (e) except for our IPO, shall not issue or allot new shares or engage in any type of merger and acquisition transaction without the lender's prior consent.

We have achieved the PAT target for the FYE 2022. Our Board is of the view that the PAT targets for the FYE 2023 to FYE 2026 is achievable after taking into consideration the following:

- (i) additional interest income to be derived from the cash capital funded by the said USD5.0 million (equivalent RM22.5 million) borrowing which was drawdown in June 2022, as well as a RM20.0 million banking facility drawdown in December 2022;
- (ii) our average rate of return on cash capital over the financial years and period under review of 16.8%; and
- (iii) our historical financial performance as set out in this Section which is based on our Group's financial statements (i.e. already excluded the financial results of CC Low, a former subsidiary of our Company which has been disposed pursuant to the Disposals).

Notwithstanding the above, in the event we foresee that we would not be able to meet the said financial targets, we would endeavour to obtain new financing to refinance this USD denominated borrowing and/or progressively reduce the cash capital for our pawnbroking business in order to repay such borrowing when it becomes due and payable. Please refer to Section 9.1.4 of this Prospectus for further details on the risk in the event we are unable to meet the PAT targets.

We have not defaulted on payments on principal sums and/or interests in respect of any of our borrowings over the financial years/period under review and up to the LPD. As at the LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangements or bank borrowings which can materially affect our financial position and results or business operations or the investments by the holders of our Shares.

As at the LPD, RM4.2 million of our banking facilities are secured by amongst others, legal charge over assets owned by our Promoters and/or related parties, which will be fully repaid as set out in Section 4.5 of this Prospectus.

In addition, RM25.8 million of our banking facilities are secured by amongst others, joint and several guarantees by our Promoters, Directors and/or persons connected with them as well as corporate guarantees by Trax Capital, the former holding company of our subsidiaries and other related companies.

12. FINANCIAL INFORMATION (cont'd)

As at the LPD, we have obtained consents for the release of the said personal and/or corporate guarantees for all these banking facilities, whereby such consents are conditional upon the listing of our Company on the ACE Market of Bursa Securities and our Company giving a corporate guarantee in lieu of the existing guarantees.

12.4.4 Financial instruments, treasury policies and objectives

As at the LPD, save for our bank borrowings as disclosed in Section 12.4.3 of this Prospectus, we do not utilise any other financial instruments.

Our main treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet estimated commitments arising from our operational expenditure and financial liabilities. A combination of internal and external sources of funds include cash generated from operations as well as borrowings from financial institutions. The primary objective is to have sustainable shareholders' equity to ensure we have the ability to continue as a going-concern and grow our business in order to maximise our shareholders' value. We review and manage our capital structure to maintain the debt-to-equity ratio at an optimal level based on our business requirements and prevailing economic conditions.

12.5 Capitalisation and Indebtedness

The following table set out our capitalisation and indebtedness as at 30 June 2023, and after taking into account our Public Issue and the utilisation of proceeds therefrom:

	Unaudited as at 30 Jun 2023	After our Public Issue and utilisation of proceeds
	RM'000	RM'000
Shareholders' equity	135,330	195,998
Indebtedness		
Current		
- Secured and guaranteed	8,808	8,808
Non-current		
- Secured and guaranteed	34,683	30,683
- Unsecured	23,395	23,395
Total indebtedness	66,886	62,886
Total capitalisation and indebtedness	202,216	258,884
Gearing ratio (times)	0.49	0.32

12. FINANCIAL INFORMATION (cont'd)**12.6 Material Investment and Divestitures**

Save as disclosed below, we do not have any other material investments and divestitures which were incurred for the financial years/period under review:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 May 2023 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Divestitures						
Investment properties	-	(ii)5,635	-	(iii)1,816	-	-
Other investments	(i)964	-	-	(iv)2,496	-	-
Total	964	5,635	-	4,312	-	-

Notes:

- (i) Disposal of unquoted shares to Trax Capital, the former holding company of our subsidiaries.
- (ii) Disposal of lands and buildings to our related parties as set out in Section 10.1 of this Prospectus.
- (iii) Disposal of 2 investment properties located in Kuala Lumpur (pursuant to the Disposals) and Terengganu (as part of our plan to dispose non-core assets); and
- (iv) Disposal of our entire equity interest in CC Low pursuant to the Disposals.

12.7 Material Capital Commitments

As at the LPD, there are no material capital commitments incurred or known to be incurred by us that have a material adverse impact on our results of operations or financial position.

12.8 Trend Information

Based on our track record for the financial years/period under review the following trends may continue to affect our business operations:

- (i) we generate more than 30% of revenue and more than 60% of GP from our pawnbroking business and we will continue to focus in this segment; and
- (ii) the main component of our COS are purchases of gold and luxury products and we expect this trend to continue.

As at the LPD, after all reasonable enquiries, our Board confirms that our business operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position, operations, liquidity and capital resources, save as disclosed in this Section, and Sections 6, 7 and 9 of this Prospectus;
- (ii) material capital commitments;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this Section and Section 9 of this Prospectus;

12. FINANCIAL INFORMATION *(cont'd)*

- (iv) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Group's revenue, save as disclosed in this Section and Section 9 of this Prospectus; and
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save as disclosed in this Section, and Sections 6, 7 and 9 of this Prospectus.

Our Board is optimistic about the future prospects of our Group given our Group's competitive strengths as set out in Section 6.2 of this Prospectus as well as our commitment to implement our future plans and strategies as set out in Section 6.11 of this Prospectus.

12.9 Significant Changes

Save as disclosed in Sections 9.1 and 12.3 of this Prospectus, no significant changes have occurred which may have a material effect on the financial position and results of our Group subsequent to the FPE 2023.

12.10 Order Book

As at the LPD, save for the contractual revenue (subject to automatic renewal annually) for our pawnbroking consultancy services to be recognised up to the FYE 2023 of RM0.2 million, we do not have any other order book due to the nature of our businesses as elaborated below:

- (i) we provide pawnbroking services to our pawnbroking customers upon their request and the date of redemption/renewal of the pawn loans are at their discretion;
- (ii) retail and trading of gold and luxury products are not on a contractual basis; and
- (iii) we charge third-party pawnbrokers a monthly IT solution fee for each pawn transaction processed.

12.11 Dividend Policy

It is our intention to declare and distribute a dividend of 20% of the PAT attributable to owners of our Company. Our ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business.

Our Directors will take into consideration, amongst others, the following factors when declaring any dividends:

- (i) the availability of adequate reserves and cash flows;
- (ii) our operating cash flow requirements and financing commitments;
- (iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;
- (iv) our Company is solvent as the Act requires;
- (v) any material impact of tax laws and other regulatory requirements; and
- (vi) prior written consent from financial institutions, where required.

12. FINANCIAL INFORMATION *(cont'd)*

Dividend payments will not be subject to Malaysian taxation and no withholding tax is imposed on our Company for any dividend payment. Further, dividend distributed by our Company, if any, will be exempted from Malaysian taxation in the hands of our shareholders.

Investors should note that our intention to declare dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value. As at the LPD, save for the consents from the relevant financiers for the distributions of dividends, there are no dividend restrictions imposed on our Group.

The dividends declared and paid for the financial years/period under review are as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividend paid/declared	19	7,020	-	-	-

We do not intend to declare or pay any dividend prior to our Listing.

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13. ACCOUNTANTS' REPORT

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT

**FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019,
31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022
AND FOR THE FINANACIAL PERIOD ENDED 30 APRIL 2023**

13. ACCOUNTANTS' REPORT *(cont'd)*

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

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13. ACCOUNTANTS' REPORT (cont'd)



CHENGCO PLT 201806002622 (LLP0017004-LCA) & AF0886

Wisma Cheng & Co

No. 8-2, 10-1 & 10-2, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.

Tel: 03-7984 8988 Fax: 03-7984 4402

Email: enquiry@chengco.asia Website: www.chengco.asia

The Board of Directors

EVERGREEN MAX CASH CAPITAL BERHAD

Lot 11-10, Level 11, Wisma Trax

No. 1, Jalan Lima Off, Jalan Chan Sow Lin

55200 Kuala Lumpur

Wilayah Persekutuan

Date: 2 August 2023

Dear Sirs,

Reporting Accountants' Opinion on the financial statements contained in the Accountants' Report of Evergreen Max Cash Capital Berhad ("EMCC" or "the Company")

We have audited the accompanying financial statements of Evergreen Max Cash Capital Berhad and its operating entities as defined in Note 2 to the financial statements (collectively known as the "Group"), which comprise of the statements of financial position as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and for the 4 months financial period ended 30 April 2023, and notes to the financial statements, including a summary of significant accounting policies, as set out in pages 5 to 69.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023 and of their financial performance and their cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and for the 4 months financial period ended 30 April 2023 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

13. ACCOUNTANTS' REPORT (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

Reporting Accountants' Opinion on the financial statements contained in the Accountants' Report of Evergreen Max Cash Capital Berhad ("EMCC" or "the Company") (cont'd)

Reporting Accountants' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. ACCOUNTANTS' REPORT *(cont'd)*

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

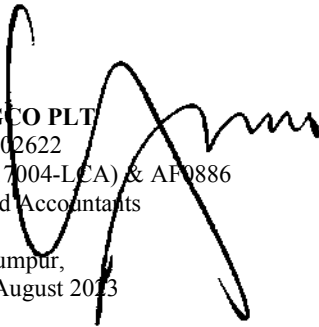
(Incorporated in Malaysia)

Reporting Accountants' Opinion on the financial statements contained in the Accountants' Report of Evergreen Max Cash Capital Berhad ("EMCC" or "the Company") (cont'd)

Other Matters


The comparative information for the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and notes to the financial statements for the financial period ended 30 April 2022 has not been audited.

This report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of Evergreen Max Cash Capital Berhad in connection with the listing of and quotation for the entire enlarged issued share capital of Evergreen Max Cash Capital Berhad on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this opinion.



CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

Kuala Lumpur,
Date: 2 August 2023



TAN WAE LENG
02850/05/2024 J
Chartered Accountant

13. ACCOUNTANTS' REPORT *(cont'd)*

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)


STATEMENT BY DIRECTORS

We, Dato' Low Kok Chuan and Datin Tea Guat Ngo, being two of the directors of Evergreen Max Cash Capital Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial positions of the Group as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023 and of their financial performance and cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and financial periods then ended 30 April 2022 and 30 April 2023.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:



.....
Dato' Low Kok Chuan



.....
Datin Tea Guat Ngo

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION

	Notes	Audited				
		31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
		RM	RM	RM	RM	RM
ASSETS						
Non-current assets						
Property, plant and equipment	5	4,465,710	3,965,804	3,825,026	3,091,653	2,924,059
Right-of-use assets	6	14,888,524	14,866,797	12,164,926	10,939,133	10,503,982
Investment properties	7	21,503,138	15,533,497	15,218,010	13,089,608	13,000,307
Other investments	8	-	-	2,496,164	-	-
		<u>40,857,372</u>	<u>34,366,098</u>	<u>33,704,126</u>	<u>27,120,394</u>	<u>26,428,348</u>
Current assets						
Inventories	9	33,635	757,549	3,751,821	647,693	359,907
Trade receivables	10	62,423,247	83,610,716	117,615,528	165,291,520	160,998,270
Other receivables, deposits and prepayments	11	1,884,673	3,210,506	1,657,959	1,655,895	2,355,278
Amount due from related parties	12	14,077,968	9,890,973	-	-	-
Current tax assets		74,392	27,580	20,380	419,849	276,291
Cash and bank balances	13	1,173,535	2,373,323	3,300,368	17,263,112	11,876,940
		<u>79,667,450</u>	<u>99,870,647</u>	<u>126,346,056</u>	<u>185,278,069</u>	<u>175,866,686</u>
TOTAL ASSETS		<u>120,524,822</u>	<u>134,236,745</u>	<u>160,050,182</u>	<u>212,398,463</u>	<u>202,295,034</u>
EQUITY AND LIABILITIES						
EQUITY						
Share capital	14.1	-	-	90,025,891	90,025,891	90,025,891
Invested equity	14.2	76,000,102	90,675,902	-	-	-
Retained earnings		(13,573,987)	(14,268,378)	(2,311,876)	17,739,508	22,671,876
Preference shares	15	5,287,000	-	-	-	-
Merger reserves	17	-	-	20,350,360	20,350,360	20,350,360
TOTAL EQUITY		<u>67,713,115</u>	<u>76,407,524</u>	<u>108,064,375</u>	<u>128,115,759</u>	<u>133,048,127</u>
Non-current liabilities						
Amount due to related parties	12	-	8,424,813	-	-	-
Borrowings	18	11,320,456	16,501,245	19,903,990	45,614,638	45,106,575
Lease liabilities	19	15,900,294	16,346,992	13,897,174	12,926,681	12,590,450
Deferred tax liabilities	20	43,475	55,030	119,078	155,968	170,773
		<u>27,264,225</u>	<u>41,328,080</u>	<u>33,920,242</u>	<u>58,697,287</u>	<u>57,867,798</u>
Current liabilities						
Trade payables	21	6,810	5,155	20,687	114,869	189,449
Other payables and accruals	22	5,784,240	851,676	2,017,196	2,320,315	2,209,824
Amount due to directors	12	1,324,857	12,373	-	-	-
Amount due to related parties	12	15,971,759	9,997,756	8,778,425	-	-
Borrowings	18	1,590,910	3,732,750	5,086,933	21,246,673	6,477,358
Lease liabilities	19	692,087	879,341	859,032	999,565	1,009,947
Current tax liabilities		176,819	1,022,090	1,303,292	903,995	1,492,531
		<u>25,547,482</u>	<u>16,501,141</u>	<u>18,065,565</u>	<u>25,585,417</u>	<u>11,379,109</u>
TOTAL LIABILITIES		<u>52,811,707</u>	<u>57,829,221</u>	<u>51,985,807</u>	<u>84,282,704</u>	<u>69,246,907</u>
TOTAL EQUITY AND LIABILITIES		<u>120,524,822</u>	<u>134,236,745</u>	<u>160,050,182</u>	<u>212,398,463</u>	<u>202,295,034</u>

The accompanying notes form an integral part of these financial statements

13. ACCOUNTANTS' REPORT (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		←		Audited			→	
		1.1.2019	1.1.2020	1.1.2021	1.1.2022	1.1.2023	Unaudited	
		to	to	to	to	to	1.1.2022	
		31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023	to	
	Notes	RM	RM	RM	RM	RM	30.4.2022	RM
Revenue	23	14,802,261	24,425,882	60,903,252	67,172,653	35,956,116	20,359,132	
Cost of sales		<u>(10,761,640)</u>	<u>(13,963,279)</u>	<u>(42,336,584)</u>	<u>(43,736,707)</u>	<u>(26,168,371)</u>	<u>(12,944,546)</u>	
Gross profit		4,040,621	10,462,603	18,566,668	23,435,946	9,787,745	7,414,586	
Other operating income	24	646,557	1,363,975	2,575,803	10,107,308	307,141	370,073	
General and administration expenses		<u>(1,932,563)</u>	<u>(1,837,497)</u>	<u>(3,493,378)</u>	<u>(6,413,162)</u>	<u>(1,923,115)</u>	<u>(1,406,993)</u>	
Profit from operations		2,754,615	9,989,081	17,649,093	27,130,092	8,171,771	6,377,666	
Finance costs	25	<u>(971,115)</u>	<u>(808,306)</u>	<u>(2,089,943)</u>	<u>(2,902,571)</u>	<u>(1,344,875)</u>	<u>(478,390)</u>	
Profit before tax	26	1,783,500	9,180,775	15,559,150	24,227,521	6,826,896	5,899,276	
Tax expense	27	<u>(988,633)</u>	<u>(2,855,471)</u>	<u>(3,602,648)</u>	<u>(4,176,137)</u>	<u>(1,894,528)</u>	<u>(1,493,994)</u>	
Profit for the financial year/period represented total comprehensive income for the financial year/period		<u><u>794,867</u></u>	<u><u>6,325,304</u></u>	<u><u>11,956,502</u></u>	<u><u>20,051,384</u></u>	<u><u>4,932,368</u></u>	<u><u>4,405,282</u></u>	
Earnings per share (sen per share)								
Basis and diluted	31	<u><u>0.09</u></u>	<u><u>0.66</u></u>	<u><u>1.41</u></u>	<u><u>2.37</u></u>	<u><u>0.58</u></u>	<u><u>0.52</u></u>	

The accompanying notes form an integral part of these financial statements

13. ACCOUNTANTS' REPORT (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

	Invested equity RM	Share capital RM	Preference shares RM	Irredeemable convertible preference shares RM	Merger reserves RM	Retained earnings RM	Total RM
At 1 January 2019	76,000,102	-	2,232,000	-	-	(14,350,294)	63,881,808
Total comprehensive income for the financial year	-	-	-	-	-	794,867	794,867
<i>Contribution by and distribution to owners of the Company</i>							
- Issuance of preference shares (Note 15.1)	-	-	3,055,000	-	-	-	3,055,000
- Dividends (Note 28)	-	-	-	-	-	(18,560)	(18,560)
	-	-	3,055,000	-	-	(18,560)	3,036,440
At 31 December 2019	76,000,102	-	5,287,000	-	-	(13,573,987)	67,713,115
At 1 January 2020	76,000,102	-	5,287,000	-	-	(13,573,987)	67,713,115
Total comprehensive income for the financial year	-	-	-	-	-	6,325,304	6,325,304
<i>Contribution by and distribution to owners of the Company</i>							
- Issuance of shares (Note 14.2)	8,099,900	-	-	-	-	-	8,099,900
- Issuance of preference shares (Note 15.1 and 15.2)	-	-	1,288,900	-	-	-	1,288,900
- Conversion of RCPS to ICPS (Note 15.1, 16)	-	-	(6,225,000)	6,225,000	-	-	-
- Conversion of RPS to ICPS (Note 15.2, 16)	-	-	(350,900)	350,900	-	-	-
- Conversion of ICPS to ordinary shares (Note 14.2, 16)	6,575,900	-	-	(6,575,900)	-	-	-
- Dividends (Note 28)	-	-	-	-	-	(7,019,695)	(7,019,695)
	14,675,800	-	(5,287,000)	-	-	(7,019,695)	2,369,105
At 31 December 2020	90,675,902	-	-	-	-	(14,268,378)	76,407,524
At 1 January 2021	90,675,902	-	-	-	-	(14,268,378)	76,407,524
Total comprehensive income for the financial year	-	-	-	-	-	11,956,502	11,956,502
<i>Contribution by and distribution to owners of the Company</i>							
- Issuance of shares (Note 14.1)	-	90,025,891	-	-	-	-	90,025,891
- Effect of acquisition of a common control subsidiaries	(90,675,902)	-	-	-	20,350,360	-	(70,325,542)
	(90,675,902)	90,025,891	-	-	20,350,360	-	19,700,349
At 31 December 2021	-	90,025,891	-	-	20,350,360	(2,311,876)	108,064,375

