

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 CMSA 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 CMSA 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 Fadzlullaily 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 Fadzlullaily 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 Qualification : Malaysian Institute of Accountants
(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 CMA 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:

Specified shareholder	Year 1		Year 2		Year 3			
	First 6-Month Moratorium	Second 6-Month Moratorium	Moratorium	Moratorium	Moratorium	Moratorium		
	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.

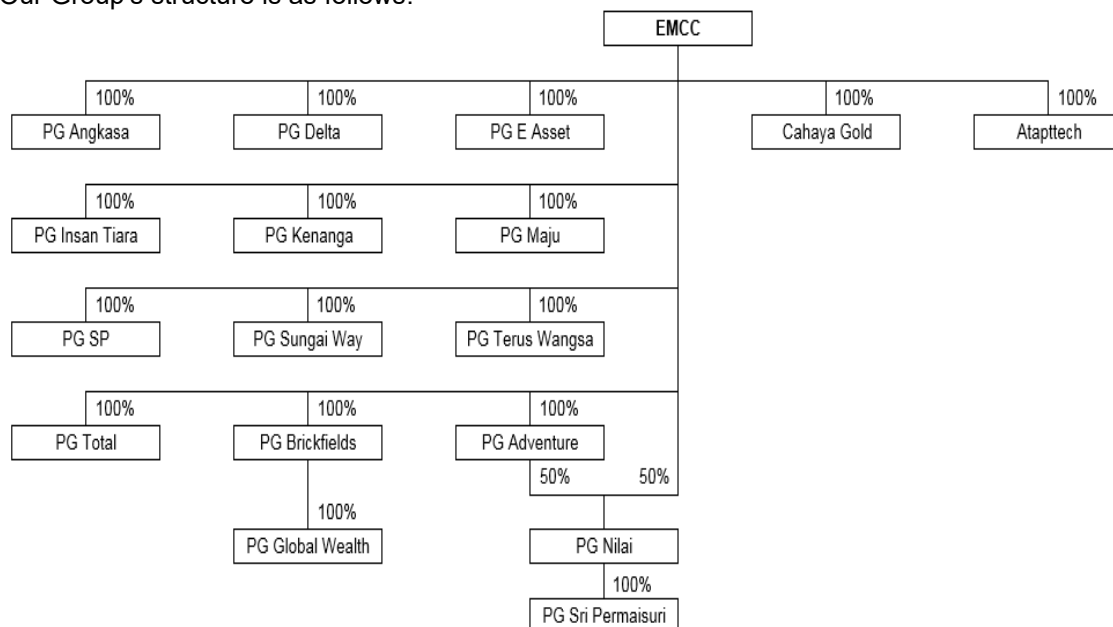
Further details of our IPO and the moratorium period imposed on our Specified Shareholder are set out in Sections 4.1 and 2.2 of this Prospectus.

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		
Promoter									
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	-	-	-	-	-	-	-	-
Substantial shareholder									
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:

<u>Eligible Person</u>	<u>Note</u>	<u>No. of persons</u>	<u>Aggregate no. of Issue Shares allocated</u>
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:

	<u>Formula</u>	<u>RM</u>
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:

<u>Name</u>	<u>Date of investment</u>	<u>No. of Shares acquired (after adjusting for the Bonus Issue)</u>	<u>Total consideration</u> RM	<u>Average cost per Share</u> 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 Gadai' 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	Outstanding amount as at the LPD
				RM'000	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 Securitias, 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:

	<u>No. of Shares</u>	<u>Amount</u>
		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.

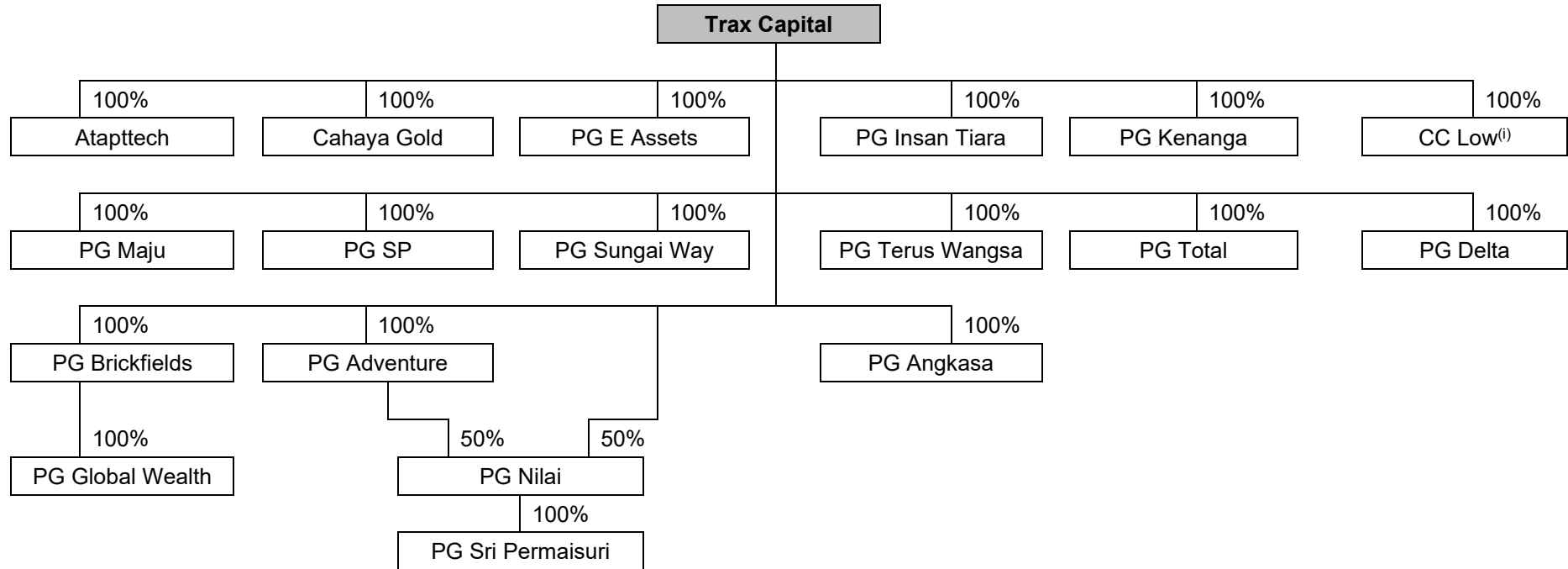
The Disposals were completed on 19 December 2022.

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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:

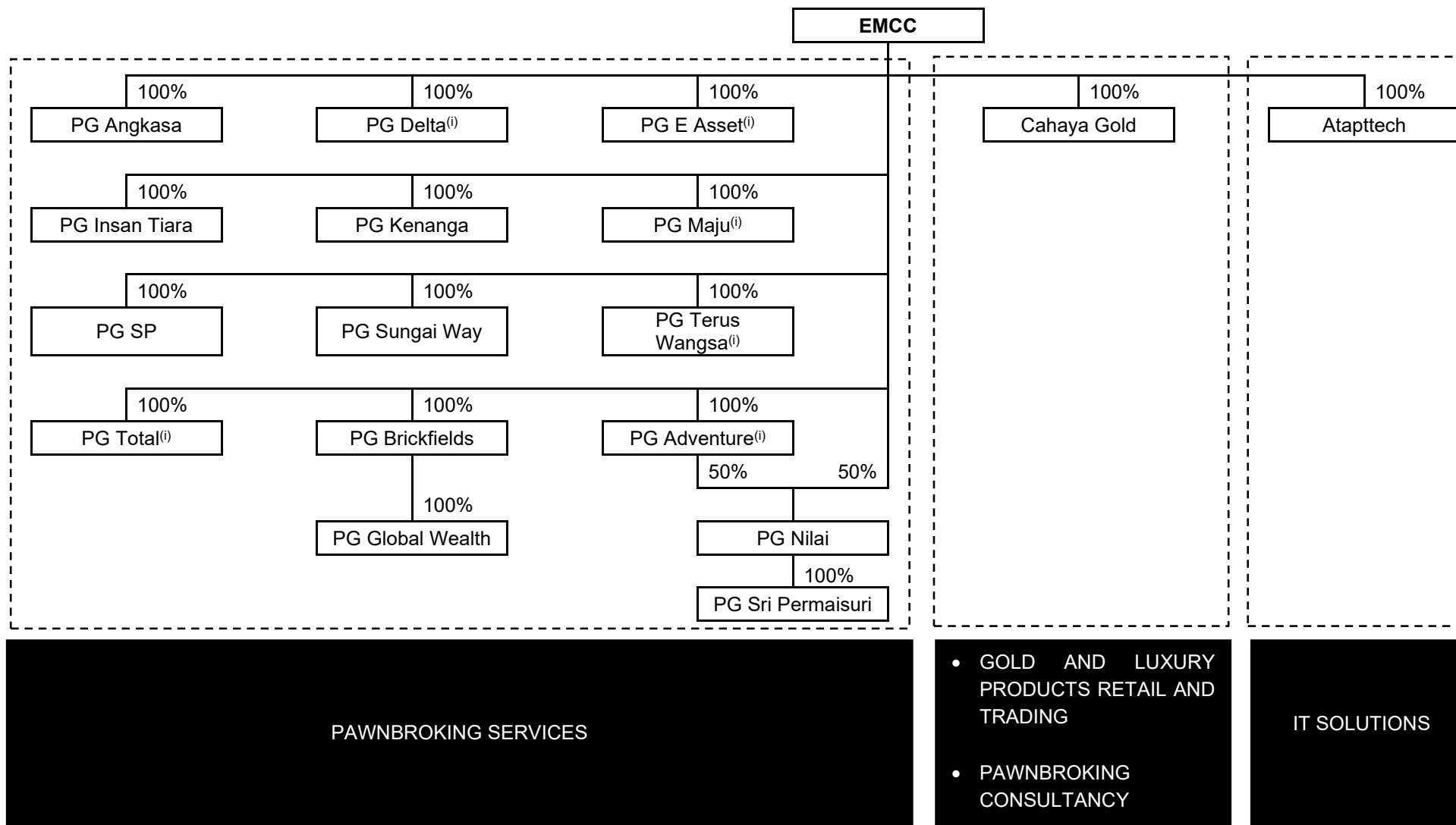


Note:

- (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 Gadaai’ 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:

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

<u>Name/ Registration no.</u>	<u>Date/ Place of incorporation</u>	<u>Principal place of business</u>	<u>Issued share capital</u>	<u>Effective equity interest</u>	<u>Principal activities</u>
			RM		
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 RM	Effective equity interest	Principal activities
<u>Held through PG Nilai</u>					
PG Sri Permaisuri (201401023826 (1099912 - D))	2 Jul 2014/ Malaysia	Malaysia	5,045,984	100%	Pawnbroking and related businesses

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:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Consideration/ Nature of transaction</u>	<u>Cumulative issued share capital</u>	
			<u>No. of shares</u>	<u>RM</u>
<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.