The accompanying notes form an integral part of these financial statements

13. ACCOUNTANTS' REPORT *(cont'd)*

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY

	Invested equity RM	Share capital RM	Preference shares RM	Irredeemable convertible preference shares RM	Merger reserve RM	Retained earnings RM	Total RM
At 1 January 2022	-	90,025,891	-	-	20,350,360	(2,311,876)	108,064,375
Total comprehensive income for the financial year	-	-	-	-	-	20,051,384	20,051,384
At 31 December 2022	-	90,025,891	-	-	20,350,360	17,739,508	128,115,759
At 1 January 2023	-	90,025,891	-	-	20,350,360	17,739,508	128,115,759
Total comprehensive income for the financial period	-	-	-	-	-	4,932,368	4,932,368
At 30 April 2023	-	90,025,891	-	-	20,350,360	22,671,876	133,048,127

The accompanying notes form an integral part of these financial statements

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

	←		Audited		→	Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Cash flows from operating activities						
Profit before tax	1,783,500	9,180,775	15,559,150	24,227,521	6,826,896	5,899,276
Adjustments for:						
Bad debt written off	-	54,170	23,624	22,380	6,610	-
Bargain purchase	-	-	(178,270)	-	-	-
Depreciation of:						
- investment properties	340,168	334,576	315,487	312,737	89,301	105,692
- property, plant and equipment	777,901	771,977	811,775	849,654	265,471	290,358
- right of use assets	1,321,195	1,327,541	1,275,659	1,302,916	435,151	432,478
Gain on disposal of:						
- investment properties	-	(147,935)	-	(5,834,335)	-	-
- other investment	-	-	-	(3,107,836)	-	-
- property, plant and equipment	-	-	(90,095)	(46,908)	-	-
- right-of-use assets	-	-	(54,988)	-	-	-
Gain on termination of lease liabilities	-	-	(206,443)	-	-	-
Interest expense	2,152,643	1,963,406	3,173,009	3,911,909	1,661,324	832,043
Interest income	-	-	(500,924)	(7,939)	(96,061)	-
Loss on foreign exchange (unrealised)	-	-	-	306,564	232,167	-
Property, plant and equipment written off	-	-	108,828	87,727	-	-
Rental concession	-	(133,915)	(120,629)	(76,254)	(27,656)	(8,800)
Waiver of debt income	-	-	(4,456)	-	-	-
Operating profit before working capital changes	6,375,407	13,350,595	20,111,727	21,948,136	9,393,203	7,551,047
Changes in:						
Inventories	181,187	(723,914)	(2,994,272)	3,104,128	287,786	2,507,444
Trade receivables	(21,720,681)	(21,241,639)	(33,878,690)	(47,698,372)	4,286,640	(4,262,987)
Other receivables, deposits and prepayments	1,297,573	(1,588,358)	1,569,468	2,064	(699,383)	(388,315)
Trade payables	(196,043)	(1,655)	8,233	94,182	74,580	111,373
Other payables and accruals	(1,312,557)	87,436	1,099,295	303,119	(110,491)	2,275,586
Cash (used in)/generated from operations	(15,375,114)	(10,117,535)	(14,084,239)	(22,246,743)	13,232,335	7,794,148
Interest received	-	-	-	7,939	96,061	-
Interest paid	-	(29,186)	(142,700)	(213,505)	(22,515)	(76,447)
Tax paid	(1,037,101)	(1,944,333)	(3,573,464)	(4,938,012)	(1,147,629)	(1,353,753)
Net cash (used in)/from operating activities	(16,412,215)	(12,091,054)	(17,800,403)	(27,390,321)	12,158,252	6,363,948

The accompanying notes form an integral part of these financial statements

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

	←	Audited				→	Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM	
Cash flows from investing activities							
Loan interest received	-	-	500,924	-	-		
Acquisition of subsidiaries, net cash acquired (Note 38)	-	-	(806,895)	-	-	-	
Proceeds from disposal of investment properties (Note 39.1)	-	235,980	-	7,650,000	-	-	
Purchase of property, plant and equipment	(489,935)	(272,071)	(378,648)	(280,949)	(97,877)	(112,040)	
Proceeds from disposal of property, plant and equipment	-	-	90,100	123,849	-	-	
Proceeds from disposal of right of use assets	-	-	70,000	-	-	-	
Proceeds from disposal of other investments	-	-	-	5,604,000	-	-	
Net cash (used in)/from investing activities	(489,935)	(36,091)	(524,519)	13,096,900	(97,877)	(112,040)	
Cash flows from financing activities							
Dividend paid	(18,560)	(7,019,695)	-	-	-	-	
Loan interest paid	(118,453)	-	(860,107)	(503,701)	-	(43,913)	
Proceeds from issuance of preference shares (Note 39.2)	3,055,000	1,288,900	-	-	-	-	
Proceeds from issuance of shares (Note 39.2)	-	99,900	1	-	-	-	
Drawdown from bank borrowings (Note 39.2)	-	14,870,000	4,100,000	50,202,000	5,000,000	4,952,000	
Repayment of bank borrowings (Note 39.2)	(2,434,620)	(9,312,912)	(422,509)	(4,747,280)	(20,504,587)	73,092	
Bank borrowing interest paid	(852,662)	(773,888)	(1,087,007)	(2,185,367)	(1,322,360)	(358,030)	
Repayment of lease liabilities (Note 39.2)	(614,300)	(537,947)	(696,684)	(830,827)	(298,193)	(275,207)	
Lease liabilities interest paid	(1,181,528)	(1,160,332)	(1,083,195)	(1,009,338)	(316,449)	(353,653)	
Finance from/(repayment to) directors (Note 39.2)	676,547	(1,176,712)	(12,373)	-	-	-	
Net change in advance from/(to) related companies (Note 39.2)	17,103,404	14,637,805	18,234,404	(8,778,425)	-	2,527,596	
Net cash from/(used in) financing activities	15,614,828	10,915,119	18,172,530	32,147,062	(17,441,589)	6,521,885	
Net (decrease)/increase in cash and cash equivalents							
	(1,287,322)	(1,212,026)	(152,392)	17,853,641	(5,381,214)	12,773,793	
Cash and cash equivalents at beginning of financial year/period	2,056,253	768,931	(443,095)	(595,487)	17,258,154	(595,487)	
Cash and cash equivalents at end of financial year/period (Note 13)	768,931	(443,095)	(595,487)	17,258,154	11,876,940	12,178,306	

The accompanying notes form an integral part of these financial statements

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION****1.1 Introduction**

This report has been prepared solely to comply with the Prospectus Guideline issued by the Securities Commission Malaysia and for inclusion in the prospectus of Evergreen Max Cash Capital Berhad ("EMCC") in connection with the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "the Listing") and should not be relied upon for any other purpose.

1.2 Background

The Company was incorporated in Malaysia on 3 September 2021 as a private company under the name of Evergreen Max Cash Capital Sdn. Bhd., and subsequently converted to a public company and changed its name to Evergreen Max Cash Capital Berhad on 25 April 2022. The registered office of the Company is located at 18-2, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.

1.3 Principal activities

The principal place of business of the Company is located at level 11-10, Wisma Trax, No. 1, Jalan Lima Off, Jalan Chan Sow Lin, 55200 Kuala Lumpur. The principal activities of the Company is investment holdings. Through its subsidiaries, the EMCC group of companies ("Group") is principally involved in the provision of pawnbroking services. In addition, the Group is also involved in the business of retail and trading of gold and luxury products, as well as provision of pawnbroking consultancy services and Information Technology ("IT") solutions to third party pawnbrokers.

The details of the subsidiary and combined entities are as follows:

Name of company	Date of incorporation	Effective ownership (%)						Principal activities
		2019	31 December		2022	30 April		
			2020	2021		2023	2022	
Pajak Gadai Insan Tiara Sdn. Bhd.	14 March 2012	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Terus Wangsa Sdn. Bhd.	25 January 2010	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Total Sdn. Bhd.	1 April 2005	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai SP Sdn. Bhd.	9 September 2014	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Sungai Way Sdn. Bhd.	20 November 2011	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Brickfields Sdn. Bhd.	29 April 2011	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Global Wealth Sdn. Bhd.	24 September 2014	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Adventure Sdn. Bhd	12 March 2009	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Nilai Sdn. Bhd.	19 August 2009	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Sri Permaisuri Sdn. Bhd.	2 July 2014	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Angkasa Sdn Bhd	20 May 2008	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Maju Sdn. Bhd.	14 October 2016	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai E Assets Sdn. Bhd.	30 December 1996	100	100	100	100	100	100	Pawnbroking and related businesses

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION (CONT'D)****1.3 Principal activities (cont'd)**

The details of the subsidiary and combined entities are as follows: (cont'd)

<u>Name of company</u>	<u>Date of incorporation</u>	<u>Effective ownership (%)</u>						<u>Principal activities</u>
		2019	<u>31 December</u>		2022	<u>30 April</u>		
			2020	2021		2023	2022	
Pajak Gadai Kenanga Sdn. Bhd.	1 July 2016	100	100	100	100	100	100	Pawnbroking and related businesses
Pajak Gadai Delta Sdn. Bhd.	21 June 1977	100	100	100	100	100	100	Pawnbroking and related businesses
Atapttech Sdn. Bhd.	17 August 2018	-	-	100	100	100	100	Provision of IT Solutions
Cahaya Gold & Jewellery Sdn. Bhd.	15 August 2018	100	100	100	100	100	100	Retail of gold and luxury products as well as provision of pawnbroking consultancy services

At the date of this report, the above entities within the Group are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 2 August 2023.

1.4 Group structureAcquisitions

On 1 October 2021, EMCC had entered into a share sale agreement with Trax Capital Sdn Bhd ("Vendor") to acquire the entire issue share capital of Vendor's subsidiaries at total purchase consideration amounted to RM90,025,890 which was satisfied through issuance of 529,564,061 share of the Company at issue price of RM0.17 ("Acquisitions"). The Vendor's subsidiaries which had been acquired by the Company are as below:

- (a) Atapttech Sdn. Bhd.;
- (b) Cahaya Gold & Jewellery Sdn. Bhd.;
- (c) CC Low Marketing Sdn. Bhd.;
- (d) PG Adventure Sdn. Bhd.;
- (e) PG Angkasa Sdn. Bhd.;
- (f) PG Brickfields Sdn. Bhd.;
- (g) PG Delta Sdn. Bhd.;
- (h) PG E Assets Sdn. Bhd.;
- (i) PG Insan Tiara Sdn. Bhd.;
- (j) PG Kenanga Sdn. Bhd.;
- (k) PG Maju Sdn. Bhd.;
- (l) PG Nilai Sdn. Bhd.;
- (m) PG SP Sdn. Bhd.;
- (n) PG Sungai Way Sdn. Bhd.;
- (o) PG Terus Wangsa Sdn. Bhd.; and
- (p) PG Total Sdn. Bhd.

The Acquisitions exercise was completed on 22 December 2021.

On 15 September 2022, the Company had entered into a share sale agreement with Dato' Low Kok Chuan to dispose off the entire issue share capital of CC Low Marketing Sdn. Bhd. at total cash consideration amounted to RM5,604,000 ("Disposal"). The Disposal was completed on 19 December 2022.

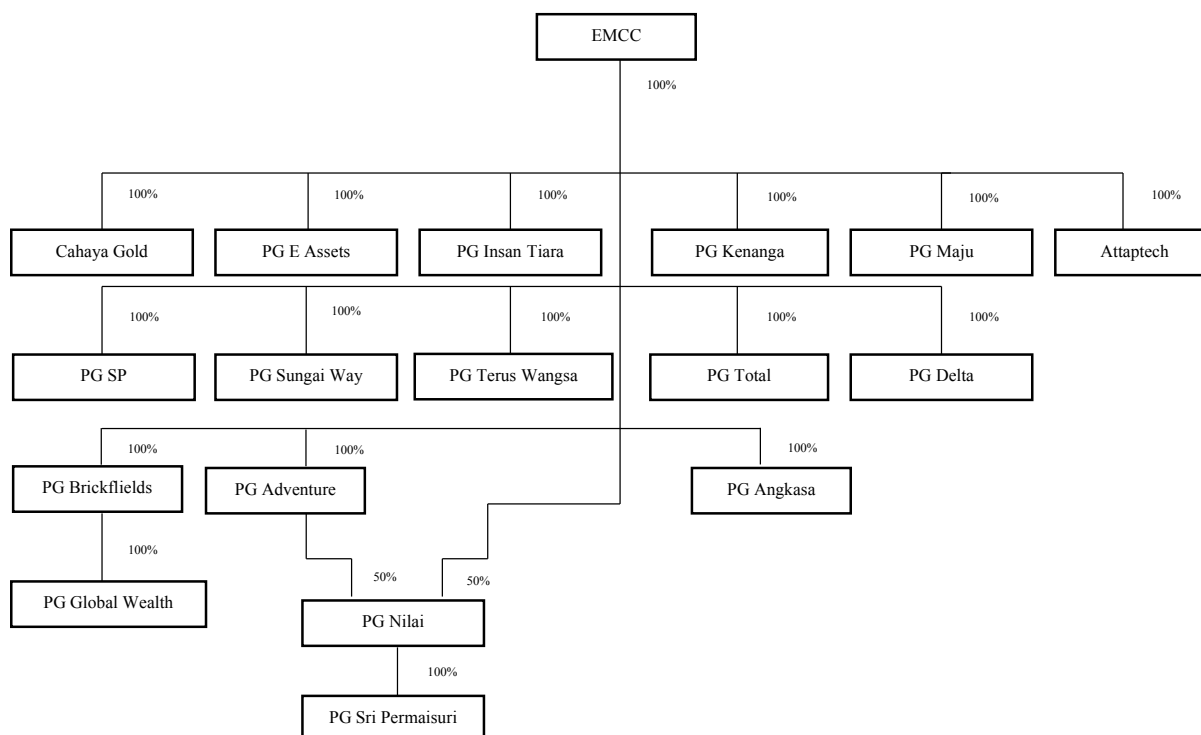
13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION (CONT'D)****1.4 Group structure (cont'd)**

Following the restructuring above, the Group's structure is as follows:



PG Insan Tiara : Pajak Gadai Insan Tiara Sdn. Bhd.
 PG Angkasa : Pajak Angkasa Sdn. Bhd.
 PG Terus Wangsa : Pajak Gadai Terus Wangsa Sdn. Bhd.
 PG Maju : Pajak Gadai Maju Sdn. Bhd.
 PG Total : Pajak Gadai Total Sdn. Bhd.
 PG E Assets : Pajak Gadai E Asset Sdn. Bhd.
 PG Sri Permaisuri : Pajak Gadai SP Sdn. Bhd.
 PG Delta : Pajak Gadai Delta Sdn. Bhd.
 PG Sungai Way : Pajak Gadai Sungai Way Sdn. Bhd.

PG Brickfields : Pajak Gadai Brickfields Sdn. Bhd.
 Cahaya Gold : Cahaya Gold & Jewellery Sdn. Bhd.
 PG Adventure : Pajak Gadai Adventure Sdn. Bhd.
 PG Nilai : Pajak Gadai Nilai Sdn. Bhd.
 PG Sri Permaisuri : Pajak Gadai Sri Permaisuri Sdn. Bhd.
 Attaptech : Atapttech Sdn. Bhd.
 PG Kenanga : Pajak Gadai Kenanga Sdn. Bhd.
 PG Global Wealth : Pajak Gadai Global Wealth Sdn. Bhd.

(The Company and the above entities are collectively defined as the "Group")

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION (CONT'D)****1.4 Group structure (Cont'd)**

The Group is regarded as a continuing entity resulting since the common control entities were controlled substantially by the same major shareholders before and immediately after the Acquisitions. Consequently, immediately after the Acquisitions, there was a continuation of control over the entities financial and operating policy decisions and risk and benefits by the same major shareholders that existed prior to the Acquisitions. The Acquisitions have been accounted for as an acquisition under common control in manner similar to pooling interest. Accordingly, the financial information for the financial year ended ("FYE") 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and financial period ended ("FPE") 30 April 2023 and 30 April 2022 have been prepared on the basis of merger accounting and comprise the financial statements of the subsidiaries which were under common control of the major shareholders that existed prior to the Acquisitions during the relevant periods. No financial information of Evergreen Max Cash Capital Berhad was included for the FYE 31 December 2019, 2020 and 2021 as the Company was only incorporated on 3 September 2021.

2. BASIS OF PREPARATION

The financial statements of EMCC for the FYE 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and FPE 30 April 2022 and 30 April 2023 have been prepared pursuant to the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad which consist of the financial statements of the following entities under common control for each of the financial years/period, and subsidiary at the date of acquisition.

Name of entity	FYE 31 December				FPE 30 April	
	2019	2020	2021	2022	2022	2023
Pajak Gadai Insan Tiara Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Terus Wangsa Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Total Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai SP Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Sungai Way Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Brickfields Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Global Wealth Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Adventure Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Nilai Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Sri Permaisuri Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Kenanga Sdn Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Angkasa Sdn Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Maju Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai E Assets Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Pajak Gadai Delta Sdn. Bhd.	(a), (c)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Cahaya Gold & Jewellery Sdn. Bhd.	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)	(a), (b)
Atapttech Sdn. Bhd.	-	-	(d)	(d)	(d)	(d)

- The financial statements of the Group include the financial statements of these combining entities for the respective financial years/periods
- The financial statements of the Group for the respective financial years/periods have been prepared based on the audited financial statements which were audited by Chengco PLT.
- The financial statements of the Group for the FYE 31 December 2019 have been prepared based on the audited financial statements which were re-audited by Chengco PLT for the purpose of inclusion into the financial statements of the Group. The audited financial statements which were lodged with Companies Commission of Malaysia were audited by a firm of Chartered Accountants other than Chengco PLT.
- Atapttech Sdn. Bhd. was acquired on 1 October 2021 and its results was consolidated into EMCC.

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**2. BASIS OF PREPARATION (CONT'D)**

EMCC applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest in business combinations under common control, refer Note 3.1 for basis of combination, and acquisition method of accounting arising from the acquisition of an entity from third party during the track record period of this financial statements from the date of which control was obtained over the said entity, refer Note 3.1 for basis of consolidation.