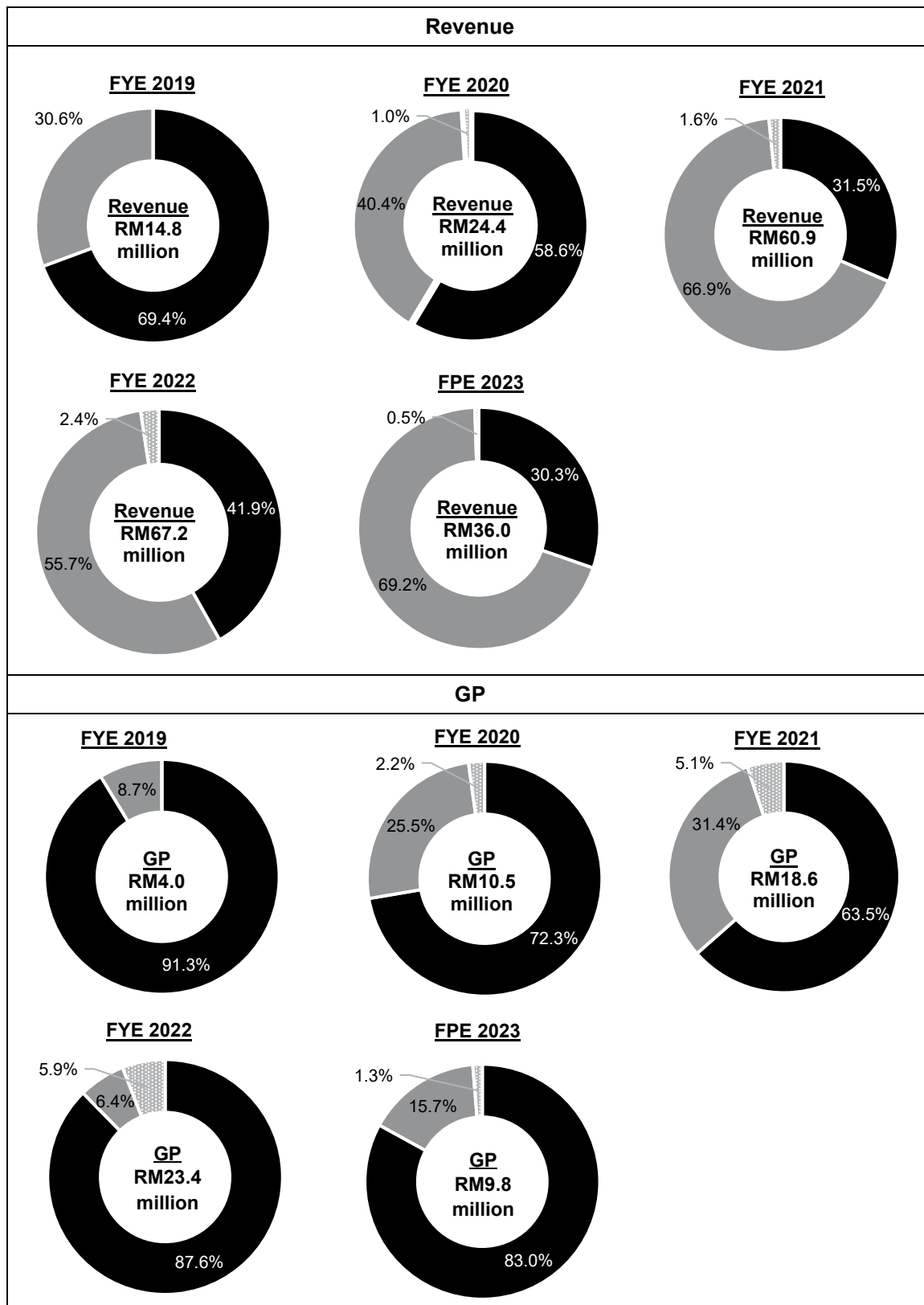
In addition, we are also involved in the business of retail and trading of gold and luxury products as well as provision of pawnbroking consultancy services and IT solutions to third-party pawnbrokers.

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.