The financial statements of the Group are prepared under the historical cost convention and modified to include other basis of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements, which are expressed in Ringgit Malaysia ("RM") which is also the functional currency of the Group.

2.1 Standards, amendments to published standards and IC interpretations issued but not yet effective

The following are standards, amendments to published standards and IC interpretations issued by Malaysian Accounting Standard Board ("MASB") but not yet effective, up to the date of issuance of the financial statements. The Group intends to adopt these standards, amendments to published standards and IC interpretations, if applicable, when they become effective in the following financial year:

<u>MFRS (Including the Consequential Amendments)</u>		<u>Effective Date</u>
Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10	Non-current Liabilities with Covenants Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The initial application of the abovementioned new and amendments to published standards and IC interpretation, where applicable, are not expected to have any material financial impact to the financial statements.

13. ACCOUNTANTS' REPORT *(cont'd)*

EVERGREEN MAX CASH CAPITAL BERHAD

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of combination

Merger method of accounting

Common control business combination outside the scope of MFRS 3, "Business Combinations" ("MFRS3")

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, are outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results equity changes and cash flows of the combining entities in the financial statements. The financial statements of commonly controlled entities are included in the financial statements from the day that control commences until the date that control ceases.

The Group is regarded as a continuing entity since the common control entities were controlled substantially by the same major shareholders before and immediately after the Acquisitions. Accordingly, the financial information have been prepared on the basis of merger accounting.

In applying merger accounting, financial statement line items of the combining entities for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the financial statements of the combining entities as if the combination had occurred from the date when the combining entities under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combining entities. Therefore, the assets, liabilities and equity of the combining entities are recognised at the carrying amounts in the financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such financial statements had been prepared by the controlling party, including adjustments required for conforming to the Group's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the financial statements of the combining entity.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the combining entity are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The identifiable assets of all commonly controlled entities accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by the Group.

The Group resulting from the restructuring exercise as disclosed in Note 1.4, is made up by seventeen entities under common control. Accordingly, the financial statements have been accounted for using the principles of merger accounting where financial statement line items of the merged entities for the reporting periods in which the common control combination occur are included in the financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

13. ACCOUNTANTS' REPORT (cont'd)

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of combination (cont'd)

Acquisition method of accounting

Subsidiary is entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over entity.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transactions costs.

The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

An excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

An excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Financial instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group becomes a party to the contract provisions of the financial instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

13. ACCOUNTANTS' REPORT (cont'd)

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (cont'd)

The Group categorises the financial instruments as follows:

(a) *Subsequent measurement*

Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment in accordance with Note 3.8. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income ("FVOCI")**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.2 Financial instruments (cont'd)***(a) Subsequent measurement (cont'd)*Debt instruments (Cont'd)

- **Fair value through profit or loss ("FVPL")**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Financial liabilities

The Group classifies its financial liabilities in the following measurement categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at FVPL.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Regular way purchase or sales of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group commits itself to purchase or sell an asset).

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (cont'd)

(b) Regular way purchase or sales of financial assets (cont'd)

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire; or
- (ii) the Group has transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

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NOTES TO THE FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.3 Property, plant and equipment***(a) Measurement basis*

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Air-conditioner	5 – 10 years
CCTV and alarm system	5 – 10 years
Computer equipment	4 – 7 years
Furniture and fittings	5 – 10 years
Motor vehicles	5 – 10 years
Office equipment	5 – 10 years
Pawnshop equipment	5 – 10 years
Renovation	5 – 10 years
Safe cabinets	5 – 10 years
Signboard	5 – 10 years
Tools and equipment	5 – 10 years
Wiring and electrical items	5 – 10 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent to initial recognition, investment properties are either stated at cost less accumulated depreciation and impairment losses, or fair value, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties excluded the freehold land and fish pond has an unlimited useful life and therefore is not depreciated.

Leasehold land and buildings are depreciated on a straight-line basis over the lease terms of 55 to 90 years. Freehold building is depreciated on a straight-line basis over its estimated useful life of 50 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Upon derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

3.5 Other investment

Other investment on shares is accounted for at cost less impairment losses.

On disposal of an investment, the different between disposal proceeds and its carrying amount is recognised in profit or loss.

3.6 Inventories

Inventories mainly comprise gold products held for trading and retailing activities.

All the inventories of the Group are measured at the lower of cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make for sale.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

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NOTES TO THE FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.8 Impairment of assets****(a) Impairment of financial assets**

Financial assets measured at amortised cost, financial assets measured at FVOCI, lease receivables or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group measures loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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NOTES TO THE FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.8 Impairment of assets (cont'd)****(a) Impairment of financial assets (cont'd)**

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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NOTES TO THE FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.8 Impairment of assets (cont'd)****(b) Impairment of non-financial assets (cont'd)**

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.9 Equity

An equity instrument is a contract that evidences a residual interest in the asset of the combining entities after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of direct attributable incremental transaction costs. Dividend on ordinary shares are recognised in equity in the period in which they are declared.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.11 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are recognised in profit or loss in the period they occur.

3.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, of which conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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NOTES TO THE FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.12 Leases (cont'd)***(a) Right-of-use assets*

Right-of-use assets are initially recognised at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the useful life of the underlying asset, from the commencement date of the underlying assets, as follows:

	<u>Useful lives</u>
Motor vehicle	3 – 5 years
Shoplots	9 – 15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8.

*(b) Lease liabilities***As a lessee**

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the its incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of lease liabilities comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the leases and reduced for the lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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NOTES TO THE FINANCIAL STATEMENTS**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****3.12 Leases (cont'd)***(c) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of property, machinery, equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases of low-value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the other operating income in the statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

3.13 Revenue recognition

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax and discounts.

The Group recognised revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Pawnbroking - Interest charges

Interest income on pawned loans is recognised on an accrual basis from the initial date a collateral is pledged, up to the date of the pawn loan redemption/renewal/default, at fixed interest rates varying between 1.5% - 2% per month.

(b) Sale of gold and luxury products

The Group is in the business of trading and retails of gold and luxury products.

Revenue from these sales is recognised upon satisfaction of identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold.

(c) Pawnbroking – Administrative fees

Revenue from the pawnbroking – administrative fees is recognised at a point in time when the performance obligation is satisfied upon the transfer of the services to the customer.

13. ACCOUNTANTS' REPORT (cont'd)

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

(d) *Rendering of services*

Revenue from the rendering of services such as providing IT solution and pawnbroking consultancy services are recognised on an accrual basis upon the render of such services.

3.14 Taxes

Income tax expense recognised in profit or loss comprise current tax and deferred tax, except to the extent that it relates to business combinations or items recognised directly in equity or other comprehensive income.

(a) *Current tax*

Current tax assets and liabilities for the current period is measured at the amount expected to be recovered from or paid to, using the tax rates and tax laws used to compute the amount that are enacted or substantively enacted at the end of the reporting period, plus any adjustments to tax payable in respect of previous financial year.

(b) *Deferred tax*

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

13. ACCOUNTANTS' REPORT (cont'd)

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3.15 Employee benefits

(a) *Short-term employee benefits*

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) *Defined contribution plans*

As required by the law, the Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.16 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) *A person or a close member of that person's family is related to a reporting entity if that person:*

- (i) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- (ii) has control or joint control over the reporting entity; or
- (iii) has significant influence over the reporting entity.

(b) *An entity is related to a reporting entity if any of the following conditions applies:*

- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the entity is a member).
- (iii) both entities are joint ventures of the same third entity.
- (iv) one entity is a joint ventures of a third party and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) the entity, or any member of a group of which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
- (viii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Fair value measurement

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, The Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.18 Foreign currency

Foreign currency transactions

Transaction in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the financial statements requires directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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NOTES TO THE FINANCIAL STATEMENTS**4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)****4.1 Judgements made in applying accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

(a) *Determining the lease term of contracts with renewal options – Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. (eg, construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for the leases of shops. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on its operations if a replacement asset is not readily available.

(b) *Classification of investment properties*

Certain property comprises of a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group accounts for the portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purpose. Management uses its judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

4.2 Key sources of estimation uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Group are in measuring:

(a) *Tax expense*

Significant judgement is required in determining the Group's estimation for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The tax expense of the Group is disclosed in Note 27 to the financial statements.

(b) *Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

4.2 Key sources of estimation uncertainty (Cont'd)

(b) *Impairment of non-financial assets (cont'd)*

The value in use calculation is based on a discounted cash flow model. The directors estimate the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

(c) *Allowance for expected credit losses on pawnshop loans and interest receivables on pawnshop loans.*

The Group uses a provision matrix to estimate the allowance for ECLs on pawnshop loans and interest receivables on pawnshop loans. The Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of the individual pawnshop. The Group has estimated the loss given default based on the expected realisable value of the customers' pledges. Significant judgement and estimation are involved in using the historical non-redemption data to derive the probability of default as the pawnshop loans age as well as considering any forward-looking economic information. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's trade receivables which includes the pawnshop loans and interest receivables on pawnshop loans at the end of the financial year is disclosed in Note 10 to the financial statements.

(d) *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives. The directors estimate the useful lives of these property, plant and equipment based on factors such as business plan and expected level of usage. Future results of operations could be materially affected by changes in these estimates which could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment is disclosed in Note 5 to the financial statements.

(e) *Discount rate used in leases*

Where the interest rate implicit in the lease cannot be readily determined, the Group uses an incremental borrowing rate to measure the lease liabilities. An incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

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5. PROPERTY, PLANT AND EQUIPMENT

	Air conditioner RM	CCTV and alarm system RM	Computer equipment RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Pawnshop equipment RM	Renovation RM	Safe cabinets RM	Signboard RM	Tools and equipment RM	Wiring and electrical items RM	Total RM
(Audited)													
Cost													
At 1 January 2019	162,297	259,961	319,618	361,519	474,084	193,980	322,575	5,390,346	597,288	301,218	23,570	329,439	8,735,895
Additions	12,318	35,856	77,102	11,975	-	3,245	23,388	134,521	60,500	108,819	-	22,211	489,935
At 31 December 2019 and 1 January 2020	174,615	295,817	396,720	373,494	474,084	197,225	345,963	5,524,867	657,788	410,037	23,570	351,650	9,225,830
Additions	8,150	2,200	6,070	28,400	-	22,855	8,674	190,122	-	2,650	-	2,950	272,071
At 31 December 2020 and 1 January 2021	182,765	298,017	402,790	401,894	474,084	220,080	354,637	5,714,989	657,788	412,687	23,570	354,600	9,497,901
Acquisition of subsidiary company	-	-	664,360	226	-	46,824	-	23,576	-	-	-	-	734,986
Additions	4,150	12,100	18,710	-	-	80,175	38,655	179,633	33,600	11,625	-	-	378,648
Disposals	-	-	-	-	(255,352)	-	-	-	-	-	-	-	(255,352)
Written off	-	-	-	-	-	-	-	(138,928)	-	-	-	-	(138,928)
At 31 December 2021 and 1 January 2022	186,915	310,117	1,085,860	402,120	218,732	347,079	393,292	5,779,270	691,388	424,312	23,570	354,600	10,217,255
Additions	4,040	3,000	106,069	29,798	-	17,438	38,106	-	57,250	23,748	-	1,500	280,949
Disposals	-	-	(85,500)	-	-	(34,720)	-	-	-	-	-	-	(120,220)
Written off	(118,197)	-	(126,850)	(194,821)	-	(73,482)	-	(1,579,504)	(3,500)	(11,280)	-	(74,770)	(2,182,404)
At 31 December 2022 and 1 January 2023	72,758	313,117	979,579	237,097	218,732	256,315	431,398	4,199,766	745,138	436,780	23,570	281,330	8,195,580
Additions	2,030	4,500	8,027	1,960	-	16,860	17,100	-	47,400	-	-	-	97,877
At 30 April 2023	74,788	317,617	987,606	239,057	218,732	273,175	448,498	4,199,766	792,538	436,780	23,570	281,330	8,293,457
Accumulated depreciation													
At 1 January 2019	89,851	62,764	172,427	241,543	474,076	104,632	107,099	2,334,168	120,803	69,539	10,606	194,711	3,982,219
Charge for the financial year	14,639	41,486	72,456	21,813	-	17,628	43,900	401,242	65,778	68,072	2,357	28,530	777,901
At 31 December 2019 and 1 January 2020	104,490	104,250	244,883	263,356	474,076	122,260	150,999	2,735,410	186,581	137,611	12,963	223,241	4,760,120
Charge for the financial year	14,533	41,488	64,088	27,456	-	20,740	38,568	406,703	65,780	66,472	2,357	23,792	771,977
At 31 December 2020 and 1 January 2021	119,023	145,738	308,971	290,812	474,076	143,000	189,567	3,142,113	252,361	204,083	15,320	247,033	5,532,097
Acquisition of subsidiary company	-	-	308,818	115	-	11,904	-	12,967	-	-	-	-	333,804
Charge for the financial year	15,563	43,024	71,286	27,426	-	31,962	40,197	420,920	67,160	67,988	2,357	23,892	811,775
Disposal	-	-	-	-	(255,347)	-	-	-	-	-	-	-	(255,347)
Written off	-	-	-	-	-	-	-	(30,100)	-	-	-	-	(30,100)
At 31 December 2021	134,586	188,762	689,075	318,353	218,729	186,866	229,764	3,545,900	319,521	272,071	17,677	270,925	6,392,229

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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Air conditioner RM	CCTV and alarm system RM	Computer equipment RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Pawnshop equipment RM	Renovation RM	Safe cabinets RM	Signboard RM	Tools and equipment RM	Wiring and electrical items RM	Total RM
(Audited)													
Accumulated depreciation													
At 1 January 2022	134,586	188,762	689,075	318,353	218,729	186,866	229,764	3,545,900	319,521	272,071	17,677	270,925	6,392,229
Charge for the financial year	11,966	33,071	141,972	40,942	-	45,085	44,627	393,745	52,056	66,436	-	19,754	849,654
Disposals	-	-	(34,908)	-	-	(8,371)	-	-	-	-	-	-	(43,279)
Written off	(99,390)	-	(115,374)	(190,466)	-	(72,803)	-	(1,529,106)	(1,488)	(11,280)	-	(74,770)	(2,094,677)
At 31 December 2022 and 1 January 2023	47,162	221,833	680,765	168,829	218,729	150,777	274,391	2,410,539	370,089	327,227	17,677	215,909	5,103,927
Charge for the financial period	1,733	10,083	41,384	7,086	-	14,880	15,916	126,144	24,633	18,341	786	4,485	265,471
At 30 April 2023	48,895	231,916	722,149	175,915	218,729	165,657	290,307	2,536,683	394,722	345,568	18,463	220,394	5,369,398
Net carrying amount													
At 31 December 2019	70,125	191,567	151,837	110,138	8	74,965	194,964	2,789,457	471,207	272,426	10,607	128,409	4,465,710
At 31 December 2020	63,742	152,279	93,819	111,082	8	77,080	165,070	2,572,876	405,427	208,604	8,250	107,567	3,965,804
At 31 December 2021	52,329	121,355	396,785	83,767	3	160,213	163,528	2,233,370	371,867	152,241	5,893	83,675	3,825,026
At 31 December 2022	25,596	91,284	298,814	68,268	3	105,538	157,007	1,789,227	375,049	109,553	5,893	65,421	3,091,653
At 30 April 2023	25,893	85,701	265,457	63,142	3	107,518	158,191	1,663,083	397,816	91,212	5,107	60,936	2,924,059

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NOTES TO THE FINANCIAL STATEMENTS**6. RIGHT-OF-USE ASSETS**

	Motor vehicles RM	Shoplots RM	Total RM
(Audited)			
Cost			
At 1 January 2019, 31 December 2019 and 1 January 2020	226,887	17,696,393	17,923,280
Additions	-	1,305,814	1,305,814
At 31 December 2020 and 1 January 2021	226,887	19,002,207	19,229,094
Disposal	(226,887)	(1,696,010)	(1,922,897)
At 31 December 2021	-	17,306,197	17,306,197
Additions	-	77,123	77,123
At 31 December 2022 and 1 January 2023	-	17,383,320	17,383,320
Additions	-	-	-
At 30 April 2023	-	17,383,320	17,383,320
Accumulated depreciation			
At 1 January 2019	69,277	1,644,284	1,713,561
Charge for the financial year	60,795	1,260,400	1,321,195
At 31 December 2019 and 1 January 2020	130,072	2,904,684	3,034,756
Charge for the financial year	45,378	1,282,163	1,327,541
At 31 December 2020 and 1 January 2021	175,450	4,186,847	4,362,297
Charge for the financial year	878	1,274,781	1,275,659
Disposal	(176,328)	(320,357)	(496,685)
At 31 December 2021 and 1 January 2022	-	5,141,271	5,141,271
Charge for the financial year	-	1,302,916	1,302,916
At 31 December 2022 and 1 January 2023	-	6,444,187	6,444,187
Charge for the financial period	-	435,151	435,151
At 30 April 2023	-	6,879,338	6,879,338
Net carrying amount			
At 31 December 2019	96,815	14,791,709	14,888,524
At 31 December 2020	51,437	14,815,360	14,866,797
At 31 December 2021	-	12,164,926	12,164,926
At 31 December 2022	-	10,939,133	10,939,133
At 30 April 2023	-	10,503,982	10,503,982

The Group leases shoplots for pawn broking activities. The leases for shoplots generally have lease terms 9 years to 15 years.

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NOTES TO THE FINANCIAL STATEMENTS**7. INVESTMENT PROPERTIES**

	Freehold land RM	Freehold building RM	Leasehold land and building RM	Fish pond RM	Total RM
(Audited)					
At cost					
At 1 January 2019, 31 December 2019 and 1 January 2020	4,346,795	2,224,507	17,360,033	100,000	24,031,335
Disposal	(4,346,795)	(60,000)	(1,281,839)	(100,000)	(5,788,634)
At 31 December 2020 and 1 January 2021, 31 December 2021, 1 January 2022	-	2,164,507	16,078,194	-	18,242,701
Disposal	-	(2,164,507)	(526,366)	-	(2,690,873)
At 31 December 2022, 1 January 2023 and 30 April 2023	-	-	15,551,828	-	15,551,828
Accumulated depreciation					
At 1 January 2019	-	727,389	1,460,640	-	2,188,029
Charge for the financial year	-	43,290	296,878	-	340,168
At 31 December 2019 and 1 January 2020	-	770,679	1,757,518	-	2,528,197
Charge for the financial year	-	43,290	291,286	-	334,576
Disposal	-	(59,999)	(93,570)	-	(153,569)
At 31 December 2020 and 1 January 2021	-	753,970	1,955,234	-	2,709,204
Charge for the financial year	-	43,290	272,197	-	315,487
At 31 December 2021 and 1 January 2022	-	797,260	2,227,431	-	3,024,691
Charge for the financial year	-	39,683	273,054	-	312,737
Disposal	-	(836,943)	(38,265)	-	(875,208)
At 31 December 2022 and 1 January 2023	-	-	2,462,220	-	2,462,220
Charge for the financial period	-	-	89,301	-	89,301
At 30 April 2023	-	-	2,551,521	-	2,551,521
Net carrying amount					
At 31 December 2019	4,346,795	1,453,828	15,602,515	100,000	21,503,138
At 31 December 2020	-	1,410,537	14,122,960	-	15,533,497
At 31 December 2021	-	1,367,247	13,850,763	-	15,218,010
At 31 December 2022	-	-	13,089,608	-	13,089,608
At 30 April 2023	-	-	13,000,307	-	13,000,307

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NOTES TO THE FINANCIAL STATEMENTS**7. INVESTMENT PROPERTIES (CONT'D)**

The following freehold land and leasehold land and building have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18:

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Net carrying amount:					
Freehold land	2,276,795	-	-	-	-
Leasehold land and building	15,321,432	14,122,960	13,850,763	13,089,608	13,000,307
	<u>17,598,227</u>	<u>14,122,960</u>	<u>13,850,763</u>	<u>13,089,608</u>	<u>13,000,307</u>

The following are recognised in profit or loss in respect of investment properties:

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Rental income	646,490	1,105,988	1,114,613	658,100	211,080
Direct operating expenses	969,266	913,244	825,689	697,956	219,842

8. OTHER INVESTMENTS

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Unquoted shares, at cost					
At beginning of financial year/period	964,000	-	-	2,496,164	-
Additions	-	-	2,496,164	-	-
Disposal	(964,000)	-	-	(2,496,164)	-
At end of financial year/period	<u>-</u>	<u>-</u>	<u>2,496,164</u>	<u>-</u>	<u>-</u>

The unquoted shares represent investment in Dinamik Ulung Sdn. Bhd. and CC Low Marketing Sdn. Bhd.. In financial year ended 31 December 2019, the investment of unquoted shares in Dinamik Ulung Sdn. Bhd. had been disposed and in financial year ended 31 December 2022, CC Low Marketing Sdn. Bhd. shares had been disposed.

9. INVENTORIES

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Trading goods, at cost	33,635	757,549	3,751,821	647,693	359,907
Inventories recognised as an expense	59,376	6,895,035	14,011,285	35,242,393	23,358,500

There were no inventories written-down for the financial years ended 31 December 2019 to 31 December 2022 and the financial period ended 30 April 2023.

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NOTES TO THE FINANCIAL STATEMENTS**10. TRADE RECEIVABLES**

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Pawn loan receivables	58,781,215	78,989,909	107,105,381	155,365,041	150,220,970
Interest receivable on pawned loans	3,440,835	4,598,732	5,810,171	9,833,625	9,348,579
Other trade receivables:					
- Third parties	201,197	22,075	4,572,776	92,854	1,428,721
- Related parties	-	-	127,200	-	-
	<u>62,423,247</u>	<u>83,610,716</u>	<u>117,615,528</u>	<u>165,291,520</u>	<u>160,998,270</u>

Other trade receivables involving business segments in gold and other product retail and trading and IT solutions.

Pawn loans receivables are loans to customers extended under pawnbroking business which are interest-bearing, ranging between 1.5% to 2.0% per month, up to a maximum of 6 months. The quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Other receivables	734,800	1,867,781	80,743	135,125	141,756
Deposits	572,983	581,268	583,458	640,566	827,550
Prepayments	576,890	761,457	993,758	880,204	1,385,972
	<u>1,884,673</u>	<u>3,210,506</u>	<u>1,657,959</u>	<u>1,655,895</u>	<u>2,355,278</u>

12. AMOUNTS DUE FROM/TO RELATED PARTIES AND AMOUNT DUE TO DIRECTORS

Amount due from related parties are non-trade in nature, unsecured, interest free and recoverable on demand

Amount due to directors are non-trade in nature, unsecured, interest free and repayable on demand.

The amount due to related companies are non-trade in nature, unsecured, no fixed term of repayment and interest free except for RM8,835,395 as at 31 December 2020 and RM8,778,425 as at 31 December 2021 which are subject to interest rate ranging from 3.6% to 6.60% per annum.

13. CASH AND BANK BALANCES

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Cash in hand	2,775	1,734,361	2,262,537	2,030,687	3,187,315
Cash at bank	1,170,760	638,962	1,037,831	15,232,425	8,689,625
	<u>1,173,535</u>	<u>2,373,323</u>	<u>3,300,368</u>	<u>17,263,112</u>	<u>11,876,940</u>

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**13. CASH AND BANK BALANCES (CONT'D)**

For the purpose of presenting the statements of cash flows, cash and cash equivalents comprise the following:

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	→ 30.4.2023 RM
Cash and bank balances	1,173,535	2,373,323	3,300,368	17,263,112	11,876,940
Less: Bank overdraft (Note 18)	(404,604)	(2,816,418)	(3,895,855)	(4,958)	-
	<u>768,931</u>	<u>(443,095)</u>	<u>(595,487)</u>	<u>17,258,154</u>	<u>11,876,940</u>

14. SHARE CAPITAL AND INVESTED EQUITY**14.1 Share capital**

	← 31.12.2021 Unit	31.12.2022 Unit	30.4.2023 Unit	Audited 31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid with no par value:						
At date of incorporation/ beginning of financial year/period	1	529,564,062	529,564,062	1	90,025,891	90,025,891
Issuance of shares to acquire subsidiaries	529,564,061	-	-	90,025,890	-	-
Bonus issue	-	-	317,738,437	-	-	-
At end of the financial year/period	<u>529,564,062</u>	<u>529,564,062</u>	<u>847,302,499</u>	<u>90,025,891</u>	<u>90,025,891</u>	<u>90,025,891</u>

- (i) The Company issued 1 ordinary share at issue price of RM1 on the date of incorporation for a total cash consideration of RM1.
- (ii) The Company issued 529,564,061 new ordinary shares at issue price of RM0.17 for the acquisition of entire issued share capital of all entities within the Group pursuant to the conditional share sale agreement dated 1 October 2021.
- (iii) The Company issued 317,738,437 bonus issue in the ordinary share on the basis of three (3) bonus shares for every five (5) existing shares on 15 June 2022.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

13. ACCOUNTANTS' REPORT (cont'd)

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NOTES TO THE FINANCIAL STATEMENTS

14. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)

14.2 Invested equity

The invested equity is the aggregate share capital of the companies disclosed in Notes 1.4 to the financial statements.

	← Audited →					← Audited →				
	Number of ordinary shares					Audited Amount				
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
	Unit	Unit	Unit	Unit	Unit	RM	RM	RM	RM	RM
Issued and fully paid with no par value:										
At beginning of financial year	88,000,102	88,000,102	102,675,902	-	-	76,000,102	76,000,102	90,675,902	-	-
Issuance of shares	-	8,099,900	-	-	-	-	8,099,900	-	-	-
Conversion from irredeemable convertible preference shares	-	6,575,900	-	-	-	-	6,575,900	-	-	-
Reversed against the purchase consideration for the acquisition of common entities	-	-	(102,675,902)	-	-	-	-	(90,675,902)	-	-
At end of financial year	<u>88,000,102</u>	<u>102,675,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,000,102</u>	<u>90,675,902</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the purpose of this report, the invested equity represents the aggregate invested equity of issued share and paid-up capital of all entities within the Group.

The issued shares and paid-up capital of all entities within the Group was increased by way of the following allotment of new ordinary shares:

- On 27 August 2020, 99,900 new ordinary shares at issue price of RM1 per share with cash consideration for working capital purpose.
- On 2 December 2020, 4,000,000 new ordinary shares at issue price of RM1 per share with non-cash consideration for partial settlement of the amount due to related parties.
- On 2 December 2020, 4,000,000 new ordinary shares at issue price of RM1 per share with non-cash consideration for partial settlement of the amount due to related parties.

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**14. SHARE CAPITAL AND INVESTED EQUITY (CONT'D)****14.2 Invested equity (cont'd)**

(iv) Conversion of Irredeemable convertible preference shares as below:

<u>Date</u>	<u>Number of shares</u>	<u>Issue price</u> <u>RM</u>	<u>Amount</u> <u>RM</u>
8 December 2020	4,225,000	1.00	4,225,000
8 December 2020	118,900	1.00	118,900
8 December 2020	232,000	1.00	232,000
8 December 2020	2,000,000	1.00	2,000,000
	<u>6,575,900</u>		<u>6,575,900</u>

15. PREFERENCE SHARES**15.1 Redeemable convertible preference shares ("RCPS")**

	←	←	Audited	→	→
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
	RM	RM	RM	RM	RM
Issued and fully paid:					
At beginning of financial year/period	2,000,000	5,055,000	-	-	-
Additions	3,055,000	1,170,000	-	-	-
Conversion of shares to ICPS	-	(6,225,000)	-	-	-
At end of financial year/period	<u>5,055,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the financial year ended 31 December 2020, all RCPS issued by the Group has been converted into irredeemable convertible preference shares ("ICPS"), prior to the conversion of preference shares to ordinary shares.

The main features of the RCPS are as follows:

- The issue prices of each RCPS is RM1;
- The Redeemable Convertible Preference Shares holders shall be paid a dividend at an effective rate of 8% per annum basis and that the said dividend shall be payable within one (1) month upon completion of twelve (12) months tenure;
- The final date of redemption shall be three (3) years from the Commencement Date ("Maturity Date") subject to Automatic Renewal (if any);

Any redemption of the Redeemable Convertible Preference Shares shall be made in cash. The cash amount ("Redemption Sum") payable on redemption is based on the subscription price and unpaid dividend (if any) upon redemption.

- The Redeemable Convertible Preference Shares holders shall be entitled to attend the meetings of the Redeemable Convertible Preference Shares. Every Redeemable Convertible Preference Share holder who is present in person in such class meetings shall have on a show of hands one vote and on a poll one vote for every Redeemable Convertible Preference Shares of which he is a holder.
- Save as summarised herein and provided in the Constitution of the Company, the Redeemable Convertible Preference Shares shall not confer any right or claims as regards to the participation in the profits of the Company.

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NOTES TO THE FINANCIAL STATEMENTS**15. PREFERENCE SHARES (CONT'D)****15.2 Redeemable preference shares ("RPS")**

	← Audited →				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid:					
At beginning of the financial year/period					
Redeemable preference shares - Class A	232,000	232,000	-	-	-
	<u>232,000</u>	<u>232,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Addition:					
Redeemable preference shares - Class B	-	118,900	-	-	-
Conversion to ICPS	-	(350,900)	-	-	-
At end of the financial year/period	<u>232,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the financial year ended 31 December 2020, all RPS issued by the Group has been converted into irredeemable convertible preference shares ("ICPS"), prior to the conversion of preference shares to ordinary shares.

The main features of the RPS are as follows:

- (a) The issue price of each RPS is RM1;
- (b) Holders of the ICPS shall be paid preferential dividends upon completion of 12 months tenure from the date of the issue of the shares, at an effective preferential dividend rate of 8%;
- (c) Each RPS can be redeemable by the Company at redemption amount equivalent to the total of subscription price plus dividend of 8% per annum on the subscription price, upon maturity; and
- (d) Holders of the RPS do not carry an entitlement to vote.

16. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	← Audited →				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Issued and fully paid:					
At beginning of the financial year/period	-	-	-	-	-
Conversion of shares:					
- from RCPS to ICPS	-	6,225,000	-	-	-
- from RPS to ICPS	-	350,900	-	-	-
- from ICPS to ordinary shares	-	(6,575,900)	-	-	-
At end of the financial year/period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the financial year ended 31 December 2020, all ICPS has been converted to ordinary shares at prices ranging from RM1.00 per share.

The main features of the ICPS are as follows:

- (a) The issue price of each ICPS is RM1;
- (b) Holders of the ICPS shall be paid preferential dividends upon completion of 12 months tenure from the date of the issue of the ICPS, at an effective preferential dividend rate of 7% to 10%; and
- (c) Holders of the ICPS are given rights to the receipt of notices (including that of general meetings), reports and audited financial statements and to attend meetings of the Company, with an entitlement vote.

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NOTES TO THE FINANCIAL STATEMENTS**17. MERGER RESERVES**

The merger reserves arises as and when the combination take place, it comprises the difference between the cost of merger and the nominal value of shares acquired in the companies disclosed in Note 1.4 to the financial statements.

18. BORROWINGS

	31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Current liabilities					
Secured					
Bank overdraft	404,604	2,816,418	3,895,855	4,958	-
Revolving loan	-	-	-	20,000,000	5,000,000
Term loans					
- Not later than 1 year	1,186,306	916,332	1,191,078	1,241,715	1,477,358
	<u>1,590,910</u>	<u>3,732,750</u>	<u>5,086,933</u>	<u>21,246,673</u>	<u>6,477,358</u>
Non-current liabilities					
Unsecured					
Borrowings					
Later than 1 year but not later than 5 years	-	-	-	22,075,000	22,292,500
Secured					
Term loans					
Later than 1 year but not later than 5 years	2,386,964	3,659,820	8,829,752	4,918,006	5,869,681
Later than 5 years	8,933,492	12,841,425	11,074,238	18,621,632	16,944,394
	<u>11,320,456</u>	<u>16,501,245</u>	<u>19,903,990</u>	<u>23,539,638</u>	<u>22,814,075</u>
	<u>11,320,456</u>	<u>16,501,245</u>	<u>19,903,990</u>	<u>45,614,638</u>	<u>45,106,575</u>
	<u>12,911,366</u>	<u>20,233,995</u>	<u>24,990,923</u>	<u>66,861,311</u>	<u>51,583,933</u>

Term loans

Term loan of the Group bear interest base lending rate ("BLR") minus 0.50% to 2.10% and above 0.50% to 1.25% per annum and is secured and supported as follows:

- Corporate guarantee by related company.
- Joint and several guarantee by the directors of the combining entities.
- Secured over legal charge by the investment properties of the Group (Note 7) and/or the properties under the ownerships of the directors of the Group.
- Third party open charge under the National Land Code.

Borrowing (Unsecured)

The borrowing (unsecured) amounted USD5,000,000 (equivalents to RM22,000,000) and interest is charged at 6% per annum. The borrowing is denominated in USD.

Revolving loan

The Company has revolving loan up to a limit of RM5,000,000 with interest at 6.16% per annum as at 30 April 2023 and RM20,000,000 as at 31 December 2022 with interest at 6.18% per annum.

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NOTES TO THE FINANCIAL STATEMENTS**18. BORROWINGS (CONT'D)****Bank overdrafts (cont'd)**

The Group was granted an overdraft facility with the limit up to RM420,000 as at 31 December 2019, RM3,420,000 as at 31 December 2020, RM4,000,000 as at 31 December 2021 and RM1,000,000 as at 31 December 2022.

Bank overdraft bears interest at 0.50% to 1.50% per annum above the bank's base lending rate and is secured and supported as follows:

- (i) Legal charge over the property of the Group.
- (ii) Legal charge over the property held by a director of the Group.
- (iii) Joint and several guarantee by directors of the Group.

19. LEASE LIABILITIES

	31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
<i>Minimum lease payment</i>					
At 1 January	17,206,681	16,592,381	17,226,333	14,756,206	13,926,246
Additions	-	1,305,814	-	77,122	-
Disposal	-	-	(1,652,814)	-	-
Interest charged	1,181,528	1,160,332	1,083,195	1,009,338	316,449
Repayments	(1,795,828)	(1,698,279)	(1,779,879)	(1,840,166)	(614,642)
Rent concessions	-	(133,915)	(120,629)	(76,254)	(27,656)
At 31 December	<u>16,592,381</u>	<u>17,226,333</u>	<u>14,756,206</u>	<u>13,926,246</u>	<u>13,600,397</u>
<i>Future minimum lease payments</i>					
Not later than 1 year	1,829,608	2,055,893	1,864,820	1,942,845	1,932,828
Later than 1 year and not later than 5 years	7,898,008	8,594,502	8,047,417	8,250,717	7,964,735
Later than 5 years	15,413,458	14,856,321	11,204,538	9,088,086	8,743,594
	<u>25,141,074</u>	<u>25,506,716</u>	<u>21,116,775</u>	<u>19,281,648</u>	<u>18,641,157</u>
Less: future finance charges	<u>(8,548,693)</u>	<u>(8,280,383)</u>	<u>(6,360,569)</u>	<u>(5,355,402)</u>	<u>(5,040,760)</u>
	<u>16,592,381</u>	<u>17,226,333</u>	<u>14,756,206</u>	<u>13,926,246</u>	<u>13,600,397</u>
<i>Present value of liabilities</i>					
Current					
Not later than 1 year	<u>692,087</u>	<u>879,341</u>	<u>859,032</u>	<u>999,565</u>	<u>1,009,947</u>
Non-current					
Later than 1 year and not later than 2 years	4,153,533	4,601,440	4,755,479	5,310,989	5,138,915
Later than 2 years and not later than 5 years	<u>11,746,761</u>	<u>11,745,552</u>	<u>9,141,695</u>	<u>7,615,692</u>	<u>7,451,535</u>
	<u>15,900,294</u>	<u>16,346,992</u>	<u>13,897,174</u>	<u>12,926,681</u>	<u>12,590,450</u>
	<u>16,592,381</u>	<u>17,226,333</u>	<u>14,756,206</u>	<u>13,926,246</u>	<u>13,600,397</u>

During the financial year ended 31 December 2021, as a result of the Covid-19 pandemic, the Group has received rent concessions in the form of reduced rent considerations for an agreed number of months. Therefore, the Group has applied the practical expedient to all rent concessions that meet the conditions of the MFRS 16 amendment.

Total rent concessions received by the Group as at 30 April 2023: RM27,656, 31 December 2022: RM76,254, 31 December 2021: RM120,629 and 31 December 2020: RM131,915.

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NOTES TO THE FINANCIAL STATEMENTS**19. LEASE LIABILITIES (CONT'D)**

The lease liabilities of the Group bear effective interest rates ranging from 2.10% to 7.00%. The lease period ranging from 2 years to 15 years and has option to renew these leases.