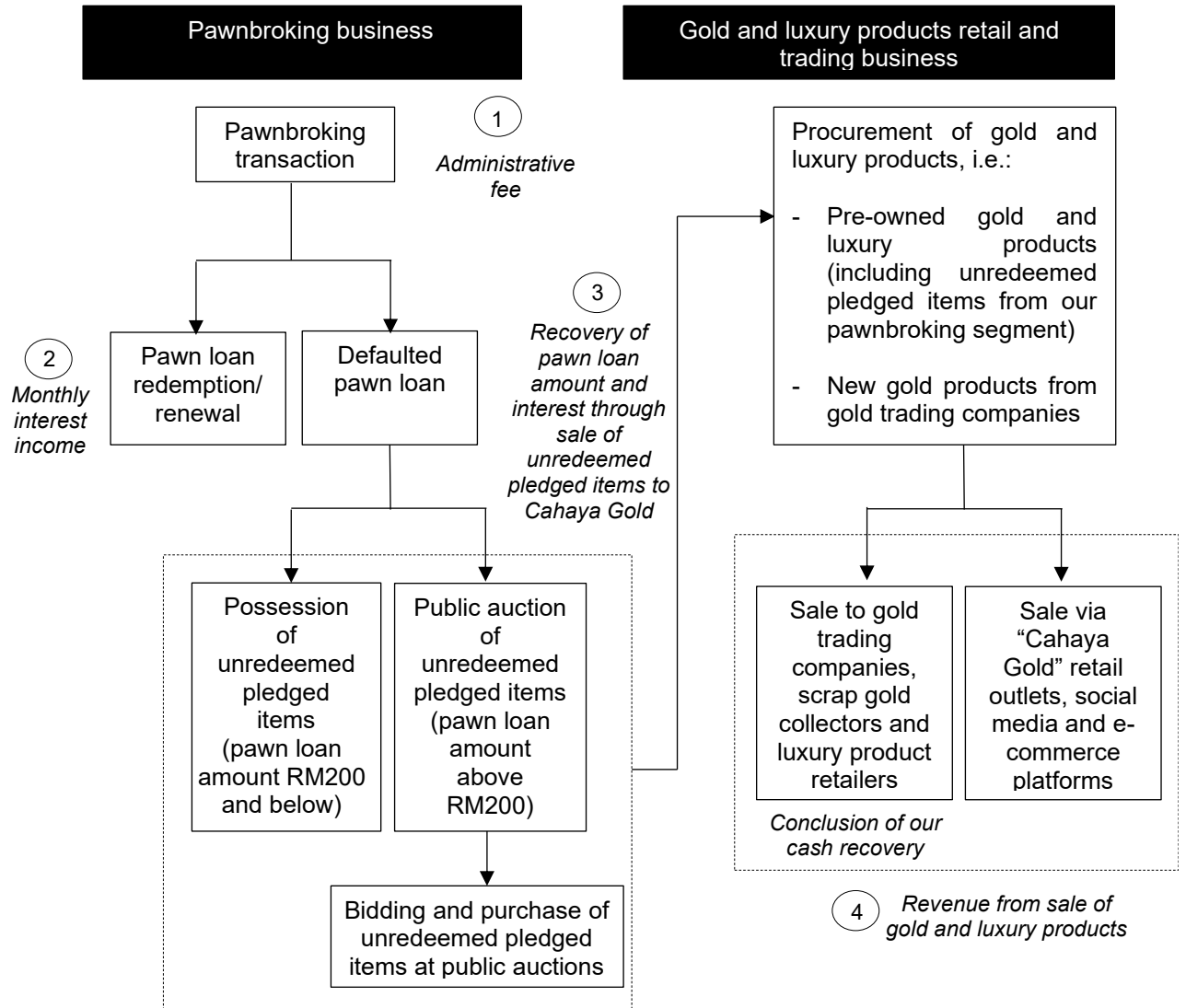
Pre-owned gold products that are in good condition will be sold at our “Cahaya Gold” retail outlets, as well as through Cahaya Gold’s website and via social media and e-commerce platforms. Meanwhile, pre-owned gold products that are not in good condition will be sold by Cahaya Gold to gold trading companies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