20. DEFERRED TAX LIABILITIES

	←	Audited			→
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
	RM	RM	RM	RM	RM
At beginning of financial year/period	34,920	43,475	55,030	119,078	155,968
Acquisition of subsidiary company	-	-	29,686	-	-
Recognised in profit or loss (Note 27)	8,555	11,555	34,362	36,891	14,805
At end of financial year/period	<u>43,475</u>	<u>55,030</u>	<u>119,078</u>	<u>155,968</u>	<u>170,773</u>

The deferred tax liabilities arise from accelerated capital allowances over depreciation of property, plant and equipment.

21. TRADE PAYABLES

	←	Audited			→
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
	RM	RM	RM	RM	RM
Related parties	-	-	3,950	-	-
Non-related parties	6,810	5,155	16,737	114,869	189,449
	<u>6,810</u>	<u>5,155</u>	<u>20,687</u>	<u>114,869</u>	<u>189,449</u>

22. OTHER PAYABLES AND ACCRUALS

	←	Audited			→
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
	RM	RM	RM	RM	RM
Other payables	259,635	250,859	425,100	248,947	74,712
Accruals	251,635	400,367	1,360,301	1,868,970	2,025,399
Deposit received	5,272,970	200,450	202,175	202,175	109,175
Service tax payables	-	-	29,620	223	538
	<u>5,784,240</u>	<u>851,676</u>	<u>2,017,196</u>	<u>2,320,315</u>	<u>2,209,824</u>

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NOTES TO THE FINANCIAL STATEMENTS**23. REVENUE**

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	→ Unaudited 1.1.2022 to 30.4.2022 RM
Pawnbroking	10,267,352	14,311,685	19,170,244	28,179,761	10,907,805	8,500,190
Gold and luxury products retail and trading						
- Sale of unredeemed pledged items and pre-owned gold products	4,534,909	9,597,828	34,085,168	33,467,721	22,448,006	8,501,072
- Sale of new gold	-	280,555	6,651,495	3,970,700	2,416,836	2,554,186
Others:						
- Pawnbroking consultancy services	-	235,814	533,114	540,459	178,669	177,314
- Management fee	-	-	117,263	342,787	-	167,975
- IT solution	-	-	345,968	671,225	4,800	458,395
	<u>14,802,261</u>	<u>24,425,882</u>	<u>60,903,252</u>	<u>67,172,653</u>	<u>35,956,116</u>	<u>20,359,132</u>
<i>Timing of revenue recognition:</i>						
At point in time	4,588,512	10,172,001	41,449,846	43,105,127	25,081,892	11,884,692
Overtime	10,213,749	14,253,881	19,453,406	24,067,526	10,874,224	8,474,440
	<u>14,802,261</u>	<u>24,425,882</u>	<u>60,903,252</u>	<u>67,172,653</u>	<u>35,956,116</u>	<u>20,359,132</u>

24. OTHER OPERATING INCOME

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	→ Unaudited 1.1.2022 to 30.4.2022 RM
Bargain purchase	-	-	178,270	-	-	-
Compensation fee	-	110,000	-	-	-	-
Gain on disposal of:						
- investment properties	-	147,935	-	5,834,335	-	-
- other investment	-	-	-	3,107,836	-	-
- property, plant and equipment	-	-	90,095	46,908	-	-
- right-of-use assets	-	-	54,988	-	-	-
Gain on termination of lease liabilities	-	-	206,443	-	-	-
Insurance claim	67	-	-	16,789	-	-
Interest income	-	-	-	7,939	96,061	-
Other income	-	52	423,010	1,939	-	1,940
Rental income	646,490	1,105,988	1,117,617	1,091,562	211,080	368,133
Loan interest income received	-	-	500,924	-	-	-
Waiver of debts	-	-	4,456	-	-	-
	<u>646,557</u>	<u>1,363,975</u>	<u>2,575,803</u>	<u>10,107,308</u>	<u>307,141</u>	<u>370,073</u>

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**25. FINANCE COSTS**

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	→ Unaudited 1.1.2022 to 30.4.2022 RM
Bank borrowing interest	852,662	803,074	1,229,707	2,398,870	1,344,875	434,477
Lease liabilities interest	1,181,528	1,160,332	1,083,195	1,009,338	316,449	353,653
Loan interest paid to related companies	118,453	-	860,107	503,701	-	43,913
	<u>2,152,643</u>	<u>1,963,406</u>	<u>3,173,009</u>	<u>3,911,909</u>	<u>1,661,324</u>	<u>832,043</u>
<i>The following finance costs are segregated to:</i>						
Cost of sales	1,181,528	1,155,100	1,083,066	1,009,338	316,449	353,653
Finance costs	971,115	808,306	2,089,943	2,902,571	1,344,875	478,390
	<u>2,152,643</u>	<u>1,963,406</u>	<u>3,173,009</u>	<u>3,911,909</u>	<u>1,661,324</u>	<u>832,043</u>

26. PROFIT BEFORE TAX

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	→ Unaudited 1.1.2022 to 30.4.2022 RM
<i>Profit before tax is arrived after charging/(crediting):</i>						
Auditors' remuneration						
- current financial year/period	70,600	74,564	129,318	137,126	36,496	39,207
- (Over)/under provision in prior financial year/period	(1,600)	(3,800)	236	-	-	-
Bad debts written off	-	54,170	23,624	22,380	6,610	-
Depreciation of:						
- investment properties	340,168	334,576	315,487	312,737	89,301	105,692
- property, plant and equipment	777,901	771,977	811,775	849,654	265,471	290,358
- right-of-use assets	1,321,195	1,327,541	1,275,659	1,302,916	435,151	432,478
Loss on foreign exchange (unrealised)	-	-	-	306,564	232,167	-
Management fee	-	-	1,427,282	-	-	-
Property, plant and equipment written off	-	-	108,828	87,727	-	-
Rental concessions	-	(133,915)	(120,629)	(76,254)	(27,656)	(8,800)
Rental expense ¹	225,764	120,150	245,501	345,921	142,710	150,090

¹ The amount represents short-term lease and low value underlying assets under MFRS 16 as disclosed in Note 3.13 to this report.

13. ACCOUNTANTS' REPORT (cont'd)

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NOTES TO THE FINANCIAL STATEMENTS

27. TAX EXPENSE

(a) Major components of tax expense

	←		Audited		→	Unaudited
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
<i>Income tax</i>						
Current	837,746	2,683,293	3,764,228	4,010,283	1,879,723	1,556,907
Under/(over) provision in prior financial year/period	142,332	153,123	(202,428)	(95,957)	-	(95,957)
	<u>980,078</u>	<u>2,836,416</u>	<u>3,561,800</u>	<u>3,914,326</u>	<u>1,879,723</u>	<u>1,460,950</u>
<i>Real property gain tax</i>	-	7,500	6,486	224,920	-	-
<i>Deferred tax (Note 20)</i>						
Current	4,878	6,644	201,987	(2,272)	(18,696)	(2,151)
Under/(over) provision in prior financial year/period	3,677	4,911	(167,625)	39,163	33,501	35,195
	<u>8,555</u>	<u>11,555</u>	<u>34,362</u>	<u>36,891</u>	<u>14,805</u>	<u>33,044</u>
	<u>988,633</u>	<u>2,855,471</u>	<u>3,602,648</u>	<u>4,176,137</u>	<u>1,894,528</u>	<u>1,493,994</u>

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NOTES TO THE FINANCIAL STATEMENTS**27. TAX EXPENSE (CONT'D)****(b) Relationship between tax expense and accounting profit**

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	→ Unaudited 1.1.2022 to 30.4.2022 RM
Profit before tax	1,783,500	9,180,775	15,559,150	24,227,521	6,826,896	5,899,276
Income tax calculated at tax rate of 24%	428,040	2,203,386	3,734,196	5,814,605	1,638,455	1,415,826
Tax effects of expenses not deductible for tax purposes	249,326	682,625	441,115	356,628	214,680	125,153
Differential in tax rate for SME in Malaysia	(895)	-	-	-	-	-
Income not subject to tax	-	(35,504)	(87,555)	(2,142,876)	-	-
Deferred tax assets not recognised during the financial year/period	188,635	17,447	1,292	12,715	26,975	23,168
Real property gain tax	-	7,500	6,486	224,920	-	-
Utilisation of deferred tax assets previously not recognised	(22,482)	(178,017)	(122,833)	(33,061)	(19,083)	(9,391)
Under/(over) provision of income tax in prior financial year/period	142,332	153,123	(202,428)	(95,957)	-	(95,957)
Under/(over) provision of deferred tax in prior year/period	3,677	4,911	(167,625)	39,163	33,501	35,195
	<u>988,633</u>	<u>2,855,471</u>	<u>3,602,648</u>	<u>4,176,137</u>	<u>1,894,528</u>	<u>1,493,994</u>

The amount of temporary differences for which no deferred tax assets has been recognised in the financial statements are as follows stated gross:

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	→ Unaudited 1.1.2022 to 30.4.2022 RM
Property, plant and equipment	(99,222)	(55,302)	(5,676)	(216,724)	15,071	(207,138)
Unutilised tax losses	283,089	298,763	327,990	354,480	132,065	108,522
Unabsorbed capital allowance	60,370	73,471	-	5,404	8,733	341,673
	<u>244,237</u>	<u>316,932</u>	<u>322,314</u>	<u>143,160</u>	<u>155,869</u>	<u>243,057</u>

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NOTES TO THE FINANCIAL STATEMENTS**28. DIVIDENDS**

	←		Audited		→	Unaudited
	1.1.2019	1.1.2020	1.1.2021	1.1.2022	1.1.2023	1.1.2022
	To	to	to	to	to	to
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023	30.4.2022
	RM	RM	RM	RM	RM	RM
<i>In respect of financial year ended 31 December 2019</i>						
<u>RPS preferential dividend</u>						
<u>paid by Pajak Gadai E</u>						
<u>Assets</u>						
- 8% per annum	18,560	-	-	-	-	-
<u>ICPS preferential dividend</u>						
<u>paid by Pajak Gadai Delta</u>						
- 8% per annum	-	13,332	-	-	-	-
- 10% per annum	-	183,333	-	-	-	-
<i>In respect of financial year ended 31 December 2020</i>						
<u>ICPS preferential dividend</u>						
<u>paid by:</u>						
<u>Pajak Gadai Total</u>						
- 8% per annum	-	431,000	-	-	-	-
<u>Pajak Gadai EA</u>						
- 7% per annum	-	3,468	-	-	-	-
- 8% per annum	-	18,560	-	-	-	-
<u>Pajak Gadai Delta</u>						
- 8% per annum	-	46,662	-	-	-	-
- 10% per annum	-	73,340	-	-	-	-
<u>Interim single dividends for</u>						
<u>FYE 31 December 2020</u>						
<u>and paid on 30 November</u>						
<u>2020 by:</u>						
<u>Pajak Gadai Adventure</u>						
- RM0.05 per shares	-	400,000	-	-	-	-
<u>Pajak Gadai Angkasa</u>						
- RM0.425 per shares	-	170,000	-	-	-	-
<u>Cahaya Gold & Jewellery</u>						
- RM19.20 per shares	-	1,920,000	-	-	-	-
<u>Pajak Gadai Insan Tiara</u>						
- RM0.90 per shares	-	1,800,000	-	-	-	-
<u>Pajak Gadai SP</u>						
- RM0.125 per shares	-	500,000	-	-	-	-
<u>Pajak Gadai Terus Wangsa</u>						
- RM0.0265 per shares	-	212,000	-	-	-	-
<u>Pajak Gadai Total</u>						
- RM10.156 per shares	-	1,248,000	-	-	-	-
	18,560	7,019,695	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS**28. DIVIDENDS (CONT'D)**

Subsequent to the preferential dividend payments, all classes of Irredeemable Convertible Preference Shares ("ICPS") were converted to ordinary shares by the end of the financial year ended 31 December 2020.

29. STAFF COSTS

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	→ 1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Short term employee benefits	2,691,550	2,122,134	3,300,854	5,465,418	1,636,495	1,022,348
Defined contribution plans	250,766	213,830	301,167	538,967	155,280	98,027
	<u>2,942,316</u>	<u>2,335,964</u>	<u>3,602,021</u>	<u>6,004,385</u>	<u>1,791,775</u>	<u>1,120,375</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and certain members of senior management of the Group during the financial year/period as below:

(a) Directors

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	→ 1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
<i>Directors' remunerations:</i>						
- defined contributions plan	-	29,400	7,200	64,800	18,000	21,600
- salaries and other emoluments	-	240,000	90,000	546,000	284,000	182,000
- EIS and SOCSO contribution	-	-	461	3,005	1,055	923
	<u>-</u>	<u>269,400</u>	<u>97,661</u>	<u>613,805</u>	<u>303,055</u>	<u>204,523</u>

(b) Other key management personnel

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	→ 1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
<i>Key management personnel compensation:</i>						
- defined contributions plan	-	-	19,260	67,680	19,680	22,200
- salaries and other emoluments	-	-	228,321	576,540	169,286	192,000
- EIS and SOCSO contribution	-	-	923	3,467	1,159	1,077
	<u>-</u>	<u>-</u>	<u>248,504</u>	<u>647,687</u>	<u>190,125</u>	<u>215,777</u>

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NOTES TO THE FINANCIAL STATEMENTS**30. RELATED PARTY DISCLOSURES***(a) Identities of related parties*

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operations decisions; or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Entities in which directors have substantial financial interests;
- (ii) A person(s) connected to a director; and
- (iii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

(b) Significant related party transactions

	←	Audited	→			
	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
<i>Rental income received from:</i>						
Directors	78,000	83,150	24,000	23,000	4,000	8,000
Entities in which director has substantial interest	<u>312,000</u>	<u>487,473</u>	<u>945,338</u>	<u>1,020,547</u>	<u>207,080</u>	<u>344,118</u>
<i>IT solution services received from:</i>						
Entities in which director has substantial interest	<u>-</u>	<u>-</u>	<u>342,150</u>	<u>654,030</u>	<u>-</u>	<u>452,640</u>
<i>Management fee received from:</i>						
Entities in which director has substantial interest	<u>-</u>	<u>-</u>	<u>117,263</u>	<u>342,787</u>	<u>-</u>	<u>167,975</u>
<i>Sales to:</i>						
Entities in which director has substantial interest	<u>2,416,272</u>	<u>175,071</u>	<u>16,561,539</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Advance loan interest received from:</i>						
Entities in which director has substantial interest	<u>-</u>	<u>-</u>	<u>500,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Purchase from:</i>						
Entities in which director has substantial interest	<u>19,175</u>	<u>925,202</u>	<u>3,440,823</u>	<u>239</u>	<u>-</u>	<u>62</u>

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NOTES TO THE FINANCIAL STATEMENTS**30. RELATED PARTY DISCLOSURES (CONT'D)***(b) Significant related party transactions (cont'd)*

	← 1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	► Unaudited 1.1.2022 to 30.4.2022 RM
<i>Rental expenses paid to:</i>						
Entities in which director has substantial interest	84,000	120,400	393,471	537,740	176,950	196,800
Individuals connected to directors of the Company	72,000	72,000	-	-	-	-
<i>Management fee paid to:</i>						
Entities in which director has substantial interest	-	591,217	1,427,282	-	-	-
<i>Disposal of investment properties to:</i>						
Directors	-	4,603,000	-	-	-	-
Individuals connected to directors of the Company	-	930,000	-	6,800,000	-	-
<i>Advance loan interest to:</i>						
Entities in which director has substantial interest	118,453	145,395	1,026,676	558,636	-	43,913
<i>Disposal of properties, plant and equipment to:</i>						
Entities in which director has substantial interest	-	-	19,300	97,500	-	-
Individuals connected to directors of the Company	-	-	140,800	-	-	-
<i>Disposal of unquoted shares to:</i>						
Entities in which director has substantial interest	964,000	-	-	5,604,000	-	-
<i>Services charges paid to:</i>						
Entities in which director has substantial interest	134,816	29,387	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS**30. RELATED PARTY DISCLOSURES (CONT'D)***(c) Key management personnel compensation*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors of the Group are considered as key management personnel.

The key management personnel compensation is paid to the directors of the Group as disclosed in Note 29 (a).

31. EARNINGS PER SHARE

	←		Audited		→	Unaudited
	1.1.2019	1.1.2020	1.1.2021	1.1.2022	1.1.2023	1.1.2022
	to	to	to	to	to	to
	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023	30.4.2022
Profit attributable to owners of the Group (RM)	776,307	5,555,609	11,956,502	20,051,384	4,932,368	4,405,282
Number of ordinary shares (weighted average)	847,302,499	847,302,499	847,302,499	847,302,499	847,302,499	847,302,499
Basis earnings per share (Sen)	0.09	0.66	1.41	2.37	0.58	0.52

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basis earnings per share.

The weighted average number of ordinary shares is based on the total number of ordinary shares issued after the completion of the Acquisitions, subsidiaries and the bonus issue. For the purpose of calculating the earnings per share for financial year ended 31 December 2019 to 31 December 2022 and for the financial period ended 30 April 2023 and 30 April 2022, the same weighted average number ordinary shares have been used.

32. SEGMENT REPORTING

For management purposes, the Group is organised into business segments based on their products and services. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services, and serves different markets.

The Group's reportable segments under MFRS 8 are as follows:

Segments

Pawnbroking services
Gold and luxury product retail and trading
Others

Product and services

Provision of pawnbroking services
Sales of jewellery and gold products
Pawnbroking consultancy, IT solutions and management fees

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

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NOTES TO THE FINANCIAL STATEMENTS**32. SEGMENT REPORTING (CONT'D)**

	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
<u>31 December 2019 (Audited)</u>					
Revenue					
Total external revenue	10,267,352	4,534,909	-	-	14,802,261
Inter-segment revenue	84,610	70,631	-	(155,241)	-
Total segment revenue	10,351,962	4,605,540	-	(155,241)	14,802,261
Segment results					
Operating results	2,562,900	346,443	(154,728)	-	2,754,615
Finance costs	(971,115)	-	-	-	(971,115)
Profit/(loss) before tax	1,591,785	346,443	(154,728)	-	1,783,500
Tax expense	(986,433)	(2,200)	-	-	(988,633)
Net profit/(loss) after tax	605,352	344,243	(154,728)	-	794,867
Assets and Liabilities					
Segment assets	98,912,454	34,837	21,503,139	-	120,450,430
Segment liabilities	42,559,376	4,668	10,173,271	-	52,737,315
Other segment information					
Depreciation	2,395,974	-	43,290	-	2,439,264
<u>31 December 2020 (Audited)</u>					
Revenue					
Total external revenue	14,311,684	9,878,384	235,814	-	24,425,882
Inter-segment revenue	590,727	-	-	(590,727)	-
Total segment revenue	14,902,411	9,878,384	235,814	(590,727)	24,425,882
Segment results					
Operating results	7,444,108	2,327,862	217,111	-	9,989,081
Finance costs	(808,306)	-	-	-	(808,306)
Profit before tax	6,635,802	2,327,862	217,111	-	9,180,775
Tax expense	(2,216,103)	(639,368)	-	-	(2,855,471)
Net profit after tax	4,419,699	1,688,494	217,111	-	6,325,304
Assets and Liabilities					
Segment assets	106,254,447	2,530,247	25,424,471	-	134,209,165
Segment liabilities	23,937,378	300,457	33,563,806	-	57,801,641
Other segment information					
Depreciation	2,370,223	20,581	43,290	-	2,434,094
Gain on disposal of investment properties	-	-	147,935	-	147,935

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**32. SEGMENT REPORTING (CONT'D)**

	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
31 December 2021 (Audited)					
Revenue					
Total external revenue	19,170,242	40,736,664	996,346	-	60,903,252
Inter-segment revenue	21,760,994	-	503,767	(22,264,761)	-
Total segment revenue	40,931,236	40,736,664	1,500,113	(22,264,761)	60,903,252
Segment results					
Operating results	12,500,822	4,962,140	186,131	-	17,649,093
Finance costs	(1,963,850)	(125,783)	(310)	-	(2,089,943)
Profit before tax	10,536,972	4,836,357	185,821	-	15,559,150
Tax expense	(2,656,955)	(860,075)	(85,618)	-	(3,602,648)
Net profit after tax	7,880,017	3,976,282	100,203	-	11,956,502
Assets and Liabilities					
Segment assets	130,275,624	10,410,214	19,343,964	-	160,029,802
Segment liabilities	32,210,398	147,086	19,607,943	-	51,965,427
Other segment information					
Depreciation	2,343,784	31,107	28,030	-	2,402,921
Gain on disposal of right-of-use assets	54,988	-	-	-	54,988
Gain on disposal of property, plant and equipment	90,095	-	-	-	90,095
31 December 2022 (Audited)					
Revenue					
Total external revenue	22,579,826	37,744,481	6,848,346	-	67,172,653
Inter-segment revenue	17,543,175	-	4,519,108	(22,062,283)	-
Total segment revenue	40,123,001	37,744,481	11,367,454	(22,062,283)	67,172,653
Segment results					
Operating results	26,746,937	1,468,159	(1,092,943)	-	27,122,153
Finance income	-	-	7,939	-	7,939
Finance costs	(1,989,112)	-	(913,459)	-	(2,902,571)
Profit/(loss) before tax	24,757,825	1,468,159	(1,998,463)	-	24,227,521
Tax expense	(3,690,316)	(227,228)	(258,593)	-	(4,176,137)
Net profit/(loss) after tax	21,067,509	1,240,931	(2,257,056)	-	20,051,384
Assets and Liabilities					
Segment assets	194,731,117	1,149,474	16,098,020	-	211,978,611
Segment liabilities	40,180,928	(258,543)	43,940,470	-	83,862,855
Other segment information					
Depreciation	2,301,194	49,202	114,911	-	2,465,307
Gain on disposal of investment property	-	-	5,834,335	-	5,834,335

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NOTES TO THE FINANCIAL STATEMENTS**32. SEGMENT REPORTING (CONT'D)**

	Pawnbroking services RM	Gold and luxury product retail and trading RM	Others RM	Eliminations RM	Total RM
<u>31 December 2022 (Audited)</u>					
Other segment information (cont'd)					
Gain on disposal of other investments	-	-	3,107,836	-	3,107,836
Gain on disposal of property, and equipment	-	-	46,908	-	46,908
<u>30 April 2023 (Audited)</u>					
Revenue					
Total external revenue	10,907,803	25,043,513	4,800	-	35,956,116
Inter-segment revenue	18,083,050		1,338,614	(1,338,614)	-
Total segment revenue	28,990,853	25,043,513	1,343,414	(1,338,614)	35,956,116
Segment results					
Operating results	8,103,175	1,592,885	(1,620,350)	-	8,075,710
Finance income	-	-	96,061	-	96,061
Finance costs	(465,936)	-	(878,939)	-	(1,344,875)
Profit/(loss) before tax	7,637,239	1,592,885	(2,403,228)	-	6,826,896
Tax expense	(1,561,231)	(317,319)	(15,978)	-	(1,894,528)
Net profit/(loss) after tax	6,076,008	1,275,566	(2,419,206)	-	4,932,368
Assets and Liabilities					
Segment assets	191,087,913	2,407,698	8,523,132	-	202,018,743
Segment liabilities	44,423,790	158,100	24,388,726	-	68,970,616
Other segment information					
Depreciation	735,203	16,559	38,161	-	789,923
<u>30 April 2022 (Unaudited)</u>					
Revenue					
Total external revenue	8,500,188	11,232,573	626,371	-	20,359,132
Inter-segment revenue	6,361,109	-	784,629	(7,145,738)	-
Total segment revenue	14,861,297	11,232,573	1,411,000	(7,145,738)	20,359,132
Segment results					
Operating results	6,167,851	668,225	(458,410)	-	6,377,666
Finance costs	(416,977)	-	(61,413)	-	(478,390)
Profit before tax	5,750,874	668,225	(519,823)	-	5,899,276
Tax expense	(1,223,157)	(108,682)	(162,155)	-	(1,493,994)
Net profit after tax	4,527,717	559,543	(681,978)	-	4,405,282
Assets and Liabilities					
Segment assets	139,036,567	7,060,077	24,267,311	-	170,363,955
Segment liabilities	42,426,586	126,050	15,341,659	-	57,894,295
Other segment information					
Depreciation	772,200	16,662	39,666	-	828,528

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**33. CATEGORIES OF FINANCIAL INSTRUMENTS**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	← Audited →				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Financial assets					
At amortised cost:					
Trade receivables	62,423,247	83,610,716	117,615,528	165,291,520	160,998,270
Other receivables	1,307,783	2,449,049	664,201	775,691	969,306
Amount due from related parties	14,077,968	9,890,973	-	-	-
Cash and bank balances	1,173,535	2,373,323	3,300,368	17,263,112	11,876,940
	78,982,533	98,324,061	121,580,097	183,330,323	173,844,516
Financial liabilities					
Trade payables	6,810	5,155	20,687	114,869	189,449
Other payables and accruals	5,784,240	851,676	2,017,196	2,320,315	2,209,824
Amount due to directors	1,324,857	12,373	-	-	-
Amount due to related parties	15,971,759	18,422,569	8,778,425	-	-
Borrowings	12,911,366	20,233,995	24,990,923	66,861,311	51,583,933
Lease liabilities	16,592,381	17,226,333	14,756,206	13,926,246	13,600,397
	52,591,413	56,752,101	50,563,437	83,222,741	67,583,603

34. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest risk. The Group's overall financial risk management objective is to optimise value for its shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(a) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises (primarily from trade and other receivables) and from its financing activities. The Group has a credit policy and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade and other receivables is represented by their carrying amounts in the statements of financial position.

Credit risk concentration profile

The Group has no significant concentration of credit risk from its receivables. The Group minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

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NOTES TO THE FINANCIAL STATEMENTS**34. FINANCIAL RISK MANAGEMENT (CONT'D)****(a) Credit risk (cont'd)**Credit risk concentration profile (cont'd)

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the life expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables using a provision matrix are as follows:

	Current RM	1 to 30 days past due RM	Trade receivables 31 to 60 days past due RM	61 to 90 days past due RM	91 to 120 days past due RM	> 120 days past due RM	Total RM
(Audited)							
At 31 December 2019							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	58,798,866	2,456,145	1,168,236	-	-	-	62,423,247
Impairment losses	-	-	-	-	-	-	-
At 31 December 2020							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	80,029,665	2,838,570	742,481	-	-	-	83,610,716
Impairment losses	-	-	-	-	-	-	-
At 31 December 2021							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	109,985,734	5,469,792	2,160,002	-	-	-	117,615,528
Impairment losses	-	-	-	-	-	-	-
At 31 December 2022							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	149,004,718	11,692,428	4,594,374	-	-	-	165,291,520
Impairment losses	-	-	-	-	-	-	-
At 30 April 2023							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	146,915,363	9,492,043	4,420,544	101,020	69,300	-	160,998,270
Impairment losses	-	-	-	-	-	-	-

Other receivables and other financial assets

For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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NOTES TO THE FINANCIAL STATEMENTS**34. FINANCIAL RISK MANAGEMENT (CONT'D)****(a) Credit risk (cont'd)****Other receivables and other financial assets (cont'd)**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.8(a) for the Group's other accounting policies for impairment of financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effect of fluctuations in cash flows.

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NOTES TO THE FINANCIAL STATEMENTS**34. FINANCIAL RISK MANAGEMENT (CONT'D)****(b) Liquidity risk (cont'd)**Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 - 5 year RM	> 5 years RM
(Audited)					
At 31 December 2019					
Trade payables	6,810	6,810	6,810	-	-
Other payables and accruals	5,784,240	5,784,240	5,784,240	-	-
Amount due to directors	1,324,857	1,324,857	1,324,857	-	-
Amount due to related parties	15,971,759	15,971,759	15,971,759	-	-
Borrowings	12,911,366	15,396,731	2,126,161	6,886,230	6,384,340
Lease liabilities	16,592,381	25,141,074	1,829,608	7,898,008	15,413,458
	<u>52,591,413</u>	<u>63,625,471</u>	<u>27,043,435</u>	<u>14,784,238</u>	<u>21,797,798</u>
At 31 December 2020					
Trade payables	5,155	5,155	5,155	-	-
Other payables and accruals	851,676	851,676	851,676	-	-
Amount due to directors	12,373	12,373	12,373	-	-
Amount due to related parties	18,422,569	18,422,569	9,997,756	8,424,813	-
Borrowings	20,233,995	24,133,744	4,656,457	5,893,302	13,583,985
Lease liabilities	17,226,333	25,506,716	2,055,893	8,594,502	14,856,321
	<u>56,752,101</u>	<u>68,932,233</u>	<u>17,579,310</u>	<u>22,912,617</u>	<u>28,440,306</u>
At 31 December 2021					
Trade payables	20,687	20,687	20,687	-	-
Other payables and accruals	2,017,196	2,017,196	2,017,196	-	-
Amount due to related parties	8,778,425	8,778,425	8,778,425	-	-
Borrowings	24,990,923	30,464,860	5,998,699	6,196,266	18,269,895
Lease liabilities	14,756,206	21,116,775	1,864,820	8,047,417	11,204,538
	<u>50,563,437</u>	<u>62,397,943</u>	<u>18,679,827</u>	<u>14,243,683</u>	<u>29,474,433</u>
At 31 December 2022					
Trade payables	114,868	114,868	114,868	-	-
Other payables and accruals	2,320,315	2,320,315	2,320,315	-	-
Borrowings	66,861,311	51,617,431	20,821,100	25,006,157	5,790,174
Lease liabilities	13,926,246	19,281,648	1,942,845	8,250,717	9,088,086
	<u>83,222,740</u>	<u>73,334,362</u>	<u>25,199,128</u>	<u>33,256,874</u>	<u>14,878,260</u>

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NOTES TO THE FINANCIAL STATEMENTS**34. FINANCIAL RISK MANAGEMENT (CONT'D)****(b) Liquidity risk (cont'd)**Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. (cont'd)

	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 - 5 year RM	> 5 years RM
(Audited)					
At 30 April 2023					
Trade payables	189,449	189,449	189,449	-	-
Other payables and accruals	2,209,824	2,209,824	2,209,824	-	-
Borrowings	51,583,933	58,479,781	7,920,956	33,976,324	16,582,501
Lease liabilities	13,600,397	18,641,157	1,932,828	7,964,735	8,743,594
	<u>67,583,603</u>	<u>79,520,211</u>	<u>12,253,057</u>	<u>41,941,059</u>	<u>25,326,095</u>

(c) Market risk

Market risk is the risk that the fair value of future cash flow on the financial instruments that with fluctuate because of changes in market prices. The various components of market risk that the Group are expose to are discussed below:

(i) Foreign exchange risk

The objectives of the Group's currency risk management policies are to allow the Group to effectively manage the foreign exchange fluctuation against its functional currency that may arise from future commercial transactions and recognized assets and liabilities. The Group monitors the movement in foreign currency exchange rates closely to ensure their exposures are minimised.

As at 31 December 2019 to 31 December 2021, the Group has no significant exposure to foreign exchange rate would not cause any material effect to the Group's profit.

The currency exposure of financial liabilities of the Group that are not denominated in the functional currency are set out below:

	31.12.2022 RM	30.4.2023 RM
Denominated in USD		
Borrowings	<u>22,075,000</u>	<u>22,292,500</u>
Net exposure	<u>22,075,000</u>	<u>22,292,500</u>

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NOTES TO THE FINANCIAL STATEMENTS**34. FINANCIAL RISK MANAGEMENT (CONT'D)****(c) Market risk (cont'd)****(i) Foreign exchange risk (cont'd)**

The sensitivity of the Group's profit after tax for the financial years/period and equity to a reasonably possible change in the USD exchange rate against the functional currencies of RM, with all other factors remaining constant and based on the composition of assets and liabilities at the reporting date are set out as below.

	Effect on profit after tax 31.12.2022 RM	Effect on profit after tax 30.4.2023 RM
USD/RM		
- Strengthened 10%	(1,677,700)	(1,694,230)
- Weakened 10%	<u>1,677,700</u>	<u>1,694,230</u>

The impact on profit after tax for the financial period are mainly as a result of foreign currency gain/losses on translating of USD denominated borrowings.

(ii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value of future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their borrowings floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years/period.

	Carrying amount RM	Change in basis point	Effect on profit for the financial years/period RM
(Audited)			
31 December 2019			
Term loan	(12,506,762)	+ 25	(23,763)
		- 25	<u>23,763</u>
31 December 2020			
Term loan	(17,417,577)	+ 25	(33,093)
		- 25	<u>33,093</u>
31 December 2021			
Term loan	(21,095,068)	+ 25	(40,081)
		- 25	<u>40,081</u>
31 December 2022			
Term loan	(24,781,353)	+ 25	(47,085)
		- 25	<u>47,085</u>
Revolving loan	(20,000,000)	+ 25	(38,000)
		- 25	<u>38,000</u>

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34. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

(Audited) 30 April 2023	Carrying amount RM	Change in basis point	Effect on profit for the financial years/period RM
Term loan	(24,291,433)	+ 25 - 25	(461,537) <u>461,537</u>
Revolving loan	(5,000,000)	+ 25 - 25	(95,000) <u>95,000</u>

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholder, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years/period.

The Group monitors capital using a gearing ratio. The gearing ratio is calculated as net debts divided by equity attributable to the owners of the Group. The gearing ratio as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 April 2023 are as follows:

	31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Amount due to related parties	-	8,835,395	8,778,425	-	-
Lease liabilities	92,439	84,350	-	-	-
Borrowings	12,911,366	20,233,995	24,990,923	66,861,311	51,583,933
	<u>13,003,805</u>	<u>29,153,740</u>	<u>33,769,348</u>	<u>66,861,311</u>	<u>51,583,933</u>
Total equity	<u>67,713,115</u>	<u>76,407,524</u>	<u>108,064,375</u>	<u>128,115,756</u>	<u>133,048,124</u>
Gearing ratio (times)	<u>0.19</u>	<u>0.38</u>	<u>0.31</u>	<u>0.52</u>	<u>0.39</u>

There were no changes in the Group's approach to capital management during the financial years/period under review.

13. ACCOUNTANTS' REPORT (cont'd)

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NOTES TO THE FINANCIAL STATEMENTS

36. FAIR VALUE OF ASSETS AND LIABILITIES

The carrying amounts of cash and bank balances, short-term receivables, payables and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amount long-term floating rate loans and borrowings approximate their fair value as the loans and borrowings will be re-priced to market interest rate on or near reporting date.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS

(a) Covid-19 outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus Disease ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the movement control order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown, and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

The Group has performed an assessment of the overall impact of the situation on the Group's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities and concluded that there are no material adverse effects on the financial statements for financial year ended 31 December 2021.

The Group is unable to reasonably estimate the full extent of the financial impact that these events have on its financial position, results of operations or cash flows for the financial year ended 31 December 2021 due to the uncertainty of the future outcome of the current events. It is however certain that the worldwide measures against the spread of the coronavirus will have direct and indirect effects on its operations. The Group will continuously monitor the impact of Covid-19 on its operations and financial performance and will be taking appropriate and timely measures to minimise the impact of the outbreak on the Company's operations.

(b) On 15 May 2022, EMCC entered into a loan agreement with RISA Partners, Inc. in relation to borrowing of USD5 million to fund additional cash capital for its pawnbroking business.

(c) On 15 August 2022, Pajak Gadai E Assets Sdn. Bhd. entered into a Sales and Purchase Agreement to dispose off a freehold building for a total consideration of RM6,800,000;

On 15 September 2022, EMCC entered into a share sale agreement with Dato' Low Kok Chuan to dispose off the entire equity interest of CC Low Marketing Sdn. Bhd. for a total consideration of RM5,604,000; and

(d) On 15 September 2022, Atapttech Sdn. Bhd. entered into an assignment of intellectual property right agreement with CC Low Marketing Sdn. Bhd. to assign its intellectual property rights of a claim processing software to CC Low Marketing Sdn. Bhd. for a total consideration of RM97,500.