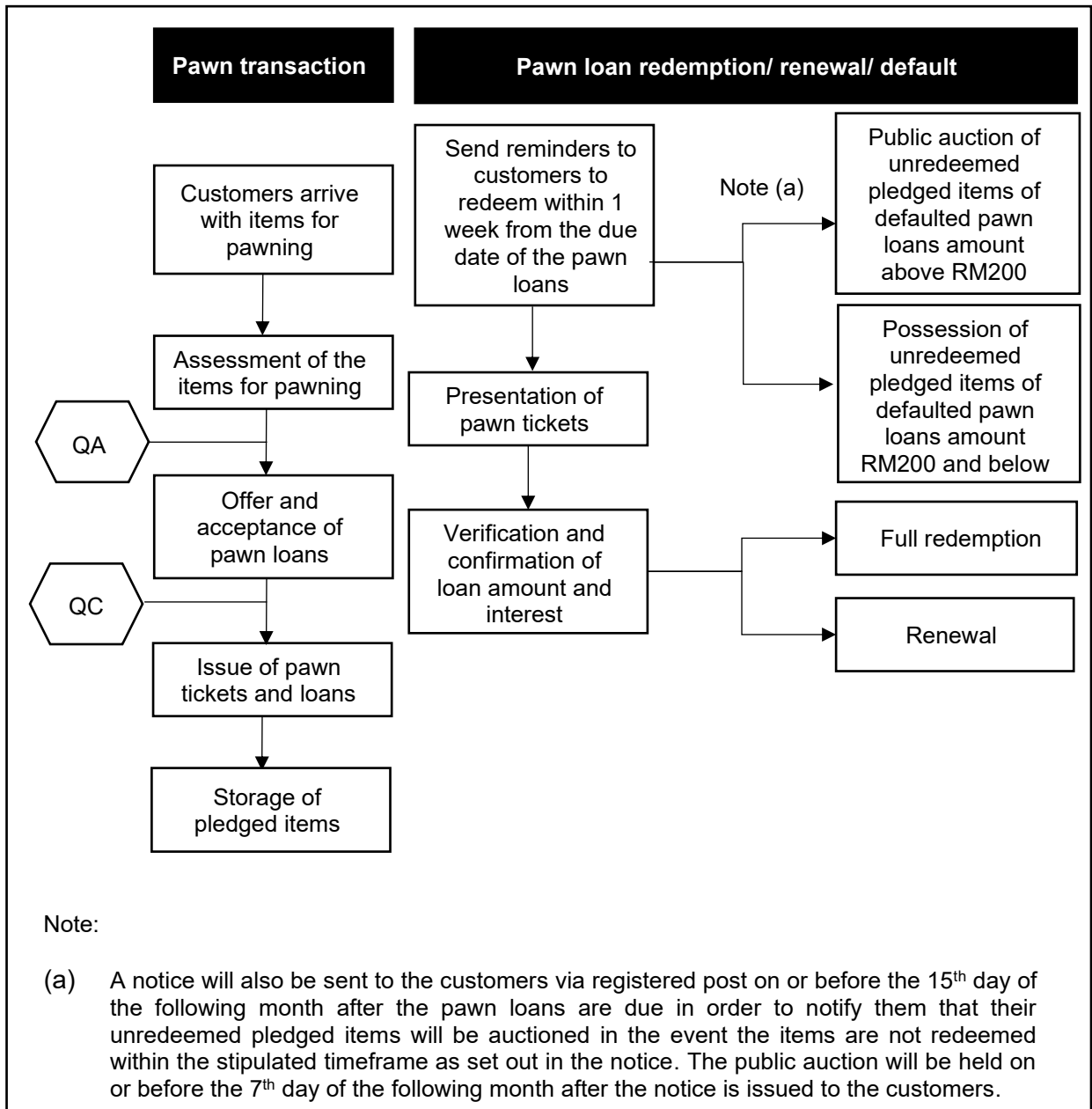
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6. BUSINESS OVERVIEW (cont'd)