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NOTES TO THE FINANCIAL STATEMENTS

38. ACQUISITION OF SUBSIDIARY

On 1 October 2021, EMCC acquired a wholly-owned subsidiary company, Atapttech Sdn. Bhd., a company incorporated in Malaysia with purchase consideration of RM825,073. The acquisition had the following financial impact to the Group as at the date of acquisition:

	1.10.2021 RM
Property, plant and equipment	401,182
Trade receivables	149,746
Other receivables, deposits and prepayments	16,921
Amount due from related parties	854,107
Cash and bank balances	18,178
Trade payables	(11,755)
Other payables	(101,772)
Current tax liabilities	(293,578)
Deferred tax liabilities	(29,686)
Fair value of the identifiable assets and liabilities acquired	1,003,343
Purchase consideration	(825,073)
Bargain purchase	178,270
	RM
Net cash outflow arising from acquisition of a subsidiary:	
Purchase consideration	825,073
Cash and cash equivalents of the subsidiary acquired	(18,178)
	806,895

39. CASH FLOWS INFORMATION

39.1 The cash received for the proceeds from disposal of investment properties is as follows:

	← 31.12.2019 RM	31.12.2020 RM	Audited 31.12.2021 RM	31.12.2022 RM	30.4.2023 RM	Unaudited 30.04.2022 RM
Sales proceeds from disposal of investment property	-	5,783,000	-	7,650,000	-	-
Less: Amount due to directors	-	(5,533,000)	-	-	-	-
Less: Real property gain tax	-	(7,500)	-	-	-	-
Less: Other receivables	-	(6,520)	-	-	-	-
	-	235,980	-	7,650,000	-	-

13. ACCOUNTANTS' REPORT (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

39. CASH FLOWS INFORMATION (CONT'D)

39.2 Reconciliation of liabilities arising from financing activities:

	1 January 2019 RM	Cash flows RM	Non-cash		31 December 2019 RM
			Other investment RM	Share capital RM	
(Audited)					
Issuance of redeemable convertible preference shares	2,000,000	3,055,000	-	-	5,055,000
Borrowings	14,941,382	(2,434,620)	-	-	12,506,762
Lease liabilities	17,206,681	(614,300)	-	-	16,592,381
Amount due to directors	648,410	676,547	-	(100)	1,324,857
Amount due to related parties	15,914,961	56,798	-	-	15,971,759
Amount due from related parties	(30,160,574)	17,046,606	(964,000)	-	(14,077,968)
	<u>20,550,860</u>	<u>17,786,031</u>	<u>(964,000)</u>	<u>(100)</u>	<u>37,372,791</u>

	1 January 2020 RM	Cash flows RM	Right of use assets RM	Investment properties RM	Other receivables RM	Share capital RM	Other payables RM	Amount due to related companies RM	Rent concession RM	Amount due to directors RM	31 December 2020 RM
(Audited)											
Redeemable convertible preference shares	5,055,000	1,170,000	-	-	-	(6,225,000)	-	-	-	-	-
Redeemable preference shares	232,000	118,900	-	-	-	(350,900)	-	-	-	-	-
Invested equity	76,000,102	99,900	-	-	-	6,575,900	-	8,000,000	-	-	90,675,902
Borrowings	12,506,762	5,557,088	-	-	-	-	-	-	-	(646,273)	17,417,577
Lease liabilities	16,592,381	(537,947)	1,305,814	-	-	-	-	-	(133,915)	-	17,226,333
Amount due to directors	1,324,857	(1,176,712)	-	(5,533,000)	(269,045)	-	5,020,000	-	-	646,273	12,373
Amount due to related parties	15,971,759	10,450,810	-	-	-	-	-	(8,000,000)	-	-	18,422,569
Amount due from related parties	(14,077,968)	4,186,995	-	-	-	-	-	-	-	-	(9,890,973)
	<u>113,604,893</u>	<u>19,869,034</u>	<u>1,305,814</u>	<u>(5,533,000)</u>	<u>(269,045)</u>	<u>-</u>	<u>5,020,000</u>	<u>-</u>	<u>(133,915)</u>	<u>-</u>	<u>133,863,781</u>

13. ACCOUNTANTS' REPORT (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

39. CASH FLOWS INFORMATION (CONT'D)

39.2 Reconciliation of liabilities arising from financing activities: (cont'd)

	1 January 2021 RM	Cash flows RM	Share capital RM	Acquisition of subsidiary RM	Rent concession RM	Gain on termination of lease RM	Lease liabilities RM	31 December 2021 RM
(Audited)								
Invested equity	90,675,902	-	(90,025,891)	(650,011)	-	-	-	-
Share capital	-	1	90,025,890	-	-	-	-	90,025,891
Borrowings	17,417,577	3,677,491	-	-	-	-	-	21,095,068
Lease liabilities	17,226,333	(696,684)	-	-	(120,629)	(1,582,096)	(70,718)	14,756,206
Advances from directors	12,373	(12,373)	-	-	-	-	-	-
Amount due to related parties	18,422,569	(212,156)	-	(9,502,706)	-	-	70,718	8,778,425
Amount due from related parties	(9,890,973)	18,446,560	-	(8,555,587)	-	-	-	-
	<u>133,863,781</u>	<u>21,202,839</u>	<u>(1)</u>	<u>(18,708,304)</u>	<u>(120,629)</u>	<u>(1,582,096)</u>	<u>-</u>	<u>134,655,590</u>

13. ACCOUNTANTS' REPORT (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD**

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS**39. CASH FLOWS INFORMATION (CONT'D)****39.2 Reconciliation of liabilities arising from financing activities: (cont'd)**

			← Non-cash →		
	1 January 2022 RM	Cash flows RM	Rent concession RM	Loss on foreign exchange/ Right-of- use assets RM	31 December 2022 RM
(Audited)					
Borrowings	21,095,069	45,454,720	-	306,564	66,856,353
Lease liabilities	14,756,206	(830,827)	(76,255)	77,122	13,926,246
Amount due to related parties	8,778,425	(8,778,425)	-	-	-
	<u>44,629,700</u>	<u>35,845,468</u>	<u>(76,255)</u>	<u>383,686</u>	<u>80,782,599</u>
			← Non-cash →		
	1 January 2023 RM	Cash flows RM	Rent concession RM	Loss on foreign exchanges RM	30 April 2023 RM
(Audited)					
Borrowings	66,856,353	(15,504,587)	-	232,167	51,583,933
Lease liabilities	13,926,246	(298,193)	(27,656)	-	13,600,397
	<u>80,782,599</u>	<u>(15,802,780)</u>	<u>(27,656)</u>	<u>232,167</u>	<u>65,184,330</u>
			← Non-cash →		
	1 January 2022 RM	Cash flows RM	Rent concession RM	Loss on foreign exchanges RM	30 April 2022 RM
(Unaudited)					
Borrowings	21,095,069	5,025,092	-	-	26,120,161
Lease liabilities	14,756,206	(275,207)	(8,800)	-	14,472,199
Amount due to related parties	8,778,425	2,527,596	-	-	11,306,021
	<u>44,629,700</u>	<u>7,277,481</u>	<u>(8,800)</u>	<u>-</u>	<u>51,898,381</u>

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023



CHENGCO PLT 201806002622 (LLP0017004-LCA) & AF0886

Wisma Cheng & Co

No. 8-2, 10-1 & 10-2, Jalan 2/114, Kuchai Business Centre, Off Jalan Klang Lama, 58200 Kuala Lumpur.

Tel: 03-7984 8988 Fax: 03-7984 4402

Email: enquiry@chengco.asia Website: www.chengco.asia

The Board of Directors

Evergreen Max Cash Capital Berhad

Lot 11-10, Level 11, Wisma Trax

No 1, Jalan Lima Off, Jalan Chan Sow Lin

55200 Kuala Lumpur

Wilayah Persekutuan

Date: 2 August 2023

Dear Sirs,

**EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA
STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023**

We have completed our assurance engagement to report on the compilation of the Pro Forma Statements of Financial Position of EMCC and its subsidiaries, namely Pajak Gadai Insan Tiara Sdn. Bhd., Pajak Gadai Terus Wangsa Sdn. Bhd., Pajak Gadai Total Sdn. Bhd., Pajak Gadai SP Sdn. Bhd., Pajak Gadai Sungai Way Sdn. Bhd., Pajak Gadai Brickfields Sdn. Bhd., Pajak Gadai Global Wealth Sdn. Bhd., Pajak Gadai Adventure Sdn. Bhd., Pajak Gadai Nilai Sdn. Bhd., Pajak Gadai Sri Permaisuri Sdn. Bhd., Pajak Gadai Kenanga Sdn. Bhd., Pajak Gadai Angkasa Sdn. Bhd., Pajak Gadai Maju Sdn. Bhd., Pajak Gadai E Assets Sdn. Bhd., Pajak Gadai Delta Sdn. Bhd., Cahaya Gold & Jewellery Sdn. Bhd. and Atapttech Sdn. Bhd. (collectively referred to as the "Group").

The Pro Forma Statements of Financial Position consist of the Pro Forma Statements of Financial Position of EMCC as at 30 April 2023 together with the accompanying notes thereon, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the Directors of EMCC have compiled the Pro Forma Statements of Financial Position are described in Note 2 to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia ("Prospectus Guidelines") ("Applicable Criteria").

The Pro Forma Statements of Financial Position of EMCC has been compiled by the Directors of EMCC, for inclusion in the prospectus of EMCC ("Prospectus") in connection with the Initial Public Offering ("IPO") of EMCC and the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad ("Listing").

The Pro Forma Statements of Financial Position as at 30 April 2023 have been compiled by the Directors of EMCC, for illustrative purposes only, to illustrate the impact of the Listing on the financial position of the Group had the Listing been effected on 30 April 2023. As part of this process, information about EMCC's Statements of financial position has been extracted by the Directors of EMCC from EMCC's audited Statements of financial position as at 30 April 2023, on which was reported by us to the members of EMCC without any modification.

Directors' Responsibility for the Pro Forma Statements of Financial Position

The Directors of EMCC are responsible for compiling the Pro Forma Statements of Financial Position based on the Applicable Criteria.

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")

Reporting Accountants' Report on the compilation of
Pro Forma Statements of Financial Position
as at 30 April 2023 Included in a Prospectus (cont'd)

Our independence and Quality Control

We have complied with the independence and other ethical requirement of the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants and the International Ethics Standards Board for Accountants' International Codes of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on whether the Pro Forma Statements of Financial Position of EMCC has been compiled, in all material respects, by the Directors of EMCC based on the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors of EMCC have compiled, in all material respects, the Pro Forma Statements of Financial Position of EMCC based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the Pro Forma Statements of Financial Position of EMCC, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statements of Financial Position of EMCC.

The purpose of the Pro Forma Statements of Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")

Reporting Accountants' Report on the compilation of
Pro Forma Statements of Financial Position
as at 30 April 2023 Included in a Prospectus (cont'd)

Reporting Accountants' Responsibilities (cont'd)

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position of EMCC has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors of EMCC in the compilation of the Pro Forma Statements of Financial Position of the EMCC provide a reasonable basis for presenting the significant effects directly attributable to Listing Scheme as described in Note 1.2 of this Pro Forma Statements of Financial Position of EMCC, and to obtain sufficient appropriate evidence about whether:

- (a) The Pro Forma Statements of Financial Position of EMCC has been properly prepared on the basis and assumptions set out in the accompanying notes to the Pro Forma Statements of Financial Position of EMCC, based on the Accountants' Report of EMCC for the financial period ended ("FPE") 30 April 2023, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE 30 April 2023;
- (b) The related pro forma adjustments reflect the appropriate effects of the Applicable Criteria; and
- (c) The Pro Forma Statements of Financial Position of EMCC reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Statements of Financial Position of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statements of Financial Position of EMCC.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our opinion

In our opinion, the Pro Forma Statements of Financial Position of EMCC has been properly prepared on the basis and assumptions set out in the accompanying notes to the Pro Forma Statements of Financial Position, based on the Accountants' Report of EMCC for the FPE 30 April 2023, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE 30 April 2023.

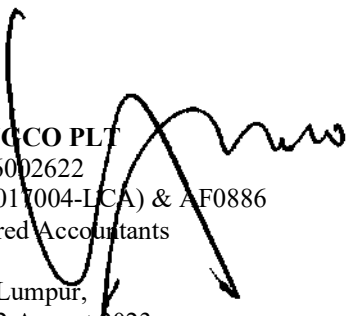
14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")

Reporting Accountants' Report on the compilation of
Pro Forma Statements of Financial Position
as at 30 April 2023 Included in a Prospectus (cont'd)


Other Matters

This report has been prepared for inclusion in the Prospectus in connection with the Listing. Save for the foregoing, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.



CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

Kuala Lumpur,
Date: 2 August 2023



TAN WAE LENG
02850/05/2024 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
[Company No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

CHENGCO PLT, Chartered Accountants
201806002622
(LLP0017064-LCA) & AF0886
For Identification Purpose Only

PRO FORMA STATEMENTS OF FINANCIAL POSITION

1. Introduction

The pro forma Statements of financial position of Evergreen Max Cash Capital Berhad ("EMCC" or the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") has been compiled by the Directors of EMCC, for illustrative purposes only, for inclusion in the prospectus of EMCC in connection with the Initial Public Offering ("IPO") of EMCC and the listing of and quotation for the entire enlarged issued share capital of EMCC on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

1.2 Listing Scheme

1.2.1 Pre-IPO Re-organisation

Prior to the Listing, the Group has undertaken Pre-IPO re-organisation comprising the following:

(a) Acquisitions

On 1 October 2021, EMCC had entered into a share purchase agreement with Trax Capital Sdn. Bhd. to acquire the following companies for a total purchase consideration of RM90,025,890 to be satisfied via the issuance of 529,564,061 new ordinary shares in EMCC ("Shares"):

- (a) Atapttech;
- (b) Cahaya Gold;
- (c) CC Low;
- (d) PG Adventure;
- (e) PG Angkasa;
- (f) PG Brickfields;
- (g) PG Delta;
- (h) PG E Assets;
- (i) PG Insan Tiara;
- (j) PG Kenanga;
- (k) PG Maju;
- (l) PG Nilai;
- (m) PG SP;
- (n) PG Sungai Way;
- (o) PG Terus Wangsa; and
- (p) PG Total

The said acquisition exercise was completed on 22 December 2021.

(b) Bonus Issue

On 15 June 2022, EMCC had completed a bonus issue of 317,738,437 new shares ("Bonus Shares") on the basis of 3 Bonus Shares for every 5 existing shares.

(c) Disposals

On 15 September 2022, EMCC had entered into a share purchase agreement with Dato' Low Kok Chuan for the disposal of 931,049 ordinary shares in CC Low Marketing Sdn. Bhd. ("CC Low") ("Share Purchase Agreement"), representing the entire equity interest in CC Low, for a cash consideration of RM5,604,000.

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
 [Company No.: 202101028602 (1428902-D)]
 (Incorporated in Malaysia)

CHENGCO PLT, Chartered Accountants
 201806002622
 (LLP0017064-LCA) & AF0886
 For Identification Purpose Only

PRO FORMA STATEMENTS OF FINANCIAL POSITION**1.2 Listing Scheme (cont'd)**

In conjunction with the above, the Group had also entered into the following, which are inter-conditional upon one another as well as the Share Purchase Agreement:

- (a) A sale and purchase agreement dated 15 August 2022 between Pajak Gadai E Assets Sdn. Bhd. ("PG E Assets") and CC Low for the disposal of an investment property to CC Low for a cash consideration of RM6,800,000; and
- (b) An assignment agreement dated 15 September 2022 between Atapttech Sdn. Bhd. ("Atapttech") and CC Low for the assignment of Atapttech's intellectual property rights in the motor insurance claims processing software used by CC Low to CC Low for a cash consideration of RM97,500.

(Collectively, the "Disposals")

The total Disposals consideration of RM12,501,500 is to be set-off against the amount owing by the Group to CC Low, which amounted to RM11,690,998 as at 1 December 2022. The Disposals were completed on 19 December 2022.

1.2.2 Public Issue

The Listing involves a public issue of 267,600,000 new Shares at the IPO price of RM0.24 per Share.

In conjunction with the Listing, EMCC would seek the listing of and quotation for its entire enlarged issued share capital comprising 1,114,902,499 Shares on the ACE Market of Bursa Securities.

The gross proceeds from the Public Issue are expected to be utilised use in the following manner:

Details of utilisation	RM'000	%	Time frame for utilisation from the date of listing
Expansion of pawnshops ⁽¹⁾	20,000	31.1	Within 24 months
Cash capital for the pawnbroking business	30,000	46.7	Within 24 months
Repayment of bank borrowings	4,000	6.2	Within 1 month
Working capital	5,624	8.8	Within 12 months
Estimated listing expenses ⁽²⁾	4,600	7.2	Within 1 months
Gross proceeds	64,224	100.00	

Notes:

⁽¹⁾ EMCC is still in the midst to identifying the suitable locations to open its new pawnshop as well as utilise the amount earmarked for expansion of pawnshop and the acquisition/investment opportunities to embark on.

⁽²⁾ The estimated listing expenses of RM2,011,720 arising from the issuance of new Shares pursuant to the Listing are to be off set against the share capital whilst the remaining estimated listing expenses of RM1,544,777 will be expensed off to profit or loss, of which, RM1,043,503 has already been expensed off in the FPE 30 April 2023. The remaining balances represent one-off expenditure in conjunction with the IPO.

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
[Company No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

CHENGCO PLT, Chartered Accountants
201806002622
(LLP0017084-LCA) & AF0886
For Identification Purpose Only

2. BASIS OF PREPARATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITION

- 2.1 The Pro Forma Statements of Financial Position have been prepared to illustrate the financial position of EMCC as at 30 April 2023, adjusted for the Public Issue and the use of proceeds from the Public Issue as described in Notes 1.2.2.
- 2.2 The Pro Forma Statements of Financial Position of EMCC have been prepared based on the audited financial statements of EMCC for the FPE 30 April 2023.
- 2.3 The audited financial statements of EMCC for the FPE 30 April 2023 were reported by the auditors to its members without any modifications.
- 2.4 The Pro Forma Statements of Financial Position of EMCC have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.
- 2.5 The Pro Forma Statements of Financial Position of EMCC have been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma Statements of financial position of EMCC, based on the Accountants' Report of EMCC for the FPE 30 April 2023, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.
- 2.6 The Pro Forma Statements of Financial Position of EMCC have been prepared in a manner consistent with both the format of the audited financial statements and accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE 30 April 2023.

The Pro Forma Statements of Financial Position of EMCC is combined using merger method as all the combining entities are under common control of the same party before and after the Acquisitions. When the merger method is used, the difference between the cost of investment recorded by EMCC and the share capital of the subsidiaries are accounted for as merger reserve in the pro forma consolidated statements of financial position.

The Group is regarded as a continuing entity resulting from re-organisation exercise because the same management of all the entities within the Group, which took part in the reorganisation exercise, was under common control before and immediately after the reorganisation exercise. The Group has applied the merger method of accounting on a retrospective basis presented in the financial statements.

3. PRO FORMA STATEMENTS OF FINANCIAL POSITION OF EMCC

The Pro Forma Statements of Financial Position of EMCC as set out below, for which the Directors of EMCC are solely responsible, have been prepared for illustrative purposes only, to show the effects of the transactions as mentioned in 1.2.2, on the assumption that these transactions were completed on 30 April 2023, and should be read in conjunction with the notes accompanying thereto.