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

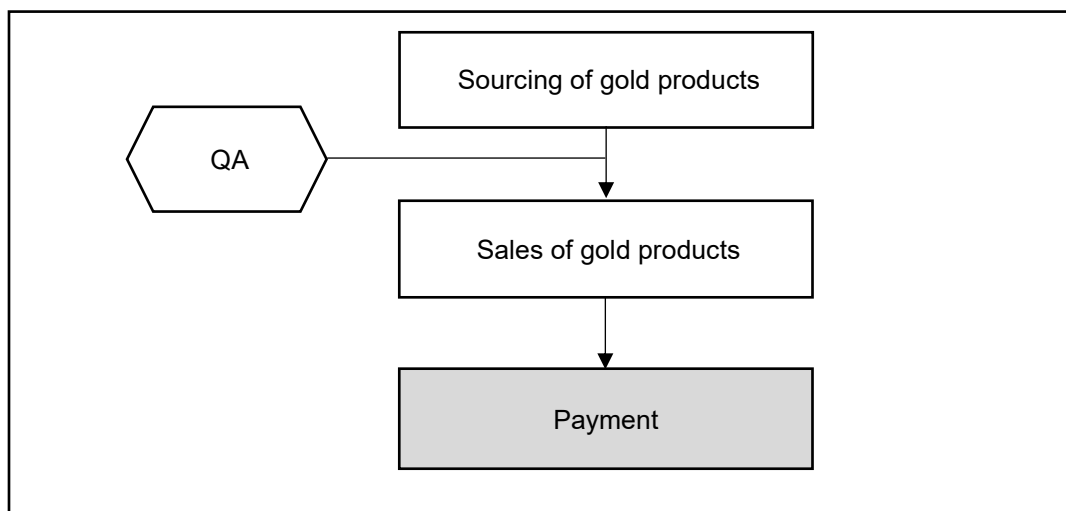
We sell pre-owned gold products that are in good condition as well as new gold products to end customers at our "Cahaya Gold" retail outlets, as well as through gold trading companies and scrap gold collectors. Pre-owned gold products are sold at a mark-up over the prevailing market price of gold whilst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

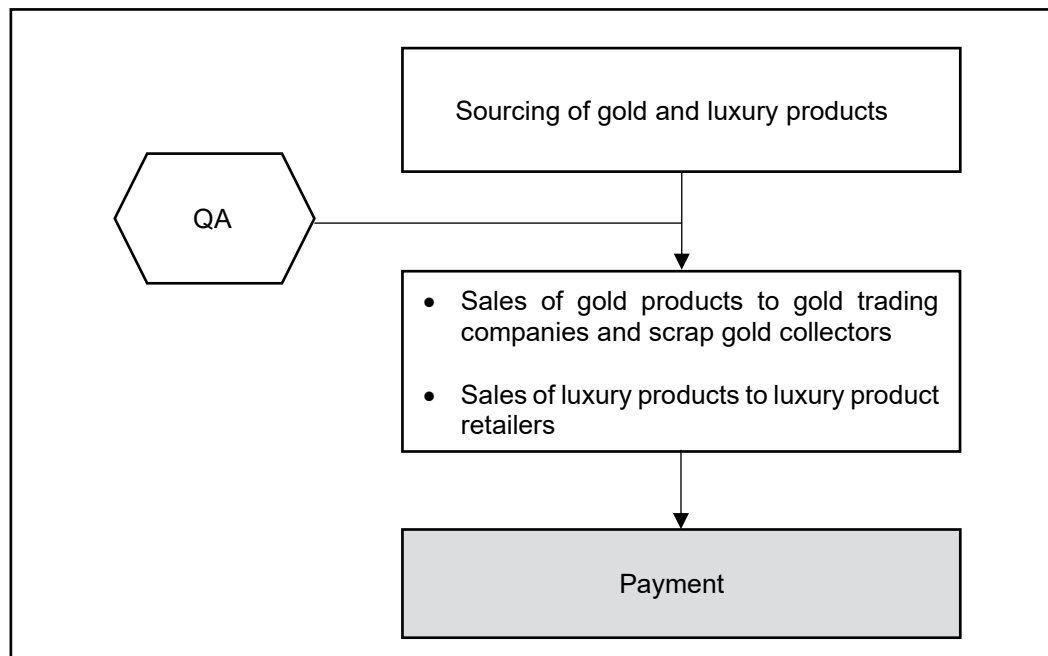
(c) Payment

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	<p>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:</p>

(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



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:

(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.