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)**EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES**

[Company No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

CHENGCO PLT, Chartered Accountants
201806002622
(LLP0017084-LCA) & AF0886
For Identification Purpose Only

3. PRO FORMA STATEMENTS OF FINANCIAL POSITION OF EMCC

		Statements of financial position as at 30 April 2023 RM	Pro Forma I After Public Issue RM	Pro Forma II After Pro Forma I and the use of proceeds RM
	Note			
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	2,924,059	2,924,059	4,424,059
Right-of-use assets		10,503,982	10,503,982	10,503,982
Investment properties		13,000,307	13,000,307	13,000,307
		<u>26,428,348</u>	<u>26,428,348</u>	<u>27,928,348</u>
Current assets				
Inventories		359,907	359,907	359,907
Trade receivables		160,998,270	160,998,270	160,998,270
Other receivables, deposits and prepayments		2,355,278	2,355,278	2,355,278
Cash and bank balances	4.2	11,876,940	76,100,940	67,044,443
		<u>175,590,395</u>	<u>239,814,395</u>	<u>230,757,898</u>
TOTAL ASSETS		<u>202,018,743</u>	<u>266,242,743</u>	<u>258,686,246</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4.4	90,025,891	154,249,891	152,238,171
Retained earnings	4.4	22,671,876	22,671,876	21,127,099
Merger reserves	4.4	20,350,360	20,350,360	20,350,360
		<u>133,048,127</u>	<u>197,272,127</u>	<u>193,715,630</u>
Non-current liabilities				
Borrowings	4.3	45,106,575	45,106,575	41,106,575
Lease liabilities		12,590,450	12,590,450	12,590,450
Deferred tax liabilities		170,773	170,773	170,773
		<u>57,867,798</u>	<u>57,867,798</u>	<u>53,867,798</u>
Current liabilities				
Trade payables		189,449	189,449	189,449
Other payables and accruals		2,209,824	2,209,824	2,209,824
Borrowings	4.3	6,477,358	6,477,358	6,477,358
Lease liabilities		1,009,947	1,009,947	1,009,947
Current tax liabilities		1,216,240	1,216,240	1,216,240
		<u>11,102,818</u>	<u>11,102,818</u>	<u>11,102,818</u>
TOTAL LIABILITIES		<u>68,970,616</u>	<u>68,970,616</u>	<u>64,970,616</u>
TOTAL EQUITY AND LIABILITIES		<u>202,018,743</u>	<u>266,242,743</u>	<u>258,686,246</u>
Number of Shares in issue		<u>847,302,499</u>	<u>1,114,902,499</u>	<u>1,114,902,499</u>
Net Assets ("NA") (RM)		<u>133,048,127</u>	<u>197,272,127</u>	<u>193,715,630</u>
NA per ordinary share (RM)		<u>0.16</u>	<u>0.18</u>	<u>0.17</u>

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 (cont'd)

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES
[Registration No.: 202101028602 (1428902-D)]
(Incorporated in Malaysia)

CHENGCO PLT, Chartered Accountants
201806002622
(LLP0017064-LCA) & AF0886
For Identification Purpose Only

4. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION

4.1 Property, plant and equipment

The movement of property, plant and equipment are as follows:

	RM
At 30 April 2023 / As per Pro Forma I	2,924,059
Pursuant to the utilisation of proceeds from the Public Issue	
- Renovation costs for the setting up of new "Pajaking" pawnshops	1,500,000
Pro Forma II	<u>4,424,059</u>

4.2 Cash and bank balances

The movement of cash and bank balances are as follows:

	RM	RM
At 30 April 2023		11,876,940
Pursuant to the Public Issue		64,224,000
Pro Forma I		<u>76,100,940</u>
Pursuant to the utilisation of proceeds from the Public Issue:		
- Renovation costs for the setting up of new "Pajaking" pawnshops	(1,500,000)	
- Repayment of bank borrowings	(4,000,000)	
- Balance listing expenses to be paid	<u>(3,556,497)</u>	<u>(9,056,497)</u>
Pro Forma II		<u>67,044,443</u>

4.3 Bank borrowings

The movement of Bank borrowings are as follows:

	RM
At 30 April 2023/ As per Pro Forma I	51,583,933
Pursuant to the utilisation of proceeds:	
- Repayment of bank borrowings	<u>(4,000,000)</u>
Pro Forma II	<u>47,583,933</u>

4.4 Share capital/Merger reserves/Retained earnings

The movements in share capital and reserves are as follows:

	Share capital	Merger reserves	Retained earnings
	RM	RM	RM
At 30 April 2023	90,025,891	20,350,360	22,671,876
Pursuant to the Public Issue	64,224,000	-	-
Pro Forma I	<u>154,249,891</u>	<u>20,350,360</u>	<u>22,671,876</u>
Pursuant to the utilisation of proceeds:			
- Estimated listing expenses	<u>(2,011,720)</u>	-	<u>(1,544,777)</u>
Pro Forma II	<u>152,238,171</u>	<u>20,350,360</u>	<u>21,127,099</u>

14. REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITIONS AS AT 30 APRIL 2023 *(cont'd)*

EVERGREEN MAX CASH CAPITAL BERHAD AND ITS SUBSIDIARIES

[Registration No.: 202101028602 (1428902-D)]

(Incorporated in Malaysia)

5. Approve by the Board of Directors

The Pro Forma Statements of Financial Position of EMCC is approved by the Board of Directors of Evergreen Max Cash Capital Berhad in accordance with Directors' resolution dated 2 August 2023.

.....
Dato' Low Kok Chuan
Director

.....
Datin Tea Guat Ngo
Director

15. STATUTORY AND OTHER INFORMATION

15.1 Share Capital

- (i) None of the share capital of our Company or our subsidiaries are under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.
- (ii) Save for the Pink Form Allocation as disclosed in Section 4.1.1(ii) of this Prospectus,
 - (a) no person including the Directors, employees or business associates of our Group have been or are entitled to be given or have exercised any options to subscribe for any shares of our Company or our subsidiaries; and
 - (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (iii) Save as disclosed in Sections 4.1.1 and 5 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.
- (iv) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.
- (v) Save as disclosed in Section 15.3 of this Prospectus, there is no limitation on the right to own our Shares, including any limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by law or by our Constitution.

15.2 Extracts of Our Constitution

The following provisions are extracted from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable law. Terms defined in our Constitution shall have the same meaning when used here unless they are otherwise defined herein or the context otherwise requires.

(i) Remuneration, voting and borrowing powers of directors

Directors' remuneration

Clause 119 - Directors' remuneration

The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be subject to shareholder approval at a general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

- (d) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 120 – Reimbursement of expenses

- (a) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (b) If by arrangement with the Directors, any Director shall perform or render any special duties or service's outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Clause 156 - Remuneration of chief executive, managing Director or executive Director

The remuneration of the managing Director or equivalent shall subject to the terms of any agreement entered into in any particular case may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

Voting and borrowing powers of our Directors

Clause 96 - Chairman's casting vote

In the case of an equality of votes on a show of hands, the Chairman of the meeting at which the show of hands takes place, shall not be entitled to a second or casting vote but not when a poll is demanded.

Clause 125 - Director's borrowing powers

To the extent that the Act, Listing Requirements and this Constitution allow, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

- (a) The Directors shall cause a proper register to be kept in accordance with Section 60 of the Act of all mortgage and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

- (b) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability. The Directors shall (a) record or cause to be recorded in minutes of the board of directors; and (b) disclose or cause to be disclosed in the directors' report referred to in Section 253, the particulars of any indemnity given to, or insurance effected for, any officer or auditor of the Company.

Clauses 138 and 139 - Votes by majority and Chairman to have casting vote

- (a) A meeting of the Directors, for the time being, at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes.
- (b) In case of equality of votes the Chairman shall have a second / casting vote except where only two (2) Directors are competent to vote on the question at issue, or at the quorum present at the meeting.

Clause 143 – Disclosure of interest

Subject to the Listing Requirements, every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Clause 145 – Restriction on voting

A Director, notwithstanding his interest may be counted in the quorum present at any meeting but shall not participate in any discussion and voting in any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment as hereinafter mentioned are considered or whereat any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act, the Listing Requirement and of this Constitution.

Clause 146 – Power to vote

A Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

(ii) Changes to share capital

Clause 64 – Power to increase capital

The Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

Clause 65 – Offer of new shares

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

Clause 68 – Alterations of capital

The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:-

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or
- (b) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

Clause 69 - Power to reduce capital

The Company may from time to time by special resolution and subject to other applicable requirements:-

- (a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or
- (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

(iii) Transfer of securities

Clause 48 – Transfer of securities

The transfer of any listed securities or class of listed securities of the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of listed securities.

Clause 49 – No restriction on the transfer of fully paid securities

The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee provided that subject to compliance with the Central Depositories Act and the Rules, an instrument of transfer in respect of which the transferee is Depository shall be effective although not signed by or on behalf of the Depository if it has been certified by an authorised depository agent pursuant to Section 18 of the Central Depositories Act.

Clause 50 – Refusal to register

The Depository may refuse to register any transfer of listed securities that does not comply with the Depositories Act and the Rules of the Depository. Subject to the provisions of the Act, the Depositories Act and the Rules of the Depository, no listed securities in any circumstances be transferred or transmitted to any infant, bankrupt or person of unsound mind or any partnership or unincorporated association or body.

(iv) Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

Clause 10 – Allotment of shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the Act, the Listing Requirements, the Central Depositories Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors may allot shares or grant rights to subscribe for or otherwise dispose of the unissued shares in the Company to such persons, at such time and on such terms and conditions, with such preferred or deferred or other special rights, as they think proper, PROVIDED ALWAYS THAT:-

- (a) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;
- (b) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution;
- (c) every issue of shares or options to employees and/or Directors shall be approved by the Members in general meeting and:-
 - (aa) such approval shall specifically detail the number of shares of options to be issued to such employees and/or Directors; and
 - (bb) a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue;
- (d) the amount payable on application on each share offered to the public or offered under a prospectus that is registered under the Capital Markets and Services Act 2007 shall not be less than five (5) per centum of the offer price of the share.

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

- (e) the Company must ensure that all new issues of Securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such Securities save and except where it is specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Depository of the names of the allotted and all such particulars required by the Depositor, to enable the Depository to make the appropriate entries in the Securities Accounts of such allottees;
- (f) the Company must allot and issue Securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities within such periods as may be prescribed by the Exchange.

Clause 11 – Preference shares

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed provided that:-

- (a) the holders of preference shares shall have the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited financial statements and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of reducing the Company's share capital, or on a proposal to wind up the Company, or sanctioning the disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects the rights and privileges attached to the share, or when the dividend or part of the dividend on such shares is in arrears for more than 6 months and during the winding up of the Company;
- (b) the holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up; and
- (c) the Company shall not, without the consent of the existing preference shareholders at a class meeting or pursuant to Clause 22 hereof, issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Clause 24 – Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of seventy-five (75%) per centum of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be two (2) persons at least holding or represented by proxy one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. On a poll, the holders of the shares shall have one (1) vote for every share of the class held by them respectively. To every such special resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply.

Clause 25 – Ranking of class rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regard to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith, the Company purchasing its own shares and the Company redeeming redeemable preference shares.

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

15.3 Deposited Securities and Rights of Depositors

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, arising from, such Shares.

15.4 Exchange Controls

We have not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

15.5 Public Take-Overs

During the last financial year and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Group in respect of other companies' shares.

15.6 Material Contracts

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

- (i) share purchase agreement dated 1 October 2021 entered into between our Company and Trax Capital in relation to the acquisitions of the following companies from Trax Capital for a total purchase consideration of RM90,025,890, which was satisfied via the issuance of 529,564,061 new Shares at an issue price of RM0.17 per Share:
 - (a) Atapttech;
 - (b) Cahaya Gold;
 - (c) CC Low;
 - (d) PG Adventure;
 - (e) PG Angkasa;
 - (f) PG Brickfields;
 - (g) PG Delta;
 - (h) PG E Assets;
 - (i) PG Insan Tiara;
 - (j) PG Kenanga;
 - (k) PG Maju;
 - (l) PG Nilai⁽¹⁾;
 - (m) PG SP;
 - (n) PG Sungai Way;
 - (o) PG Terus Wangsa; and
 - (p) PG Total.

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

The share purchase agreement was completed on 22 December 2021. Please refer to Section 5.4.1 of this Prospects for further details;

- (ii) sale and purchase agreement dated 28 February 2022 entered into between PG Delta (as vendor) and Amirul Riezwan Bin Azlan (as purchaser) in respect of the purchase of one unit of 3-storey shophouse erected on all that leasehold land held under individual title HMP 4004, Lot 61947, Tempat Kampung Mak Lagam, Mukim Banggul, Daerah Kemaman, Negeri Terengganu Darul Iman measuring approximately 147 sqm and bearing postal address as No. 28, Jalan Putra A/2, Taman Bandar Putra, Kampung Mak Lagam, 24000 Kemaman, Terengganu for a cash consideration of RM850,000. This sale and purchase agreement was completed on 1 December 2022;
- (iii) sale and purchase agreement dated 15 August 2022 entered into between PG E Assets and CC Low in relation to the disposal by PG E Assets of a piece of freehold land held under Geran 57095, Lot 21076, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur (together with a 4-storey factory erected thereon) measuring approximately 1,243 square metres in area, to CC Low for a cash consideration of RM6,800,000. This sale and purchase agreement was completed on 19 December 2022. Please refer to Section 5.4.4 of this Prospects for further details;
- (iv) share purchase agreement dated 15 September 2022 entered into between our Company and Dato' Low in relation to the disposal by our Company of 931,049 ordinary shares in CC Low, representing the entire equity interest in CC Low, to Dato' Low for a cash consideration of RM5,604,000. This share purchase agreement was completed on 19 December 2022. Please refer to Section 5.4.4 of this Prospects for further details;
- (v) assignment agreement dated 15 September 2022 entered into between Atapttech and CC Low in relation to the assignment by Atapttech of its intellectual property rights in a motor insurance claims processing software that was used by CC Low to CC Low for a cash consideration of RM97,500. This assignment agreement was completed on 19 December 2022. Please refer to Section 5.4.4 of this Prospects for further details; and
- (vi) the Underwriting Agreement.

15.7 Material Litigation

As at the LPD, we are not engaged in any governmental, legal, claims or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, whether as plaintiff or defendant or as a third party which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

15.8 Consents

- (i) Our Principal Adviser, Sponsor, Underwriter and Placement Agent, Solicitors, Share Registrar and Issuing House, and Company Secretaries have given and have not subsequently withdrawn their written consents before the date of the issue of this Prospectus with the inclusion of their names and all references thereto in the form, manner and context in which they are included in this Prospectus.
- (ii) Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents before the date of the issue of this Prospectus with the inclusion of their names and all references thereto, the Accountants' Report and the Reporting Accountants' Assurance Report on the Compilation of Pro Forma Statements of Financial Position as at 30 April 2023 in the form, manner and context in which they are included in this Prospectus.

15. STATUTORY AND OTHER INFORMATION *(cont'd)*

- (iii) Our IMR has given and has not subsequently withdrawn its written consent before the date of the issue of this Prospectus with the inclusion of its name and all references thereto and the IMR Report in the form, manner and context in which they are included in this Prospectus.

15.9 Documents Available for Inspection

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our material contracts referred to in Section 15.6 of this Prospectus;
- (iii) the IMR Report as included in Section 7 of this Prospectus;
- (iv) the Accountants' Report as included in Section 13 of this Prospectus;
- (v) the audited financial statements of our Company for the financial period from 3 September 2021 (date of incorporation) to 31 December 2022 and FPE 2023;
- (vi) the audited financial statements of our subsidiaries for the FYE 2019, FYE 2020, FYE 2021, FYE 2022 and FPE 2023;
- (vii) the Reporting Accountants' Assurance Report on the Compilation of Pro Forma Statements of Financial Position as at 30 April 2023 as included in Section 14 of this Prospectus; and
- (viii) the letters of consent referred to in Section 15.8 of this Prospectus.

15.10 Responsibility Statements

This Prospectus has been seen and approved by our Directors, Promoters and Offeror and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Mercury Securities, being our Principal Adviser, Sponsor, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 Opening and Closing of Application Period

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 29 AUGUST 2023

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 12 SEPTEMBER 2023

Applications for our IPO Shares will open and close at the times and dates stated above.

In the event there is any change to the dates or time stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia. The dates for the ballot of the applications for our IPO Shares, the allotment of our IPO Shares and our Listing would then be extended accordingly.

Late Applications will not be accepted.

16.2 Methods of Applications

Applications must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed.

16.2.1 Application for our IPO Shares by the Malaysian Public and the Eligible Persons

No.	Type of Application and category of investors	Application method
(i)	Applications by Malaysian Public:	
	(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
	(b) Non-Individuals	White Application Form only
(ii)	Applications by Eligible Persons	Pink Application Form only

16.2.2 Application by selected investors via placement

No.	Type of Application	Application method
(i)	Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
(ii)	Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

16.3 Eligibility

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the authorised depository agents (“**ADA**”) set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfil all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of our Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocations as well as detailed procedures on how to subscribe to the allocated IPO Shares. The Eligible Persons must follow the notes and instructions on the said documents and where relevant, in this Prospectus.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

16.4 Procedures for Application by Way of Application Forms

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.24 for each IPO Share.

Payment must be made out in favour of “**TIIH SHARE ISSUE ACCOUNT NO. 746**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan,

so as to arrive not later than 5.00 p.m. on 12 September 2023 or by such other time and date specified in any change to the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to our Issuing House.

16.5 Procedures for Application by Way of Electronic Share Applications

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

16.6 Procedures for Application by Way of Internet Share Applications

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16.7 Authority of Our Board and Our Issuing House

Our Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 Over/Under Subscription

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO Shares and the balloting results in connection therewith will be furnished by our Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website <https://tiih.online> within 1 Market Day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Sections 4.1.1 (i) and 4.1.1 (ii) of this Prospectus, any of the abovementioned IPO Shares not applied for will then be made available to selected investors and/or subscribed by our Underwriter based on the terms of the Underwriting Agreement.

16.9 Unsuccessful/Partially Successful Applicants

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purpose of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

16.10 Successful Applicants

If you are successful in your application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 Enquiries

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603 2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of our IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at <https://tiih.online>, within 1 Market Day after the balloting date.

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.